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Corporate Directors

To: CABINET - 21 March 2016

Subject:

- (1) REVENUE AND CAPITAL BUDGET MONITORING FOR 2015-16 - QUARTER 3
- (2) KEY ACTIVITY MONITORING FOR 2015-16 - QUARTER 3
- (3) FINANCIAL HEALTH INDICATORS 2015-16 - QUARTER 3
- (4) PRUDENTIAL INDICATORS 2015-16 - QUARTER 3
- (5) IMPACT ON REVENUE RESERVES
- (6) DIRECTORATE STAFFING LEVELS 2015-16 - QUARTER 3

Classification: **Unrestricted**

1. SUMMARY

- 1.1 This report provides the budget monitoring position for December 2015-16 for both revenue and capital budgets, including an update on key activity data.
- 1.2 The format of this report is:
 - An executive summary which provides a high level financial summary and highlights only the most significant issues
 - Appendix 1 provides a summary of the proposed capital programme cash limit changes
 - There are seven annexes to this executive summary report, as detailed below:
 - **Annex 1** **Education & Young People's Services**
 - **Annex 2** **Social Care, Health & Wellbeing** - Specialist Children's Services
 - **Annex 3** **Social Care, Health & Wellbeing** - Adults
 - **Annex 4** **Social Care, Health & Wellbeing** - Public Health
 - **Annex 5** **Growth, Environment & Transport**
 - **Annex 6** **Strategic & Corporate Services**
 - **Annex 7** **Financing Items**

- 1.3 Other items likely to be of particular interest to Members are the impact of the current financial and activity monitoring position on our revenue reserves, as detailed in section 6, and the directorate staffing levels as at the end of December 2015 compared to 31 March 2015, 30 June 2015 and 30 September 2015, which are provided in section 7.

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 3.

3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 The net projected variance against the combined directorate revenue budgets is an underspend of -£2.040m. However, there is some minor re-phasing of budgets which we will need to roll forward to 2016-17 to fulfil our legal obligations, detailed in section 3.7, therefore this changes the position to an underspend of -£1.726m as shown in the headline table below. There is also some significant underspending within the forecast, detailed in section 3.8, which we would ideally like to roll forward in order to continue with these initiatives in 2016-17. If we allow for this, then this changes the position to a small **underlying underspend of -£0.141m**. This shows that the Authority as a whole is currently forecasting an underspend just sufficient to allow for all of these roll forwards, but these roll forwards will only be possible if the position does not deteriorate before year end. The annexes to this report provide the detail of the overall forecast position which is summarised in table 1 below.
- 3.2 Once again the position has improved significantly this month, by -£1.5m after allowing for assumed management action and roll forward requirements, which is extremely good news. All proposed management action has now been implemented and is included within these forecasts. However, as we are forecasting only a marginal underspend after roll forward requirements, we are not out of danger yet. We therefore must not be complacent in light of this latest improvement in the forecast, and need to continue to limit spend wherever possible as, with the budget savings already required over the medium term, we must avoid going into 2016-17 with any overspend.
- 3.3 This report does not attempt to explain movements month on month, but explains why we have a forecast variance. However, we will report the headline movement, which for this month is a £1.501m reduction in the forecast position (excluding schools), as shown in table 1 below. This is mainly due to:

E&YP (excluding schools) - the position has deteriorated by +£0.392m since the last report, which almost entirely relates to Home to School Transport, predominately the Kent 16+ Travel Card, where the previous forecast reduction in estimated journey costs was overstated. There are a number of small offsetting movements across a range of other budgets. There are also a number of movements in the forecasts against the DSG funded budgets totalling -£0.26m, but in accordance with regulations these will be matched by an overall increase in the transfer to the central DSG reserve of £0.26m as we cannot use this underspending to offset pressures elsewhere within the directorate budget. The management action has now all been delivered by maximising the use of DSG within Assessment & Support of Children with SEN and Early Years & Childcare.

E&YP (schools delegated budgets) - the position has improved by £1.635m since the last report which reflects a reduction in the expected drawdown of reserves of the remaining Kent schools based on their nine month monitoring returns.

SCH&W (SCS - Asylum) - a small reduction in the Asylum costs of £0.016m following a further slow down in migrant activity since the last report, with 40 referrals in December and 35 in January, whereas the previous forecast assumed 50 referrals for each of these two months. The forecast continues to assume 50 referrals per month for the remainder of the financial year.

SCH&W (SCS) - Within the other Specialist Children's Services (excluding Asylum), the position has improved by £0.993m. This is mainly within Adoption & other permanent care arrangements service (-£0.4m) due to inter-agency placements where more adoption arrangements are being made on behalf of other local authorities (OLAs), than are being carried out by OLAs on behalf of KCC resulting in a net financial benefit to KCC. In addition, within Social Care staffing, there is further recharging of costs to the Asylum service and a reduction in non staffing costs in non disability teams (-£0.2m). There are lower than expected costs for Care Leavers (-£0.2m), Safeguarding (-£0.1m) and Family Support (-£0.1m). The pressure on residential care has increased by a further £0.2m but this is offset by a reduced forecast for fostering (-£0.2m), which largely reflects an increase in the use of residential care as a result of a lack of suitable independent foster placements.

SCH&W (Adults) - the overall Adult Social Care position has deteriorated by £0.4m, which predominately relates to the management action within the older people & physical disability services now being reflected against the individual A-Z service lines where it is expected to be delivered, rather than a bottom line adjustment, however these savings are no longer forecast to be at the £1.1m level previously anticipated.

GE&T - the underspend has increased by £0.475m this month. The main movements are an increased underspend within Libraries, Registration & Archives of £0.259m predominately relating to additional registration income and an underspend against the allocation to deliver transformation projects and savings due to the delay in the proposed transfer to Trust status. The pressure on the Highways maintenance budgets has reduced by £0.243m but £0.123m will be requested to roll forward relating to streetlight maintenance, where works have been delayed due to resource issues with our external provider. The waste forecast has deteriorated by £0.206m and there are a number of smaller movements across a range of budgets totalling -£0.179m including small improvements in the position of the Public Protection, Transport, Environment, Sports Development and Strategic Management & Directorate Support budgets.

S&CS - the underspend has increased by £0.783m this month, which is mainly due to further forecast underspending against the Member Grant Scheme of -£0.380m; an increase in the underspending against the Property budgets of -£0.190m reflecting lower than anticipated costs of repairs to non operational buildings following completion of condition surveys, and improvements in the positions of the Business Services Centre of -£0.122m, HR of -£0.106m. There are a number of smaller offsetting movements across the other units.

3.4 HEADLINE POSITION (EXCL SCHOOLS) (£'000)

	Cash Limit	Variance Before Mgmt Action	Management Action - already in place	Net Variance after Mgmt Action	Last Report	Movement
Directorate Totals	+931,015	-2,040	-	-2,040	-539	-1,501
Adjustments: - Legally committed roll fwd (see section 3.7 for detail)		+314	-	+314	+308	+6
Underlying position (incl. legally committed roll fwd requirements only)	+931,015	-1,726	-	-1,726	-231	-1,495
- Roll fwd / re-phasing required to continue / complete existing initiatives (see section 3.8 for detail)		+1,585	-	+1,585	+1,267	+318
Underlying position (incl. ALL roll fwd requirements)	+931,015	-141	-	-141	+1,036	-1,177

3.5 Table 1 Directorate position - net revenue position **before and after** management action together with comparison to the last report

Annex	Directorate	Budget	Net Variance (before mgmt action)	Management Action already in place	Net Variance (after mgmt action)	Last Report	Movement
		£'000	£'000	£'000	£'000	£'000	£'000
1	Education & Young People's Services	72,083.8	-289	-	-289	-681	+392
2	Social Care, Health & Wellbeing - Specialist Children's Services	133,084.8	-684	-	-684	+309	-993
	Social Care, Health & Wellbeing - Asylum	280.0	+2,029	-	+2,029	+2,045	-16
	<i>Sub Total SCH&W - Specialist Children's Services</i>	<i>133,364.8</i>	<i>+1,345</i>	<i>-</i>	<i>+1,345</i>	<i>+2,354</i>	<i>-1,009</i>
3	Social Care, Health & Wellbeing - Adults	350,459.3	+5,261	-	+5,261	+4,887	+374
4	Social Care, Health & Wellbeing - Public Health	-193.2	-	-	-	-	-
5	Growth, Environment & Transport	173,493.0	-1,594	-	-1,594	-1,119	-475
6	Strategic & Corporate Services	71,952.2	-2,354	-	-2,354	-1,571	-783
7	Financing Items	129,855.0	-4,409	-	-4,409	-4,409	-
	TOTAL (excl Schools)	931,014.9	-2,040	-	-2,040	-539	-1,501
1	<i>Schools (E&YP Directorate)</i>	<i>-</i>	<i>+14,066</i>	<i>-</i>	<i>+14,066</i>	<i>+15,701</i>	<i>-1,635</i>
	TOTAL	931,014.9	+12,026	-	+12,026	+15,162	-3,136

3.6 The **Revenue** Budget Monitoring headlines are as follows:

- a) We have suffered in year government funding cuts in relation to Public Health grant of £4.033m and Youth Justice Board grant of £0.139m. See section 3.10 below for further details.
- b) The position included in this report for Asylum is a pressure of £2.029m, and this reflects the latest grant offer from the Home Office of the new weekly rates of £200 for age 18 and over (from £150), £700 for 16 and 17 year olds (from £637) and £1,050 for under 16's (from £798). A condition of this grant offer is that it is subject to a Home Office audit of our costs. The position also reflects the impact of migrant activity up to the end of December and assumes 50 new referrals per month for the remainder of the financial year. Provisional figures show that there were 35 referrals in January and 17 for the first 16 days of February, so we remain on track against this forecast. Also included within the forecast is the fit out costs for a new temporary reception centre. National dispersal of some young people to other local authorities is helping to mitigate the pressure on this service. However, it is likely that the recent increased migrant activity levels will produce an additional pressure on our Asylum budget in future years as more Asylum young people reach age 18, because our costs have consistently exceeded the grant receivable for this age group.
- c) There is now a small forecast underspend on Specialist Children's Services (exc. Asylum). The net position of -£0.684m includes an underspend of -£0.157m relating to the re-phasing of Kent Safeguarding Children Board costs into 2016-17 which is required to roll forward in order to meet our obligation to the board under the terms of the multi agency agreement. The underlying £0.527m underspend mainly relates to underspending on adoption, partly due to fewer children requiring this permanent care arrangement, fostering, safeguarding and strategic management & directorate support budgets. These underspends are partially offset by pressures on children's social care staffing, as a result of increased costs of agency social workers due to the ongoing difficulties in recruiting to posts and the establishment of additional Adolescent Support Team posts targeted at increasing the proportion of young people re-united with their families within the early weeks of care, together with pressures on Residential Care, which result from a lack of suitable independent foster care placements and small pressures on Care Leavers and Family Support Services. The position assumes that the transformation savings will be delivered in line with the savings profiles agreed with our transformation partner.
- d) The pressure of £5.261m within Social Care, Health & Wellbeing - Adults is largely the net effect of a continuation of increased activity experienced in the final quarter of 2014-15 on residential and homecare services for older people and physically disabled clients, together with significant pressures on residential care for mental health clients, the supported living service for learning disabled and physically disabled clients, day care for learning disability clients and support for carers. In addition, revised phasing of the anticipated delivery of phase 2 transformation savings is adding to this pressure in the current year, although progress against these phase 2 savings plans in 2015-16 to date is better than we anticipated earlier in the year. These pressures are partially offset by further delivery of phase 1 transformation savings, increased non residential charging income as a result of the pressures on domiciliary care, supported living and day care, staff vacancy savings, underspending on direct payments for older people and learning disability clients, learning disability residential care and the use of so-far uncommitted funding held within Other Adult Services and Adult Social Care Staffing, including the release of £4.2m of Care Act funding following the Government announcement to delay implementation of phase 2 Care Act reforms and some of the funding provided in the budget for social care prices following completion of the prices review (see Annex 3 for further information).

- e) As reported last month, a high profile social care provider has recently failed their Care Quality Commission inspection and are in the process of going into liquidation. This may result in additional costs against the adult social care budget as we need to find alternative placements for clients who are currently with this provider. However, these clients can remain in their existing placements until 31 March, so any impact of this will be in the new financial year.
- f) Within Education & Young People's Services, the pressure on the SEN Home to School Transport budget has increased to a forecast overspend of £2.159m but this is partially offset by a continuation from last year of the reduced demand for mainstream home to school transport (-£0.742m) and an underspend on the Kent 16+ Travel Card mainly due to a reduction in estimated journey costs and increased income from sale of passes (-£0.270m). In addition, the Directorate is showing a net pressure in relation to costs associated with the new Early Help Module; refurbishment costs for Youth Centres and costs of cabling and wireless routers in Children's Centres; a staffing pressure with the Youth Offending Service partly due to staffing levels not reducing in line with reductions in income streams; shortfalls against income targets for nursery provision, early years training and school improvement, together with a pressure on the Community Learning & Skills service due to costs associated with service redesign and a reduction in contract/grant income. These pressures are partially offset by lower than budgeted annual pension capitalisation costs; an underspend across the area and district Early Help & Preventative Services teams due to vacancies and staff appointed below the budget assumption of mid point of grade; advisor vacancies within School Improvement; increased income from non statutory psychology traded services; savings on commissioned services and legal fees, and delivery of management action relating to the Intervention Fund and maximising the use of DSG within Assessment & Support of Children with SEN and Early Years & Childcare. In addition, significant underspending is forecast relating to the Kent Employment Programme and the Troubled Families Programme but, if possible, roll forward is required to continue these schemes in 2016-17. As a result, the directorate as a whole is forecasting a net underspend excluding schools of £0.289m. However, in order to fund the roll forward requirements, an underspend of £1.367m is required, so the directorate is investigating options to cover the shortfall of £1.078m in order to achieve this position, particularly from maximising trading income from schools and academies through aggressive marketing campaigns as well as reviewing all discretionary non staffing expenditure.
- g) A net pressure on the high needs education budgets (+£2.378m) and other schools related pressures (+£2.958m) will be met by a drawdown from the schools unallocated DSG reserve. School reserves are also forecast to reduce by £1.309m as a result of an expected 12 schools converting to academies, and by £7.421m for the remaining Kent schools based on their 9 month monitoring returns. Overall the school reserves are therefore currently forecast to reduce by £14.066m to £39.943m.

- h) The Growth, Environment and Transport Directorate is forecasting an underspend of £1.594m. Within this position are some larger offsetting variances, the most significant are a pressure on Concessionary Fares of +£0.526m due to increased usage, a pressure on the highways maintenance budgets of +£1.197m, mainly due to pothole and drainage works following an extension to the find and fix campaign (+£1.462m) and streetlight maintenance (+£0.101m) offset by underspending on adverse weather (-£0.494m) and a net pressure on the waste management budgets of +£0.186m (see item (i) below for further details). These pressures are more than offset by underspending on the highways management budgets of -£1.310m mainly due to a rebate following a reconciliation of winter 2014-15 and summer 2015-16 usage of streetlight energy and a lower than budgeted electricity price increase for 2015-16 (-£0.570m), together with an underspend on traffic management largely relating to increased income from the Kent Permit Scheme and streetworks (-£0.360m); an underspend on the Young Person's Travel Pass of -£0.737m due to fewer than budgeted passes in circulation; additional registration income mainly from ceremonies of -£0.422m; underspending within Libraries, Registration & Archives of -£0.227m partly due to an underspend against the budget allocation to deliver transformation projects due to a delay in the transfer of libraries to trust status, and underspends within the strategic management & directorate support budgets of -£0.512m mainly as a result of an underspending on staffing and early retirement costs; together with a number of smaller variances across the other service units.
- i) The high waste volumes experienced during 2014-15 have continued into the first nine months of 2015-16 with a forecast overspend of £2.142m currently reported. This is largely offset by savings on management fees at waste facilities sites, in-vessel composting, higher than anticipated income from recyclables, lower cost of waste to energy disposal, contract savings at Household Waste Recycling Centres and transfer stations, savings from a new haulage contract and a re-phasing of works at closed landfill sites into 2016-17, giving an overall net pressure on the waste budgets of +£0.186m. The tonnage for the first nine months of 2015-16 was 11,000 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £2.142m assumes tonnage will be 708,600 tonnes for the full year, 18,100 tonnes above the budgeted level of 690,500 tonnes. This forecast appears high when comparing to year to date tonnage, but it assumes that the profile of waste volumes for the remainder of the year will be higher than that experienced this time last year, as a result of Easter falling in March 2016. Waste tonnage for the first nine months of the year is 1.5% below waste tonnage for the same period last year.
- j) The forecast underspend for Public Health has increased by £0.069m to £0.767m which will be transferred to the Public Health reserve in line with government guidelines, for use in future years. This position is after the cash limits have been reduced to reflect the £4.033m in year government funding cut as a result of the Government's austerity measures. Please see section 3.10 (i) for further details.
- k) Within Strategic & Corporate Services an underspend of £2.354m is now reported with pressures within the Contact Centre, Gateways & Customer Relationship and ICT being more than offset by underspending mainly within Property & Infrastructure, Communications & Consultation, Business Services Centre, Finance & Procurement, Business Strategy and Human Resources. In addition an underspend is forecast against the budget for Member Community Grants based on the level of projects anticipated to be approved before the end of the financial year.

- l) Within Financing Items, increased interest on cash balances; a forecast increase in Education Services Grant as fewer schools are anticipated to convert to academy status this financial year than assumed at the time the budget was set; higher than expected Business Rate compensation grant for the impact of measures introduced by the Government in the 2012, 2013 and 2014 Autumn Statements; a retained levy as a result of being in a business rate pool with 10 of the Kent District Councils and an underspend against the external audit fee all contribute to a forecast underspend of £4.409m. The accounting treatment for the retained levy has only been agreed this financial year, hence why this was not factored into the 2015-16 budget build, but it has been reflected in the recently approved 2016-17 budget. The final figure for the retained levy will not be known until the final stages of closing the 2015-16 accounts, so this forecast position could change.
- m) The centrally held procurement and commissioning saving has transferred in year from Finance & Procurement, within Strategic & Corporate Services (annex 6) to Financing Items (annex 7). The detailed action plan from our project partner (KPMG) on how this will be delivered has been finalised. This contains a number of proposals for delivering these savings in future years, but for the current year the recommendation is that this be delivered from tactical savings across the authority. The impact of these savings is also currently being reported within Financing Items.
- n) Many of the pressures and savings highlighted in the headlines above have implications for the 2016-19 MTFP, as they are expected to be ongoing. The recently approved 2016-17 budget, includes an element of budget re-basing for these pressures and savings.
- o) On 14 January 2016 the Council received a dividend of £2.9m from Landsbanki bringing our total recoveries to date to £51.3m of the monies invested in Icelandic accounts, and we anticipate the final settlement will be £51.6m. This compares to an original risk of £50.5m invested in these deposits.

3.7 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 4 shows that within the current forecast revenue position there is a requirement to roll forward £0.314m to 2016-17, relating to initiatives where we have a legal obligation to provide the funding. This relates to:

▪ re-phasing of Kent Youth Employment programme in to 2016-17 (see annex 1)	+90 k
▪ re-phasing of Kent Children's Safeguarding Board in to 2016-17. This represents KCC's share of the underspend of the KCSB. Under the terms of the multi-agency agreement, KCC has an obligation to provide this funding to the Board. The underspending relating to partners contributions is held in a Fund (see annex 2)	+157 k
▪ re-phasing of Kent & Medway Safeguarding Vulnerable Adults Committee in to 2016-17. This represents KCC's share of the underspend of the Committee. Under the terms of the multi-agency agreement, KCC has an obligation to provide this funding to the Committee. The underspending relating to partners contributions is held in a Fund (see annex 3)	+67 k
	+314 k

These roll forward requirements are included as we have a legal obligation and therefore legally we have no choice.

3.8 Details of Roll Forward/Re-phasing required to complete existing initiatives, if the outturn position allows:

In addition to the roll forward requirements that we are legally obliged to provide for, which are detailed above, there is some significant underspending within the forecast which we would ideally like to roll forward in order to continue with these initiatives in 2016-17. The Authority as a whole would need to achieve an underspending position at year end of at least -£1.899m in order to fund all of these (£1.585m as detailed below and +£0.314m per section 3.7 above). We are currently forecasting an underspend of -£2.040m, so we have a small surplus of £0.141m as highlighted in the headline table on page 4. Our forecast underspend must remain at least equal to the value of the roll forward requirements in order for roll forward for these initiatives to be considered. These initiatives are:

▪ Kent Youth Employment programme (see annex 1)	+683 k
▪ Tackling Troubled Families (see annex 1)	+594 k
▪ Re-phasing of Deprivation of Liberty Safeguard assessments funded by one-off grant (see annex 3)	+130 k
▪ Highways Maintenance - re-phasing of streetlight maintenance (see annex 5)	+123 k
▪ Emergency Response & Resilience (incl Flood Risk Management) - Sustainable Urban Drainage Scheme works (see annex 5)	+55 k
	<hr/>
	+1,585 k

In line with usual practice, **all** roll forward proposals will be subject to Cabinet approval in the summer, in view of the overall outturn position and the pressures facing the authority over the medium term.

3.9 Revenue budget virements/changes to budgets

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:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the budget was set to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates/divisions.

The Public Health cash limits have been adjusted, as approved by Cabinet in November, to reflect the in year government grant reduction referred to in section 3.10 below.

3.10 In year cuts to Government funding levels

Making an early start on tackling the public finances in this Parliament, the Chancellor announced in the Queen's Speech in early June that the in-year budget review process was completed and provided details of the savings by Government Department. Some of these cuts have had a direct impact on our finances in the current year and, potentially, future years. Details announced include:

i) **Public Health**

- As reported to Cabinet on 6 July in the first monitoring report for 2015-16, the Government announced that £200m of in year savings from the Department of Health are to come from public health budgets devolved to local authorities. National consultation setting out possible options on reducing Local Authority (LA) public health allocations ran from 31 July to 28 August. The options included:
 - (1) take a larger share from LAs that are significantly above their target allocation;
 - (2) take a larger share of the savings from LAs that carried forward unspent PH reserves into 2015-16;
 - (3) apply a flat rate percentage reduction to all LAs allocations;
 - (4) apply a standard percentage reduction to every LA unless an authority can show that this would result in particular hardship.The Department of Health's stated preferred option was to apply a 6.2% reduction across the board (option 3 above), which for Kent equates to a cut in funding of £4.033m. On this basis, the service identified options for dealing with an in-year 2015-16 budget reduction of this level, but a reduction of this size requires cuts to service levels. Our response to the consultation was that option 1 was our preferred option. Kent is currently below our target allocation. On 4 November, the DoH announced that, despite their preferred option only being backed by a quarter of respondents to the consultation, on balance this remained their preference as it is the option most consistent with the underpinning principles for managing the saving that the DoH has set out: it delivers the £200 million, it is the least disruptive to services and it is compliant with the Public Sector Equality Duty and the health inequality duty. The saving has therefore been taken via a reduction to the fourth quarterly instalment of the PH grant and the PH cash limits shown in annex 4 have been reduced accordingly.

ii) **Adult Education**

- The Skills Funding Agency (SFA) announced a 3.9% cut to adult skills budget and discretionary learner support allocations, which was made in response to the £450m in year savings required of the Department for Business, Innovation & Skills. Additionally, the SFA will attempt to save money by withdrawing all funding for mandated English for speakers of other languages (ESOL) provision for the 2015-16 funding year. This 3.9% cut has been made across the board to non-apprenticeship allocations. The impact on the Community Learning & Skills budget was a reduction in funding of £0.359m but the service has been able to cease some direct service costs and with the implementation of management action, the residual impact is estimated at £0.1m, and this is included in the E&YP directorate forecast reflected in this report.

iii) **Youth Offending Service**

- The formal consultation regarding a 14% (£12m) in year government cut in Youth Offending Team grant from Youth Justice Board (YJB) concluded in September. We, and other local authorities, responded to YJB stating that an in year cut in grant would be too detrimental to the service and suggested that the reduction should be taken from the central YJB budget. The YJB met on 28 October to consider the consultation responses and to make a decision on how to achieve the reduction. On 5 November the YJB announced that £9m of the required reduction will need to be taken from the 2015-16 grant, which equates to a 10.6% reduction in the annual allocation. This equates to approximately a £0.139m reduction in our YJB funding and the impact is reflected in the E&YP directorate forecast included within this report.

4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2015-16 Capital Programme is £375.505m (£337.727m excluding PFI). The forecast outturn against this budget is £259.560m (£255.817m excluding PFI) giving a variance of -£115.945m (-£81.910m excluding PFI). The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 **Table 2** Directorate capital position

Directorate	2015-16 Cash Limit per Budget Book £'000	2015-16 Working Budget £'000	2015-16 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education & Young People's Services	144,784	168,423	-47,372	175	-47,547	1
Social Care, Health & Wellbeing - Specialist Children's Services	902	1,959	-443	-	-443	2
Social Care, Health & Wellbeing - Adults	30,049	51,070	-42,319	-412	-41,907	3
Social Care, Health & Wellbeing - Public Health	-	360	-180	-	-180	4
Growth, Environment & Transport	101,707	125,905	-22,232	781	-23,013	5
Strategic & Corporate Services	20,582	27,788	-3,399	1,263	-4,662	6
Financing Items	-	-	-	-	-	7
TOTAL	298,024	375,505	-115,945	1,807	-117,752	

4.3 The **Capital** Budget Monitoring headlines are as follows:

- a) The majority of schemes are rated green, meaning they are within budget and on time.
- b) +£1.807m of the -£115.945m variance is due to **real** variances as follows:

Home Support Fund & Equipment (SCH&W Adults) -£0.341m. This reflects the lower than anticipated demand for telecare equipment resulting in a reduction in the anticipated revenue contribution to capital.

Innovation Investment Initiative (i3) (Kent & Medway Growth Hub) (GET) +£1.000m. This reflects new funding from the Government's Local Growth Fund for the provision of loans to small and medium enterprises with the potential for innovation and growth, to help improve their productivity and create jobs.

Highway Major Enhancement (GET) +£0.875m reflects in the main an additional footway scheme at Bank Street, Ashford (+£0.260k) and enhancement works at Star Lane, Thanet (+£0.500k), both to be funded by additional developer contributions. The remaining +£0.115m comprises of additional external funding and a contribution from a revenue reserve for minor additional works.

Regional Growth Fund - Expansion East Kent (GET) +£0.470m reflects the use of interest earned on grant balances in line with the grant agreement.

Integrated Transport Schemes (GET) +£0.465m for purchase of additional buses and community transport minibuses to be funded from a revenue grant.

Marsh Millions (GET) +£0.400m reflects expected match funding from partners.

Libraries Wi-Fi Project (GET) +£0.313 reflects new funding from the Arts Council to add or upgrade Wi-Fi in 66 libraries.

No Use Empty - Rented Affordable Homes - Extension (GET) -£0.264m reflects in the main a forecast reduction in the anticipated level of HCA funding based on the current number units which fit the HCA criteria for support.

Middle Deal Transport Improvements (GET) -£0.750m. The match funding for this project will be held by a third party and will therefore not pass through KCC's books.

Lorry Park (GET) -£2.000m. This scheme is no longer progressing following the announcement in the 2015 Spending Review that the Government has allocated funds for a new permanent lorry park. However, KCC will continue to work with Highways England in regard to provision of an overnight solution in addition to the proposed lorry storage facility.

Customer Relationship Management Solution (S&CS) +£0.858m reflects costs that have now been identified as capital rather than revenue, to be funded by revenue contribution.

Disposal Costs (S&CS) +£0.400m. This reflects the capitalisation of security costs to protect the value of KCC assets, to be funded from the capital proceeds of property disposals. Future year budgets will be considered as part of the 2016-19 MTFP process.

The remaining +£0.381m of real variances are made up of a number of real over and underspends on a number of projects across the capital programme. The annexes to this report provide the detail.

- c) -£117.752m of the -£115.945m variance relates to **rephasing** on a number of projects. The main projects comprising the rephasing are as follows:

Special School Review Phase 2 (EYP) -£20.464m. Rephasing following significant delays at the planning and contract execution stages of a number of complicated projects which has impacted on start dates.

Grammar School Annex at Sevenoaks (EYP) -£9.177m. Works had halted pending the outcome of the Secretary of State decision. Following approval on 15th October 2015, contract documentation will now be worked through prior to any construction contract being agreed.

Basic Need Programme (EYP) -£7.600m. The curriculum analysis and pre-construction work for Secondary school expansions has taken considerable time which has resulted in a delay to design work and preparing planning applications. No delivery delays are expected.

Annual Planned Enhancement Programme (EYP) -£4.551m of works are being rephased into next financial year as a result of difficulties in obtaining access to schools within school term time and gaining upfront consent from utility companies. In addition, the planning/tendering phases of emerging enhancement works are starting now with the work scheduled for the 2016 Easter and Summer holidays.

Modernisation Programme (EYP) -£2.656m. A programme of works has now been finalised with some projects due to complete in the next financial year. The budget is being reprofiled accordingly.

Pupil Referral Units (EYP) -£1.178m. The requirements for the North West Kent PRU provision have been revised following a review with works now due to commence next summer. Works for West Kent PRU will commence in April 2016 when new premises can be accessed.

Early Help Single System (EYP) -£1.500m. This project is now progressing following the outcome of the back office procurement decision with the original budget allocation being re-profiled to reflect the revised project plan.

Nursery Provision for Two Year Olds (EYP) -£0.436m. New premises are being sought for additional nursery provision in Gravesham with works due to commence in 2016-17. There will be no impact on overall cost.

PFI - Excellent Homes for All (SCH&W Adults) -£34.035m. Unforeseen contamination of sites in the form of asbestos has impacted on the start of construction of the new buildings as the sites needed to be cleared and decontaminated.

OP Strategy - Specialist Care Facilities (SCH&W Adults) -£3.162m. The Accommodation Strategy has identified a need to incentivise the market in Swale and Sandwich alongside the consultation of the future of the KCC care homes in those areas. Market engagement has commenced in Swale and will commence on the Sandwich project in the next six months which will inform what capital investment is needed. However, a formal procurement exercise will be required for both projects. Therefore the budget is being rephased into 2016-17.

Learning Disability Good Day Programme - Community Hubs and Initiatives (SCH&W Adults) -£1.620m. The KCC Asset Management Strategy stipulates a requirement to review all KCC properties when looking for alternative accommodation. In order to meet this requirement some projects are being rephased into next year.

Care Act ICT Implementation (SCH&W Adults) -£1.312m. Budget to be rephased into 2016-17 due to Government delay in Care Act Phase 2 implementation.

Developer Funded Community Schemes (SCH&W Adults) -£0.759m. Planned contributions towards projects will now be made next year as Providers reconsider their business plans and developments following the Autumn Statement.

Broadband Contract 1 (GET) -£3.757m. -£0.963m rephasing following extension of the contract completion date for the Satellite scheme from December 2015 to December 2017 following a variation of contract by Government. -£2.794m is due to the supplier requesting a deferral of payment in order to align their internal evidence and assurance processes.

LED Conversion (GET) -£2.500m rephasing as the tender invitation has been extended and therefore the start of works will not commence until March 2016.

Thanet Parkway (GET) -£1.589m rephasing following delays to completion of GRIP (Governance for Railway Investment Projects) Stage 3 as station design option selection and approval process has taken longer than anticipated. The planning application cannot be submitted until GRIP stage 3 has been completed.

Empty Property Initiative (GET) -£1.303m rephasing to reflect realignment of the loan payment spend profile to match that of the expected loan repayments.

Major Road Schemes (GET):

East Kent Access Phase 2 -£1.150m;

Sittingbourne Northern Relief Road -£1.336m;

Rushenden Link Road -£0.633m; and

Victoria Way -£0.412m.

Rephasing to cover land compensation payments in future years; the timing of which is notoriously difficult to predict.

SELEP Projects (GET):

M20 Junction 4 Eastern Over Bridge -£1.972m;

Sittingbourne Town Centre Regeneration -£1.950m;

A26 London Road/Staplehurst Road/Yew Tree Junction -£0.580m;

Middle Deal Transport Improvements -£0.750m;

Sustainable Access to Maidstone Employment Areas - £0.605m;

A28 Sturry Rural Integrated Transport Package -£0.528m;

Tonbridge Town Centre Regeneration -£0.421m;

A28 Chart Road, Ashford -£0.688m;

Kent Thameside LSTF -£0.310m;

Rathmore Road Link -£0.288m;

Kent Sustainable Intervention Programme for Growth -£0.334m;

Sturry Link Road - Canterbury +£0.097m; and

Maidstone Gyratory Bypass: +£0.624m.

Rephasing of schemes following realignment of cost and associated funding due to nature of SELEP schemes. The budgets will be amended as part of the 2016-19 budget process.

Swale Transfer Station (GET) -£0.866m to reflect rephasing to allow the scheme to complete in 2016/17.

Integrated Transport Schemes (GET) -£0.440m reflects a scheme at the Bat & Ball junction, Sevenoaks which has been rephased to summer 2016-17 following other works being carried out by utility companies in the area over summer 2015 plus rephasing across a number of smaller schemes within the programme which have been reprofiled.

Dartford Library Plus (GET) -£0.418m. This project will now progress in 2016-17 with anticipated completion by March 2017.

Modernisation of Assets (S&CS) -£2.908m rephasing following the development of a forward modernisation programme by the TFM providers. This has meant that large programmes of work are being re-phased to later years although priority work is continuing in the current financial year.

Electronic Document Management Solution (S&CS) -£1.200m. Phase 1 has been delivered and completed. The project board has proposed the closure of the current project and to use the phase 1 assets and acquired knowledge to inform a re-scoped business requirement for a phase 2 EDMS delivery which will take place next financial year.

LIVE Margate (S&CS) -£0.831m. Rephasing following the elongated tender phase of a property purchase and the cancellation of a proposed strategic acquisition due to unforeseen difficulties surrounding the release of legal charges.

Herne Bay Gateway (S&CS) -£0.476m. This project will now start next financial year following the need for value engineering to ensure that the project is viable and represents value for money.

Property Investment & Acquisition Fund (S&CS) +£1.360m. The brought forward figure has reduced from +£2.775 as last reported due to the removal or revaluation of some properties as a result of the restrictions on title and use.

The remaining -£3.138m rephasing comprises minor rephasing across the capital programme. The annexes to this report provide the detail.

4.4 Capital budget virements/changes to cash limits

- Any cash limit changes due to virements are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.
- **Cabinet is asked to approve further changes to the capital programme cash limits resulting from this round of monitoring, which are identified in the actions column in table 2 of the annex reports. For ease of reference these are all summarised in Appendix 1.**
- Cash limit changes resulting from this round of monitoring will be actioned for outturn monitoring.

5. FINANCIAL HEALTH

5.1 The latest Financial Health indicators, including cash balances, our long term debt maturity, outstanding debt owed to KCC, the percentage of payments made within 20 days and the recent trend in inflation indices (RPI & CPI) are detailed in **Appendix 1**.

5.2 The latest monitoring of Prudential indicators is detailed in **Appendix 2**.

6. REVENUE RESERVES

6.1 The table below reflects the projected impact of the current forecast spend and activity for 2015-16 on our revenue reserves:

Account	Balance at 31/3/15 £m	Projected Balance at 31/3/16 £m	Movement £m
General Fund balance	34.7	37.2	2.5
Earmarked Reserves	168.3	135.2	-33.1
Surplus on Trading Accounts	2.9	2.9	-
Schools Reserves *	54.0	39.9	-14.1

* Both the table above and section 2.1 of annex 1 include delegated schools reserves and unallocated schools budget.

6.2 The increase of £2.5m in general reserves reflects the 2015-16 budgeted contribution, as approved by County Council in February.

6.3 The reduction of £33.1m in earmarked reserves includes:

	£m
▪ Budgeted drawdown of Economic Downturn reserve to support 2015-16 budget	-4.2
▪ Budgeted drawdown of earmarked reserve to support 2015-16 budget (residual 2013-14 underspend)	-4.0
▪ Budgeted use of directorate held reserves to support 2015-16 budget	-2.4
▪ Budgeted contribution to reserves for invest to save proposals	+4.5
▪ Budgeted contribution to reserves (incl. continuation of collaborative work with DCs to increase council tax yield)	+2.6
▪ Budgeted drawdown from Kingshill Smoothing reserve	-2.0
▪ Budgeted phased repayment of sums borrowed from long term reserves in 2011-12 (year 2 of 10)	+1.3
▪ Budgeted contribution to the elections reserve	+0.6
▪ Use of rolling budget reserve (2014-15 underspend) to fund approved roll forwards	-10.9
▪ Transfer to earmarked reserve to support future budgets of uncommitted 2014-15 rolled forward	+4.1
▪ Planned drawdown of reserves for transformation costs	-13.6
▪ Planned drawdown of Dedicated Schools Grant reserve	-6.0
▪ Planned drawdown of Kent Drug & Alcohol Service reserve	-3.9
▪ Planned drawdown of 2014-15 underspend from Public Health reserve	-2.1
▪ Forecast transfer to Public Health reserve of 2015-16 underspend (see annex 4)	+0.8
▪ Forecast transfer to (+ve) / from (-ve) Dedicated Schools Grant reserve (unbudgeted) (see annex 1)	+1.2
▪ Planned use of NHS Support for Social Care reserve	-0.7
▪ Forecast transfer to Insurance reserve (see annex 7)	+0.6
▪ Planned movement in IT Asset Maintenance reserve	+1.3
▪ Planned movement in Dilapidations reserve	-1.5
▪ Impact on rolling budget reserve of current forecast underspend	+2.0
▪ Other forecast movements in earmarked reserves	-0.8
	-33.1

6.3 The reduction of £14.1m in schools reserves is due to:

	£m
▪ An assumed 12 schools converting to academy status this financial year and taking their accumulated reserves with them	-1.3
▪ Remaining Kent Schools (based on schools 9 month monitoring returns)	-7.4
▪ The anticipated use of schools unallocated reserves to fund in year pressures on high needs education	-2.4
▪ The anticipated use of schools unallocated reserves to fund other in year schools related pressures	-3.0
	-14.1

7. STAFFING LEVELS

7.1 The following table provides a snapshot of the staffing levels by directorate as at 31 December 2015 compared to the numbers as at 31 March 2015, 30 June 2015 and 30 September 2015, based on active assignments. Between 31 March and 31 December 2015 there has been a reduction of 565.62 FTEs, of which 364.44 FTEs were in schools and 201.18 FTEs were in non schools settings. The reduction in schools based staff is mainly as a result of schools converting to an academies.

		31 Mar 15	30 Jun 15	30 Sep 15	31 Dec 15	31 Mar 16	Difference	
							Number	%
KCC	Assignment count	37,285	37,123	36,055	35,907		-1,378	-3.70%
	Headcount (inc. CRSS)	31,437	31,310	30,555	30,497		-940	-2.99%
	Headcount (excl. CRSS)	27,933	27,770	27,134	27,146		-787	-2.82%
	FTE	20,915.93	20,758.33	20,353.98	20,350.31		-565.62	-2.70%
KCC - Non Schools	Assignment count	11,667	11,471	11,401	11,236		-431	-3.69%
	Headcount (inc. CRSS)	10,785	10,587	10,541	10,415		-370	-3.43%
	Headcount (excl. CRSS)	9,296	9,134	9,111	9,026		-270	-2.90%
	FTE	7,972.64	7,832.07	7,830.26	7,771.46		-201.18	-2.52%
E&YP	Assignment count	2,903	2,843	2,755	2,760		-143	-4.93%
	Headcount (inc. CRSS)	2,678	2,598	2,536	2,556		-122	-4.56%
	Headcount (excl. CRSS)	1,903	1,849	1,841	1,881		-22	-1.16%
	FTE	1,573.20	1,536.07	1,547.05	1,582.28		9.08	0.58%
SCH&W	Assignment count	4,638	4,590	4,648	4,666		28	0.60%
	Headcount (inc. CRSS)	4,256	4,221	4,270	4,289		33	0.78%
	Headcount (excl. CRSS)	4,056	4,028	4,069	4,090		34	0.84%
	FTE	3,483.83	3,459.75	3,504.37	3,533.28		49.45	1.42%
GET	Assignment count	2,370	2,354	2,349	2,305		-65	-2.74%
	Headcount (inc. CRSS)	2,163	2,152	2,144	2,116		-47	-2.17%
	Headcount (excl. CRSS)	1,626	1,617	1,597	1,582		-44	-2.71%
	FTE	1,314.51	1,305.26	1,283.96	1,273.37		-41.14	-3.13%
S&CS	Assignment count	1,756	1,684	1,649	1,505		-251	-14.29%
	Headcount (inc. CRSS)	1,746	1,674	1,639	1,500		-246	-14.09%
	Headcount (excl. CRSS)	1,720	1,649	1,612	1,481		-239	-13.90%
	FTE	1,601.10	1,530.99	1,494.88	1,382.53		-218.57	-13.65%
Schools	Assignment count	25,618	25,652	24,654	24,671		-947	-3.70%
	Headcount (inc. CRSS)	20,718	20,785	20,065	20,131		-587	-2.83%
	Headcount (excl. CRSS)	18,667	18,665	18,047	18,143		-524	-2.81%
	FTE	12,943.29	12,926.26	12,523.72	12,578.85		-364.44	-2.82%

Note:
If a member of staff works in more than one directorate they will be counted in each. However, they will only be counted once in the Non Schools total and once in the KCC Total.

If a member of staff works for both Schools and Non Schools they will be counted in both of the total figures. However they will only be counted once in the KCC Total.

CRSS = Staff on Casual Relief, Sessional or Supply contracts.

8. CONCLUSIONS

- 8.1 The overall forecast position before management action and after taking into account the requirements to roll forward, has reduced by -£2.577m from +£2.436m to -£0.141m since the November monitoring position reported to Cabinet in January. All management action has now been implemented and is reflected in the forecasts against the individual A-Z service lines where it is expected to be delivered, there is therefore no outstanding management action reflected in the headline position on page 4. After taking into account this reduction in outstanding management action, the position after roll forwards has improved by £1.177m from +£1.036m last month to a small underspend of -£0.141m. Within this position is a -£0.016m reduction in the Asylum forecast reflecting the impact of the slowing down of migrant activity during December from the high levels experienced from June through to October. Migrant activity was again slightly lower in January than our assumptions contained within this forecast and, at the time of writing this report, has remained low during the first half of February, so we appear to still be on track against this latest forecast and it may potentially reduce marginally should migrant activity remain at these lower levels. Excluding Asylum, the position for all other services has therefore improved this month by £1.161m, and considering we are now forecasting a small underspend, even after allowing for roll forward requirements, this is a fantastic achievement in light of where we were only a few months ago. However, we must not be complacent, as only a very marginal underspend is forecast and this has yet to be actually delivered, therefore we must continue to limit spend wherever possible to avoid the chance of going into 2016-17 with any overspend considering the further substantial budget savings included in the recently approved 2016-17 budget and with further government funding cuts in the medium term.
- 8.2 There are a number of ongoing emerging issues that have been addressed in the recently approved 2016-17 budget / 2016-19 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

9. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the changes to the capital programme cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 3.

10. BACKGROUND DOCUMENTS

None

11. CONTACT DETAILS

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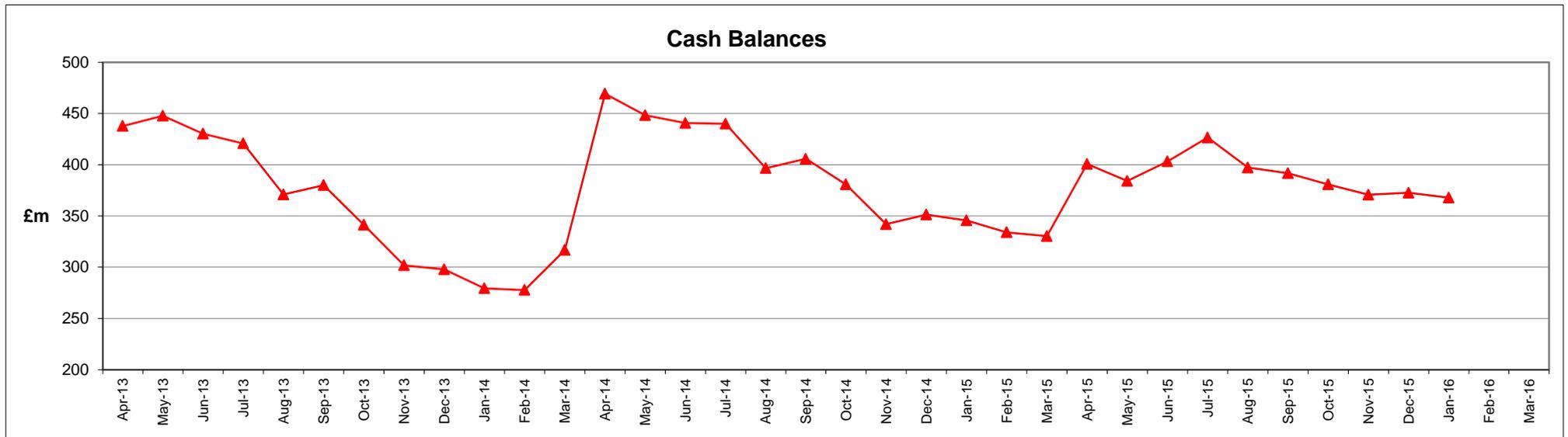
FINANCIAL HEALTH INDICATORS

1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£3.785m), balances of schools in the corporate scheme (£52.5m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

Central Government Departments (particularly DCLG) are following a similar pattern to the last two years of front loading revenue grants for 2015-16, though less so than last year, where receipts have been weighted towards the beginning of the year (33%) leading to an early peak in managed cash levels. These cash levels are forecast to decline over the course of the year as grant income reduces.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2013-14	437.8	447.6	430.1	420.7	371.0	380.1	341.3	301.9	297.9	279.3	277.7	316.7
2014-15	469.3	448.2	440.7	439.9	396.6	405.7	380.9	341.9	351.2	345.7	334.1	330.4
2015-16	400.8	384.1	403.2	426.5	397.2	391.7	380.8	370.7	372.6	367.8		



2. LONG TERM MATURITY

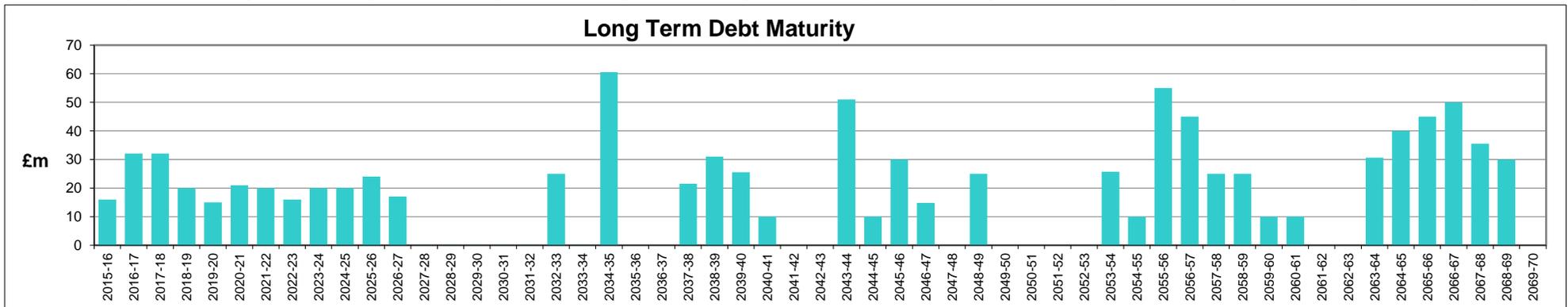
The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £38.8m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) and Magistrates Courts (£0.556m). These bodies make regular payments of principal and interest to KCC to service this debt.

The graph shows total principal repayments due in each financial year. Small maturities indicate repayment of principal for annuity or equal instalment of principal loans, where principal repayments are made at regular intervals over the life of the loan. The majority of loans have been taken on a maturity basis so that principal repayments are only made at the end of the life of the loan. These principal repayments will need to be funded using available cash balances (i.e. internalising the debt), by taking new external loans or by a combination of the available options.

The total debt principal to be repaid in 2015-16 is £31.001m, relating to £29m of maturity loans, (£14m was repaid in August and £15m is due in February), and £2.001m of equal instalment of principal loans (mainly relating to £1m which was repaid in September and £1m is to be repaid in March). Following the repayment of debt in August and September, the remaining outstanding debt still to be repaid this financial year is £16m.

A £25m PWLB maturity loan was borrowed at 3.16%, advanced on 29 April 2015, which matures on 10 August 2055.

	£m	Year	£m								
2015-16	16.000	2025-26	24.001	2035-36	0.000	2045-46	30.000	2055-56	55.000	2065-66	45.000
2016-17	32.001	2026-27	17.001	2036-37	0.000	2046-47	14.800	2056-57	45.000	2066-67	50.000
2017-18	32.001	2027-28	0.001	2037-38	21.500	2047-48	0.000	2057-58	25.000	2067-68	35.500
2018-19	20.001	2028-29	0.001	2038-39	31.000	2048-49	25.000	2058-59	25.000	2068-69	30.000
2019-20	15.001	2029-30	0.001	2039-40	25.500	2049-50	0.000	2059-60	10.000	2069-70	0.000
2020-21	21.001	2030-31	0.001	2040-41	10.000	2050-51	0.000	2060-61	10.000		
2021-22	20.001	2031-32	0.000	2041-42	0.000	2051-52	0.000	2061-62	0.000		
2022-23	16.001	2032-33	25.000	2042-43	0.000	2052-53	0.000	2062-63	0.000		
2023-24	20.001	2033-34	0.000	2043-44	51.000	2053-54	25.700	2063-64	30.600		
2024-25	20.001	2034-35	60.470	2044-45	10.000	2054-55	10.000	2064-65	40.000	TOTAL	994.079



3. OUTSTANDING DEBT OWED TO KCC

The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 30 days. The main element of this relates to Adult Social Services and this is also identified separately, together with a split of how much of the Social Care debt is secured (i.e. by a legal charge on the clients' property) and how much is unsecured. The significant increase in SCH&W Directorate sundry debt in June 2015 predominately relates to a number of invoices raised early in this financial year across the East Kent Clinical Commissioning Groups (CCGs) for the Better Care Fund (BCF) totalling £43m. **There is minimal risk around this £43m debt** as it is secured by a signed Section 75 agreement meaning that the CCGs are legally obliged to pay. Payments are being received monthly, so this debt has reduced each month. From September, the remaining BCF debt moved onto a payment plan and therefore will only show in the table below if a monthly instalment is not received on time.

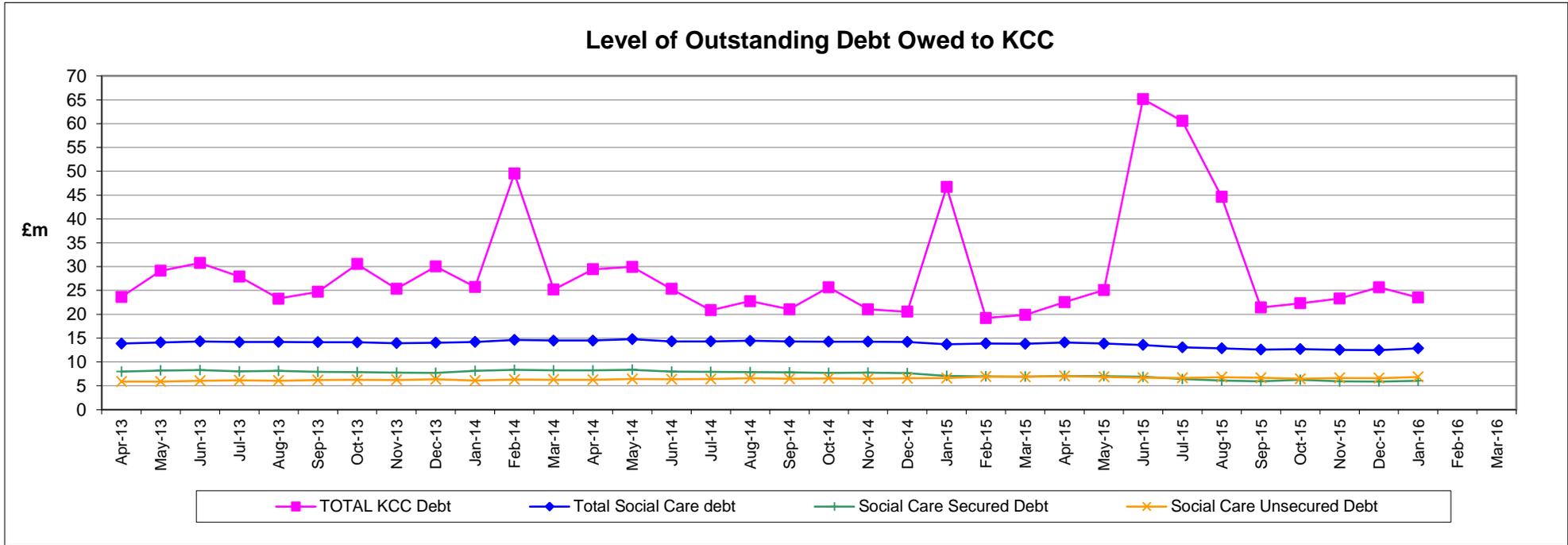
	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care Debt £m	SCH&W Sundry Debt £m	TOTAL SCH&W Debt £m	All other Directorates Debt £m	TOTAL KCC Debt £m
Apr 14	8.220	6.270	14.490	8.884	23.374	6.060	29.434
May 14	8.353	6.402	14.755	8.899	23.654	6.276	29.930
Jun 14	7.944	6.346	14.290	7.289	21.579	3.733	25.312
Jul 14	7.927	6.389	14.316	2.187	16.503	4.337	20.840
Aug 14	7.882	6.549	14.431	3.707	18.138	4.616	22.754
Sep 14	7.805	6.465	14.270	2.849	17.119	3.919	21.038
Oct 14	7.709	6.543	14.252	3.808	18.060	7.614	25.674
Nov 14	7.777	6.472	14.249	2.658	16.907	4.132	21.039
Dec 14	7.624	6.582	14.206	2.406	16.612	3.927	20.539
Jan 15	7.079	6.604	13.683	30.632	44.315	2.395	46.710
Feb 15	6.973	6.914	13.887	2.538	16.425	2.792	19.217
Mar 15	6.915	6.887	13.802	2.955	16.757	3.136	19.893
Apr 15	7.069	7.026	14.095	3.669	17.764	4.782	22.546
May 15	7.009	6.848	13.857	5.534	19.391	5.675	25.066
Jun 15	6.885	6.673	13.558	* 46.885	60.443	4.694	65.137
Jul 15	6.417	6.637	13.054	* 43.741	56.795	3.755	60.550
Aug 15	6.075	6.791	12.866	* 28.648	41.514	3.115	44.629
Sep 15	5.913	6.684	12.597	4.794	17.391	4.022	21.413
Oct 15	6.231	6.451	12.682	5.532	18.214	4.096	22.310
Nov 15	5.905	6.645	12.550	5.298	17.848	5.473	23.321
Dec 15	5.888	6.586	12.474	7.934	20.408	5.249	25.657
Jan 16	6.012	6.853	12.865	6.138	19.003	4.507	23.510
Feb 16			0.000		0.000		0.000
Mar 16			0.000		0.000		0.000

* incl. BCF debt of £42.867m

* incl. BCF debt of £39.295m

* incl. BCF debt of £25.006m

From Sept 15, the remaining BCF debt has been moved onto a payment plan and will only show in these figures if a monthly instalment is not received on time.



4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

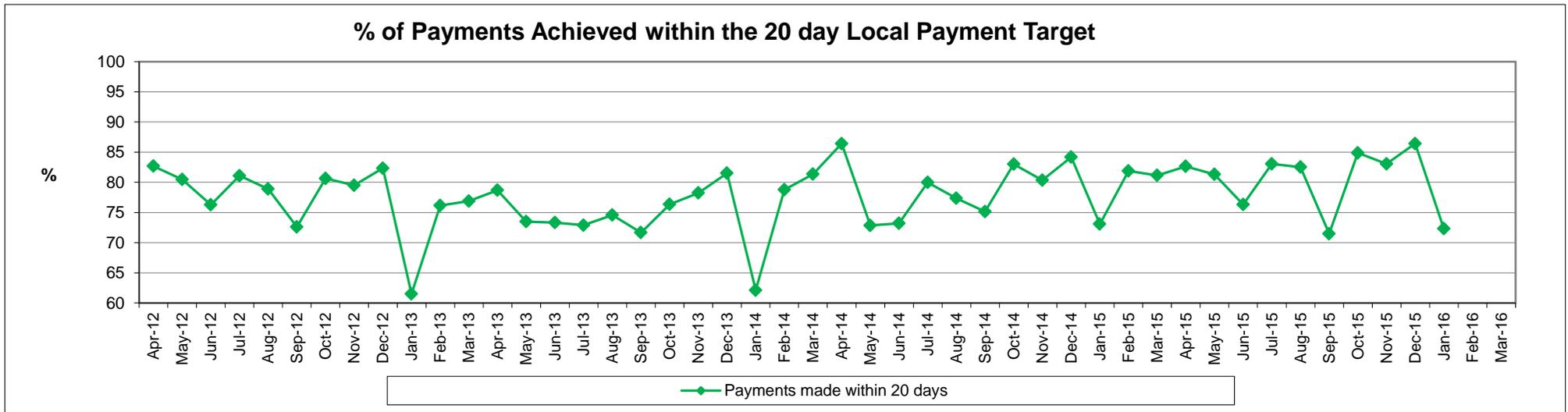
The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however from January 2009, we have set a local target of 20 days in order to help assist the cash flow of local businesses during the current tough economic conditions. We focus on paying local and small firms as a priority. The table below shows our performance against this 20 day payment target.

	2012-13	2013-14	2014-15	2015-16
	%	%	%	%
Apr	82.7	78.7	86.4	82.7
May	80.5	73.5	72.9 *	81.3
Jun	76.3	73.3	73.2 *	76.3
Jul	81.1	72.9	80.0	83.1
Aug	78.9	74.6	77.3	82.5
Sep	72.6	71.7	75.1	71.5
Oct	80.6	76.4	83.0	84.9
Nov	79.5	78.2	80.3	83.0
Dec	82.3	81.5	84.2	86.4
Jan	61.5	62.1	73.1	72.3
Feb	76.1	78.8	81.9	
Mar	76.9	81.4	81.2	

The percentages achieved for January each year are consistently lower than other months due to the Christmas/New Year break. This position was exacerbated in 2012-13 due to snow. The 2015-16 year to date figure for invoices paid within 20 days is 80.4%. This compares to overall performance in previous years as follows:

	20 days
	%
2012-13	77.3
2013-14	75.3
2014-15	79.2
2015-16 to date	80.4

* The lower percentages in May/June 2014 were due to invoices arriving late into the payments team, impacting on their ability to pay to terms.

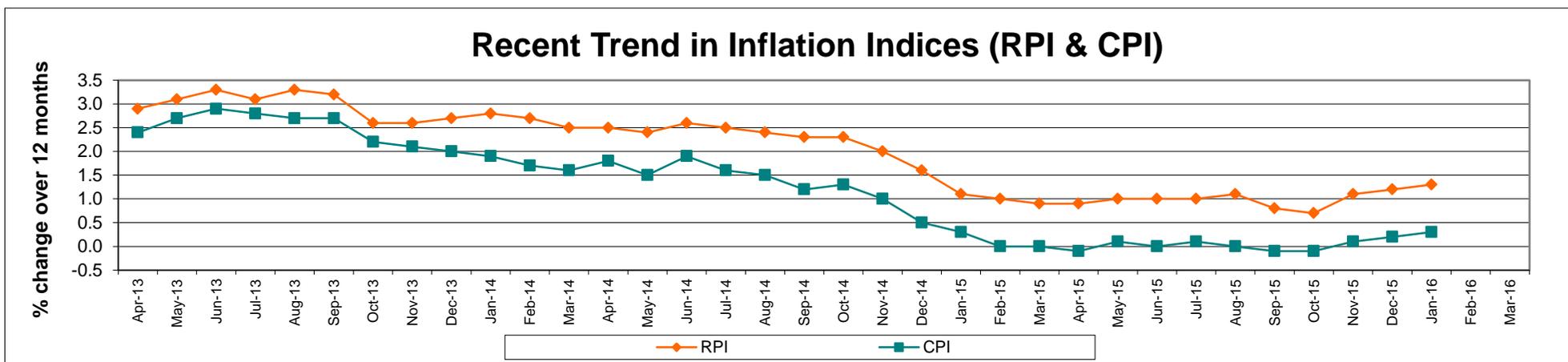


5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

In the UK, there are two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government’s inflation target is based on the CPI. The RPI is the more familiar measure of inflation, which includes mortgage interest payments, but is now not deemed to be a formal measure. The CPI measures a wide range of prices. The indices represent the average change in prices across a wide range of consumer purchases. This is achieved by carefully recording the prices of a typical selection of products from month to month using a large sample of shops and other outlets throughout the UK. The recent trend in inflation indices is shown in the table and graph below.

Percentage Change over 12 months

	2013-14		2014-15		2015-16	
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
Apr	2.9	2.4	2.5	1.8	0.9	-0.1
May	3.1	2.7	2.4	1.5	1.0	0.1
Jun	3.3	2.9	2.6	1.9	1.0	0.0
Jul	3.1	2.8	2.5	1.6	1.0	0.1
Aug	3.3	2.7	2.4	1.5	1.1	0.0
Sep	3.2	2.7	2.3	1.2	0.8	-0.1
Oct	2.6	2.2	2.3	1.3	0.7	-0.1
Nov	2.6	2.1	2.0	1.0	1.1	0.1
Dec	2.7	2.0	1.6	0.5	1.2	0.2
Jan	2.8	1.9	1.1	0.3	1.3	0.3
Feb	2.7	1.7	1.0	0.0		
Mar	2.5	1.6	0.9	0.0		



2015-16 QUARTER 3 MONITORING OF PRUDENTIAL INDICATORS**1. Estimate of Capital Expenditure (excluding PFI)**

Actuals 2014-15	£219.896m
Original estimate 2015-16	£289.838m
Revised estimate 2015-16	£260.252m

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

	2014-15	2015-16	2015-16	2016-17	2017-18
	Actual	Original Estimate	Forecast as at 31-12-15	Forecast as at 31-12-15	Forecast as at 31-12-15
	£m	£m	£m	£m	£m
Capital Financing requirement	1,382.856	1,382.620	1,360.812	1,345.438	1,305.238
Annual increase/reduction in underlying need to borrow	-52.407	-9.053	-22.044	-15.374	-40.200

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 2014-15	14.19%
Original estimate 2015-16	13.17%
Revised estimate 2015-16	13.64%

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 2015-16.

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

	Prudential Indicator	Position as at 31.12.15
	£m	£m
Borrowing	983	954
Other Long Term Liabilities	254	248
	<u>1,237</u>	<u>1,202</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 31.12.15
	£m	£m
Borrowing	1,024	994
Other Long Term Liabilities	254	248
	<u>1,278</u>	<u>1,242</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 2015-16 are:

	Authorised limit for debt relating to KCC assets and activities	Position as at 31.12.15	Authorised limit for total debt managed by KCC	Position as at 31.12.15
	£m	£m	£m	£m
Borrowing	1,023	954	1,064	994
Other long term liabilities	254	248	254	248
	<u>1,277</u>	<u>1,202</u>	<u>1,318</u>	<u>1,242</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 2015-16

Fixed interest rate exposure	100%
Variable rate exposure	40%

These limits have been complied with in 2015-16

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 31.12.15
	%	%	%
Upper 12 months	10	0	1.61
12 months and within 24 months	10	0	3.22
24 months and within 5 years	15	0	6.74
5 years and within 10 years	15	0	9.76
10 years and within 20 years	20	5	12.72
20 years and within 30 years	20	5	14.99
30 years and within 40 years	25	10	10.61
40 years and within 50 years	25	10	24.20
50 years and within 60 years	30	10	16.15

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

Indicator	£175m
Actual	£151m

2015-16 QUARTER 3 SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES

Directorate	Project	2015-16	2016-17	2017-18	Funding	Description
		£'000	£'000	£'000		
Cash limit change due to revised external/grant funding availability:						
GET	Libraries Wi-Fi Project	313			External Other	New funding from Arts Council to add/upgrade Wi-Fi in 66 libraries.
Other Cash limit changes:						
GET	Country Parks Access and Development	18			Revenue	Contribution from a revenue reserve for the purchase of a tractor.

EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE
DECEMBER 2015-16 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
Total (excl Schools) (£k)	+72,084	-289	-	-289	+90	+1,277	+1,078
Schools (£k)	-	+14,066	-	+14,066	-	-	+14,066
Directorate Total (£k)	+72,084	+13,777	-	+13,777	+90	+1,277	+15,144

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000	£'000		
Education & Young People's Services							
Delegated Budget:							
Schools & Pupil Referral Units Delegated Budgets	674,190.4	-674,190.4	0.0	+14,066	+1,309	Drawdown from school reserves for 12 expected academy converters	
					+7,421	Expected drawdown of reserves for remaining Kent schools based on schools nine month monitoring	
					+2,958	Expected drawdown from the schools unallocated reserve to fund other in year schools related pressures	
					+2,378	Expected drawdown from the schools unallocated reserve to fund in year High Needs pressures	
TOTAL DELEGATED	674,190.4	-674,190.4	0.0	+14,066			
Non Delegated Budget:							
E&YP Strategic Management & directorate support budgets	9,746.7	-8,704.2	1,042.5	+464	+376	Pressure on the Information and Intelligence team budget including £220k of costs associated with the new Early Help Module <i>(includes a DSG variance of +£109k)</i>	The Early Help Module pressure has been reflected in the recently approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +253 Additional Area Education staffing costs together with plans to capitalise staffing costs for basic need provision not now going ahead <i>(includes a DSG variance of +£233k)</i> -228 Underspend on legal fees +63 Other minor variances	Part of this saving is expected to be ongoing and has been reflected in the recently approved 2016-19 MTFP
Children's Services - Early Help						
- Children's Centres	8,389.1	-2,076.5	6,312.6	-77	+129 Underachievement of savings on commissioned contracts due to only a part year effect being delivered in 2015-16 and the percentage saving applied being lower than anticipated -140 Underspend on Commissioned services -66 Other minor variances across a number of centres	
- Early Intervention & Prevention	20,447.9	-5,353.1	15,094.8	-674	-781 Underspend across area and district EH&PS teams, mainly due to staffing vacancies and staff budgeted to be at mid point of scale but appointed at the bottom of scale <i>(includes a DSG variance of -£189k)</i> +150 ICT costs for wireless routers, cabling etc in Children's Centres +100 Refurbishment costs for Youth Centres including Whitstable and Tunbridge Wells -160 Net savings on commissioned services <i>(includes a DSG variance of -£11k)</i> +17 Other minor variances	
	28,837.0	-7,429.6	21,407.4	-751		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
Children's Services - Education & Personal						
- 14 - 24 year olds	2,986.0	-941.0	2,045.0	-800	-773 Kent Youth Employment programme placements; £90k of this underspend will need to be rolled forward to fund our legal obligation to continue with the current placements. If the directorate and the authority as a whole achieve an underspending position sufficient to allow it, roll forward of the remaining £683k will be requested in order to fund future placements. -27 Other minor variances	
- Attendance & Behaviour	2,587.9	-2,449.3	138.6	-402	-292 <i>DSG variance - underspend on individual tuition due to staff vacancies and fewer tutors being used</i> -156 Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£142k)</i> +46 Other minor underspends	
- Early Years & Childcare	6,369.7	-4,939.8	1,429.9	+369	+332 Shortfall in the budgeted surplus for the 3 nursery provisions +319 Under recovery of Early Years Training income -228 Underspend on Sufficiency and Sustainability staff <i>(includes a DSG variance of -£196k)</i> -300 Re-badging of eligible base funded Early Years expenditure now to be funded from DSG +300 <i>DSG variance - re-badging of eligible Early Years expenditure to be funded from DSG</i> -54 Other minor variances	A management action plan has been put in place to improve the premises through building renovation work, alongside a marketing campaign, which should increase the level of income in 2016-17.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Early Years Education	56,493.0	-56,493.0	0.0	0		
- Education Psychology Service	2,966.8	-675.0	2,291.8	-255	-226 Increased income for non statutory psychology traded services -29 Other minor variances	
- Individual Learner Support	7,151.5	-6,671.4	480.1	+20		
- Statemented Pupils	4,809.8	-4,809.8	0.0	-306	-204 <i>DSG variance - reduced therapy statemented support costs</i> -230 <i>DSG variance - recoupment income received for other local authority pupils in Kent schools</i> -300 <i>DSG variance - an increase in places in SEN provision has led to a reduction in Individual Tuition costs</i> +364 <i>DSG variance - increase in Severe Complex Accessibility Funding (SCAF) agreements for 2 year old nursery pupils</i> +64 <i>DSG variance - Other minor variances</i>	
- Youth Service	2,962.2	-1,726.2	1,236.0	+117	+111 Net shortfall in the budgeted surplus for the outdoor education sites. The shortfall reported in July associated with the change of use of the Appledore Unit at the Swattenden Centre to a reception centre for unaccompanied asylum seeking children, is now being fully reimbursed from the Asylum service. +6 Other minor variances	
- Youth Offending Service	2,063.7	-1,632.1	431.6	+710	+672 Staffing pressure, due partly to staff being budgeted at mid point of scale but existing staff are being paid above this, and partly as staffing levels have not reduced in line with reduced income streams. This position has also been exacerbated by an in year reduction to the grant from the Youth Justice Board (YJB). +38 Other minor variances	
	88,390.6	-80,337.6	8,053.0	-547		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
<u>Children's Services -Other Children's Services</u>						
- Safeguarding	512.1	-150.0	362.1	-83		
<u>Community Services</u>						
- Community Learning & Skills (CLS)	13,826.4	-15,366.1	-1,539.7	+780	+632 Pressure due to costs associated with the service redesign, a reduction in contract income with no corresponding reduction in costs and a requirement to fund the additional costs of total contribution pay. +100 An in year cut of £359k by the Skills Funding Agency is partially being offset by ceasing some direct service delivery costs and implementing management action to reduce other costs but this leaves a residual problem of £100k. +48 Other minor variances	
- Supporting Employment	806.6	-335.0	471.6	0		
- Troubled Families Programme	4,783.2	-2,514.9	2,268.3	-594	-594 Underspend due to projects supporting families spanning financial years. In addition, due to the payment by results element of the programme, the grant has increased in year but the projects associated with this increase do not begin until the income is received. If the directorate and the authority as a whole achieve an underspending position sufficient to allow it, roll forward of this £594k will be requested in order to continue supporting families, in 2016-17, as part of the Tackling Troubled Families government initiative.	
	19,416.2	-18,216.0	1,200.2	+186		
<u>School & High Needs Education Budgets</u>						
- Exclusion Services	2,495.4	-2,495.4	0.0	0		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000			
- High Needs Further Education Colleges - Post 16 year olds	2,338.0	-2,338.0	0.0	+397	+397	Schools unallocated DSG variance - increased costs of high needs placements for post 16 students in colleges	This pressure has been included in the recently approved 2016-17 budget
- High Needs Independent Sector Providers - Post 16 year olds	4,591.0	-4,591.0	0.0	-590	-590	Schools unallocated DSG variance - reduction in costs of independent sector placements for post 16 students	This saving has been included in the recently approved 2016-17 budget
- High Needs Independent Special School placements	19,650.4	-19,650.4	0.0	+2,781	+2,781	Schools unallocated DSG variance - increase in costs of independent special school places	This pressure has been included in the recently approved 2016-17 budget
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0			
	52,884.8	-52,884.8	0.0	+2,588			
<u>Schools Services:</u>							
- High Needs Pupils - Recoupment	1,500.0	-1,500.0	0.0	-210	+281	Schools unallocated DSG variance - increase in costs of Kent children with high needs receiving education in other local authority schools	This pressure has been included in the recently approved 2016-17 budget
					-491	Schools unallocated DSG variance - additional income from other local authorities with pupils in Kent schools	This saving has been included in the recently approved 2016-17 budget
- Other Schools Services	6,779.3	-6,885.5	-106.2	+325	+307	DSG variance - Pressure on budget for mobile classrooms to fulfil basic need	
					+18	Other minor variances	
- Redundancy Costs	1,363.7	-1,363.7	0.0	-500	-500	DSG variance - reduction in the expected number of school staff redundancies	
- School Improvement	8,909.1	-6,108.6	2,800.5	-905	+287	Shortfall in budgeted income targets for teams across the units	
					+57	Increased costs of moderation training and school visits	
					-859	DSG variance on school collaboration projects which will continue into the summer term	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -209 Underspend on the Intervention Fund following the delivery of management action -159 Net underspend on advisor vacancies partially offset by the costs of consultants covering some of the vacant posts -66 Support team staff vacancies +44 Other minor variances	
- Schools Staff Services	2,617.6	-2,514.6	103.0	-38		
- Teachers & Education Staff Pension Costs	8,416.3	-2,684.0	5,732.3	-913	-913	Reduced annual capitalisation costs Part of this saving is expected to be ongoing has been reflected in the recently approved 2016-19 MTFP
	29,586.0	-21,056.4	8,529.6	-2,241		
<u>Transport Services</u>						
- Home to School/College Transport (SEN)	21,599.5	-900.0	20,699.5	+2,159	+1,806 Higher than budgeted numbers of pupils travelling and savings from re-tendered contracts not being as high as anticipated +328 Rise in college transport costs due to increased number of SEN students +104 Lower than budgeted recoupment income from other local authorities -79 Other minor variances	This pressure has been reflected in the recently approved 2016-19 MTFP
- Mainstream HTST	8,795.0	-50.0	8,745.0	-742	-742	Fewer than budgeted numbers of pupils travelling This saving has been reflected in the recently approved 2016-19 MTFP
- Kent 16+ Travel Card	3,452.4	-2,575.0	877.4	-270	-150 Reduction in estimated journey costs -120 Increased income from the sale of passes	
	33,846.9	-3,525.0	30,321.9	+1,147		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
<u>Assessment Services</u>						
- Assessment & Support of Children with Special Education Needs	8,503.1	-7,336.0	1,167.1	+152	+112 <i>DSG variance - additional Occupational Therapy and Communication equipment</i> -113 Underspend on general non staffing costs to offset the pressure on Occupational Therapy and Communication equipment (<i>includes a DSG variance of -£102k</i>) -300 Re-badging of eligible base funded SEN expenditure now to be funded from DSG +300 <i>DSG variance - re-badging of eligible SEN expenditure to be funded from DSG</i> +153 Other minor variances, each less than a £100k in value	
	8,503.1	-7,336.0	1,167.1	+152		
TOTAL NON DELEGATED	271,723.4	-199,639.6	72,083.8	+915		
- <i>Transfer to(+)/from(-) DSG reserve</i>				-1,204	<i>Net transfer to the Central DSG reserve to offset:</i> +1,236 <i>DSG variances of -£1,236k explained above</i> -62 <i>A number of other smaller DSG variances totalling +£62k</i> <i>Net transfer from the Schools Unallocated DSG reserve to offset:</i> -2,378 <i>DSG variances of +£2,378k on High Needs Education & recoupment and Early Years</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	271,723.4	-199,639.6	72,083.8	-289		
Total E&YPS	945,913.8	-873,830.0	72,083.8	+13,777		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
Assumed Mgmt Action					Delivery of £800k of management action is now reflected within School Improvement, Early Years & Childcare and the Assessment of Children with SEN, in the latter two areas by maximising the use of DSG. Whilst the forecast at this stage is an underspend of £289k (excl. schools), a roll forward of £90k is required to fund the continuation of current placements under the Kent Youth Employment Programme, and if possible roll forward of the remaining £683k underspend against this programme and £594k against the Troubled Families Programme is required for these schemes to continue into 2016-17. To enable this an underspending position of £1,367k (£90k+£683k+£594k) for the directorate will need to be achieved, as well as an underspending position for the overall authority as a whole. The directorate continues to look at options to cover the remaining £1,078k required to achieve this position.	
Total E&YPS Forecast <u>after</u> mgmt action	945,913.8	-873,830.0	72,083.8	+13,777		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of schools with deficit budgets compared with the total number of schools:

	2012-13	2013-14	2014-15	2015-16
	as at 31-3-13	as at 31-3-14	as at 31-3-15	projection for 31-3-16
Total number of schools	463	449	412	395
Total value of school reserves	£48,124k	£45,730k	£54,009k	£39,943k
Number of deficit schools	8	18	8	20
Total value of deficits	£364k	£2,017k	£2,650k	£2,767k

Comments:

- The information on deficit schools for 2015-16 has been obtained from the schools nine month monitoring and show 20 schools predicting a deficit. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end but these only include information relating to the current year. Schools' Financial Services are working with these 20 schools to reduce the risk of a deficit in 2015-16 and with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.
- KCC has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority.
- The total number of schools is based on the assumption that 12 primary schools will convert to academies before the 31st March 2016, 4 schools are closing and 2 are merging.
- The value of schools reserves is forecast to reduce by £14,066k this financial year. This movement includes a reduction in the schools unallocated reserve to fund both a pressure on the high needs education budgets of £2,378k and other schools related items of £2,958k. There is an estimated drawdown of £1,309k due to 12 schools expected to convert to academy status this financial year. In addition, a drawdown of £7,421k is forecast against the remaining individual Kent schools reserves.

2.2 Number of children receiving assisted SEN and Mainstream transport to schools

	2013-14				2014-15				2015-16			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual										
Apr	3,934	4,145	14,667	14,119	3,808	4,051	12,493	11,400	3,752	3,896	9,866	9,426
May	3,934	4,172	14,667	14,119	3,808	4,056	12,493	11,436	3,752	3,877	9,866	9,454
Jun	3,934	4,206	14,667	14,106	3,808	4,073	12,493	11,468	3,752	3,904	9,866	9,491
Jul	3,934	4,167	14,667	14,093	3,808	4,041	12,493	11,307	3,752	3,913	9,866	9,505
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,934	3,761	14,667	10,300	3,808	3,725	12,493	8,969	3,752	3,599	9,866	6,576
Oct	3,934	3,981	14,667	11,258	3,808	3,785	12,493	9,123	3,752	3,847	9,866	7,422
Nov	3,934	4,010	14,667	11,267	3,808	3,826	12,493	9,237	3,752	3,840	9,866	7,571
Dec	3,934	4,021	14,667	11,296	3,808	3,816	12,493	9,220	3,752	3,875	9,866	7,671
Jan	3,934	4,037	14,667	11,314	3,808	3,853	12,493	9,258	3,752	3,898	9,866	7,751
Feb	3,934	4,086	14,667	11,368	3,808	3,885	12,493	9,357	3,752	0	9,866	0
Mar	3,934	4,041	14,667	11,375	3,808	3,899	12,493	9,388	3,752	0	9,866	0

Comments:

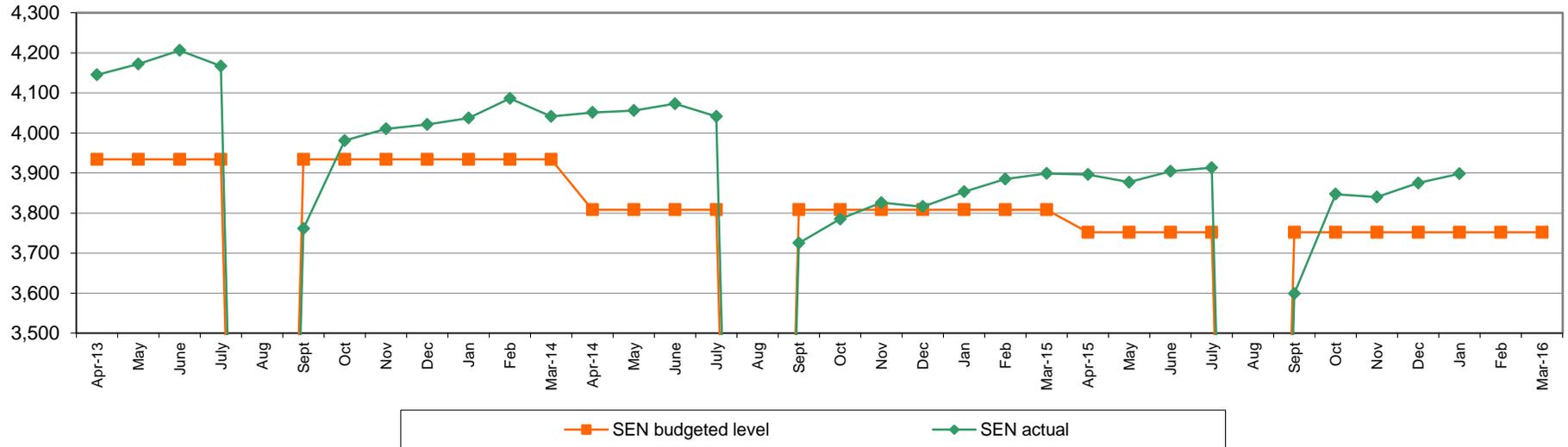
SEN HTST

- Apart from in September, the number of children travelling is higher than the budgeted level. There are also a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. A pressure of +£1,806k is therefore reported in table 1, which is offset by minor underspends totalling -£79k on independent travel training and personal transport budgets. There are also additional pressures of +£104k due to anticipated lower than budgeted recoupment income from other local authorities for the transport of their pupils to Kent schools and +£328k on home to college transport for SEN students.
- Changes in the commissioning of SEN transport during 2014-15, where some special schools and PRUs are given an allocation to provide their own transport, mean that since September 2014 these journeys are not included within the budgeted levels or the actual numbers travelling.

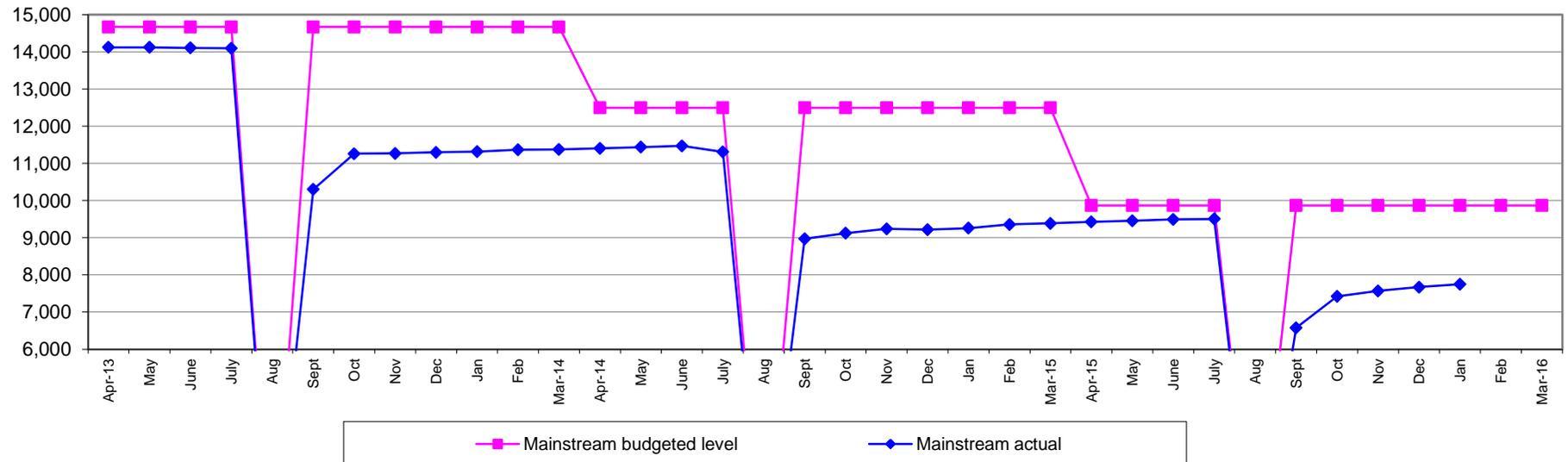
Mainstream HTST

- The number of children receiving transport is lower than the budgeted level, therefore an underspend of -£742k is reported in table 1. As expected, the number of children requiring transport has reduced for the new academic year due to a reduction in the secondary aged population and the impact of a further school year cohort affected by the selective and denominational school transport policy change implemented in 2012-13.

Number of children receiving assisted SEN transport to school



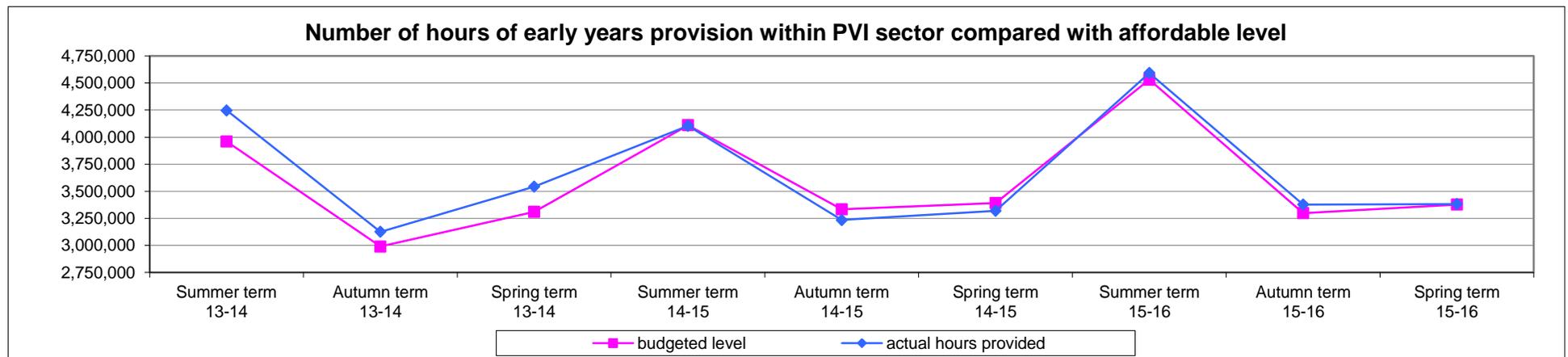
Number of children receiving assisted Mainstream transport to school



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

	2013-14		2014-15		2015-16	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided *
Summer term	3,961,155	4,247,461	4,110,576	4,104,576	4,531,281	4,592,273
Autumn term	2,990,107	3,126,084	3,333,465	3,234,394	3,297,864	3,378,391
Spring term	3,310,417	3,543,567	3,392,138	3,320,479	3,378,367	3,381,620
TOTAL	10,261,679	10,917,112	10,836,179	10,659,449	11,207,512	11,352,284

* The figures for actual hours provided are constantly reviewed and updated, so will always be subject to change



Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks. The forecast number of hours of early years provision for 3 & 4 year olds is 11,352,284 which is 144,772 hours more than budgeted.
- The affordable number of hours was uplifted in the July monitoring report, presented to Cabinet in October, as a result of an increase in Dedicated Schools Grant to reflect the January 2015 pupil numbers. Although actual hours provided are more than budgeted, the Dedicated Schools Grant will be uplifted before the end of the financial year to reflect January 2016 pupil numbers and therefore no overspend is currently forecast for this service. As this budget is entirely funded from DSG, any surplus or deficit at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere within the directorate budget, therefore any pressure or saving will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

3. CAPITAL

3.1 The Education and Young People's Services Directorate has a working budget (excluding schools) for 2015-16 of £168,423k . The forecast outturn against the 2015-16 budget is £121,051k giving a variance of -£47,372k.

3.2 **Table 2** below details the Education and Young People's Services Capital Position by Budget Book line

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Annual Planned Enhancement Programme	9,000	13,656	-4,551	-4,551	Rephasing	Rephasing of a number of works as a result of difficulties in obtaining access to schools within school term time and gaining upfront consent from utility companies. In addition, the planning/tendering phases of emerging enhancement works are starting now with the work scheduled for the 2016 Easter and Summer holidays.	Amber	Rephasing has significantly increased since previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Pupil Referral Units	1,209	1,627	-1,178	-1,178	Rephasing	The requirements for the North West Kent PRU provision have been revised, work will commence next summer. Works for West Kent PRU cannot commence until April 2016 when new premises can be accessed.	Green	The majority of the rephasing has previously been reported and no further delays to completion dates.	
Youth - Modernisation of Assets	0	23	-23	-23	Real - Prudential	Underspend to part fund additional project costs on Integrated Youth Service - Youth Hub Reprovision.	Green		
Individual Projects									
Basic Need Schemes - to provide additional pupil places:									
Basic Need Programme	61,767	68,745	-7,600	-7,600	Rephasing	The curriculum analysis and pre-construction work for Secondary school expansions has taken considerable time which has resulted in a delay to design work and preparing planning applications. No delivery delays are expected.	Green	Rephasing has previously been reported.	
Basic Need - Aylesham Primary School	0	0	0	0				Project to commence in later years.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Goat Lees Primary School, Ashford	0	25	0	0			Green		
Repton Park Primary School, Ashford	0	109	0	0			Green		
Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Future Years	2,000	3,479	-2,656	-2,656	Rephasing	Rephasing of some works due to a delay in the procurement of contractors and changes made to the scoping of projects. No delivery delays are expected.	Green	£1,544k Rephasing has previously been reported.	
St Johns / Kingsmead Primary School, Canterbury	0	70	0	0			Amber	A £650k payment due from Canterbury Diocese as part of the contract is overdue.	
Special Schools Review - major projects supporting the special schools									
Special Schools Review phase 1	0	628	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Special Schools Review phase 2	47,200	49,540	-20,464	-20,464	Rephasing	<p>The Foreland School has experienced delays in contract execution which has impacted on commencement of works. Both Ridge View and Portal House are still at Planning Stage. Ridge View has experienced significant delays due to planning issues at the original site, an alternative has now been found.</p> <p>Following objections to planning permission for Portal House, a review and redesign has been necessary. Enabling works are underway and a revised planning application has now been submitted.</p> <p>Five Acre Wood has also experienced significant delays at Planning stage, Planning approval has now been given and work will commence on the school following completion of the farm works.</p>	Green	Rephasing has previously been reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Academy Projects:									
Astor of Hever (St Augustine's Academy), Maidstone	0	19	0	0			Green		
Dover Christ Church	3,000	2,760	0	0			Green		
Skinner's Academy	0	140	0	0			Green		
Spires Academy	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
John Wallis	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
Wilmington Enterprise College	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
The Knole Academy	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
Duke of York Academy	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
Academy Unit Costs	233	798	0	0			Green		
BSF Wave 3 Build Costs	500	498	0	0			Green		
BSF Unit Costs	0	51	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Other Projects:									
Primary Improvement Programme	0	4	0	0			Green		
Canterbury Family Centre	0	4	-4	-4	Real - Prudential		Green	Project complete.	
Integrated Youth Service - Youth Hub Reprovision	0	713	60	60	Real - £58k Prudential, £2k Capital Receipt		Amber	Unforeseen additional project costs. To be funded from underspends elsewhere within the programme. £48k overspend has previously been reported. A £200k payment due from Dover District Council is outstanding due to a delay in KCC signing the lease agreement relating to the land on which the Youth Hub is built.	
Nursery Provision for Two Year Olds	0	637	-436	-436	Rephasing	New premises being sought for additional nursery provision in Gravesham with works to commence in 2016/17. There will be no impact on overall cost.	Amber	£366k rephasing has previously been reported.	
One-off Schools Revenue to Capital	0	40	23	23	Real - Revenue		Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Platt CEPS	0	85	-85	-85	Rephasing		Green		
Grammar School annex at Sevenoaks	10,000	9,677	-9,177	-9,177	Rephasing	Works had halted pending the outcome of the Secretary of State decision. Following approval, contract documentation will now be worked through prior to any construction contract being agreed.	Green	Sevenoaks Grammar was approved by the Secretary of State for Education on 15 October 2015.	
Trinity Free School, Sevenoaks	7,000	11,898	0	0			Green		
EYPS Single System (previously known as Early Help Single System)	1,800	1,800	-1,500	-1,500	Rephasing	A decision has been made to go out to a full procurement which has lead to a delay in purchasing products and services.	Green	£1,100k Rephasing has previously been reported.	
Ashford North Youth Centre	0	0	50	50	Real - Developer contribution		Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Priority School Build Programme	0	0	100	100	Rephasing	Early enabling works where KCC is funding alterations prior to PSBP schemes commencing. The spend being brought forward into this financial year has reduced since previously reported, as the PSBP programme is behind schedule and the enabling works have not yet been required at Castle Community, Meopham and Chantry schools.	Green	£250k rephasing has previously been reported.	
Universal Infant Free School Meals	1,075	1,207	16	16	Real - Grant		Green		
The Piggery, Swattenden	0	42	-2	-2	Real - Capital receipt	To part fund additional project costs on Integrated Youth Service Youth Hub Reprovision.	Green		
Vocational Education Centre	0	148	0	0			Green		
Tunbridge Wells Youth Centre Hub	0	0	55	55	Real - Developer contribution		Green		
Total	144,784	168,423	-47,372	-47,372					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
SPECIALIST CHILDREN'S SERVICES
DECEMBER 2015-16 MONITORING REPORT

1. REVENUE

	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
Total excl Asylum (£k)	+133,085	-684	-	-684	+157	-	-527
Asylum (£k)	+280	+2,029	-	+2,029	-	-	+2,029
Total (£k)	+133,365	+1,345	-	+1,345	+157	-	+1,502

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Specialist Children's Services							
Strategic Management & Directorate Support budgets	5,459.6	-257.9	5,201.7	-539	-145	Lower than anticipated spend in the Access to Resource Team, the Central Support Team and the Management Information Unit, principally due to vacancy management	
					-385	Appropriate recharge of overheads to the Asylum Service	
					-9	Other minor variances	
Children's Services - Children in Care (Looked After)							
- Fostering - In house service	24,165.6	-252.2	23,913.4	+58	-18	Forecast -47 weeks below affordable level of 52,485 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016- 19 MTFP
					+554	Forecast average unit cost +£10.55 above affordable level of £371.10	
					-221	Lower than anticipated costs in the County Fostering Team relating primarily to recruitment and training costs, including lower use of specialists	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-78 Higher than anticipated income from recharges to the Asylum Service owing to greater Asylum activity	
					-176 Lower than anticipated Fostering related costs, including transport costs	
					-3 Other minor variances	
- Fostering - Commissioned from Fostering Agencies	8,184.3	0.0	8,184.3	-348	-423 Forecast -451 weeks below affordable level of 8,812 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					+105 Forecast average unit cost +£11.90 above affordable level of £925.36	
					-30 Other minor variances	
- Legal Charges	6,769.0	0.0	6,769.0	+91		
- Residential Children's Services - in house services (short breaks units)	3,227.4	-682.4	2,545.0	-129	-121 Higher than anticipated income from venue hire and funding from health & other local authorities	
					-8 Other minor variances	
- Residential Children's Services - commissioned from independent sector	13,625.9	-2,567.7	11,058.2	+538	+50 Forecast +15 weeks above affordable level of 2,660 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					+652 Forecast average unit cost +£245.23 above affordable level of £3,079.85	
					+347 Children with a Disability: Forecast +134 weeks above affordable level of 1,489 weeks	
					-565 Children with a Disability: Forecast average unit cost -£379.53 below affordable level of £2,968.70	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+434	Lower than anticipated service income for Children with a Disability, mainly relating to fewer contributions for care costs from Health & Education as a result of an increase in split payments of care at source, resulting in lower costs and recharge income. As such, this reduction in income should be considered alongside the reduced unit cost variance for Children with a Disability reported above.
					-350	Lower than anticipated spend on Secure Accommodation based on year to date usage
					-30	Other minor variances
- Virtual School Kent	4,863.0	-3,430.6	1,432.4	-99		
	60,835.2	-6,932.9	53,902.3	+111		
Children's Services - Children in Need						
- Family Support Services	10,944.5	-1,660.0	9,284.5	+31	+195	Informal Arrangements: Following the rates and charges reviews the majority of Informal Arrangements were expected to become Child Arrangement Orders, the budget for which is within the "Adoption & other permanent care arrangements" A-Z service line below. However, the rates and charges reviews of these current informal arrangements have only recently been completed resulting in higher than expected costs for Informal Arrangements and a compensating lower than expected cost for Child Arrangement Orders (see "Adoption & other permanent care arrangements" below).

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-135	Disability Commissioned Services: Renegotiation and rationalisation of current commissioned services contracts, including bringing the Information and Advice Service in-house
					-29	Other minor variances
Children's Services - Other Social Services						
- Adoption & other permanent care arrangements	12,908.8	-104.0	12,804.8	-751	+677	Guardianship: Primarily due to the full year effect of an increase in Special Guardianship Orders (SGOs) in the previous year. In addition, finalising the rates and charges review in 2015-16, has increased the number of SGOs. (Part of the remit of the Rates & Charges reviews is to establish the type of legal arrangement in place and re-categorise accordingly)
					-506	County Adoption Team: fewer adoption arrangements are being made due to fewer children requiring this permanent care arrangement, so current vacancies are being managed
					-417	Inter-agency placement variance predominately due to more adoption arrangements being made on behalf of other local authorities than those carried out by other local authorities on KCC's behalf
					-121	Adoption Allowances underspend due to fewer adoptions arrangements being made which require financial support

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-189	Child Arrangement Orders: As a result of the Rates and Charges Review, most continuing services were expected to become Child Arrangement Orders, so the cash limit was held on this A-Z service line, awaiting further information. This underspend partly offsets increases in Guardianship, which has been one of the outcomes of the Rates and Charges Review.
					-195	Child Arrangement Orders: offsets the pressure relating to Informal Arrangements within the "Family Support Services" A-Z service line above.
- Asylum Seekers	19,619.1	-19,339.1	280.0	+2,029	-182	There is currently a small projected surplus on the under 18 Unaccompanied Asylum Seeking Children (UASC) who are eligible for grant funding. Within the overall forecast it is assumed that this can be kept to offset the greater shortfall on eligible Care Leavers.
					+441	Expenditure on UASC who are no longer deemed eligible for grant funding due to their Asylum status. Each of these cases is currently being reviewed and discussed with the Home Office.
					+864	Expenditure for Care Leavers (aged 18 and over) being greater than the grant payable by the Home Office (see activity section 2.6 below), mainly due to the fact that the grant rate does not adequately recognise the level of infrastructure that is required to support the 350+ eligible young people being supported.
						National dispersal of some young people to other local authorities is mitigating part of the current pressure on this service. Recent increased migrant activity levels are likely to produce an additional pressure in future years as more young people reach age 18.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+1,186	Cost of supporting those Care Leavers whose rights to appeal are now exhausted, (£342k relates to direct costs for All Rights Exhausted (ARE) clients), and those who are ineligible for grant funding due to their Asylum status. Similarly these cases are all being reviewed on an individual basis.
					-280	The Asylum budget was originally set based on the Council being required to fund the first 25 Care Leavers, this is no longer the case, hence the underspend against this specific budget.
- Care Leavers	6,657.1	-2,105.4	4,551.7	+65	+350	Higher than expected costs for 16 and 17 year old Looked After Children (LAC) requiring this service in order to provide stability and continuity whilst they continue their education as they prepare to leave care. This is partly due to individuals being placed in a broader variety of placements including 'step down' placements from residential care.
					-381	Lower than expected costs for Care Leavers (non LAC), mainly aged 18+, requiring this service in order to provide stability and continuity whilst they continue their education. This is partly due to individuals being helped towards independence quicker than anticipated.
					+280	Higher than anticipated staffing and related costs
					-184	Lower than anticipated costs on Supported Lodging provision contract

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Safeguarding	5,819.3	-1,003.9	4,815.4	-336	-157	<i>Pooled Budget variance:</i> KCC's share of re-phasing into 2016-17 of Kent Safeguarding Children Board (KSCB) funding. This will be required to roll forward to meet our obligation to the board under the terms of the multi-agency agreement.
					-145	<i>KCC Base Funded Budget variance:</i> Lower level of activity than anticipated for KSCB, although this is partly offset by a higher level of provision of immersive learning training than planned.
					-34	Other minor variances
	45,004.3	-22,552.4	22,451.9	+1,007		
<u>Assessment Services</u>						
- Children's social care staffing	46,410.7	-3,886.3	42,524.4	+735	+4,667	Pressure on staffing budgets for Non-Disability teams due to appointment of agency staff due to difficulties in recruiting to salaried posts. Part of this forecast overspend is linked to the increased numbers of Asylum young people and is offset by the increased recharge below.
					-3,857	Higher than expected recharged costs to Asylum service for social care staffing (offsetting part of the above staff costs) due to increased Asylum activity
					+170	Establishment of additional Adolescent Support Team posts targeted at increasing the proportion of young people re-united with their families within early weeks of care.
					+292	Pressure on staffing budgets for Disability teams due to appointment of agency staff as a result of difficulties in recruiting to salaried posts
						This pressure has been addressed in the recently approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-184	Lower other non-staffing spend in Disability teams predominately due to lower than anticipated staff travel costs
					-143	Lower other non-staffing spend in Non-Disability teams mostly due to lower than anticipated staff travel costs
					-100	Additional income relating to Occupational Therapy equipment for 2014-15, for which no debtor was raised in the 2014-15 accounts
					-110	Other minor variances each below £100k, including income for Non-Disability teams and Children's Equipment
Total SCH&W (SCS)	168,654.3	-35,289.5	133,364.8	+1,345		
Assumed Mgmt Action						
Total SCH&W (SCS) Forecast after mgmt action	168,654.3	-35,289.5	133,364.8	+1,345		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

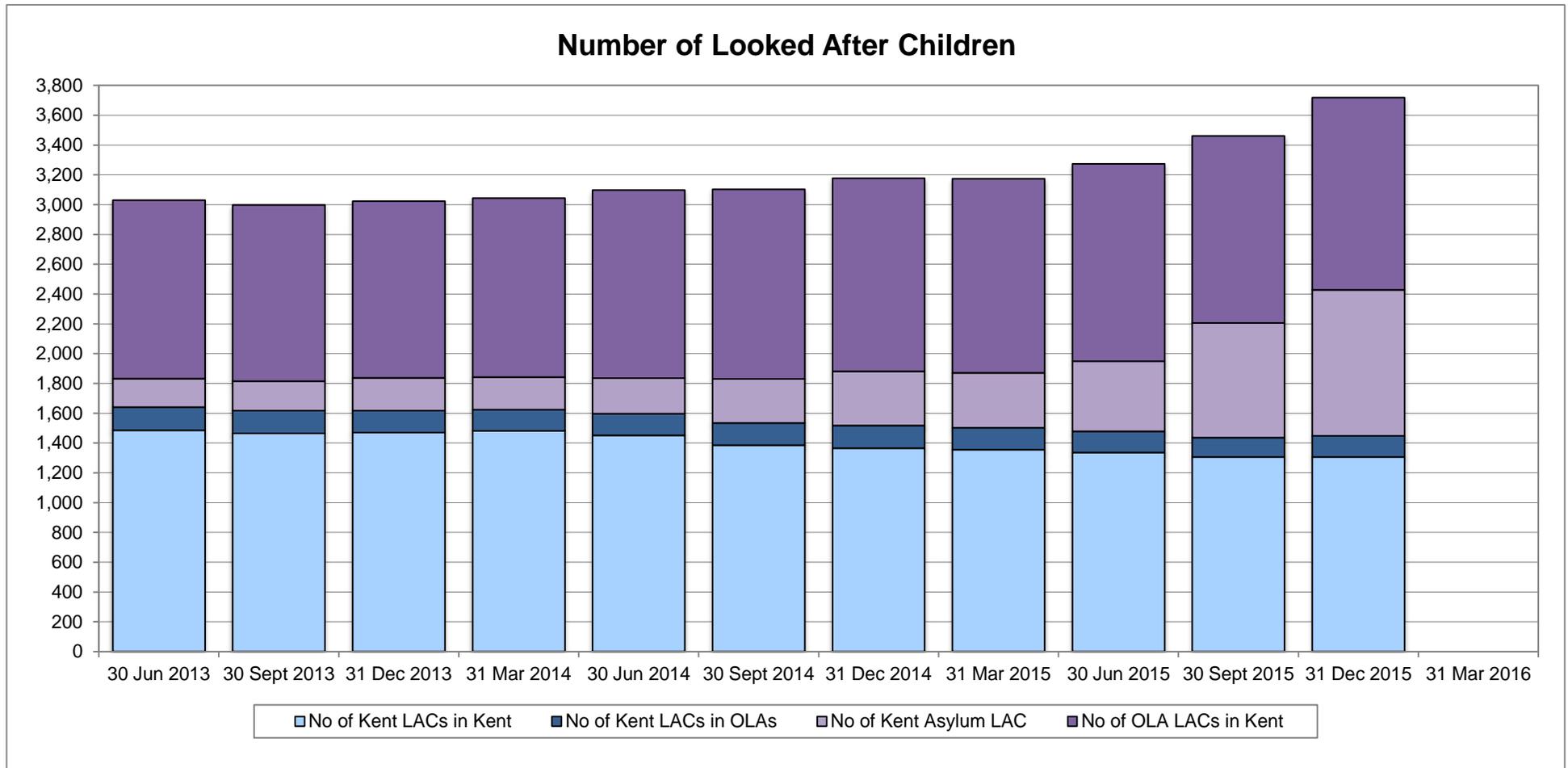
2.1 Number of Looked After Children (LAC) :

		No. of Kent LAC placed in Kent	No. of Kent LAC placed in OLAs	TOTAL NO. OF KENT LAC (excluding Asylum)	No of Kent Asylum LAC	TOTAL NUMBER OF LAC IN KENT	No. of OLA LAC placed in Kent	TOTAL NUMBER OF LAC IN KENT
2013-14	30-Jun	1,485	155	1,640	192	1,832	1,197	3,029
	30-Sep	1,465	152	1,617	198	1,815	1,182	2,997
	31-Dec	1,470	146	1,616	221	1,837	1,185	3,022
	31-Mar	1,481	143	1,624	218	1,842	1,200	3,042
2014-15	30-Jun	1,450	147	1,597	238	1,835	1,261	3,096
	30-Sep	1,385	148	1,533	296	1,829	1,273	3,102
	31-Dec	1,365	152	1,517	364	1,881	1,296	3,177
	31-Mar	1,354	148	1,502	368	1,870	1,303	3,173
2015-16	30-Jun	1,336	141	1,477	471	1,948	1,324	3,272
	30-Sep	1,305	130	1,435	771	2,206	1,254	3,460
	31-Dec	1,306	141	1,447	980	2,427	1,290	3,717
	31-Mar							

Comments:

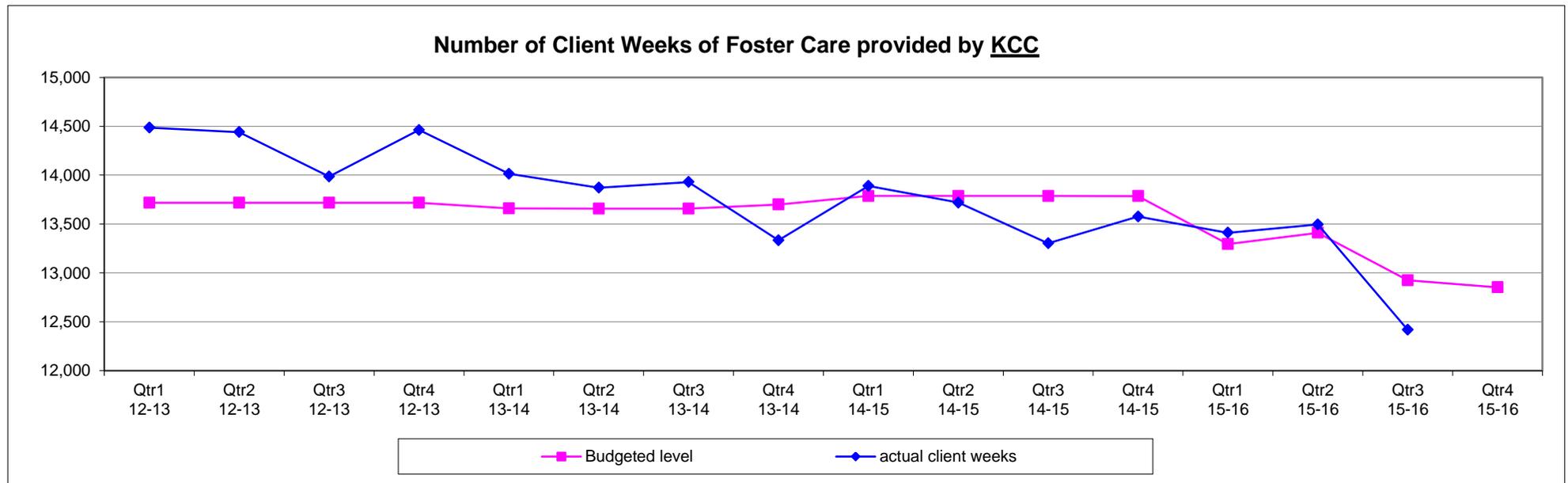
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The figures represent a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore, although the number of Kent looked after children had reduced by 55 as at December of this financial year, there could have been more (or less) during the period.
- Following the reduction in the number of Kent LAC, there is no longer an overall forecast pressure on the SCS budget. After taking into account anticipated transformation savings, however, there are still some pressures primarily relating to the LAC heading of residential care and the non LAC headings such as staffing, care leavers and family support services.

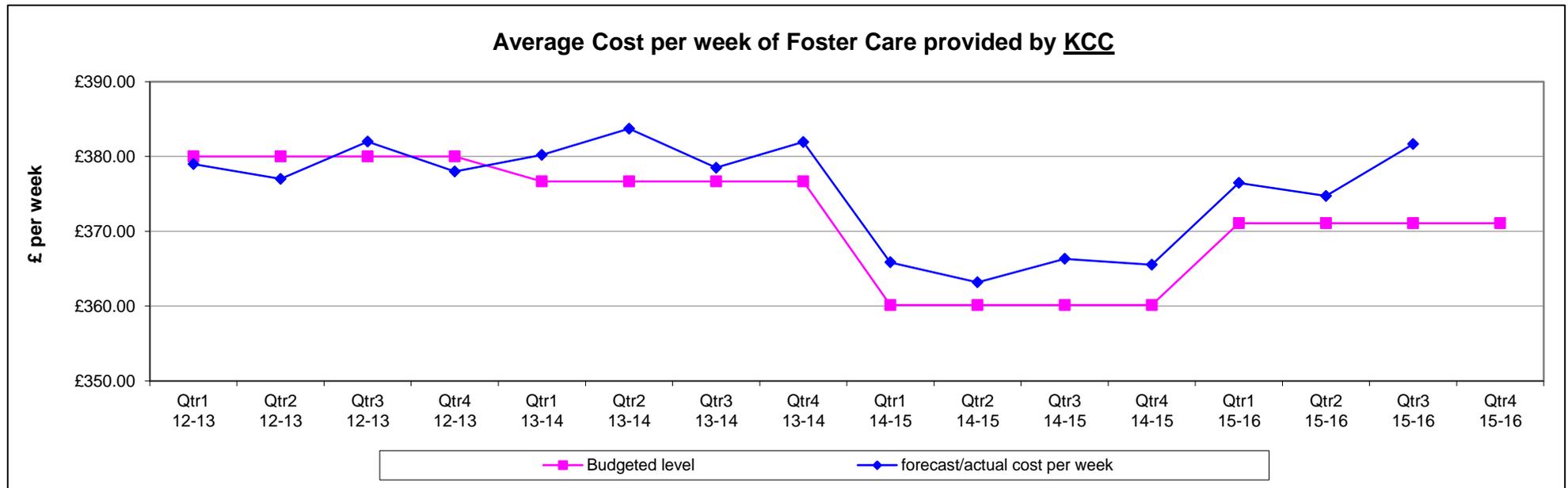
- The OLA LAC information has a confidence rating of 38% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. This confidence rating is based upon the percentage of children in this current cohort where the OLA has satisfactorily responded to recent MIU requests.
- This information on number of Looked After Children is provided by the Management Information Unit within SCH&W directorate.



2.2 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC:

	2013-14				2014-15				2015-16			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	13,659	14,014	£376.67	£380.22	13,787	13,889	£360.14	£365.85	13,296	13,411	£371.10	£376.47
Jul to Sep	13,658	13,871	£376.67	£383.72	13,787	13,719	£360.14	£363.19	13,411	13,496	£371.10	£374.73
Oct to Dec	13,658	13,929	£376.67	£378.50	13,787	13,304	£360.14	£366.33	12,925	12,418	£371.10	£381.65
Jan to Mar	13,700	13,334	£376.67	£381.94	13,786	13,577	£360.14	£365.54	12,853		£371.10	
	54,675	55,148	£376.67	£381.94	55,147	54,489	£360.14	£365.54	52,485	39,325	£371.10	£381.65



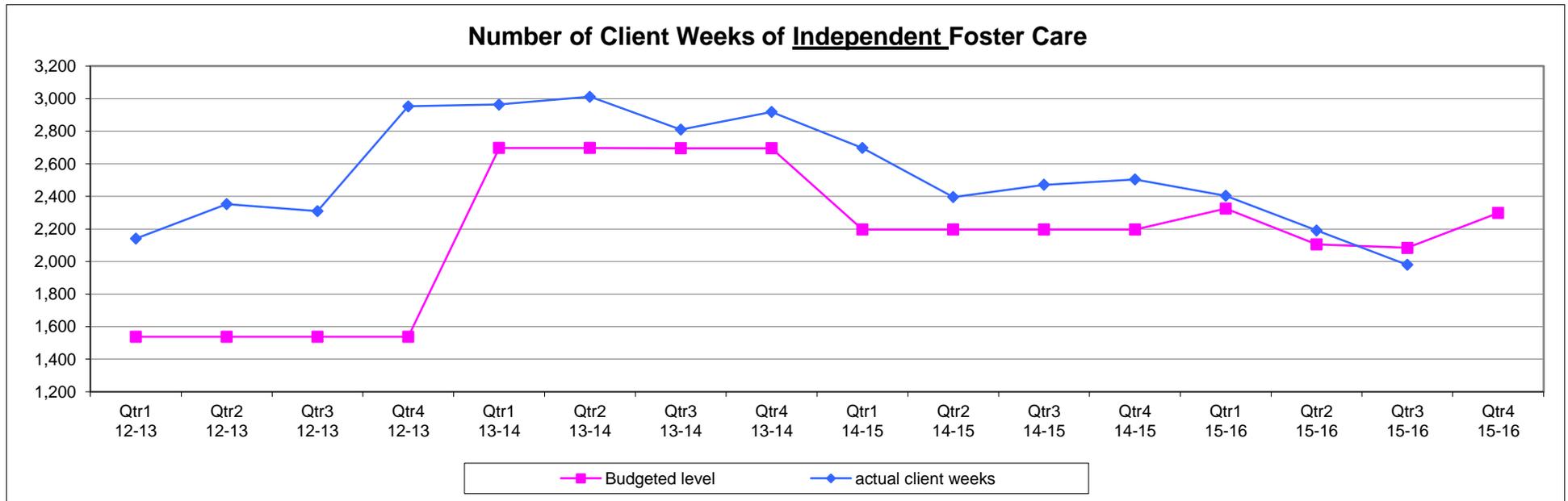


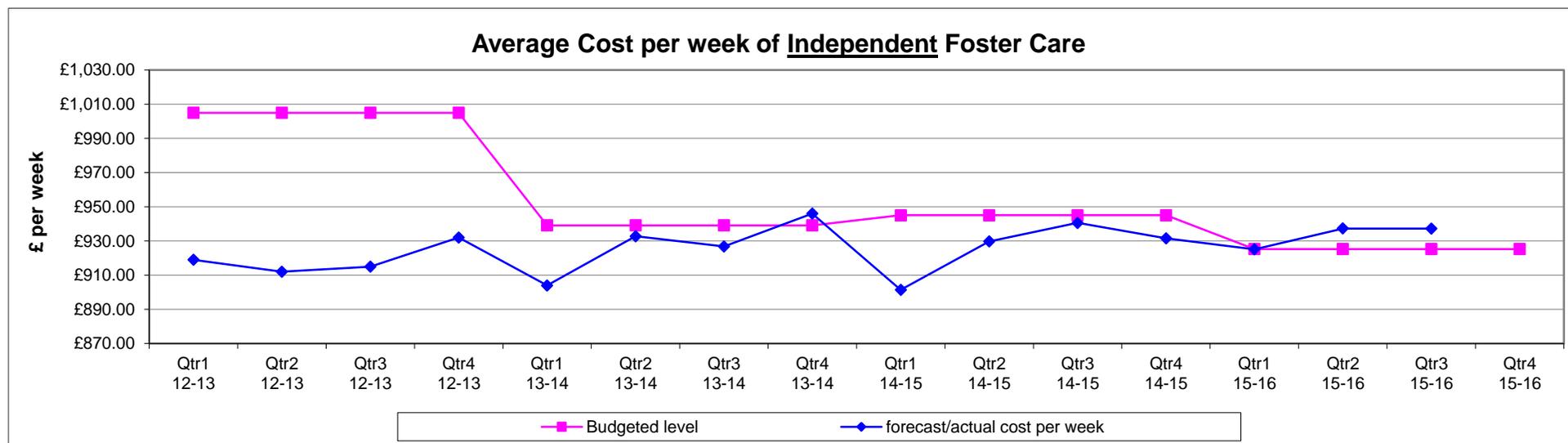
Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the affordable weekly cost.
- The 2015-16 budgeted level reflects the 2015-16 Quarter 1 realignment of budgets reported to Cabinet on 21 September.
- The forecast number of weeks (excluding asylum) is 52,438 weeks against an affordable level of 52,485, a difference of -47 weeks. At the forecast unit cost of £381.65 per week, this reduced activity decreases the forecast position by -£18k, as shown in Table 1. The current year to date activity suggests a lower level of activity than forecast. Part of this is likely to be due to the recording of respite activity which is recorded in arrears, so this part of the year to date activity is likely to be understated.
- The forecast unit cost of +£381.65 is higher than the affordable level of +£371.10 and this difference of +£10.55 gives a pressure of +£554k when multiplied by the affordable weeks, as shown in Table 1.
- The reduction in activity and corresponding increase in unit cost between Quarter 2 and Quarter 3 of 2015-16 is thought to be due to more timely activity data and improved forecasting resulting from the use of the ContrOCC payments system as the primary source of data. This means that the forecast is now more closely linked to payments and activity data.
- Overall, therefore, the combined gross underspend on this service is +£536k (-£18k +£554k).
- The special operation which was previously excluded from this activity indicator has concluded, so from April 2015-16 this indicator reflects all In House Foster Care activity.

2.3 Number of Client Weeks & Average Cost per Client Week of Independent Foster Care:

	2013-14				2014-15				2015-16			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	2,697	2,964	£939.19	£904.01	2,197	2,697	£945.07	£901.37	2,325	2,403	£925.36	£925.17
Jul to Sep	2,697	3,012	£939.19	£932.83	2,197	2,396	£945.07	£929.73	2,105	2,191	£925.36	£937.35
Oct to Dec	2,696	2,810	£939.19	£926.83	2,197	2,471	£945.07	£940.61	2,084	1,980	£925.36	£937.26
Jan to Mar	2,696	2,919	£939.19	£946.08	2,197	2,504	£945.07	£931.60	2,298		£925.36	
	10,786	11,705	£939.19	£946.08	8,788	10,068	£945.07	£931.60	8,812	6,574	£925.36	£937.26



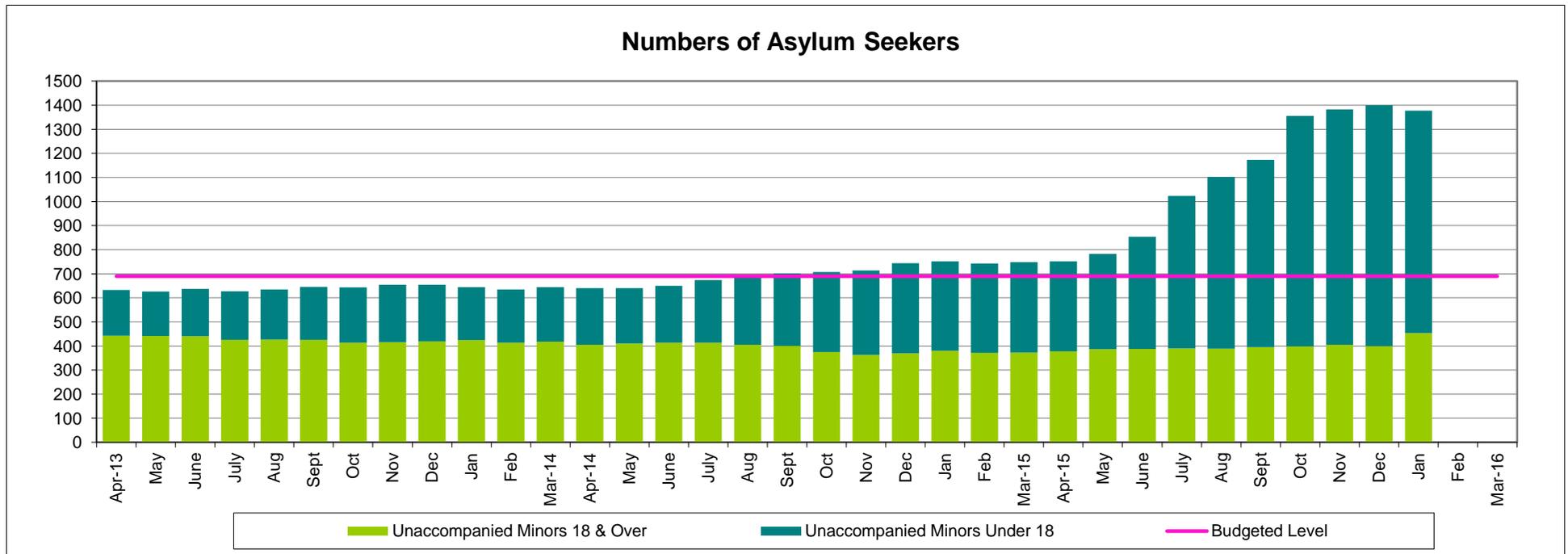


Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the affordable weekly cost.
- The 2015-16 budgeted level reflects the 2015-16 Quarter 1 realignment of budgets reported to Cabinet on 21 September.
- The forecast number of weeks (excluding asylum) is 8,361 weeks against an affordable level of 8,812, a difference of -451 weeks. At the forecast unit cost of £937.26 per week, this reduced activity decreases the forecast position by -£423k, as shown in Table 1. The forecast is based on the transformation savings profiles which assume a range of durations of care/placement end dates. The current year to date suggests a higher level of activity than currently forecast. This is chiefly because the forecast assumes an overall reduction in usage of independent fostering due to targeted action to reduce numbers coming into care and to reunify families after only a short period of care. In addition, the forecast assumes a greater number of new in-house placements with an expected compensating reduction in the overall number of commissioned independent fostering placements in the final quarter of the year.
- The forecast unit cost of +£937.26 is higher than the affordable level of +£925.36 and this difference of +£11.90 gives a pressure of +£105k when multiplied by the affordable weeks, as shown in Table 1.
- Overall therefore, the combined gross underspend on this service is -£318k (-£423k +£105k).
- The forecast average unit cost of £937.26 includes some mother and baby placements, which are subject to court orders. These placements often cost in excess of £1,500 per week.
- The special operation which was previously excluded from this activity indicator has concluded, so from April 2015-16 this indicator reflects all Independent Foster Care activity.

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2013-14			2014-15			2015-16		
	Under 18	18 & Over	Total	Under 18	18 & Over	Total	Under 18	18 & Over	Total
Apr	190	443	633	235	405	640	373	378	751
May	184	442	626	230	410	640	396	387	783
Jun	197	440	637	237	413	650	466	388	854
Jul	202	425	627	261	413	674	633	390	1,023
Aug	208	427	635	282	405	687	713	389	1,102
Sep	221	425	646	301	401	702	778	395	1,173
Oct	229	414	643	332	375	707	958	398	1,356
Nov	238	416	654	351	363	714	978	405	1,383
Dec	235	419	654	375	369	744	1,000	400	1,400
Jan	220	424	644	371	380	751	924	453	1,377
Feb	222	413	635	372	371	743			
Mar	226	418	644	375	373	748			



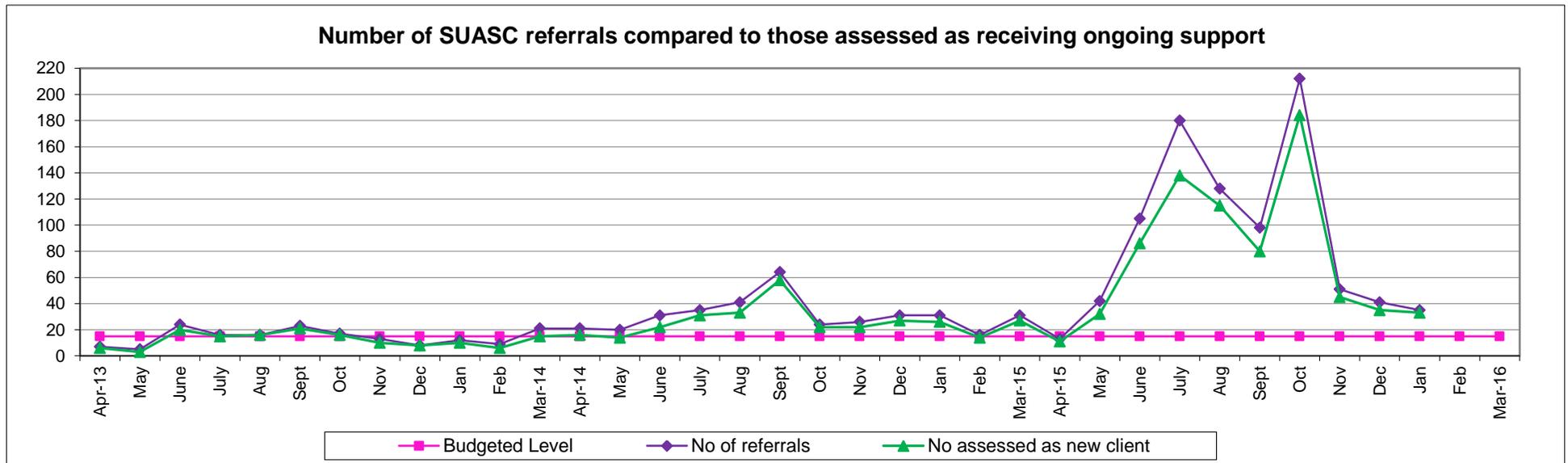
Comments:

- The overall number of children is increasing, with numbers as at the end of January at the highest level they have been since September 2003. The current number of clients supported is above the budgeted level of 690.
- The budgeted number of referrals for 2015-16 is 15 per month, with 9 (60%) being assessed as under 18.
- We are responsible for those aged 18 and over if they are a Former Relevant Child and have eligibility for Care Leaver status. These are those young people who had been looked after for at least 13 weeks which began after they reached age 14 and ended after they reached age 16. Additionally young people over 18 may qualify for advice or assistance if they have been in care for at least 24 hrs aged 16 or 17.
- The numbers of 18 and over young people who are All Rights of appeal Exhausted (ARE) or Certified Refusals have been steadily decreasing, particularly since the introduction of Human Rights Assessments (HRAs). Certified Refusals are similar to ARE in that these individuals are expected to leave the UK immediately and have no recourse to public funds, but they have never had in-country appeal rights. On the 31st of January 2016 there were 35 ARE or Certified Refusal cases in Kent, compared to 67 in November 2014 and 101 in November 2013.
- The number of young people leaving the service at age 21 rather than remaining in the service up to age 24 has increased in recent months. In previous years, the number of young people supported who are 18 and over has been larger than those aged under 18, but this trend is reversing due to the current high numbers of arrivals of under 18's and the numbers leaving the service at age 21. The number of young people who became 18 on the 1st of January 2016 (the first of January is used where the real Date of Birth is not known) was 64, reflecting the high numbers of arrivals over the Summer and Autumn of 2015.
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim, but once their assessment has been completed, or when successfully appealed, their category may change.
- The number of Asylum LAC shown in table 2.1 above is different to the 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.
- The December UASC numbers shown in the table above include approximately 210 clients who are ineligible for grant funding.

2.5 Number of Unaccompanied Asylum Seeking Children (UASC):

	2013-14			2014-15			2015-16		
	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%
Apr	7	6	86%	21	16	76%	13	11	85%
May	5	3	60%	20	14	70%	42	32	76%
Jun	24	20	83%	31	22	71%	105	86	82%
Jul	16	15	94%	35	31	89%	180	138	77%
Aug	16	16	100%	41	33	80%	128	115	90%
Sep	23	21	91%	64	58	91%	98	80	82%
Oct	17	16	94%	24	22	92%	212	184	87%
Nov	13	10	77%	26	22	85%	51	45	88%
Dec	8	8	100%	31	27	87%	41	35	85%
Jan	12	10	83%	31	26	84%	35	33	94%
Feb	9	6	67%	16	14	88%			
Mar	21	15	71%	31	27	87%			
	171	146	85%	371	312	84%	905	759	84%

Since the 2014-15 Q3 monitoring report, a revised methodology has been adopted - UASC are now only included when their Looked After Child (LAC) status has formally commenced.



Comments:

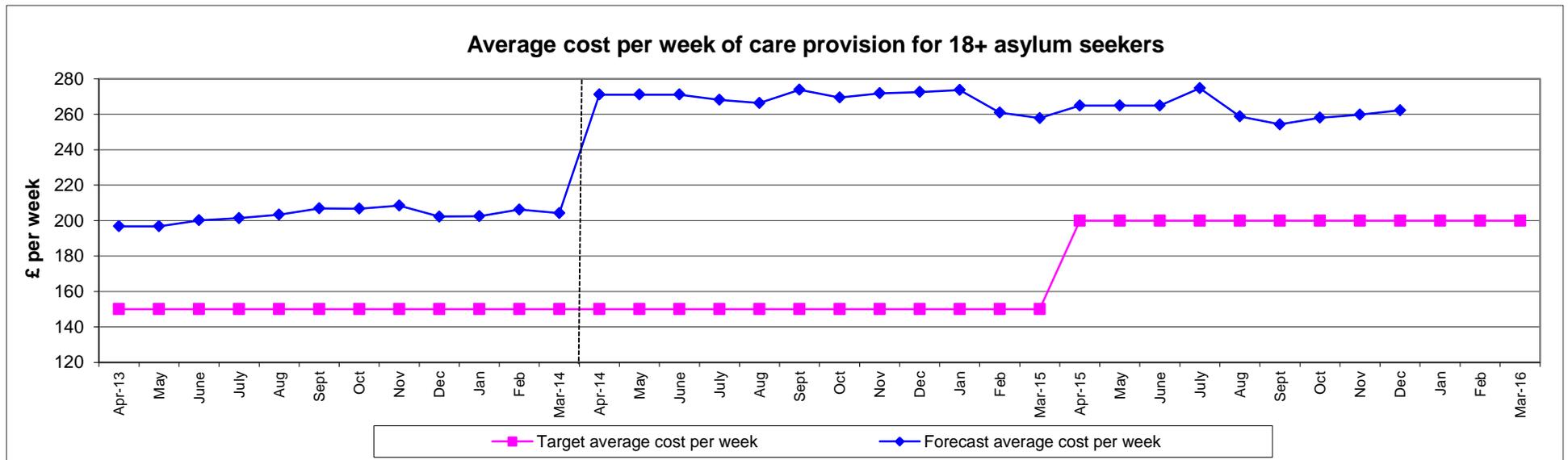
- Please note that UASC Referrals are assumed to be new clients until an assessment has been completed, which usually can take up to 6 weeks, however, as a result of the recent high number of referrals it is currently taking longer to complete individual assessments. Therefore the number of UASC assessed as new clients shown in the table may change once the assessment has taken place.
- The average number of referrals per month for the year to date is 90, which is above the budgeted number of 15 referrals per month. However within this average, as can be seen in the graph above, there is a significantly increasing trend reflecting the volatility in migrant activity during 2015-16.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average proportion assessed as new clients in 2015-16 is currently 84%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 76 i.e. 744% higher than budgeted.
- Where a young person has been referred but does not become an ongoing client this may be for various factors. The number of these cases is relatively low but would include those where an age assessment has determined the young person to be aged 18 or above (and therefore they have been returned to immigration for dealing with through the asylum process for Adults) and more recently, transfers of case responsibility to Other Local Authorities. We are only able to claim grant for 28 days for an Asylum Seeker who, on arrival to the UK, is assessed as age 18 or over, but due to the current high number of arrivals it is taking longer than this for the assessments to be completed, resulting in an increased unfunded pressure on the Asylum budget.
- The information on numbers of Unaccompanied Asylum Seeking Children is provided by the Management Information unit within SCH&W directorate.
- Please note that due to the time taken to validate referrals on the database (particularly at this stage given the high volumes encountered since June), the number of new clients and number of referrals for any given month may change, therefore the activity data is refreshed in each report to provide the most up to date information.

	2013-14		2014-15		2015-16	
	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p
Apr	150	196.78	150	271.10	200	264.91
May	150	196.78	150	271.10	200	264.91
Jun	150	200.18	150	271.10	200	264.91
Jul	150	201.40	150	268.15	200	274.77
Aug	150	203.29	150	266.33	200	258.73
Sep	150	206.92	150	273.87	200	254.29
Oct	150	206.74	150	269.47	200	258.05
Nov	150	208.51	150	271.85	200	259.78
Dec	150	202.25	150	272.56	200	262.24
Jan	150	202.49	150	273.75	200	
Feb	150	206.24	150	260.94	200	
Mar	150	204.27	150	257.79	200	

The current forecast average weekly cost for 2015-16 is £262.24, +£62.24 above the £200 claimable under the grant rules. This adds +£2,050k to the forecast outturn position, (+£864k for eligible clients and +£1,186k for ineligible/AREs as shown in table 1), for which we have a cash limit of £280k, giving a variance of +£1,770k.

The weekly cost has increased significantly since 2013-14. Previously the average weekly cost was based on direct client costs only, as the gateway grant was used for staff and infrastructure costs. From 2014-15 onwards we no longer receive a Gateway Grant, so all staff and infrastructure costs have been allocated to age groups. Therefore, the increased weekly cost since April 2014 reflects ALL costs associated with 18+.

A dotted line has therefore been added to the graph to show that the unit costs pre and post April 2014 are not directly comparable.



Comments:

- The 2015-16 target average weekly cost was increased in the Quarter 2 report from £150 to £200 based on the latest offer from the Home Office received in early November.
- The reduction in unit cost between January and February 15 follows a restructure of the service that took place at the start of December to bring Asylum support alongside mainstream care. Following this restructure a data cleansing exercise was performed. This revealed a number of elements that required revision, including changes to weekly costs for those in independent accommodation and a reassessment of the level of void placements. In addition, the amount paid via the Essential Living Allowance has reduced, which is likely to be in part due to ongoing work to improve take-up of benefits for those able to claim them.
- The local authority (LA) has agreed that the funding levels for the Unaccompanied Asylum Seeking Children's Service 18+ grant agreed with the Government rely on us achieving an average cost per week of £200, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the removal process. In 2011-12 UKBA changed their grant rules and now only fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process if the LA carries out a Human Rights Assessment before continuing support. The number of AREs supported has fallen in recent months. The LA has continued to meet the cost of the care leavers in order that it can meet its' statutory obligations to those young people under the Leaving Care Act until the point of removal.
- The issue remains that for various reasons, some young people have not yet moved to lower cost properties, mainly those placed out of county. These placements are largely due to either medical/mental health needs or educational needs. In addition, the increase in numbers over recent months has reduced the availability of lower cost properties.
- As part of our strive to achieve a net unit cost of £200 or below, we will be insisting on take-up of state benefits for those entitled. However, the proportion of young people being accepted for asylum has reduced in recent months, meaning that a lower proportion of young people are unable to claim state benefits, bringing up the average cost. In addition, the service has undertaken a data cleansing exercise and as a result a number of older cases have been closed where we no longer have a requirement to support these young people as care leavers. The costs for these cases were lower, which has resulted in a further increase to the average cost.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Children's Services has a working budget for 2015-16 of £1,959k . The forecast outturn against the 2015-16 budget is £1,516k giving a variance of -£443k.

3.2 **Table 2** below details the Social Care, Health & Wellbeing Directorate's - Children's Services Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Transforming Short Breaks	70	112	0	0			Green		
ConTROCC	556	925	-210	-210	Rephasing	Due to the scale of the project it has been agreed that the Children's provider portal will be rolled out on a phased basis. The scope of phase 2 has increased therefore delivery timescales have been extended but costs will remain within current budget. The final phase is the rollout to internal fostering providers.	Green	Phase 1 went live in July 2015. Phase 2 completion has moved from December 2015 to May 2016. Phase 3 is scheduled for August 2016. Rephasing to 2016-17 previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Early Help Module (EHM)	276	922	-233	-233	Rephasing	Phase 4 will be delivered next financial year as the Commissioning Services function is currently being redefined.	Green	Phase 1 went live in June 2015. Phase 2 went live in November 2015. Phase 3 to go live in May 2016. Phase 4 to go live in September 2016. Rephasing to 2016-17 previously reported.	
Total	902	1,959	-443	-443					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
ADULTS SERVICES
DECEMBER 2015-16 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
Total (£k)	+350,459	+5,261	-	+5,261	+67	+130	+5,458

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Adult Social Care							
Strategic Management & Directorate Support budgets	8,104.1	-1,144.5	6,959.6	-782	-256	Staff vacancies within Access to Resources Team	Savings are expected to be ongoing & have been reflected in the recently approved 2016-19 MTFP
					-329	Staff vacancies across teams within operational support	
					-222	Reduced demand for a number of office support services (including postage, printing and stationery)	
					+25	Other minor variances	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	4,045.2	-623.8	3,421.4	-152	-142	Delays in recruitment to vacancies within the Performance & Information Management team	
					-10	Other minor variances	
<u>Adults & Older People:</u>							
- Direct Payments							
- Learning Disability (aged 18+)	18,346.6	-730.0	17,616.6	-388	+286	Forecast +995 weeks above affordable level of 63,723 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					-6	Forecast average unit cost -£0.09 below affordable level of £287.44	
					+918	One-off direct payments	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-1,547	Recovery of unspent funds from clients
					-143	Other local authority income relating to prior year costs for a client who has recently been transferred under Ordinary Residence status
					+104	Other minor variances
- Mental Health (aged 18+)	1,052.9	-84.3	968.6	+51	+106	Forecast +996 weeks above affordable level of 9,998 weeks
					+8	Forecast average unit cost +£0.83 above affordable level of £105.31
					+69	One-off direct payments
					-149	Recovery of unspent funds from clients
					+17	Other minor variances
- Older People (aged 65+)	14,572.8	-140.2	14,432.6	-1,460	-1,147	Forecast -5,989 weeks below affordable level of 78,548 weeks
					+484	Forecast average unit cost +£6.16 above affordable level of £185.42
					+409	One-off direct payments
					-1,199	Recovery of unspent funds from clients
					-7	Other minor variances
- Physical Disability (aged 18-64)	12,837.8	-739.9	12,097.9	+339	+949	Forecast +4,516 weeks above affordable level of 60,937 weeks
					+23	Forecast average unit cost +£0.38 above affordable level of £209.77
					+694	One-off direct payments
					-1,365	Recovery of unspent funds from clients
					+38	Other minor variances
Total Direct Payments	46,810.1	-1,694.4	45,115.7	-1,458		
- Domiciliary Care						
- Learning Disability (aged 18+)	989.5	-14.0	975.5	-322	-258	Forecast -18,754 hours below affordable level of 63,945 hours
					-5	Forecast average unit cost -£0.07 below affordable level of £13.84
					-59	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
- Older People (aged 65+) - in house service (KEaH)	7,888.9	-5,415.4	2,473.5	+127	+127	Higher usage of Kent Enablement at Home Service (KEaH) than anticipated for Older People clients	
- Older People (aged 65+) - Commissioned Service	17,275.3	-10,168.6	7,106.7	+9,394	+7,059	Forecast +483,474 hours above affordable level of 1,175,404 hours	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					+1,696	Revised phasing of anticipated delivery of phase 2 transformation savings resulting from work completed by our Transformation Partners during the design stage of the savings programme. The actual savings delivered may vary from these assumptions but any deviation is/will be reflected within the activity variances (no of hours/unit cost) shown above.	The revised timing of the anticipated delivery of phase 2 transformation savings has been reflected in the recently approved 2016-19 MTFP
					+548	Commissioning additional block domiciliary related contracts primarily related to providing additional support within Extra Care Sheltered Housing and at home following a hospital discharge.	This pressure is expected to be ongoing & has been addressed in the recently approved 2016-19 MTFP.
					+91	Other minor variances	
- Physical Disability (aged 18-64) - in house service	579.4	0.0	579.4	0			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability (aged 18-64) - Commissioned Service	2,334.8	-21.3	2,313.5	+2,914	+2,557	Forecast +185,804 hours above affordable level of 193,031 hours	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP The revised timing of the anticipated delivery of phase 2 transformation savings has been reflected in the recently approved 2016-19 MTFP
					-50	Forecast average unit cost -£0.26 below affordable level of £14.02	
					+372	Revised phasing of anticipated delivery of phase 2 transformation savings resulting from work completed by our Transformation Partners during the design stage of the savings programme. The actual savings delivered may vary from these assumptions but any deviation is/will be reflected within the activity variances (no of hours/unit cost) shown above.	
					+35	Other minor variances	
Total Domiciliary Care	29,067.9	-15,619.3	13,448.6	+12,113			
- Non Residential Charging							
- Learning Disability (aged 18+)	0.0	-3,191.3	-3,191.3	-463	-463	The forecast over-recovery of client contributions towards non-residential care services is linked to the current net pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Living) highlighted in this report.	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
- Older People (aged 65+)	0.0	-7,516.3	-7,516.3	-1,434	-1,434	The forecast over-recovery of client contributions towards non-residential care services is linked to the current net pressure being forecast on other older people community based services (such as Domiciliary, Day Care, Direct Payments & Supported Living) highlighted in this report.	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability (aged 18-64) / Mental Health (aged 18+)	0.0	-1,298.5	-1,298.5	-475	-422	The forecast over-recovery of client contributions towards non-residential care services is linked to the current net pressure being forecast on other physical disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Living) highlighted in this report.	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					-53	Other minor variances	
Total Non Residential Charging Income	0.0	-12,006.1	-12,006.1	-2,372			
- Nursing & Residential Care							
- Learning Disability (aged 18+)	80,876.3	-6,597.4	74,278.9	-1,853	-2,633	Forecast -2,168 weeks below affordable level of 67,787 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					+209	Leading to a shortfall in client contributions	
					+1,286	Forecast average unit cost +£18.97 above affordable level of £1,195.61	
					-241	Independent Sector: forecast average unit client contribution -£3.55 above affordable level of -£93.02	
					-616	Release of unrealised creditors	
					+153	Health income is specific to individual clients and following changes in clients supported, there is a reduction in income expected from health	
					-11	Other minor variances	
- Mental Health (aged 18+)	8,414.1	-1,006.5	7,407.6	+1,198	+1,225	Forecast +1,856 weeks above affordable level of 12,776 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					-73	Leading to an increase in client contributions	
					+25	Forecast average unit cost +£1.96 above affordable level of £658.02	
					+68	Independent Sector: forecast average unit client contribution +£5.32 below affordable level of -£44.62	
					-47	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Older People (aged 65+) - Nursing	37,654.6	-16,250.7	21,403.9	+58	-2,810 Forecast -5,490 weeks below affordable level of 73,811 weeks +1,075 Leading to a shortfall in client contributions +948 Forecast average unit cost +£12.84 above affordable level of £499.03 +826 Independent Sector: forecast average unit client contribution +£11.19 below affordable level of -£206.98 +109 Prior year costs where insufficient creditors were raised -90 Other minor variances	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016- 19 MTFP
- Older People (aged 65+) - Residential - in house service	20,057.6	-5,468.8	14,588.8	+518	+201 Additional agency staff to cover staff vacancies, along with higher than anticipated usage of agency staff for specialist care/nursing roles at Gravesham Place. +155 Increase in running costs for Gravesham Place associated with a recharge from Health for staff, clinical items, utilities and unitary charge. +89 Other minor variances for Gravesham Place including reduced health income associated with Registered Nursing Care Contributions (RNCC) +200 Health are disputing their share of the contribution towards the running costs of an integrated care centre. Although negotiations continue with Thanet CCG, it is considered prudent to reflect this as a pressure until the situation is resolved. -127 Other minor variances within other residential units	This may result in an ongoing pressure which is not provided for in the 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People (aged 65+) - Residential - commissioned service	55,564.5	-29,367.8	26,196.7	+2,191	-3,514	Forecast -8,207 weeks below affordable level of 139,087 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					+1,630	Leading to a shortfall in client contributions	
					+755	Forecast average unit cost +£5.43 above affordable level of £422.68	
					+470	Independent Sector: forecast average unit client contribution +£3.38 below affordable level of -£201.94	
					+1,941	Revised phasing of anticipated delivery of phase 2 transformation savings resulting from work completed by our Transformation Partners during the design stage of the savings programme. The actual savings delivered may vary from these assumptions but any deviation is/will be reflected within the activity variances (no of hours/unit cost) shown above.	The revised timing of the anticipated delivery of phase 2 transformation savings has been reflected in the recently approved 2016-19 MTFP
					+605	Prior year costs where insufficient creditors were raised	
					+188	Health (Thanet CCG) have confirmed they will no longer contribute to an element of running costs for an integrated care centre following a review of current contractual agreements.	This pressure has been addressed in the recently approved 2016-19 MTFP
					+118	Health have indicated that they will no longer contribute towards the cost of short term residential placements within East Kent, previously received through a long standing agreement. Although negotiations continue with South Kent Coast CCG, it is considered prudent to reflect this as a pressure until the situation is resolved.	This pressure has been addressed in the recently approved 2016-19 MTFP
					-2	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability (aged 18-64)	13,489.3	-1,729.9	11,759.4	-83	-198	Forecast -232 weeks below affordable level of 15,843 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					+26	Leading to a shortfall in client contributions	
					+42	Forecast average unit cost +£2.65 above affordable level of £851.42	
					-40	Independent Sector: forecast average unit client contribution -£2.53 above affordable level of -£109.19	
					+87	Other minor variances	
Total Nursing & Residential Care	216,056.4	-60,421.1	155,635.3	+2,029			
- Supported Living							
- Learning Disability (aged 18+) - in house service	3,787.4	-1,593.7	2,193.7	-363	-100	Completion of the Pathway to Independence project pilot at lower cost than anticipated	
					-297	Local action plans in place to pool resources in preparation for move to Kent Pathways Service, leading to overall reduction in staffing costs as vacancies and secondments are not being filled	
					+34	Other minor variances	
- Learning Disability (aged 18+) - shared lives scheme	3,579.3	-246.9	3,332.4	+149	+171	Forecast +60,958 hours above affordable level of 1,068,310 hours	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					-32	Forecast average unit cost -£0.03 below affordable level of £2.84	
					+10	Other minor variances	
- Learning Disability (aged 18+) - other commissioned supported living arrangements	31,448.5	-189.2	31,259.3	+3,318	+3,939	Forecast +401,918 hours above affordable level of 3,177,961 hours	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					-191	Forecast average unit cost -£0.06 below affordable level of £9.86	
					-608	Release of unrealised creditors	
					+149	Estimated costs of unfilled block-purchased supported living placements	
					+29	Minor other variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People (aged 65+) - in house service	4,825.0	-4,825.0	0.0	+10			
- Older People (aged 65+) - commissioned service	395.9	0.0	395.9	+66	+58	Forecast +8,205 hours above affordable level of 48,756 hours	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					-53	Forecast average unit cost -£1.08 below affordable level of £8.12	
					+61	Other minor variances	
- Physical Disability (aged 18-64) / Mental Health (aged 18+) - in house service	107.4	-107.4	0.0	0			
- Physical Disability (aged 18-64) / Mental Health (aged 18+) - commissioned service	4,416.2	-221.9	4,194.3	+1,717	+605	Mental Health forecast +47,795 hours above affordable level of 177,735	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					+153	Mental Health forecast average unit cost +£0.86 above affordable level of £11.79	
					+1,411	Physical Disability forecast +256,993 hours above affordable level of 312,847 hours	
					-491	Physical Disability forecast average unit cost -£1.57 below affordable level of £7.06	
					+39	Other minor variances	
Total Supported Living	48,559.7	-7,184.1	41,375.6	+4,897			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Other Services for Adults & Older People							
- Adaptive & Assistive Technology	6,106.6	-3,666.2	2,440.4	-556	-750 -341 +470 +65	Estimated savings from reduced prices and quantity being purchased following the renegotiation of the equipment contract, affecting occupational therapy equipment, telecare and the pooled budget arrangement with health to provide equipment. Lower than anticipated demand for telecare leading to a reduction in anticipated revenue contribution to capital Higher than anticipated demand for occupational therapy equipment Other minor variances	Savings are expected to be ongoing & have been reflected in the recently approved 2016-19 MTFP
- Community Support Services for Mental Health (aged 18+) - in house service	1,383.8	-64.4	1,319.4	-139			
- Community Support Services for Mental Health (aged 18+) - commissioned service	1,716.5	-693.9	1,022.6	-72			
- Day Care							
- Learning Disability (aged 18+) - in house service	6,627.5	-70.7	6,556.8	-215	-102 -141 +28	Countywide reduction in Agency and contracted staffing costs resulting from 1:1 costs now being commissioned externally within the supported living service (now within the activity reported on the Learning Disability - other commissioned supported living A-Z line) Reduced costs of staff following the recent restructure of day care services and more effective management of resources Other minor variances	Savings are expected to be ongoing & have been reflected in the recently approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Other Services for Adults & Older People							
- Learning Disability (aged 18+) - commissioned service	7,043.6	-13.9	7,029.7	+920	+767	Pressure reflecting current demand for services provided by the independent sector	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
					+247	Leading to an increase in transport related costs	
					-94	Other minor variances	
- Older People (aged 65+) - in house	877.9	-45.0	832.9	-37			
Older People (aged 65+) - commissioned service	945.1	0.0	945.1	-146	-146	Underspend reflecting current demand for services provided by the independent sector	Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP
- Physical Disability (aged 18-64)	974.2	0.0	974.2	-31			
Total Day Care	16,468.3	-129.6	16,338.7	+491			
- Other Adult Services	3,864.8	-3,695.3	169.5	-3,051	-3,275	Use of so-far uncommitted funding, held within Other Adult Services, to offset increased activity on Older People A-Z budget lines.	
					+160	Meals service pressure, primarily due to lower than anticipated client contributions	
					+64	Other minor variances including additional mental health client support costs	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Safeguarding	2,331.7	-702.1	1,629.6	-67	-130	Delays in the commissioning of Deprivation of Liberty Safeguard (DOLS) assessments by an external agency, along with a phased approach to recruitment, due to difficulties in finding suitable candidates, have led to a request to re-phase the one-off DOLS Grant received in 2015-16, for use in 2016-17. The roll forward of £130k will be required to enable higher levels of DOLS assessments to be completed. There has been a significant rise in the number of DOLS assessments required in both care homes and hospital settings following a legal judgement and this grant has been given in recognition of this pressure on local councils.
					+63	Other minor variances, each below £100k, including -£67k relating to KCC's share of re-phasing into 2016-17 of Kent & Medway Safeguarding Vulnerable Adults Committee. This will be required to roll forward to meet our obligation to the Committee under the terms of the multi-agency agreement.
- Social Support						
- Carers - in house service	3,550.9	-0.3	3,550.6	+70		
- Carers - commissioned service	10,440.9	-6,172.1	4,268.8	+781	+650	Higher than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations)
					+421	Lower than anticipated client income for Social Support to Carers
					-290	Lower than anticipated demand for Carers direct payments
						Demographic pressures & savings are expected to be ongoing & have been addressed in the recently approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Information & Early Intervention	6,517.0	-2,254.9	4,262.1	-663	-362 -300 -1	Lower than anticipated demand for advocacy services A review of the process required to complete the Deprivation of Liberty Safeguard assessments of clients in a domestic setting, has resulted in only part year costs being incurred in 2015-16 although the budget allows for the full year effect. Other minor variances
- Social Isolation	6,269.2	-2,288.5	3,980.7	+146	+115 +31	Payments to voluntary organisations as a result of higher than anticipated demand for Learning Disability services Other minor variances
Total Social Support	26,778.0	-10,715.8	16,062.2	+334		
- Support & Assistance Service (Social Fund)	1,481.5	0.0	1,481.5	0		
Total Other Services for Adults & Older People	60,131.2	-19,667.3	40,463.9	-3,060		
<u>Community Services</u>						
- Local Healthwatch & NHS Complaints Advocacy	1,138.4	-705.9	432.5	-105	-105	Reduction in the anticipated demand for advocacy services, along with staff savings
<u>Housing Related Support for Vulnerable People (Supporting People)</u>						
- Administration	536.1	-150.0	386.1	0		
- Adults - Learning Difficulties	3,352.2	0.0	3,352.2	-26		
- Adults - Physical Difficulties	138.5	0.0	138.5	0		
- Adults - Mental Health (aged 18+)	2,904.3	0.0	2,904.3	-58		
- Older People (aged 65+)	3,891.5	0.0	3,891.5	-46		
- Other Adults	7,421.6	0.0	7,421.6	0		
- Young People	3,677.9	0.0	3,677.9	0		
Total Housing Related Support for Vulnerable People	21,922.1	-150.0	21,772.1	-130		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Public Health						
- Drug & Alcohol Services (LASAR)	429.9	0.0	429.9	-35		
Assessment Services						
- Adult Social Care Staffing	44,648.7	-11,237.9	33,410.8	-5,684	-918 Delays in the recruitment to vacancies within the Mental Health assessment teams and the usage of locum/agency staff. This is partly due to recent staffing reviews along with general difficulties in recruiting to speciality mental health practitioners. -190 Delay in implementation of new Care Planning Management System -493 Delays in the recruitment to vacancies across Learning Disability assessment teams -154 Use of so-far uncommitted funding held within Adult Social Care staffing to offset spending on new Care Act responsibilities within the Older People Domiciliary Care A-Z budget line above -4,227 Use of so-far uncommitted funding following the Government announcement to delay the implementation of phase 2 Care Act reforms +150 Provision for the possible outcome of a legal case +148 Other minor variances, each below £100k	
Total SCH&W (Adults)	480,913.7	-130,454.4	350,459.3	+5,261		
Assumed Mgmt Action						
Total SCH&W (Adults) Forecast <u>after</u> mgmt action	480,913.7	-130,454.4	350,459.3	+5,261		

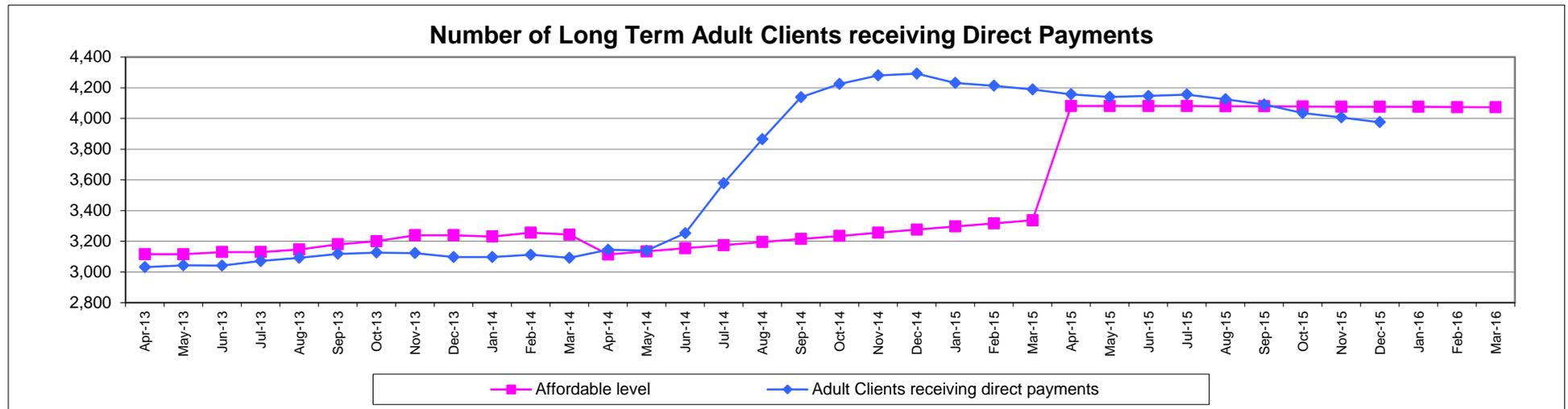
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

The affordable levels for 2015-16 have been updated in this report to reflect the outcome of the work undertaken by the Procurement and Commissioning teams on the adult social care prices review, which includes the impact of additional price pressures resulting from current market conditions.

The budgeted unit cost for 2015-16 has been updated to reflect the outcome of the prices review. However the calculations of the impact of the prices review were based on actual activity levels rather than budgeted levels, which has also resulted in changes to the affordable activity levels. In addition, some of the price uplifts have been lower than the budget assumptions and therefore some of the affordable unit costs have reduced in this report, releasing funding which has been used to cover the impact of the additional price pressures resulting from current market conditions (referred to above).

2.1 Direct Payments - Number of Adult Social Services Clients receiving Direct Payments:

	2013-14			2014-15			2015-16		
	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month
Apr	3,116	3,032	164	3,114	3,145	216	4,081	4,158	153
May	3,116	3,043	169	3,134	3,139	160	4,081	4,140	137
Jun	3,130	3,042	120	3,155	3,253	184	4,081	4,147	212
Jul	3,130	3,072	173	3,175	3,579	215	4,081	4,156	227
Aug	3,147	3,092	158	3,195	3,866	200	4,080	4,126	177
Sep	3,181	3,118	134	3,215	4,139	209	4,080	4,091	194
Oct	3,201	3,127	179	3,235	4,225	204	4,078	4,036	157
Nov	3,240	3,123	144	3,256	4,281	167	4,077	4,007	145
Dec	3,240	3,098	159	3,276	4,292	115	4,077	3,976	70
Jan	3,231	3,097	176	3,297	4,232	135	4,076		
Feb	3,257	3,112	135	3,317	4,214	128	4,074		
Mar	3,244	3,093	121	3,337	4,189	144	4,073		
			1,832			2,077			1,472

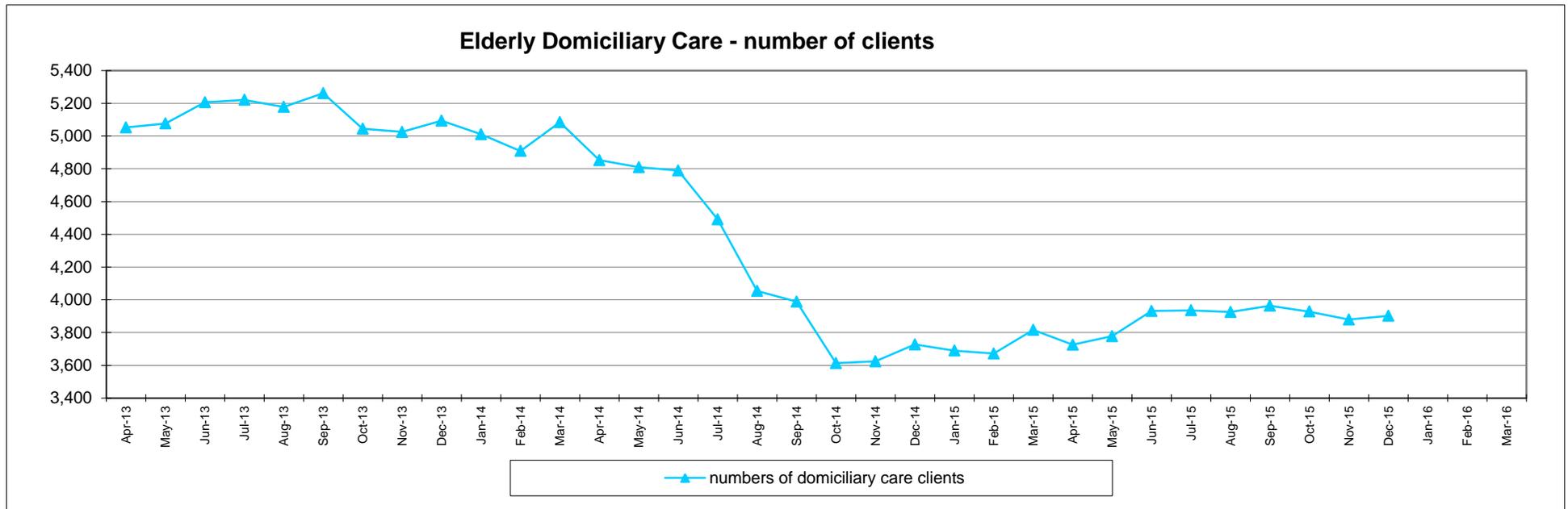


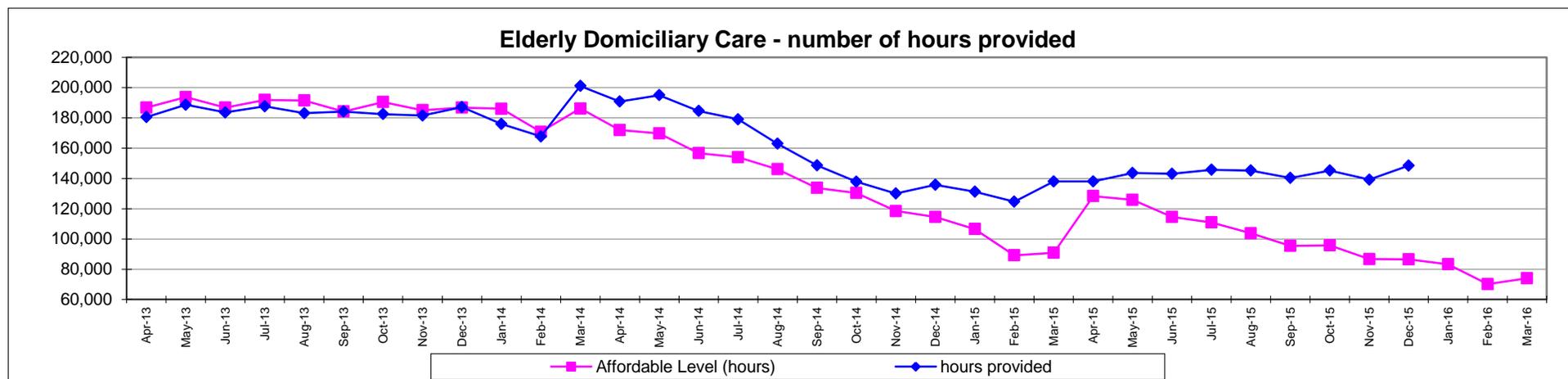
Comments:

- A long term client in receipt of a regular direct payment may also receive a one-off payment if required. Only the long term clients are presented on the graph above.
- Please note that due to the time taken to record changes in direct payments onto the client database the number of clients and one-off direct payments for any given month may change, therefore the current year to date activity data is refreshed in each report to provide the most up to date information.
- Current activity to date compared against the profiled budget would suggest a lower level of activity than currently forecast on this service, however the current forecast includes a number of known clients not yet recorded on the activity database. This position is being offset by recoveries of unspent funds from clients. The overall effect of these factors across individual client groups is reflected in Table 1, which shows a forecast underspend of -£1,458k against the overall direct payments budget.
- The affordable level has been updated to reflect the transfer of responsibilities for former independent living fund clients, along with the outcome of the prices review (referred to at the start of section 2 of this annex).

2.2 Elderly domiciliary care – numbers of clients and hours provided in the independent sector

	2013-14			2014-15			2015-16		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
Apr	186,809	180,585	5,053	171,979	190,804	4,853	128,349	138,025	3,726
May	193,717	188,656	5,077	169,813	195,051	4,810	125,833	143,582	3,778
Jun	186,778	183,621	5,206	156,692	184,572	4,789	114,538	143,059	3,932
Jul	191,791	187,621	5,221	154,016	179,105	4,492	110,944	145,708	3,936
Aug	191,521	183,077	5,178	146,118	163,006	4,054	103,747	145,224	3,925
Sep	184,242	184,208	5,262	133,761	148,649	3,989	95,449	140,360	3,964
Oct	190,446	182,503	5,044	130,322	137,790	3,614	95,708	145,262	3,928
Nov	185,082	181,521	5,025	118,474	130,108	3,625	86,749	139,234	3,880
Dec	186,796	187,143	5,094	114,525	135,832	3,727	86,556	148,514	3,902
Jan	186,006	175,916	5,011	106,627	131,261	3,690	83,287		
Feb	170,695	167,774	4,909	89,174	124,714	3,672	70,204		
Mar	186,184	201,069	5,085	90,829	138,077	3,817	74,040		
	2,240,067	2,203,694		1,582,330	1,858,968		1,175,404	1,288,968	





Comments:

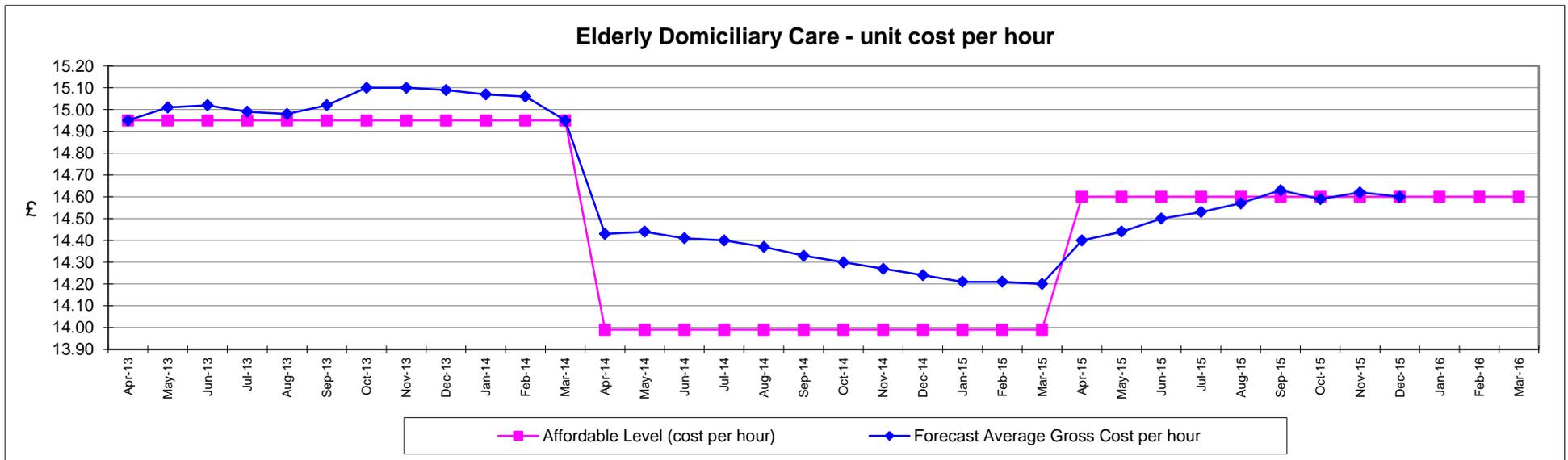
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- The current forecast is 1,658,878 hours of care against an affordable level of 1,175,404, a difference of +483,474 hours. Using the forecast unit cost of £14.60 this increase in activity increases the forecast by +£7,059k, as shown in table 1.
- The affordable level for 2015-16 reflects both the full year effect of phase 1 transformation changes, along with further reductions in relation to the phase 2 transformation programme based on the revised savings plans agreed with our transformation partners. Due to the anticipated revised phasing of the second tranche of savings, based on work undertaken by our Transformation partners during the design stage of the savings programme early in this financial year, a separate pressure of £1,696k is reported in table 1. However, this was based on a best estimate at the time and actual savings delivered may vary from this. Any deviation from these assumptions is/will be reflected within the forecast activity shown within this activity indicator.
- To the end of December 1,288,968 hours of care have been delivered against an affordable level of 947,873, a difference of +341,095 hours. The budgeted level assumes a continual reduction in client numbers in line with transformation plans and the general trend experienced in recent years. Current activity suggests that the forecast should be lower on this service when compared to the budgeted profile, however the forecast reflects the continuation of the higher levels of activity experienced in 2014-15 and in the first nine months of 2015-16, which have offset the effect of the transformation savings that are built in to the affordable profile.
- Domiciliary for all client groups are volatile budgets, with the number of people receiving domiciliary care decreasing over the past few years as a result of the implementation of Self Directed Support (SDS). This is being compounded by a shift in trend towards take up of the enablement service. However, as a result of this, clients who are receiving domiciliary care are likely to have greater needs and require more intensive packages of care than historically provided - the 2012-2013 average hours per client per week was 8.0, whereas the average figure for 2013-14 was 8.3 and 8.7 for 2014-15. For 2015-16, the current actual average hours per client per week is 8.4.
- The affordable level has been updated to reflect the transfer of responsibilities for former independent living fund clients, along with the outcome of the prices review (referred to at the start of section 2 of this annex).

2.3 Average gross cost per hour of older people domiciliary care compared with affordable level:

	2013-14		2014-15		2015-16	
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p
Apr	14.95	14.95	13.99	14.43	14.60	14.40
May	14.95	15.01	13.99	14.44	14.60	14.44
Jun	14.95	15.02	13.99	14.41	14.60	14.50
Jul	14.95	14.99	13.99	14.40	14.60	14.53
Aug	14.95	14.98	13.99	14.37	14.60	14.57
Sep	14.95	15.02	13.99	14.33	14.60	14.63
Oct	14.95	15.10	13.99	14.30	14.60	14.59
Nov	14.95	15.10	13.99	14.27	14.60	14.62
Dec	14.95	15.09	13.99	14.24	14.60	14.60
Jan	14.95	15.07	13.99	14.21	14.60	
Feb	14.95	15.06	13.99	14.21	14.60	
Mar	14.95	14.95	13.99	14.20	14.60	

Comments:

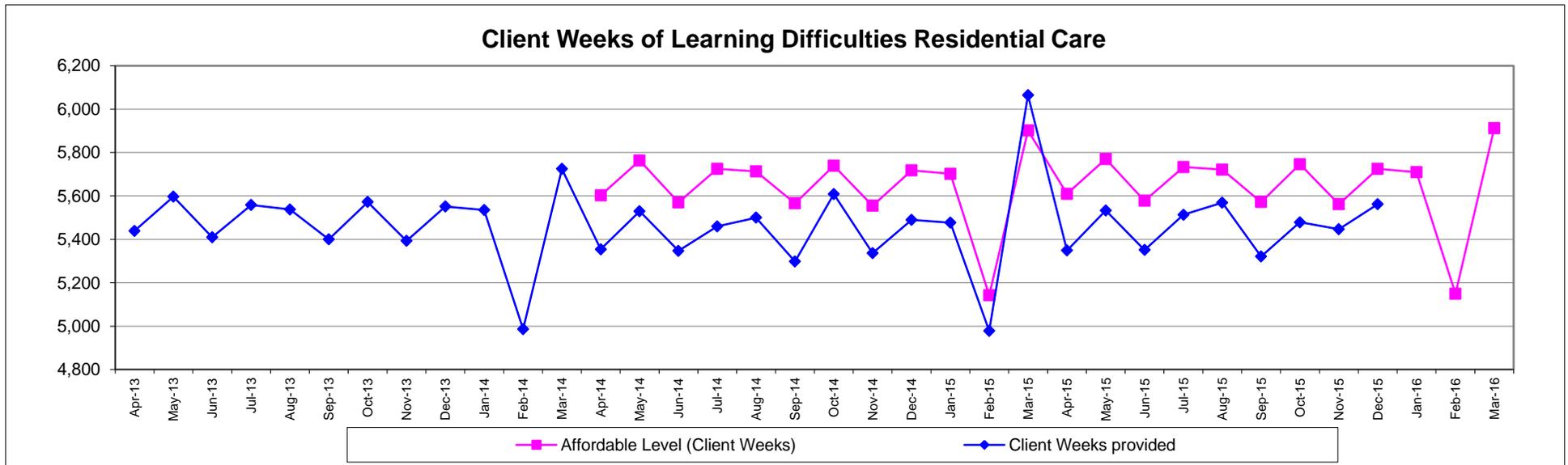
- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The forecast unit cost of +£14.60 is the same as the affordable cost of +£14.60, so no variance is shown in table 1.
- The affordable unit cost for 2015-16 reflects the result of the domiciliary re-let during 2014-15, along with the recent outcome of the prices review and funding of current market pressures.



2.4 Number of client weeks of learning disability residential care provided compared with affordable level:

	2013-14	2014-15		2014-15	
	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	5,439	5,603	5,354	5,610	5,349
May	5,597	5,763	5,529	5,770	5,533
Jun	5,410	5,570	5,347	5,578	5,351
Jul	5,558	5,725	5,460	5,733	5,513
Aug	5,538	5,713	5,500	5,721	5,569
Sep	5,400	5,566	5,298	5,572	5,321
Oct	5,572	5,739	5,608	5,746	5,479
Nov	5,393	5,555	5,336	5,562	5,447
Dec	5,551	5,718	5,490	5,725	5,562
Jan	5,535	5,702	5,477	5,709	
Feb	4,986	5,142	4,978	5,149	
Mar	5,724	5,901	6,064	5,912	
	65,703	67,697	65,441	67,787	49,125

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are no longer included in this measure and now fall under Support for Carers. The client weeks provided prior to April 2014, shown in the table, have been adjusted to provide comparable figures. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



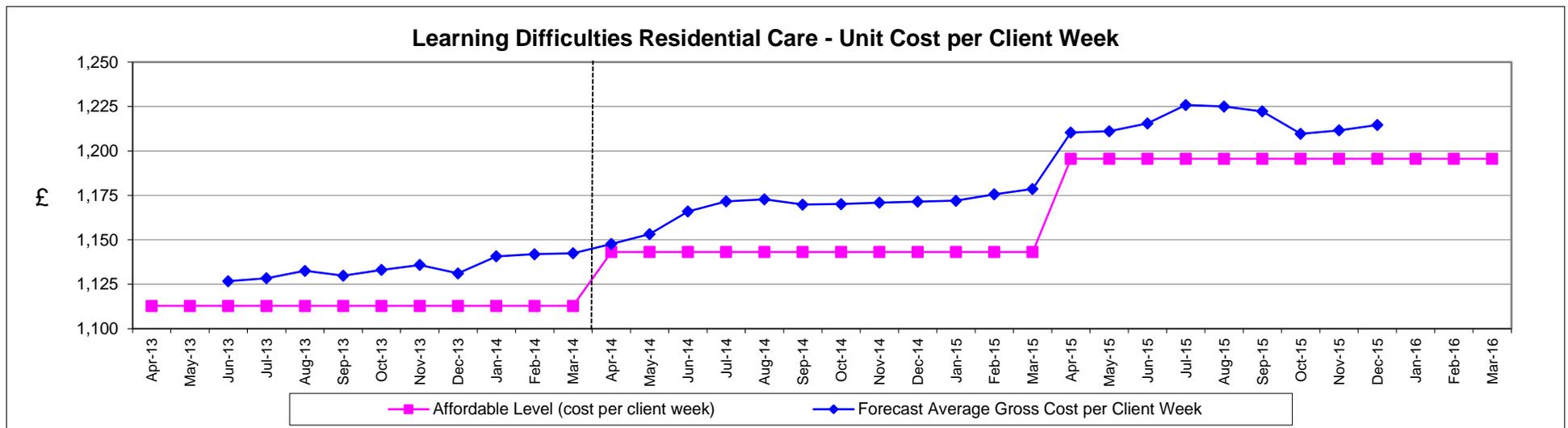
Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care (including preserved rights clients) at the end of 2013-14 was 1,254, at the end of 2014-15 it was 1,258 and at the end of December 2015 it was 1,236. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 65,619 weeks of care against an affordable level of 67,787, a difference of -2,168 weeks. Using the forecast unit cost of £1,214.58, this reduced activity decreases the forecast by -£2,633k, as shown in table 1.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of December 49,125 weeks of care have been delivered against an affordable level of 51,017, a difference of -1,892 weeks. The year to date activity suggests a lower level of activity than currently forecast, however, this is mainly due to delays in the recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated. In addition, the forecast assumes that some activity for transitional and provisional clients will, by necessity, need to be backdated due to bespoke contracts that have to be agreed individually with providers.

2.5 Average gross cost per client week of learning disability residential care compared with affordable level

	2013-14		2014-15		2015-16	
	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week
	£p	£p	£p	£p	£p	£p
Apr	1,112.86		1,143.16	1,147.62	1,195.61	1,210.33
May	1,112.86		1,143.16	1,153.21	1,195.61	1,211.12
Jun	1,112.86	1,126.76	1,143.16	1,165.91	1,195.61	1,215.42
Jul	1,112.86	1,128.39	1,143.16	1,171.61	1,195.61	1,225.85
Aug	1,112.86	1,132.54	1,143.16	1,172.74	1,195.61	1,224.95
Sep	1,112.86	1,129.75	1,143.16	1,169.82	1,195.61	1,222.21
Oct	1,112.86	1,133.04	1,143.16	1,170.10	1,195.61	1,209.68
Nov	1,112.86	1,135.86	1,143.16	1,170.90	1,195.61	1,211.57
Dec	1,112.86	1,131.13	1,143.16	1,171.47	1,195.61	1,214.58
Jan	1,112.86	1,140.70	1,143.16	1,171.99	1,195.61	
Feb	1,112.86	1,141.90	1,143.16	1,175.62	1,195.61	
Mar	1,112.86	1,142.45	1,143.16	1,178.59	1,195.61	

- From April 2014 there was a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Also, clients receiving a respite service are no longer included in this measure and now fall under Support for Carers. The forecast average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable.



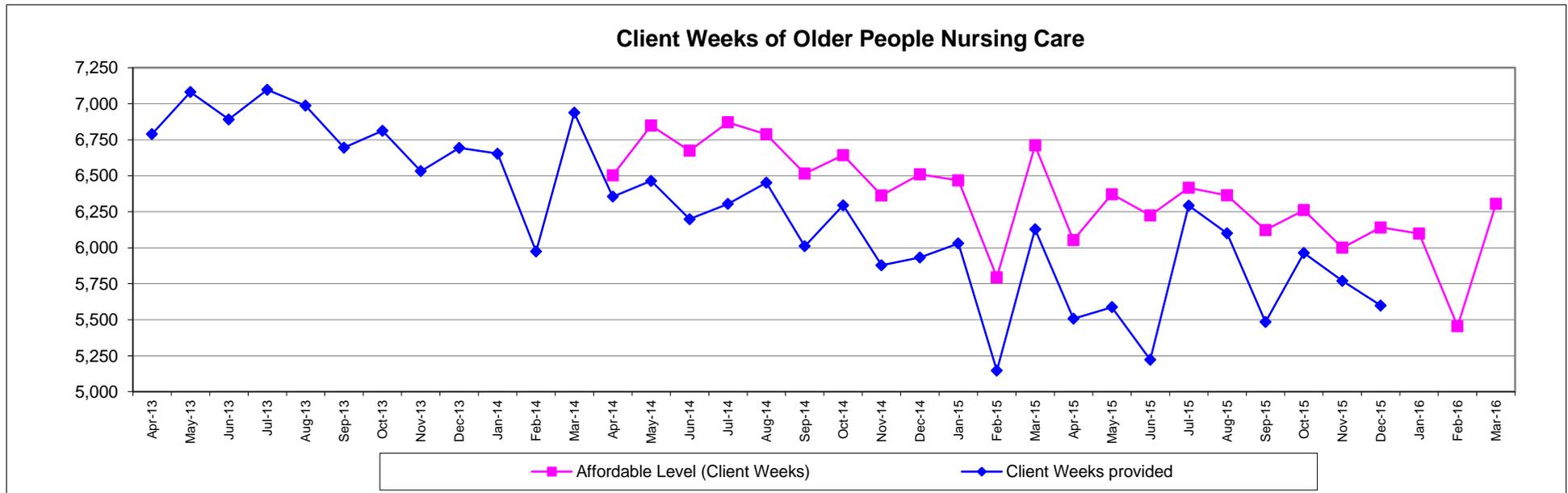
Comments:

- Clients being placed in residential care are those with very complex and individual needs which make it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,200 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases.
- The forecast unit cost of +£1,214.58 is higher than the affordable cost of +£1,195.61 and this difference of +£18.97 adds +£1,286k to the position when multiplied by the affordable weeks, as shown in table 1.
- The steep price increase in July has been influenced by a home closure requiring the clients to be transferred to new settings. As a result of the short notice of closure, many of these new placements are more expensive.
- The reduction in the forecast unit cost in October reflects the outcome of the prices review whereby the actual price uplift applied was less than anticipated in previous monitoring reports.

2.6 Number of client weeks of older people nursing care provided compared with affordable level:

	2013-14	2014-15		2015-16	
	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	6,789	6,502	6,355	6,053	5,507
May	7,081	6,848	6,464	6,372	5,587
Jun	6,891	6,673	6,199	6,224	5,222
Jul	7,097	6,871	6,304	6,416	6,293
Aug	6,986	6,788	6,452	6,364	6,100
Sep	6,695	6,515	6,011	6,123	5,484
Oct	6,812	6,643	6,294	6,261	5,964
Nov	6,532	6,363	5,878	6,000	5,770
Dec	6,693	6,510	5,932	6,141	5,599
Jan	6,653	6,468	6,030	6,098	
Feb	5,975	5,795	5,147	5,455	
Mar	6,937	6,710	6,129	6,304	
	81,141	78,686	73,195	73,811	51,526

From April 2014 there was a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are no longer included in this measure and now fall under Support for Carers. The client weeks provided prior to April 2014, shown in the table, have been adjusted to provide comparable figures. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



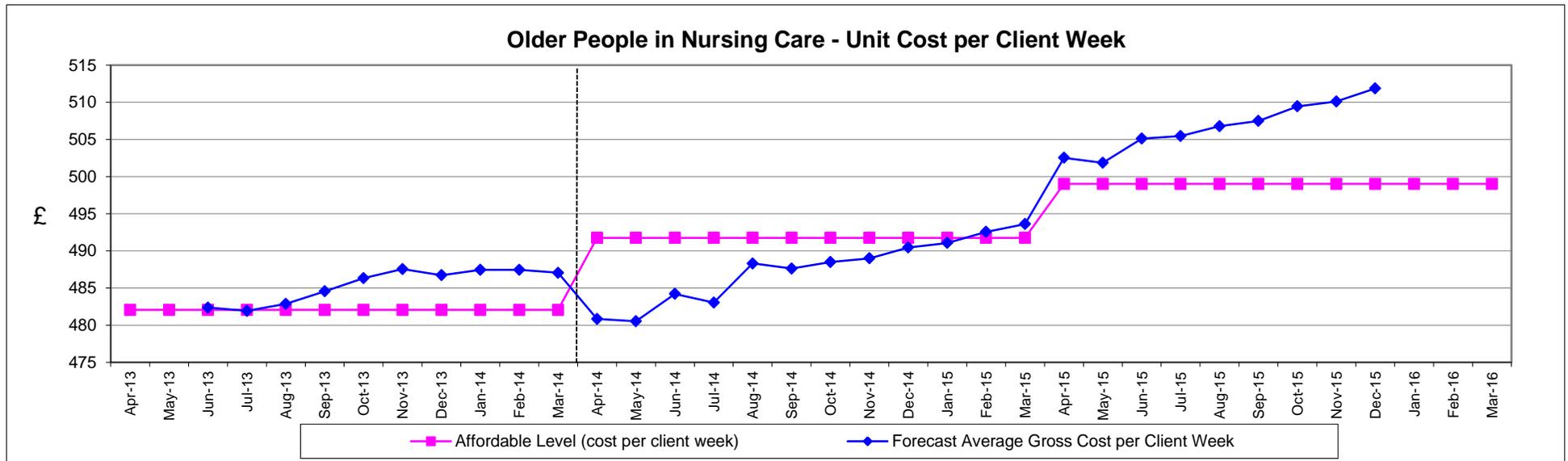
Comments:

- The graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2013-14 was 1,423, at the end of 2014-15 it was 1,253 and at the end of December 2015 it was 1,241.
- The current forecast is 68,321 weeks of care against an affordable level of 73,811, a difference of -5,490 weeks. Using the forecast unit cost of £511.87, this reduced activity decreases the forecast by -£2,810k, as shown in table 1.
- To the end of December 51,526 weeks of care have been delivered against an affordable level of 55,954, a difference of -4,428 weeks. The year to date activity suggests a lower level of activity than currently forecast. However, it is believed the activity reported is still understated due to delays in updating the activity database, meaning the year to date activity is understated. Work has been ongoing to clear this backlog. The sharp increase in activity in July is due to the initial impact of this work and therefore the July activity reported in the table above not only reflects July activity but also some activity relating to previous months. This is also true, but to a lesser extent, of the activity quoted for August to November.
- We are now making contributions under the Health and Social Care Village model for health commissioning of short-term beds in order to support step down from acute hospital, to reduce demand for this service.

2.7 Average gross cost per client week of older people nursing care compared with affordable level:

	2013-14		2014-15		2015-16	
	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week
	£p	£p	£p	£p	£p	£p
Apr	482.05		491.75	480.83	499.03	502.53
May	482.05		491.75	480.53	499.03	501.86
Jun	482.05	482.37	491.75	484.21	499.03	505.11
Jul	482.05	481.93	491.75	483.04	499.03	505.46
Aug	482.05	482.87	491.75	488.31	499.03	506.79
Sep	482.05	484.55	491.75	487.62	499.03	507.49
Oct	482.05	486.34	491.75	488.50	499.03	509.45
Nov	482.05	487.54	491.75	489.00	499.03	510.10
Dec	482.05	486.72	491.75	490.45	499.03	511.87
Jan	482.05	487.46	491.75	491.06	499.03	
Feb	482.05	487.44	491.75	492.57	499.03	
Mar	482.05	487.05	491.75	493.62	499.03	

- From April 2014 there was a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Also, clients receiving a respite service are no longer included in this measure and now fall under Support for Carers. The forecast average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable.



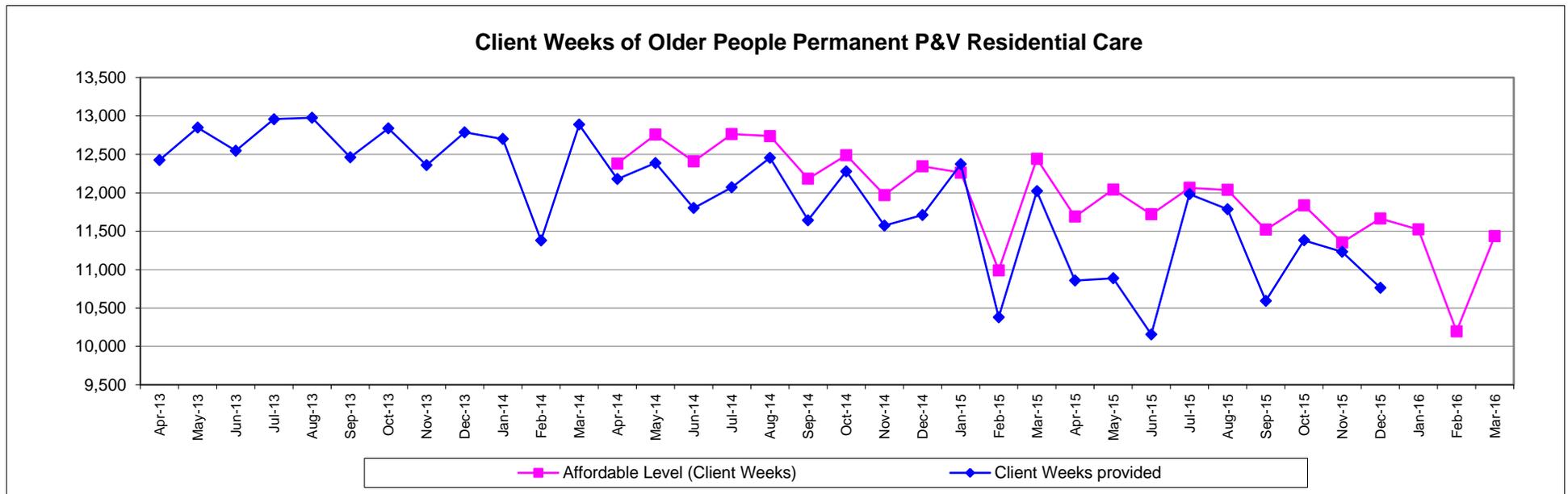
Comments:

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile and in recent months this service has seen an increase of older people requiring this more specialist care.
- The forecast unit cost of +£511.87 is higher than the affordable cost of +£499.03 and this difference of +£12.84 increases the position by +£948k when multiplied by the affordable weeks, as shown in table 1.
- The unit cost for 2015-16 includes the full year effect of the price increase which took effect from October 2014, whereas the unit cost in 2014-15 is an average for the year and therefore only includes a part year effect of this price uplift.

2.8 Number of client weeks of older people permanent P&V residential care provided compared with affordable level:

	2013-14	2014-15		2015-16	
	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	12,427	12,381	12,179	11,690	10,858
May	12,849	12,757	12,388	12,043	10,888
Jun	12,547	12,409	11,802	11,720	10,157
Jul	12,959	12,764	12,071	12,065	11,983
Aug	12,978	12,739	12,456	12,038	11,787
Sep	12,463	12,184	11,644	11,521	10,594
Oct	12,839	12,490	12,279	11,836	11,382
Nov	12,360	11,972	11,573	11,353	11,231
Dec	12,787	12,345	11,712	11,664	10,764
Jan	12,701	12,264	12,373	11,524	
Feb	11,380	10,991	10,381	10,197	
Mar	12,887	12,443	12,022	11,436	
	151,177	147,739	142,880	139,087	99,643

From April 2014 there was a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are no longer included in this measure and now fall under Support for Carers. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



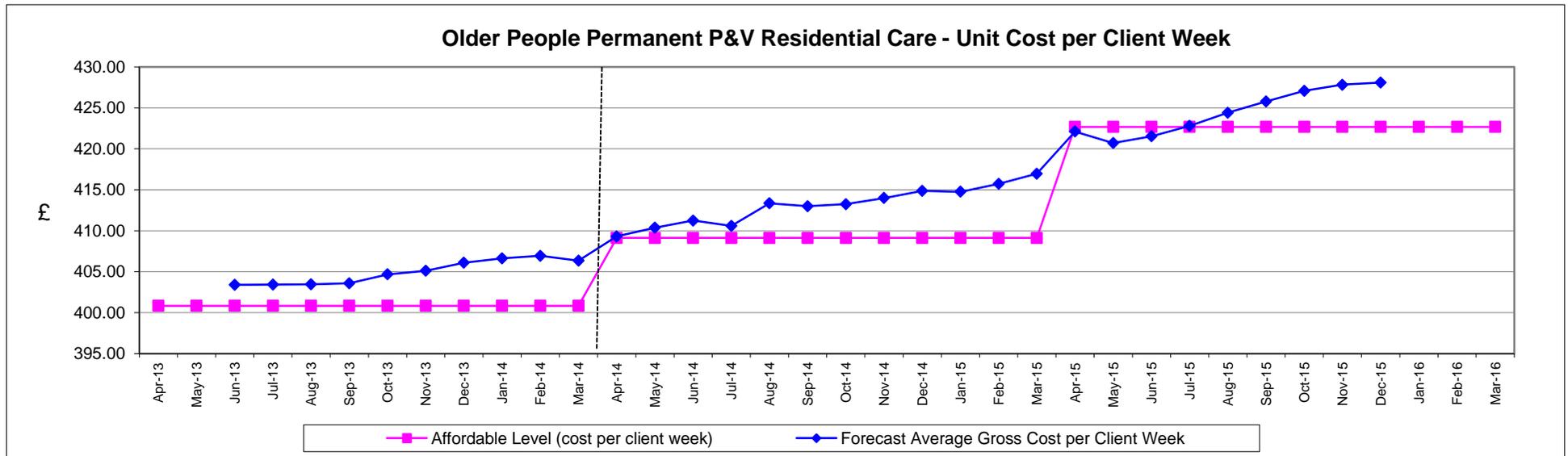
Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2013-14 was 2,704, at the end of 2014-15 it was 2,480 and at the end of December 2015 it was 2,384. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 130,880 weeks of care against an affordable level of 139,087, a difference of -8,207 weeks. Using the forecast unit cost of £428.11, this reduced activity decreases the forecast by -£3,514k, as shown in table 1.
- To the end of December 99,643 weeks of care have been delivered against an affordable level of 105,930 a difference of -6,287 weeks. This is in line with the current forecast activity variance of -9,449 weeks.
- Due to delays earlier in the year in updating the activity database, work is being undertaken to clear this backlog. The sharp increase in activity in July is due to the initial impact of this work and therefore the July activity reported in the table above not only reflects July activity but also some activity relating to previous months. This is also true, but to a lesser extent, for the activity quoted for August to November.
- We are now making contributions to the Health and Social Care Village model for health commissioning of short-term beds in order to support step down from acute hospital, to reduce demand for this service.

2.9 Average gross cost per client week of older people permanent P&V residential care provided compared with affordable level:

	2013-14		2014-15		2015-16	
	Forecast Average Gross Cost per Client Week £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr	400.83		409.12	409.31	422.68	422.12
May	400.83		409.12	410.36	422.68	420.72
Jun	400.83	403.38	409.12	411.25	422.68	421.54
Jul	400.83	403.43	409.12	410.59	422.68	422.80
Aug	400.83	403.46	409.12	413.36	422.68	424.41
Sep	400.83	403.59	409.12	413.00	422.68	425.79
Oct	400.83	404.67	409.12	413.25	422.68	427.07
Nov	400.83	405.12	409.12	413.99	422.68	427.83
Dec	400.83	406.10	409.12	414.86	422.68	428.11
Jan	400.83	406.62	409.12	414.76	422.68	
Feb	400.83	406.94	409.12	415.73	422.68	
Mar	400.83	406.35	409.12	416.97	422.68	

- From April 2014 there was a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Also, clients receiving a respite service are no longer included in this measure and now fall under Support for Carers. The forecast average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable.



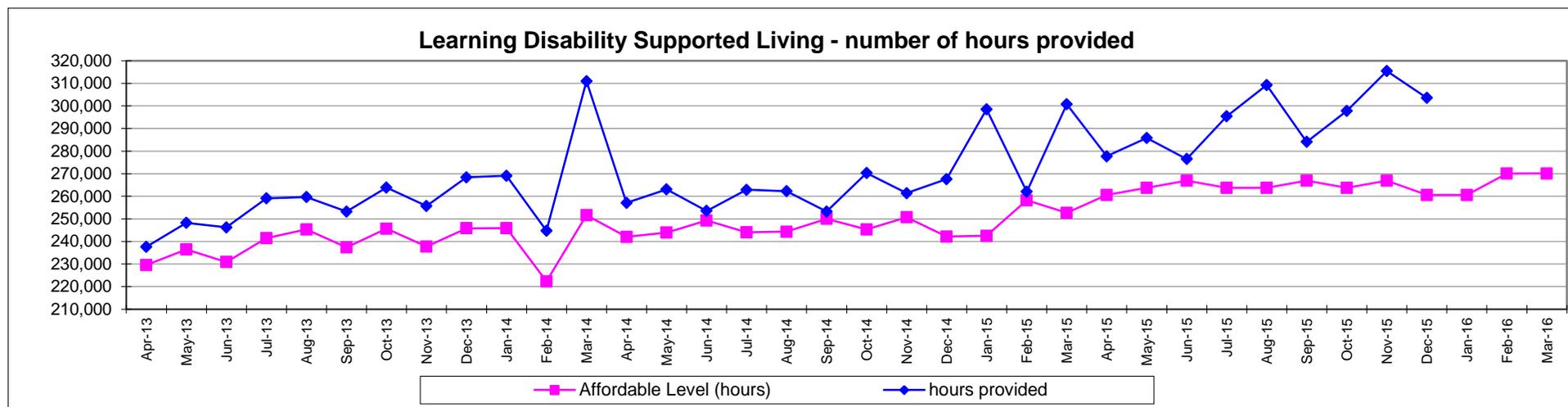
Comments:

- The forecast unit cost of +£428.11 is higher than the affordable cost of +£422.68 and this difference of +£5.43 adds +£755k to the position when multiplied by the affordable weeks, as shown in table 1.
- This general increasing trend in average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above. New cases are likely to enter the service at higher unit costs, reflecting the fact that only those with higher needs are directed towards residential care, while those with lower needs are directed towards other forms of support.

2.10 Learning Disability Supported Living – numbers of clients and hours provided in the independent sector

	2013-14			2014-15			2015-16		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
Apr	229,595	237,586	792	242,016	257,102	906	260,593	277,711	987
May	236,463	248,239	803	243,920	263,101	915	263,771	285,786	993
Jun	230,924	246,245	809	249,306	253,552	914	266,949	276,507	997
Jul	241,526	259,125	819	244,064	262,906	917	263,771	295,434	1,009
Aug	245,366	259,688	826	244,360	262,245	909	263,771	309,295	1,021
Sep	237,459	253,230	830	250,030	253,263	915	266,949	284,119	1,023
Oct	245,710	263,849	853	245,304	270,298	925	263,771	297,797	1,039
Nov	237,732	255,747	855	250,730	261,412	931	266,949	315,436	1,057
Dec	245,833	268,439	861	242,207	267,598	931	260,593	303,594	1,056
Jan	245,925	269,112	856	242,547	298,520	942	260,593		
Feb	222,397	244,716	860	258,264	262,038	958	270,124		
Mar	251,616	310,965	859	252,712	300,749	979	270,127		
	2,870,543	3,116,941		2,965,460	3,212,783		3,177,961	2,645,680	





Comments:

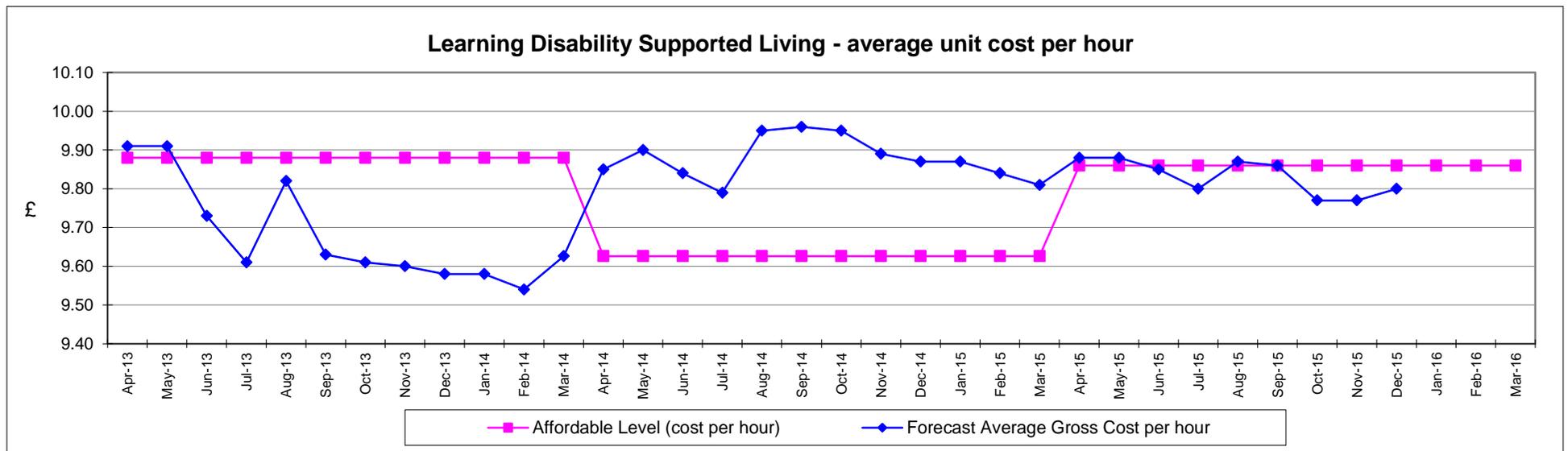
- This indicator has changed for 2015-16 and now excludes activity relating the adult placement scheme as this is now reported within a separate budget line. This measure continues to incorporate 2 different supported living arrangements; supported accommodation (mainly S256 clients) and Supporting Independence Service. Services for individual clients are commissioned in either sessions or hours, however for the purposes of this report, sessions are converted into hours on a standard basis. In addition, the details of the number of clients in receipt of these services is given on a monthly basis. Activity for 2013-14 and 2014-15 has also been restated to exclude the adult placement scheme to ensure data is directly comparable.
- The current forecast is 3,579,879 hours of care against an affordable level of 3,177,961, a difference of +401,918 hours. Using the forecast unit cost of £9.80, this increased activity increases the forecast by +£3,939k, as shown in table 1.
- To the end of December 2,645,680 hours of care have been delivered against an affordable level of 2,377,117, a difference of +268,563 hours. The forecast number of hours reflects an increase in activity expected in future months which is also reflected in the profile of the budgeted level. However, the year to date activity still suggests a lower level of activity than currently forecast, which is mainly due to a delay in the recording of transitional and provisional clients on the activity database. Such delays are intrinsic to this service as a result of the channels through which referrals take place, i.e. ordinary residence cases, where complex negotiations are involved to determine the point at which different local authorities have responsibility for clients, in addition to the number of bespoke contracts that have to be agreed individually with providers.
- The affordable level has been updated to reflect the transfer of responsibilities for former independent living fund clients, along with the outcome of the prices review (referred to at the start of section 2 of this annex).

2.11 Average gross cost per hour of Supported Living service compared with affordable level:

	2013-14		2014-15		2015-16	
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p
Apr	9.88	9.91	9.63	9.85	9.86	9.88
May	9.88	9.91	9.63	9.90	9.86	9.88
Jun	9.88	9.73	9.63	9.84	9.86	9.85
Jul	9.88	9.61	9.63	9.79	9.86	9.80
Aug	9.88	9.82	9.63	9.95	9.86	9.87
Sep	9.88	9.63	9.63	9.96	9.86	9.86
Oct	9.88	9.61	9.63	9.95	9.86	9.77
Nov	9.88	9.60	9.63	9.89	9.86	9.77
Dec	9.88	9.58	9.63	9.87	9.86	9.80
Jan	9.88	9.58	9.63	9.87	9.86	
Feb	9.88	9.54	9.63	9.84	9.86	
Mar	9.88	9.63	9.63	9.81	9.86	

Comments:

- This measure comprises 2 distinct client groups and each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report. The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- The forecast unit cost of +£9.80 is lower than the affordable cost of +£9.86 and this difference of -£0.06 reduces the position by -£191k when multiplied by the affordable hours, as shown in table 1.
- The reduction in the forecast unit cost in October reflects the outcome of the prices review whereby the actual price uplift applied was less than anticipated in previous monitoring reports.



2. SOCIAL CARE DEBT MONITORING

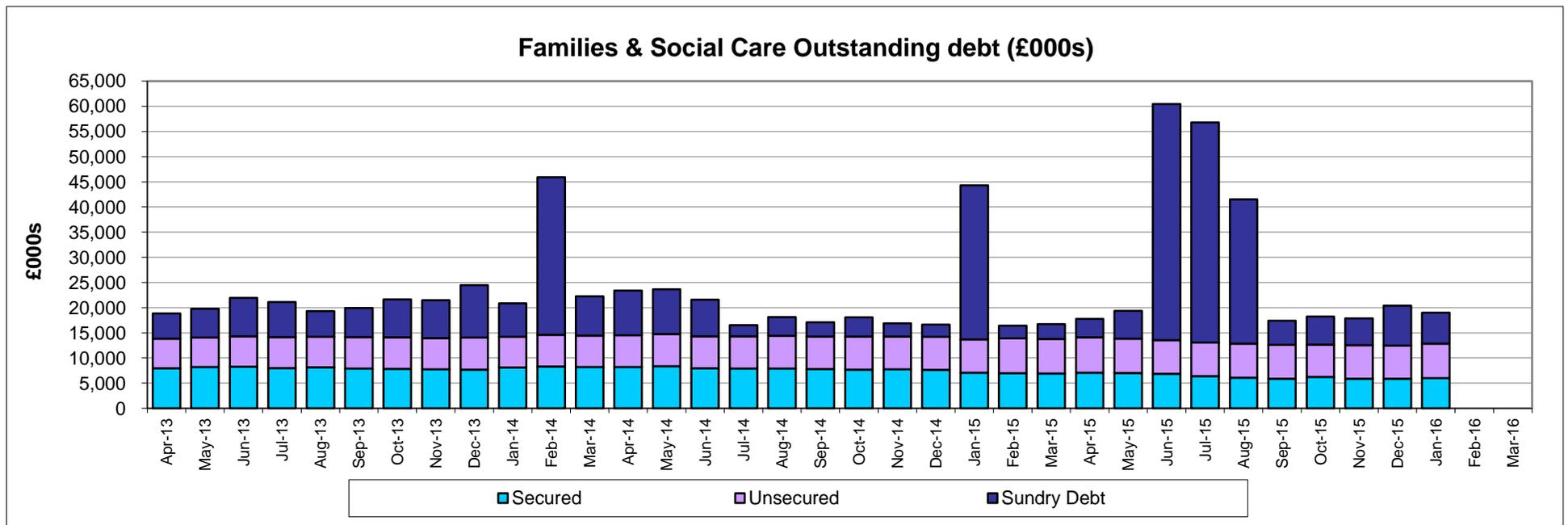
The outstanding debt as at the end of January was £19.003m compared with November's figure of £17.848m excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £6.138m of sundry debt compared to £5.298m in November. It is not unusual for sundry debt to fluctuate for large invoices to Health. As previously reported, in June invoices were raised across the East Kent Clinical Commissioning Groups (CCGs) for the Better Care Fund (BCF) totalling £43m. There is minimal risk around this debt as it is secured by a signed Section 75 agreement, meaning that the CCGs are legally obliged to pay. Payments are being received monthly. From September, the remaining BCF debt moved onto a payment plan to reflect the agreed monthly profile of anticipated income receipts and will only show as outstanding debt in the table below if an instalment is not received on time.

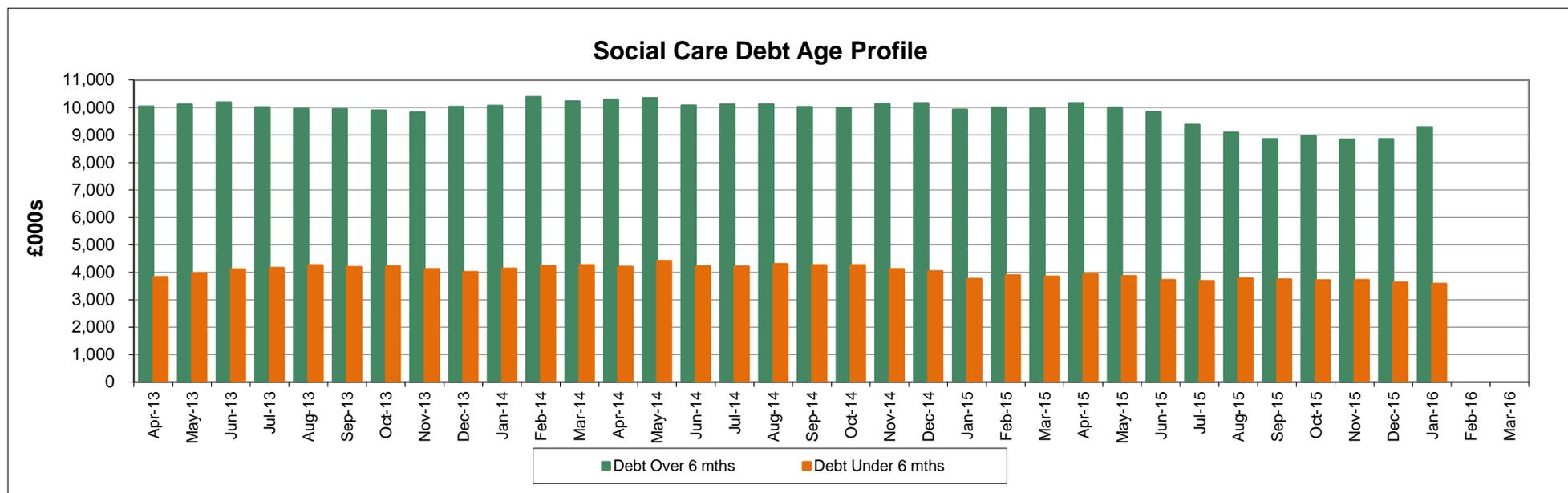
Also within the outstanding debt is £12.865m relating to Social Care (client) debt which is an increase of £0.315m from the November position. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Social Care Debt				
			Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
Apr-14	23,374	8,884	14,490	10,288	4,202	8,220	6,270
May-14	23,654	8,899	14,755	10,342	4,413	8,353	6,402
Jun-14	21,579	7,289	14,290	10,071	4,219	7,944	6,346
Jul-14	16,503	2,187	14,316	10,108	4,208	7,927	6,389
Aug-14	18,138	3,707	14,431	10,122	4,309	7,882	6,549
Sep-14	17,119	2,849	14,270	10,015	4,255	7,805	6,465
Oct-14	18,060	3,808	14,252	9,992	4,260	7,709	6,543
Nov-14	16,907	2,658	14,249	10,131	4,118	7,777	6,472
Dec-14	16,612	2,406	14,206	10,160	4,046	7,624	6,582
Jan-15	44,315	30,632	13,683	9,926	3,757	7,079	6,604
Feb-15	16,425	2,538	13,887	9,996	3,891	6,973	6,914
Mar-15	16,757	2,955	13,802	9,962	3,840	6,915	6,887
Apr-15	17,764	3,669	14,095	10,155	3,940	7,069	7,026

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
May-15	19,391	5,534	13,857	9,994	3,863	7,009	6,848
Jun-15	60,443	* 46,885	13,558	9,837	3,721	6,885	6,673
Jul-15	56,795	* 43,741	13,054	9,366	3,688	6,417	6,637
Aug-15	41,514	* 28,648	12,866	9,090	3,776	6,075	6,791
Sep-15	17,391	4,794	12,597	8,854	3,743	5,913	6,684
Oct-15	18,214	5,532	12,682	8,969	3,713	6,231	6,451
Nov-15	17,848	5,298	12,550	8,831	3,719	5,905	6,645
Dec-15	20,408	7,934	12,474	8,849	3,625	5,888	6,586
Jan-16	19,003	6,138	12,865	9,281	3,584	6,012	6,853
Feb-16							
Mar-16							

* incl. BCF debt of £42,867k
 * incl. BCF debt of £39,295k
 * incl. BCF debt of £25,006k
 From Sept 15, the remaining BCF debt has been moved onto a payment plan and will only show in these figures if a monthly instalment is not received on time.





With regard to Social Care debt, the tables below show the current breakdown and movement since last month of secured, unsecured and health debt, together with a breakdown of unsecured debt by client group.

Social Care debt by Customer Credit Status	November £000s	January £000s	Movement £000s
Secured	5,905	6,012	107
Unsecured - Deceased/Terminated Service	1,763	1,950	187
Unsecured - Ongoing	4,824	4,845	21
Caution/Restriction (Unsecured)	58	58	0
Health (Unsecured)	0	0	0
TOTAL	12,550	12,865	315

Unsecured debt by Client Group	November £000s	January £000s	Movement £000s
Older People/Physical Disability	6,115	6,300	185
Learning Disability	389	417	28
Mental Health	141	136	-5
TOTAL	6,645	6,853	208

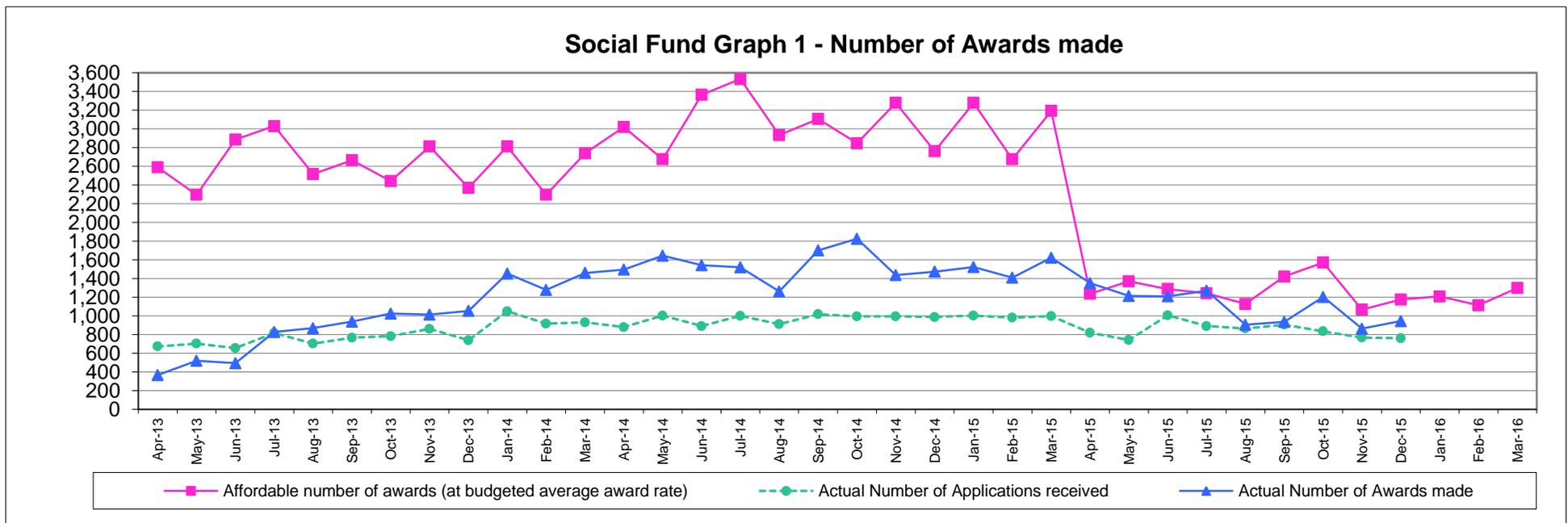
2.13 Number and Value of Social Fund awards made

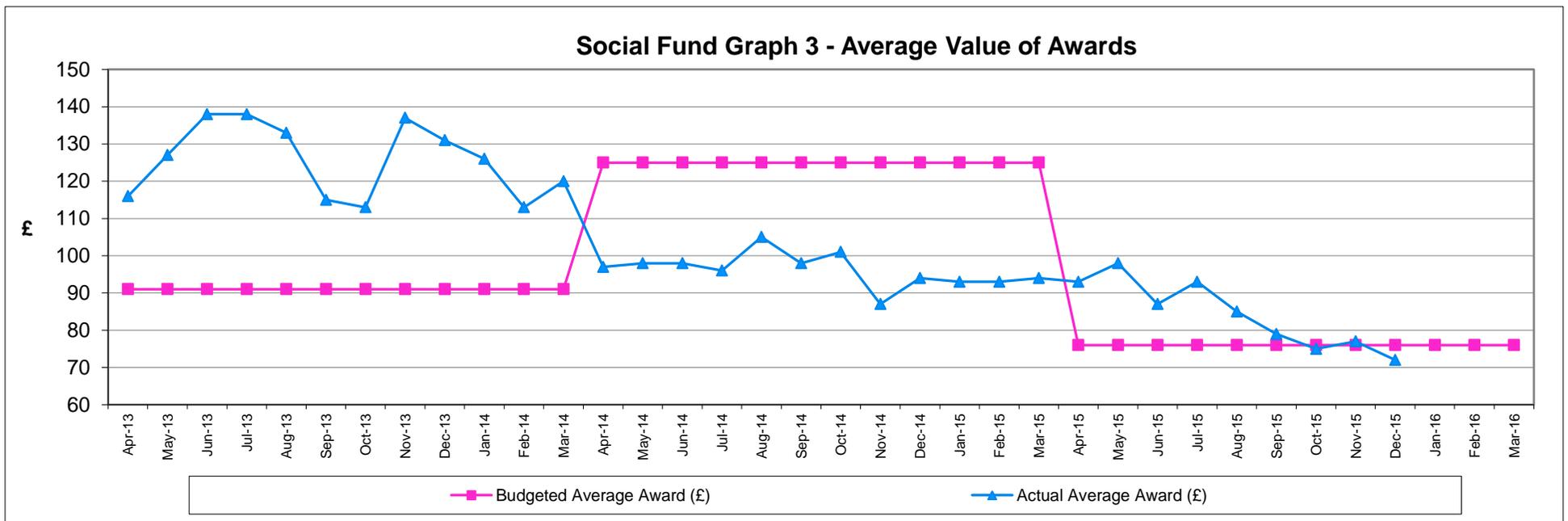
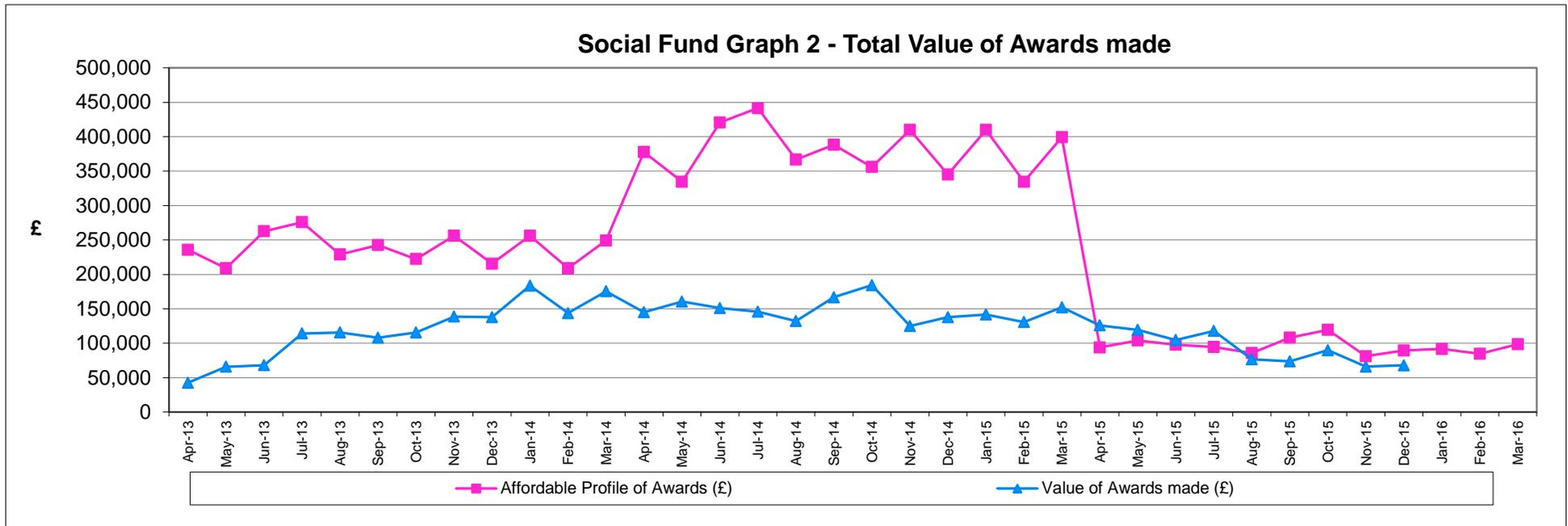
		(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)
		Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)
2013-14	Apr	2,591	673	368	235,800	42,620	91	116
	May	2,296	704	520	208,900	65,907	91	127
	Jun	2,887	655	494	262,700	68,201	91	138
	Jul	3,031	818	828	275,800	114,188	91	138
	Aug	2,518	704	869	229,100	115,811	91	133
	Sep	2,666	766	939	242,600	108,237	91	115
	Oct	2,443	783	1,025	222,300	115,778	91	113
	Nov	2,813	861	1,015	256,000	138,738	91	137
	Dec	2,369	738	1,054	215,600	137,748	91	131
	Jan	2,813	1,050	1,453	256,000	183,774	91	126
	Feb	2,296	918	1,278	208,900	143,813	91	113
	Mar	2,739	930	1,460	249,300	175,416	91	120
			31,462	9,600	11,303	2,863,000	1,410,231	91
2014-15	Apr	3,021	880	1,496	377,600	145,043	125	97
	May	2,677	1,003	1,644	334,600	160,674	125	98
	Jun	3,366	891	1,541	420,700	151,071	125	98
	Jul	3,534	1,001	1,520	441,700	145,708	125	96
	Aug	2,935	911	1,261	366,900	132,206	125	105
	Sep	3,108	1,018	1,701	388,500	166,819	125	98
	Oct	2,848	994	1,826	356,000	184,200	125	101
	Nov	3,280	996	1,436	410,000	125,165	125	87
	Dec	2,762	988	1,474	345,300	137,907	125	94
	Jan	3,280	1,004	1,523	410,000	141,708	125	93
	Feb	2,677	981	1,410	334,600	130,743	125	93
	Mar	3,194	997	1,622	399,300	152,114	125	94
			36,682	11,664	18,454	4,585,200	1,773,358	125

* Columns (a) and (d) are based on available funding which has been profiled by month and type of award (excluding cash awards) in the same ratio as the previous DWP scheme. As the criteria and awards for the scheme differ to the DWP scheme, this does not represent the anticipated demand for the scheme, but represents the maximum affordable level should sufficient applications be received which meet the criteria. *Please note as the data for 2013-14, the first year of our pilot scheme, includes increasing levels of activity as the service commenced, it is not considered to represent a typical year.*

One application may result in more than one award, e.g. an award for food & clothing and an award for utilities, hence the number of awards in column (c) may exceed the number of applications in column (b).

	(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)	
	Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)	
2015-16	Apr	1,237	821	1,350	94,000	125,979	76	93
	May	1,370	742	1,214	104,100	119,356	76	98
	Jun	1,288	1,007	1,210	97,900	104,865	76	87
	Jul	1,242	891	1,269	94,400	117,923	76	93
	Aug	1,128	865	907	85,700	76,786	76	85
	Sep	1,422	905	936	108,100	73,593	76	79
	Oct	1,571	835	1,202	119,400	89,806	76	75
	Nov	1,067	768	863	81,100	66,164	76	77
	Dec	1,176	761	945	89,400	67,964	76	72
	Jan	1,208			91,800		76	
	Feb	1,114			84,700		76	
	Mar	1,299			98,700		76	
		15,122	7,595	9,896	1,149,300	842,436	76	85





Comments:

- The pilot scheme commenced in Kent on 1 April 2013 and differed from the previous cash-based Social Fund scheme, previously administered by DWP. The Kent Local Welfare Scheme offers emergency help to those experiencing a crisis; a disaster; or who are in need of help to make the transition into or remain within the local community. This scheme offers 4 types of award including food & clothing, furniture & white goods, energy vouchers and advice & guidance. In addition, all applicants, regardless of whether they receive an award or not, are signposted to the appropriate service to address any causal or underlying needs. This is an emergency fund and is targeted towards the most vulnerable in society. The figures provided in the table and represented in the graphs above reflect a combined average of these 4 types of award.
- All applications are immediately prioritised with the intention that high priority applications should receive the award within 24 hours. Medium and low priority applications are assessed within a longer timeframe e.g. applications for furniture from low risk households. Therefore, actual awards made in any month can exceed the number of applications for the month, either due to the processing of low priority cases from previous months, or as a result of individual applications resulting in multiple awards being granted, as referred to above.
- From April 2013 to March 2015, the scheme was funded from a Government grant. Due to uncertainty about both future levels of demand and government funding, the funding for awards in 2013-14 was ring-fenced and rolled forward to 2014-15 to provide some stability to the service and this roll forward is reflected in the 2014-15 affordable level as shown in the table above. Following the Government announcement to incorporate the Local Welfare Assistance Grant within the Revenue Support Grant (RSG) from 2015-16, the budget for this service as shown in table 1 is now £1,481.5k, in line with the amount identified by Government as being included within our RSG for welfare provision. Within this, £332.2k is the cost of administering the scheme, including signposting applicants to alternative appropriate services, and £1,149.3k is available to award where appropriate (column d in the table above).
- **Graph 1** above represents the number of individual awards granted, (there could be multiple awards arising from an individual application), compared to (i) the number of applications received and (ii) the affordable number of awards, as calculated using the budgeted average award rate, which is the maximum number of awards that can be afforded, not the anticipated level of demand. In the early months of 2013-14 the number of applications received was higher than the number of awards made, which predominately reflected that applications for cash awards were being received in line with the old DWP scheme, but this type of award is not generally offered as part of the Kent Local Welfare Scheme. Initially there were also a number of inappropriate referrals being made whereby the applicant did not qualify. However, the number of awards made is now higher than the number of applications received illustrating that a greater proportion of relevant applications are being received along with some applications resulting in more than one award e.g. an award for food and clothing and an award for energy vouchers.

- **Graph 2** represents the value of awards made against the maximum profiled funding available. In the first four months of the year, the value of the awards made has been higher than the affordable level, as the service adjusts to the reduction in budget. However in the past five months this trend has reversed, and is likely to be in part due to the recently agreed changes to the scheme aimed at reducing the overall value of individual awards. The graph illustrates the rise in total monthly award values as the scheme matured during the first year and as the service has successfully signposted applicants to support and advice in their own communities. Changes to welfare reform may impact on the number and overall value of awards in future months. The number and value of awards shown in the table above represents the number and value of awards approved. Although awards are approved for individuals in dire need, not all approved awards are taken up for a variety of reasons. The financial outturn will reflect the value of awards actually paid, therefore will not necessarily match the value of awards approved as shown in the table above.
- **Graph 3** compares the budgeted average award value, based on the anticipated mix and value of awards, to the actual average award. Using DWP data, and excluding cash awards, it was anticipated that the majority of awards for this scheme would be for food & clothing, high volume & low value, and therefore the budgeted average award for 2013-14 was set with this in mind at £91. The affordable average award value was revised for 2014-15 to match the actual average award value for 2013-14 of £125. This increase in the budgeted average award value from £91 to £125 reflected a higher than expected number of awards in 2013-14 for furniture & equipment which have a higher award value. In line with the revised funding arrangement from 2015-16 the overall cash limit for awards has been reduced to £1,149.3k. Accordingly, the affordable average award value has been reduced to £76 (from the previously reported figure of £96 included in the Outturn report presented to Cabinet in July) to reflect recently agreed changes to the scheme aimed at reducing the overall value of individual awards.

To the end of December 2015, 39% of the number of awards have been for food & clothing representing 38% of the value of awards (the percentages were 36% and 32% respectively in 2014-15). Whilst, Furniture & equipment (incl white goods) accounts for 37% of the number of awards but 51% of the value of awards (the percentages were 39% and 57% respectively in 2014-15). The reduction in the percentage of total value of awards for higher cost items, such as white goods and furniture is also reflected in the reduction of the average award value, from £93 in July 2015 to £72 in December 2015, resulting from the recently agreed changes to the scheme. The forecast for this service assumes higher levels of awards during the winter months resulting in a balanced position currently being forecast for this service, as reflected in table 1.

The awards figures across the Christmas periods include the impact of both energy and food awards being issued for 14 days rather than the normal 7 days to ensure continuity of provision. The scheme has also responded to peaks in demand from civil emergencies such as the floods in December 2013 and more recently the Canterbury fire in July 2015.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Adult Services has a working budget for 2015-16 of £51,070k (£13,292k excluding PFI). The forecast outturn against the 2015-16 budget is £8,751k (£5,008k excluding PFI) giving a variance of -£42,319k (-£8,284k excluding PFI).

3.2 **Table 2** below details the Social Care Health & Wellbeing Directorate's - Adult Services Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Home Support Fund & Equipment	3,120	3,957	-341	-341	Real: revenue	Reflects the lower than anticipated demand for telecare equipment resulting in a reduced revenue contribution to capital.	Green		
Individual Projects									
Kent Strategy for Services for Older People (OP):									
Think Autism	0	2	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
OP Strategy - Specialist Care Facilities	4,089	3,162	-3,162	-3,162	Rephasing	The Accommodation Strategy has identified a need to incentivise the market in Swale and Sandwich alongside the consultation of the future of the KCC care homes in those areas. Market engagement has commenced in Swale and will commence on the Sandwich project in the next six months which will inform what capital investment is needed. However, a formal procurement exercise will be required for both projects. Therefore the budget is being rephased into 2016-17.	Green	Rephasing to 2016-17 previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:									
Learning Disability Good Day Programme-Community Hubs	0	1,443	-1,007	-1,007	Rephasing	The KCC Asset Management Strategy stipulates a requirement to review all KCC	Amber	Increased rephasing. £715k rephasing to 2016-17 previously reported.	
Learning Disability Good Day Programme-Community Initiatives	0	651	-642	-642	Rephasing: -£613k Real: -£29k Grant	properties when looking for alternative accommodation. In order to meet this requirement some projects are being rephased into next year.	Amber	Increased rephasing. £492k rephasing to 2016-17 previously reported.	
Active Care / Active Lives Strategy:									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	19,071	37,778	-34,035	-34,035	Rephasing	Unforeseen contamination of sites in the form of asbestos has impacted on the start of construction of the new buildings as the sites needed to be cleared and decontaminated. The asset will be recognised on Balance Sheet once construction is complete.	Green	Five out of the seven sites are scheduled for completion next financial year. Rephasing to 2016-17 previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Developing Innovative and Modernising Services:									
Information Technology Projects	0	300	-43	-43	Rephasing		Green	Rephasing to 2016-17 previously reported.	
Lowfield St (formerly Trinity Centre, Dartford)	968	976	-976	-976	Rephasing		Amber	Project on hold due to development of site not progressing. In further negotiations with all parties on how to proceed.	
Care Act ICT Implementation	1,312	1,312	-1,312	-1,312	Rephasing		Green	Budget to be rephased to 2016-17 due to Government delay in Care Act Phase 2 implementation. Rephasing to 2016-17 previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Wheelchair Accessible Housing	600	600	-67	-67	Real - Developer contributions		Green		
Developer Funded Community Schemes	889	889	-734	-734	Rephasing: -£759k Real: +£25k Developer contributions	Planned contributions towards projects will now be made next year. Providers to consider their business plans and developments following the Autumn Statement.	Green	Rephasing previously reported.	
Total	30,049	51,070	-42,319	-42,319					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
PUBLIC HEALTH
DECEMBER 2015-16 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
Total (£k)	-193	-767	+767	-

1.2.1 As reported to Cabinet on 6 July in the first monitoring report for 2015-16, the Government announced that £200m of in year savings from the Department of Health are to come from public health budgets devolved to local authorities. National consultation setting out possible options on reducing Local Authority (LA) public health allocations ran from 31 July to 28 August. The options included:

- (1) take a larger share from LAs that are significantly above their target allocation;
- (2) take a larger share of the savings from LAs that carried forward unspent PH reserves into 2015-16;
- (3) apply a flat rate percentage reduction to all LAs allocations;
- (4) apply a standard percentage reduction to every LA unless an authority can show that this would result in particular hardship.

The Department of Health's stated preferred option was to apply a 6.2% reduction across the board (option 3 above), which for Kent equates to a cut in funding of £4.033m. On this basis, the service identified options for dealing with an in-year 2015-16 budget reduction of this level, but a reduction of this size requires cuts to service levels.

Our response to the consultation was that option 1 was our preferred option. Kent is currently below our target allocation.

On 4 November, the DoH announced that, despite their preferred option only being backed by a quarter of respondents to the consultation, on balance this remained their preference as it is the option most consistent with the underpinning principles for managing the saving that the DoH has set out: it delivers the £200 million, it is the least disruptive to services and it is compliant with the Public Sector Equality Duty and the health inequality duty. The saving has been implemented through a reduction in the fourth quarterly instalment of the PH grant and the cash limits in table 1 below have been reduced accordingly, as approved by Cabinet in November.

1.2.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Public Health							
Strategic Management & Directorate Support Budgets	1,095.0	-1,095.0	0.0	-52	-52	Public health grant variance: Other minor variances.	
Public Health:							
- Children's Public Health Programmes: 0-5 year olds Health Visiting Service	11,718.0	-11,718.0	0.0	+22	+22	Public health grant variance: Other minor variances.	
- Other Children's Public Health Programmes	9,266.5	-9,266.5	0.0	-7	-7	Public health grant variance: Other minor variances.	
- Drug & Alcohol Services	15,250.3	-15,250.3	0.0	0	-212	Re-phasing of Family Drug and Alcohol Court costs into 2016-17 together with other minor variances.	
					+212	Reduced draw down from KDAAT reserve.	
- Obesity & Physical Activity	2,347.8	-2,347.8	0.0	+173	+191	Public health grant variance: Additional costs of Tier 3 Weight Management activity.	
					-18	Public health grant variance: Other minor variances.	
- Public Health - Mental Health Adults	2,401.2	-2,401.2	0.0	+21	+21	Public health grant variance: Other minor variances.	
- Public Health Staffing, Advice & Monitoring	3,472.3	-3,472.3	0.0	+60	+60	Public health grant variance: Other minor variances.	

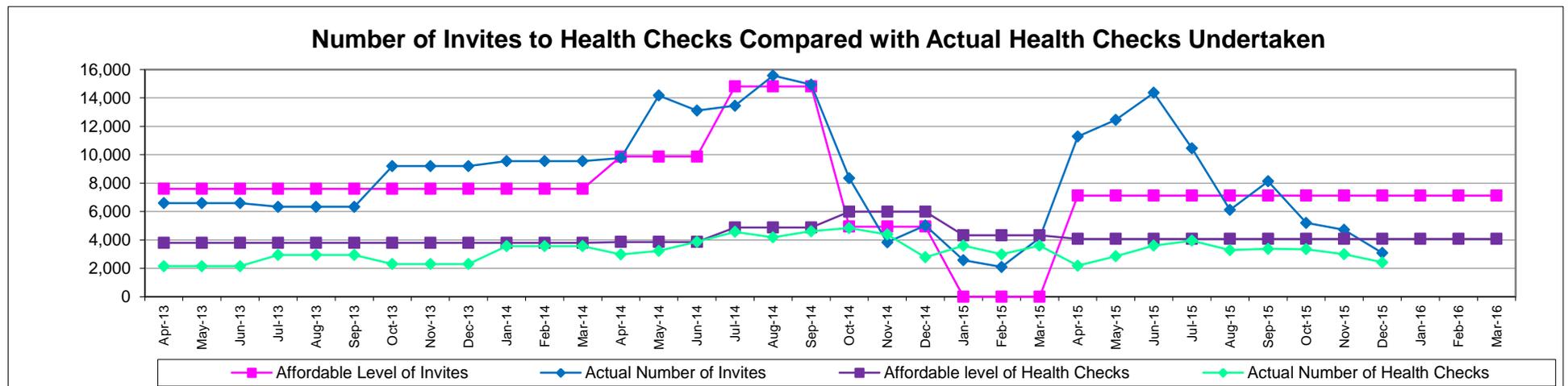
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Sexual Health Services	13,750.1	-13,750.1	0.0	-558	-185 Public health grant variance: reduced forecast in activity. -180 Public health grant variance: Reduction in revenue contribution to capital due to re-phasing of the Community Sexual Health Services capital scheme to 2016-17. -100 Public health grant variance: Reduction in accommodation costs of community sexual health services as finding suitable premises that meet the standards for delivery of clinical services has been challenging. This has meant that the service has operated at a reduced capacity in a number of locations, particularly in West and North Kent which has contributed to the underspend on premises. -93 Public health grant variance: Other minor variances.	
- Targeting Health Inequalities	5,068.5	-5,261.7	-193.2	+143	-266 Public health grant variance: Number of health checks is below budget. -54 Public health grant variance: Actual cost of checks is below budgeted level. +320 Public health grant variance: prior year costs for Dental Health not previously accounted for (insufficient creditors raised in 2014-15). +143 Public health grant variance: Other minor variances.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Tobacco Control & Stop Smoking Services	2,975.9	-2,975.9	0.0	-569	-444	Public health grant variance: Unrealised (prescribing) creditors set up in 2014-15.
					-264	Public health grant variance: reduced prescribing costs in 2015-16.
					+136	Public health grant variance: increased costs of Smoking Cessation service.
					+3	Public health grant variance: Other minor variances.
	67,345.6	-67,538.8	-193.2	-767		
- tfr to(+)/from(-) Public Health reserve				+767	+767	Net transfer to the Public Health reserve to offset the public health variances of -£767k shown above.
Total SCH&W (Public Health)	67,345.6	-67,538.8	-193.2	0		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of Health Check invites compared to number of Health Checks undertaken

	2013-14				2014-15				2015-16			
	Invites		Checks		Invites		Checks		Invites		Checks	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr					9,877	9,776	3,860	2,984	7,121	11,287	4,074	2,189
May	22,810	19,761	11,405	6,455	9,877	14,169	3,860	3,225	7,120	12,464	4,075	2,855
Jun					9,878	13,108	3,862	3,865	7,120	14,363	4,074	3,601
Jul					14,816	13,457	4,874	4,572	7,120	10,463	4,075	3,948
Aug	22,810	18,996	11,405	8,836	14,816	15,577	4,875	4,179	7,120	6,117	4,074	3,279
Sep					14,816	14,933	4,876	4,613	7,120	8,127	4,075	3,372
Oct					4,939	8,345	5,987	4,837	7,120	5,198	4,074	3,343
Nov	22,810	27,608	11,405	6,924	4,939	3,831	5,988	4,389	7,120	4,708	4,075	2,994
Dec					4,938	5,014	5,989	2,782	7,120	3,079	4,074	2,421
Jan					0	2,568	4,324	3,594	7,120		4,075	
Feb	22,811	28,639	11,406	10,709	0	2,099	4,325	2,988	7,120		4,074	
Mar					0	4,153	4,325	3,595	7,120		4,074	
TOTAL	91,241	95,004	45,621	32,924	88,896	107,030	57,145	45,623	85,441	75,806	48,893	28,002

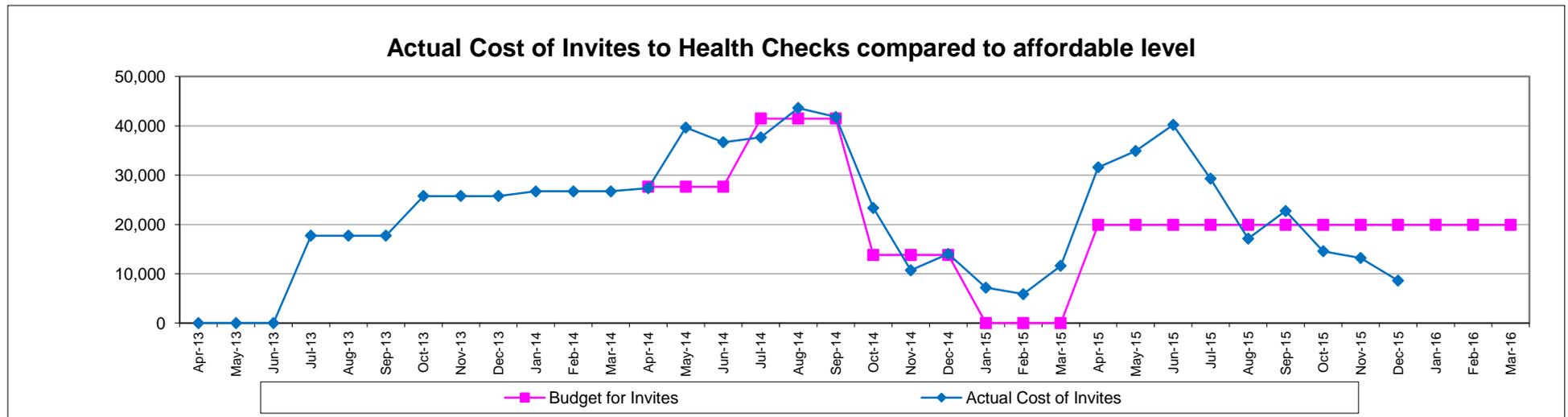


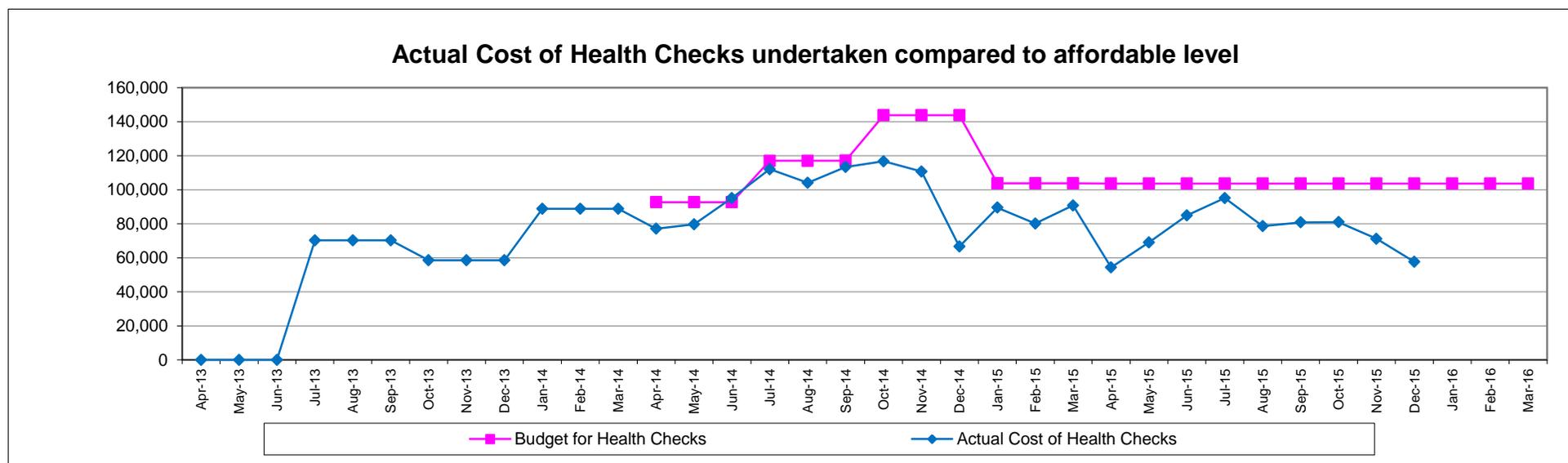
Comments:

- As can be seen from the difference in total budgeted activity for invites and checks, not all people invited for a health check attend a check and there is often a delay between the invite and the health check taking place.
- In 2014-15, the invites planned activity was weighted towards the early part of the year to give time for the follow-up process to maximise the number of people attending a health check.
- The planned number of invites for 2014-15 was based on 20% of eligible population (as it is a 5 year programme) and was based on DoH estimates, but more recent GP data showed an increase in the eligible population. In 2014-15, this activity was therefore above budget for the year by 18,134 invites, as shown in the table above.
- For 2015-16 the budgeted level of invites and checks has been profiled equally across the months to give a more consistent approach and to reflect that this is a rolling programme across financial years, therefore invites sent out in March may result in checks being taken up in the following financial year. This revised approach will also enable the service to more accurately track progress against targets.
- The planned number of invites is lower than 2014-15 (and lower than the 91,000 invites stated in the 2015-16 budget book) because the eligible population based on the GP registered population is lower this year than last. The population can fluctuate because although everyone between the ages of 40 and 74 will be invited (once every five years) to have a check to assess their risk of heart disease, stroke, kidney disease and diabetes, individuals already diagnosed with any of these conditions become ineligible for a general invite. Also some residents are screened outside of their expected year due to targeted outreach programmes and therefore are removed from the invite list in their year.
- The affordable checks have increased from the figure of 45,000 in the budget book because some standard checks will now be carried out by Kent Community Health NHS Foundation Trust staff, rather than through GPs/Pharmacies, who are able to provide this service cheaper than GPs/Pharmacies.
- Although the actual number of invites is 11,725 above the budgeted level for April to December, the service expect activity to tail off over the remaining months to stay within the overall budgeted level for the year. However the actual number of health checks is well below the budgeted level by 8,668 checks and the current forecast assumes this will increase to 10,445 below budgeted level. This is reflected in the financial forecast as an underspend of -£266k, as reflected in Table 1 .

2.2 Cost of Health Check invites and Health Checks undertaken compared to budget

	2013-14 *		2014-15				2015-16			
	Invites	Checks	Invites		Checks		Invites		Checks	
	actual cost (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)
Apr			27,656	27,373	92,700	77,081	19,939	31,604	103,720	54,397
May	0	0	27,656	39,673	92,700	79,696	19,936	34,899	103,745	69,061
Jun			27,658	36,702	92,748	95,130	19,936	40,216	103,720	84,985
Jul			41,485	37,680	117,052	112,119	19,936	29,296	103,745	95,124
Aug	53,189	210,746	41,485	43,616	117,076	104,137	19,936	17,128	103,720	78,668
Sep			41,485	41,812	117,100	113,424	19,936	22,756	103,745	80,851
Oct			13,829	23,366	143,781	116,768	19,936	14,554	103,720	81,003
Nov	77,302	175,920	13,829	10,727	143,805	110,779	19,936	13,182	103,745	71,162
Dec			13,826	14,039	143,829	66,666	19,936	8,621	103,720	57,655
Jan			0	7,190	103,843	89,540	19,936		103,745	
Feb	80,189	266,524	0	5,877	103,869	80,140	19,936		103,720	
Mar			0	11,628	103,869	90,829	19,936		103,720	
TOTAL	210,680	653,190	248,909	299,683	1,372,372	1,136,309	239,235	212,256	1,244,765	672,906





Comments:

- * In 2013-14 the service was initially commissioned on a block contract basis. From the second quarter this was amended to a performance basis, with specific activity budgets set for the year, with payments being related to the level of activity provided.
- The 2014-15 budget for Health Checks was made up of a fixed cost element £465,756 and a performance element £1,621,281. The performance element is shown in the activity data above, with a budget of £248,909 for invites and £1,372,372 for health checks (totalling £1,621,281).
- The budgeted activity level for invites is based on the eligible population. The budgeted activity level for health checks was higher in 2014-15 than 2013-14 as the provider was expected to make up for the underperformance in the previous year. The number of health check invites was greater than budgeted in 2014-15 due to an increase in eligible population. The resulting pressure of £50,774 was more than offset by a saving on checks of £236,063 leaving an underspend of £185,289 within the Targeting Health Inequalities budget in 2014-15.
- The 2015-16 budget for Health Checks is made up of a fixed cost element £456,912 and a performance element £1,484,000. The performance element is shown in the activity data above, with a budget of £239,235 for invites and £1,244,765 for health checks (totalling £1,484,000).
- The higher than affordable number of invites to December has generated a pressure of +£32,829 but this is more than offset by an underspend on checks in the same period of -£260,674. The pattern is similar to last year suggesting an overall underspend of -£320k by the end of the financial year on the combined invites and checks activity as reflected in table 1. The -£320k comprises -£266k resulting from reduced activity and also -£54k as the average cost per check is below the budgeted level.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Public Health has a working budget for 2015-16 of £360k. The forecast outturn against the 2015-16 budget is £180k giving a variance of -£180k.

3.2 **Table 2** below details the Social Care, Health and Wellbeing Directorate's - Public Health Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Community Sexual Health Services	0	360	-180	-180	Rephasing	Work is ongoing to identify suitable premises for community sexual health services that are commissioned by KCC but delivered by external providers. KCC has recently undertaken a wide ranging public consultation about the location and availability of sexual health services across Kent. The outcome of the consultation will inform the plans for the remaining capital budget which is being rephased to 2016-17.	Green	Rephasing previously reported.	
Total	0	360	-180	-180					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE
DECEMBER 2015-16 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
						committed	uncommitted	
	Directorate Total (£k)	+173,493	-1,594	-	-1,594	-	+178	-1,416

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Growth, Environment & Transport						
Strategic Management & Directorate Support budgets	4,635.0	-93.6	4,541.4	-512	-197	This is expected to be ongoing and has been reflected in the recently approved 2016-19 MTFP.
					-163	
					-85	
					-75	
					+8	
<u>Children's Services - Education & Personal</u>						
- 14 - 24 year olds (Kent Foundation)	111.9	-59.3	52.6	0		
<u>Community Services:</u>						
- Arts Development (incl. grant to Turner Contemporary)	2,042.3	0.0	2,042.3	-45		
- Gypsies & Travellers	563.0	-424.4	138.6	-5		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Libraries, Registration & Archives	17,668.5	-5,500.3	12,168.2	-649	-422	Additional registration income, mostly from ceremonies.	This is expected to be ongoing and has been reflected in the recently approved 2016-19 MTFP. This is expected to be ongoing and has been reflected in the recently approved 2016-19 MTFP.
					-150	Second and final rebate received in respect of costs incurred in prior years related to the cash management system.	
					-100	Underspend against allocation to deliver transformation projects and savings (<i>as the proposed transfer to Trust status has been delayed</i>).	
					+150	Unachievable saving on rates	
					-127	Other minor variances, each less than £100k in value.	
- Sports Development	1,733.1	-1,094.0	639.1	-29			
	22,006.9	-7,018.7	14,988.2	-728			
<u>Environment:</u>							
- Country Parks & Countryside Access	2,431.8	-1,801.6	630.2	-53			
- Environmental Management (incl Coastal Protection)	3,299.6	-1,855.3	1,444.3	-12			
- Public Rights of Way	1,731.2	-89.0	1,642.2	-33			
	7,462.6	-3,745.9	3,716.7	-98			
<u>Highways:</u>							
- Highways Maintenance							
- Adverse Weather	3,230.8	0.0	3,230.8	-494	-417	The mild winter (as at end of January) has resulted in significantly fewer salting runs than budgeted.	
					-77	Other minor variances.	
- Bridges & Other Structures	2,186.5	-221.9	1,964.6	-1			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- General maintenance & emergency response	11,786.9	-475.8	11,311.1	+1,191	+1,062	Additional expenditure relating to the extension to the potholes find and fix campaign.
					+104	Traffic management costs at junctions on high speed roads where additional grass cutting and weed control has been required.
					-188	Income from highways consultancy and maintenance contractors where performance measures have not been met. <i>This has been reinvested as part of the extension to the potholes find and fix campaign.</i>
					+213	Other minor variances, each less than £100k in value.
- Highway drainage	2,981.8	0.0	2,981.8	+400	+400	Additional expenditure on drainage projects as part of the extension to the potholes find and fix campaign.
- Streetlight maintenance	3,419.0	-154.0	3,265.0	+101	+196	Ongoing review of old balance sheet balances resulting in a net write-back to revenue.
					-123	Works expected to be carried out by the end of 2015-16 look likely to be delayed due to resource issues with our external service provider. This work will not be completed until next year and will therefore create a pressure on next year's allocation. This is essential work that is not covered by the general maintenance budget (which is reducing next year due to the conversion to LED lights) and includes more complex repairs and replacements that are required to keep assets in light, and in a safe condition. This underspend will therefore be requested to roll-forward.
					+28	Other minor variances.
	23,605.0	-851.7	22,753.3	+1,197		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Highways Management:							
- Development Planning	1,894.9	-2,135.2	-240.3	-64			
- Highways Improvements	1,673.9	-33.3	1,640.6	-129	-115	Reduced ad-hoc works resulting from the 2015-16 Highway condition surveys contract.	
					-14	Other minor variances.	
- Road Safety	2,834.3	-2,145.4	688.9	-107	-107	Minor variances, each less than £100k in value.	
- Streetlight energy	6,007.7	0.0	6,007.7	-570	-411	Lower than budgeted impact of electricity price increase.	This is expected to be ongoing and has been reflected in the recently approved 2016-19 MTFP.
					-210	Rebate from LASER following price reconciliation of Winter 2014-15 and Summer 2015-16 usage.	
					+156	Impact of the climate change levy with effect from 1 October 2015 as renewable energy is no longer exempt.	
					-105	Other minor variances.	
- Traffic management	5,022.4	-3,363.2	1,659.2	-360	-290	Revised estimates of income relating to the Traffic Systems, Kent Permit Scheme and streetworks budgets, including additional penalties imposed on utility companies.	
					-70	Other minor variances.	
- Tree maintenance, grass cutting & weed control	3,234.0	0.0	3,234.0	-80	-80		
	20,667.2	-7,677.1	12,990.1	-1,310			
Planning & Transport Strategy:							
- Planning & Transport Policy	1,321.6	0.0	1,321.6	-97			
- Planning Applications	1,112.7	-650.0	462.7	+56			
	2,434.3	-650.0	1,784.3	-41			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Public Protection						
- Community Safety (incl Community Wardens)	2,436.8	-68.8	2,368.0	-62	-155 +93	Vacancy savings primarily within Community Wardens. Other minor variances primarily within Community Wardens non-staffing budgets.
- Coroners	3,737.0	-985.7	2,751.3	+107	+107	Pressure on staffing costs resulting from: backfilling long-term sickness absences, extra staff to deal with a back log of cases, and additional supervision and staffing required following transfer of Coroners Officers from Police to deal with current levels of activity.
- Emergency Response & Resilience (incl Flood Risk Management)	1,397.6	-180.7	1,216.9	-23	-55 +32	KCC has taken on new duties from April 2015 regarding planning applications for major developments in relation to surface water drainage where we must satisfy ourselves that Sustainable Urban Drainage Systems (SuDS) are put in place. The grant funding received this year to build capacity and develop standing advice will not be fully spent, and as this is an un-ringfenced grant and the grant is reducing in 2016-17, the service will request that the balance is rolled forward to support the new responsibilities next year without the need to call on existing funding for flood risk management projects. There will be a future MTFP bid to cover the shortfall on a permanent basis. Other minor variances.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Trading Standards (incl. Kent Scientific Services)	3,817.4	-1,014.8	2,802.6	-113	-250	Staffing saving resulting from early implementation of, and holding vacancies pending, the Trading Standards restructure.
					+128	Expected shortfall in Proceeds of Crime income target based on known court cases.
					+9	Other minor variances.
	11,388.8	-2,250.0	9,138.8	-91		
<u>Regeneration & Economic</u>						
- Regeneration & Economic Development Services	5,443.4	-1,578.1	3,865.3	+105	+84	Staffing pressure due to delay in implementing new structure, offset against underspend on Directorate Management and Support A-Z service line above.
					+21	Other minor variances.
<u>Schools Services</u>						
- Other Schools Services (road crossing patrols)	453.3	0.0	453.3	-4		
<u>Transport Services:</u>						
- Concessionary Fares	16,206.0	-27.0	16,179.0	+526	+526	Increased bus operator costs due to fare increases and journeys being taken are above the affordable level following the reconciliation of data provided by the bus companies for quarter 3.
- Subsidised Socially Necessary Bus Services (incl Kent Karrier)	9,329.2	-2,348.8	6,980.4	0		
- Transport Operations	1,427.6	-77.5	1,350.1	-48		
- Transport Planning	1,238.5	-918.8	319.7	-39		
- Young Person's Travel Pass	14,393.1	-5,595.6	8,797.5	-737	-737	Journey numbers to quarter 3 in 2015-16 are in excess of the budgeted level but any variance is more than offset as the number of passes in issue is currently below the budgeted level.
						Gross and income budgets have been increased in the recently approved 2016-17 budget to reflect the impact of the £50 increased charge per pass from September 2015.
	42,594.4	-8,967.7	33,626.7	-298		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Waste Management							
- Waste Compliance, Commissioning & Contract Management	845.4	0.0	845.4	-16			
- Partnership & development	728.6	-114.2	614.4	-78			
- Closed Landfill Sites	772.2	-16.0	756.2	-153	-165	Underspend as works have been delayed until next financial year.	
					+12	Other minor variances.	
- Waste Processing							
- Landfill Tax	4,745.3	0.0	4,745.3	-461	-505	A reduction of -6,100 tonnes of residual waste sent to landfill.	The net pressure resulting from an overall increase in tonnage has been addressed in the recently approved 2016-19 MTFP.
					+44	Budgeted price increase is below actual requirements	This has been addressed in the recently approved 2016-17 budget.
- Operation of Waste Facilities	16,893.7	-746.4	16,147.3	-1,466	-908	Management fees at waste facilities sites.	This underspend is expected to be ongoing and has been reflected in the recently approved 2016-19 MTFP.
					-398	Contract changes at household waste recycling centres and transfer stations.	
					-114	Savings resulting from a new haulage contract.	
					+43	Shortfall in income resulting from a reduction in the volume of waste metal which is recycled.	
					+22	Pressure resulting from increased volume of waste.	The net pressure resulting from an overall increase in tonnage has been addressed in the recently approved 2016-19 MTFP.
					-111	Other minor variances, each below £100k in value.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Payments to Waste Collection Authorities (District Councils)	6,178.9	0.0	6,178.9	+134	+185	Increased tipping away payments primarily to do with the Church Marshes Waste Transfer Station in Swale. It was hoped that the site would be able to take food waste from December however this has been delayed until next year, meaning that Swale Borough Council's contractor must continue to dispose of this at a different site and incur additional costs in doing so. KCC has agreed to reimburse these costs until problems at the site are resolved.
					-45	A -700 tonne reduction in the amount of waste on which recycling credits are paid.
					-6	Other minor variances.
- Recycling Contracts & Composting	7,211.6	-1,149.9	6,061.7	-354	+7	Although a small pressure relating to volume of waste is being forecast the actual volume is -2,000 tonnes below the budgeted level. This budget covers a mixture of waste types and costs, some of which are income generating, and currently it is the less costly lines that are showing the reductions in volumes with the underspends being more than offset by pressures in higher cost/lower volume areas such as mechanical (street) sweepings.
					-413	Price paid is below budgeted estimate; this relates primarily to in-vessel composting.
					-108	Additional income as the price received for recyclables, especially for paper and card, is greater than budgeted.
						The net pressure resulting from an overall increase in tonnage has been addressed in the recently approved 2016-19 MTFP.
						This underspend is ongoing and has been reflected in the recently approved 2016-19 MTFP.

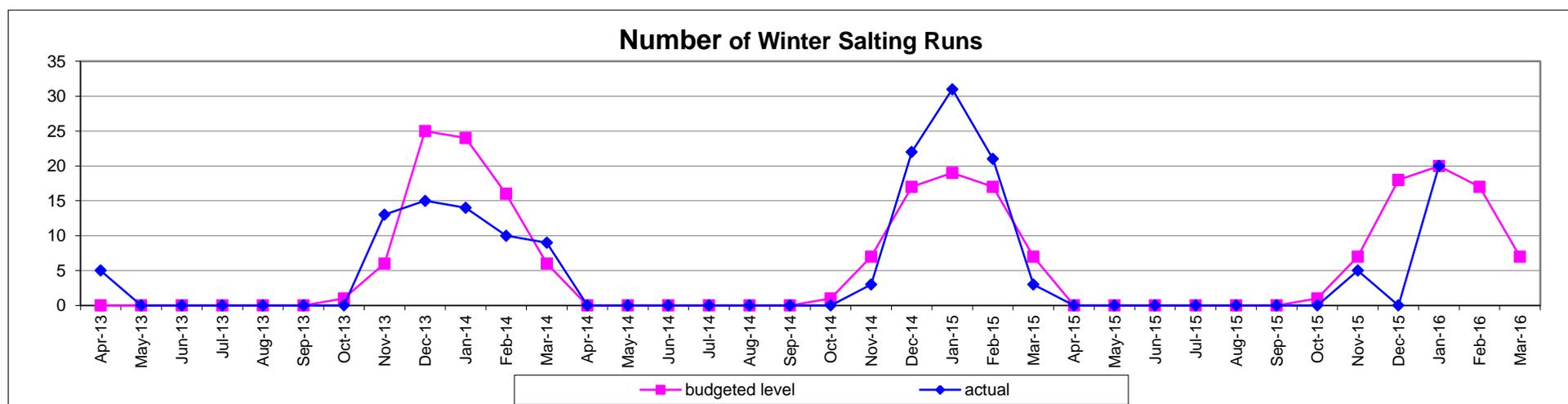
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +161 Costs passed on to KCC by the contractor, as under the terms of the material recycling facilities contract, any recyclable materials collected that contain more than 10% contamination incur additional costs. -1 Other minor variances.	
- Treatment & Disposal of Residual Waste	30,713.3	-480.2	30,233.1	+2,580	+2,699 An additional +26,900 tonnes of residual waste dealt with at Allington Waste to Energy plant. -245 Price variance on Waste to Energy tonnage. -79 A reduction of -6,100 tonnes of residual waste sent to landfill. +20 Budgeted price increase for landfill tax is below actual requirements +116 Shortfall in trade waste income +69 Other minor variances	The net pressure resulting from an overall increase in tonnage has been addressed in the recently approved 2016-19 MTFP. This saving is expected to be ongoing and has been addressed in the recently approved 2016-17 budget. The net pressure resulting from an overall increase in tonnage has been addressed in the recently approved 2016-19 MTFP. This has been addressed in the recently approved 2016-17 budget.
	68,089.0	-2,506.7	65,582.3	+186		
Total GE&T	208,891.8	-35,398.8	173,493.0	-1,594		
Assumed Mgmt Action						
Total Forecast <u>after</u> mgmt action	208,891.8	-35,398.8	173,493.0	-1,594		

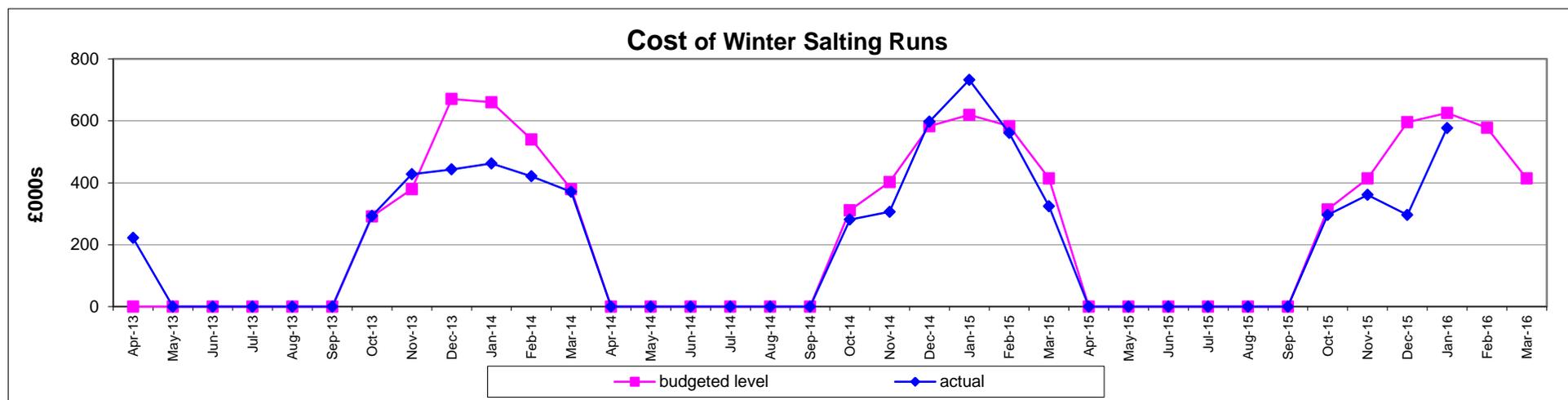
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs

	2013-14				2014-15				2015-16			
	No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs	
	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000
Apr	-	5	-	222	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	-	291	293	1	-	311	281	1	-	314	296
Nov	6	13	379	428	7	3	402	306	7	5	413	361
Dec	25	15	670	443	17	22	583	597	18	-	595	296
Jan	24	14	660	462	19	31	619	732	20	20	625	577
Feb	16	10	540	421	17	21	583	561	17	-	578	-
Mar	6	9	379	371	7	3	414	324	7	-	413	-
	78	66	2,919	2,640	68	80	2,911	2,801	70	25	2,938	1,530

The budgeted number of salting runs assumes county wide coverage but in some cases, the actual number includes salting runs for which only part county coverage was required.



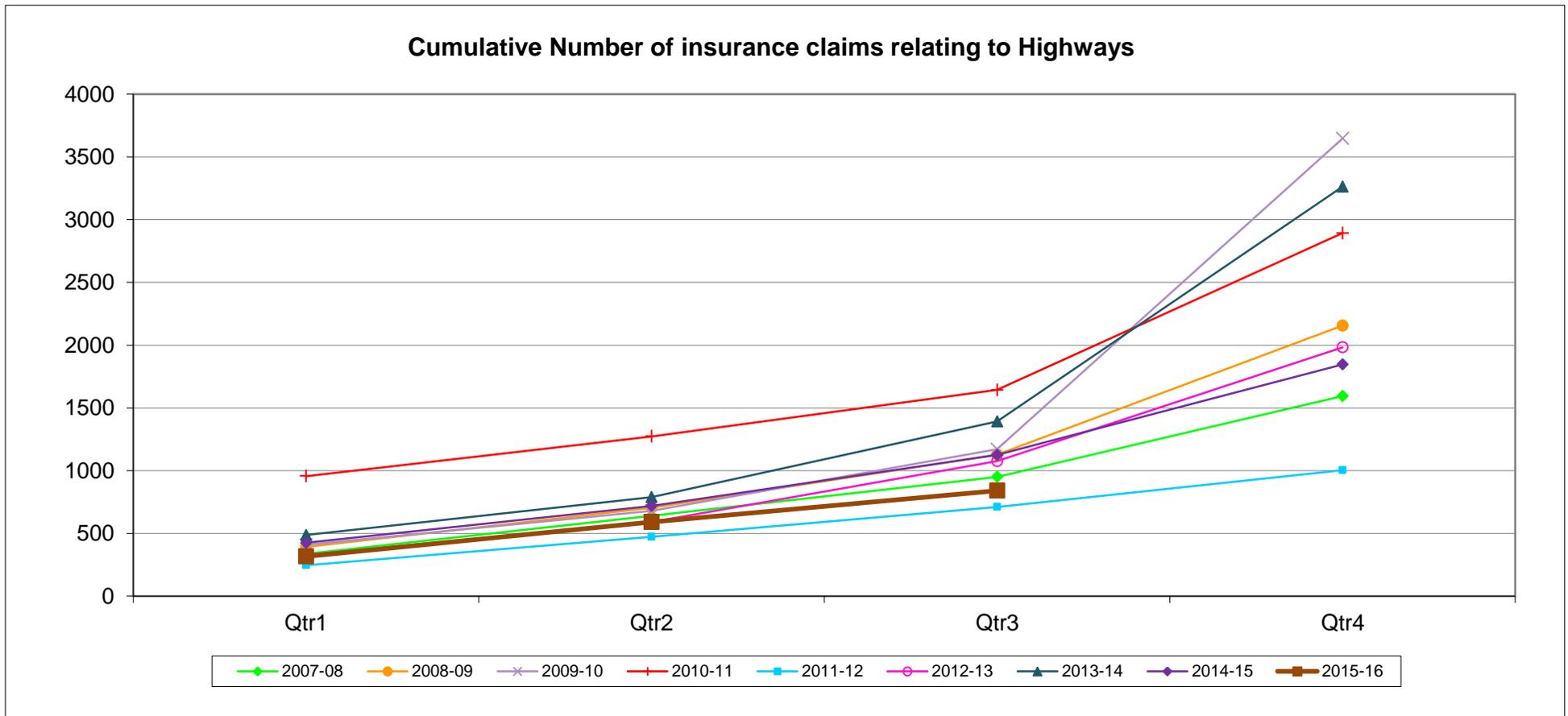


Comments:

- As a result of the prolonged hard winter in 2012-13 which extended into April 2013, unbudgeted salting runs were required at the start of 2013-14 resulting in additional expenditure of £222k. However the actual number of salting runs was below budgeted levels due to the mild winter of 2013-14. Overall there was a net underspend of -£176k on the adverse weather budget in 2013-14 which was due to an underspend of -£280k on winter salting runs (as shown in the table above), an overspend of £146k due to insufficient provision being made for 2012-13 salting costs and an underspend of £42k on other costs associated with adverse weather, not directly attributed to salting runs. The 2014-15 and 2015-16 budgeted number of salting runs look low in comparison with the 2013-14 budgeted level, despite the budgeted costs being similar; this is due to a greater proportion of fixed cost to the total cost per run, which results in fewer overall runs being affordable.
- The final activity for 2014-15 was 12 salting runs above the affordable level but £110k below budget. Many of the runs required a lower spread of salt than assumed in the budget and also on a number of occasions the whole county had not been treated, which again resulted in reduced costs. Together, this resulted in the costs of salting runs not being as high as the number of runs may suggest. Overall there was a net underspend of -£309k on the adverse weather budget in 2014-15 due to an underspend on salting runs of £110k, as reflected in the activity table above, together with an underspend of £199k on other costs associated with adverse weather, not directly attributed to salting runs, such as supply and maintenance of salt bins.
- Due to the mild winter up to the end of January, the activity for 2015-16 is well below the budgeted level, with only 25 runs being required against a budget for 46 runs, none of which required a secondary run. This has so far resulted in an underspend of -£417k.

2.2 Number of insurance claims arising related to Highways

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	Cumulative no. of claims								
Apr to Jun	337	393	408	956	245	328	487	425	315
Jul to Sep	640	704	680	1,273	473	591	788	718	590
Oct to Dec	950	1,128	1,170	1,643	710	1,075	1,391	1,126	841
Jan to Mar	1,595	2,155	3,647	2,893	1,003	1,983	3,263	1,846	



Comments:

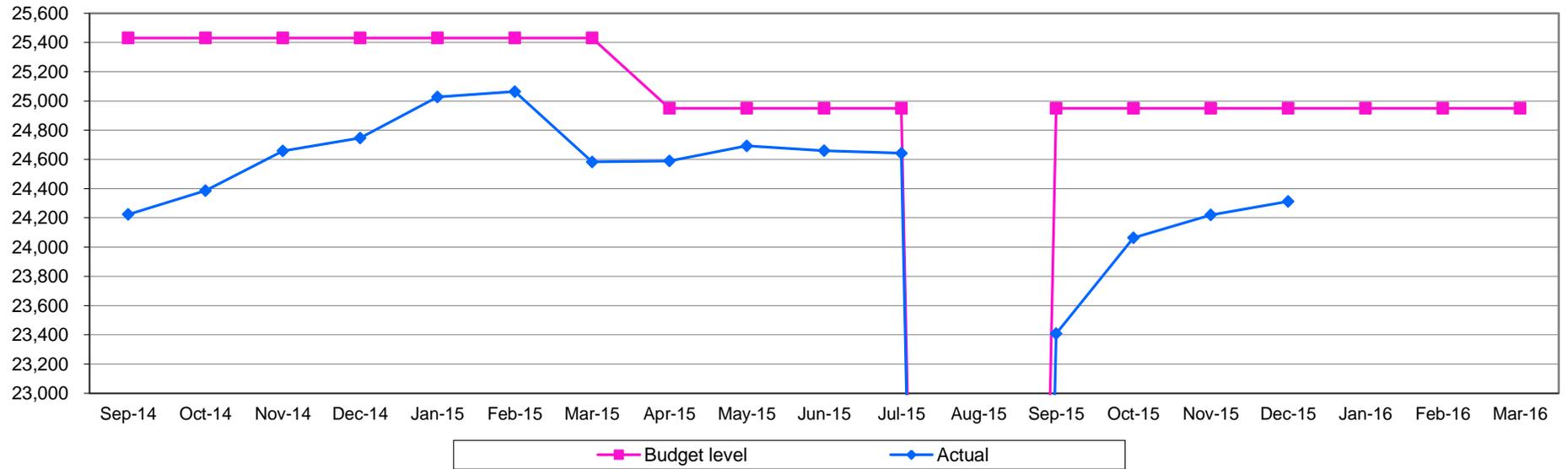
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have three years to pursue an injury claim and six years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 31 December 2015.
- Claims were high in each of the years 2008-09 to 2010-11 largely due to the particularly adverse weather conditions and the consequent damage to the highway along with some possible effect from the economic downturn. Claim numbers for 2009-10 and 2010-11 could still increase further if more claims are received for incidents which occurred during the period of the bad weather.
- Claims were lower in 2011-12 which could have been due to many factors including: an improved state of the highway following the find and fix programmes of repair, an increased rejection rate on claims, and a mild winter. However, claim numbers increased again in 2012-13, which was likely to be due to the prolonged hard winter and the consequent damage to the highway, but claim numbers did not increase to the levels experienced during 2008-09 to 2010-11, probably due to the continuation of the find and fix programmes of repair. Claim numbers were again high in 2013-14, probably due to the particularly adverse wet weather conditions and the consequent damage to the highway. Additional funding was made available from the severe weather recovery funding to address this.
- Claims were lower again in 2014-15, probably due to the reasonably mild winter and a continuation of the find and fix programmes of repair and repairs to the highway funded from the severe weather recovery funding referred to above, although claims continue to be received relating to this period.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on claims received over the past 12 months where it is considered that we do not have any liability, of about 88%.

2.3 Young Person's Travel Pass - Number of Passes in Issue

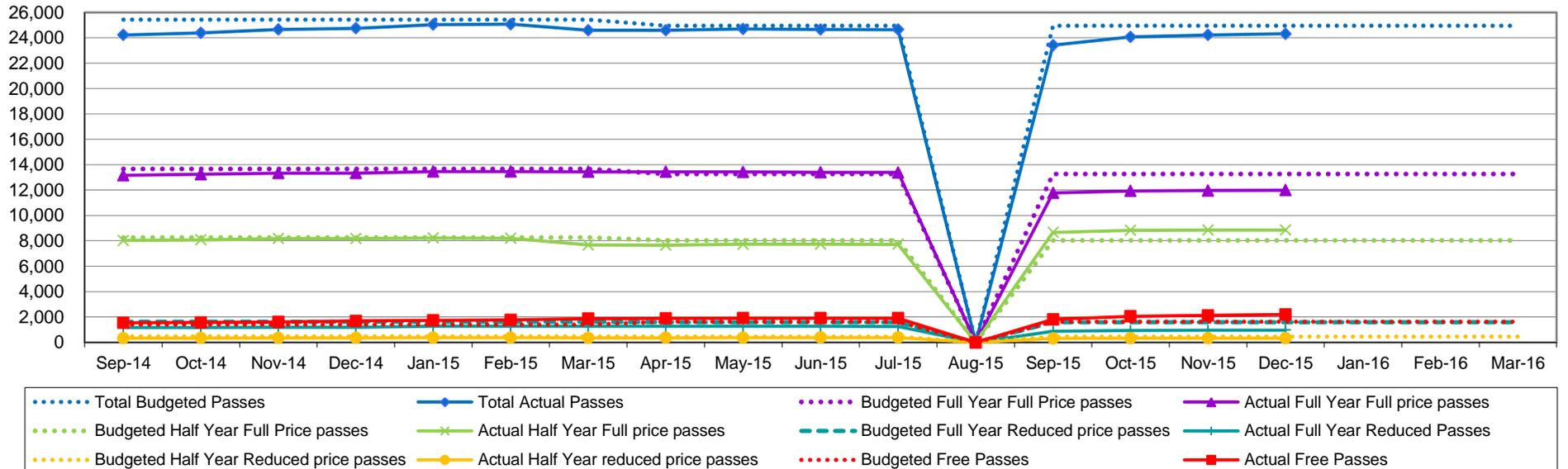
		Full Year, Full price passes		Half Year, Full price passes		Full Year, Reduced price passes		Half Year, Reduced price passes		Free passes		TOTAL passes	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
2014-15	Sept	13,662	13,159	8,268	8,023	1,630	1,159	470	333	1,400	1,549	25,430	24,223
	Oct	13,662	13,248	8,268	8,077	1,630	1,167	470	335	1,400	1,559	25,430	24,386
	Nov	13,662	13,336	8,268	8,175	1,630	1,194	470	352	1,400	1,601	25,430	24,658
	Dec	13,662	13,336	8,268	8,175	1,630	1,194	470	352	1,400	1,690	25,430	24,747
	Jan	13,662	13,454	8,268	8,214	1,630	1,263	470	368	1,400	1,728	25,430	25,027
	Feb	13,662	13,457	8,268	8,208	1,630	1,267	470	366	1,400	1,766	25,430	25,064
	Mar	13,662	13,438	8,268	7,675	1,630	1,263	470	346	1,400	1,861	25,430	24,583
2015-16	Apr	13,262	13,434	8,025	7,657	1,578	1,263	455	356	1,630	1,879	24,950	24,589
	May	13,262	13,430	8,025	7,737	1,578	1,263	455	366	1,630	1,897	24,950	24,693
	Jun	13,262	13,391	8,025	7,730	1,578	1,259	455	374	1,630	1,906	24,950	24,660
	Jul	13,262	13,382	8,025	7,725	1,578	1,257	455	374	1,630	1,904	24,950	24,642
	Aug	0	0	0	0	0	0	0	0	0	0	0	0
	Sept	13,262	11,771	8,025	8,666	1,578	863	455	296	1,630	1,812	24,950	23,408
	Oct	13,262	11,930	8,025	8,831	1,578	942	455	318	1,630	2,043	24,950	24,064
	Nov	13,262	11,967	8,025	8,853	1,578	956	455	324	1,630	2,120	24,950	24,220
	Dec	13,262	11,992	8,025	8,847	1,578	963	455	327	1,630	2,183	24,950	24,312
	Jan	13,262		8,025		1,578		455		1,630		24,950	
Feb	13,262		8,025		1,578		455		1,630		24,950		
Mar	13,262		8,025		1,578		455		1,630		24,950		

- Pass numbers are shown on a monthly basis from September 2014 when the new Young Person's Travel Pass (YPTP) scheme was introduced.
- As the academic year runs from September to July and passes are no longer valid during the school summer holidays, no passes are recorded for August.
- 2014-15:** YPTP pass numbers remained short of budgeted levels: 24,223 new passes were issued as at 30 September 2014 for the 2014-15 academic year; this increased to 24,747 as at 31 December 2014, but the figure as at 31 March 2015 reduced to 24,583. This reduction was as a result of a number of half year passes not being renewed for the second half of the academic year.
- 2015-16:** 24,312 passes have been issued for the new academic year. This compares with an affordable level of 24,950 and 24,642 passes in issue at the end of the last academic year. This reduction in passes from September is likely to be in part due to the impact of the price increase from £200 to £250, but it is likely that further applications will be received and so the number of passes in issue is expected to increase.

Total Number of Young Person's Travel Passes in issue



Number of Young Person's Travel Passes in issue by type



Comments:

- Passes can either be purchased for the academic year (£250 September 2015 to July 2016) or half yearly (£125 for terms 1-3 or 4-6). Reduced price passes for young people in receipt of free school meals are available (£100 for the full year or £50 for terms 1-3 or 4-6). Passes are free for young carers, young people in care or care leavers. Additional passes are also free for households applying for more than two full cost passes.

- The cost per pass in calculating the 2014-15 affordable level was £537, the fee for a pass was £200, meaning that on average KCC was subsidising the cost of each pass by £337.
The 2015-16 budgeted number of passes of 22,900, as reported to Cabinet in July, was originally based on the number that could be afforded within the budget at the latest cost to KCC per pass of £581 (a subsidy per pass of £381). However, on 1 June 2015 Cabinet approved a reduction in subsidy of £50, raising the price of a standard pass to the user by £50, from £200 to £250, with effect from September 2015. As a result of this additional income, the affordable number of passes has increased to a level more in line with actual demand and this is reflected in the table above. Gross and income cash limits have been realigned within table 1 of section 1.2 of this report, to reflect this increased charge.

- The above figures show that the current number of passes in issue remains below the budgeted number. However, section 2.4 below illustrates that journeys travelled for the first nine months of the year are above the budgeted level, based on the quarter 3 reconciliation by our external provider MCL Transport Services of journeys travelled. Overall a net underspend of -£737k is currently forecast for YPTP, as shown in table 1 of section 1.2 of this annex, as the saving from the reduced number of passes in circulation more than offsets the pressure from higher than budgeted journey numbers.

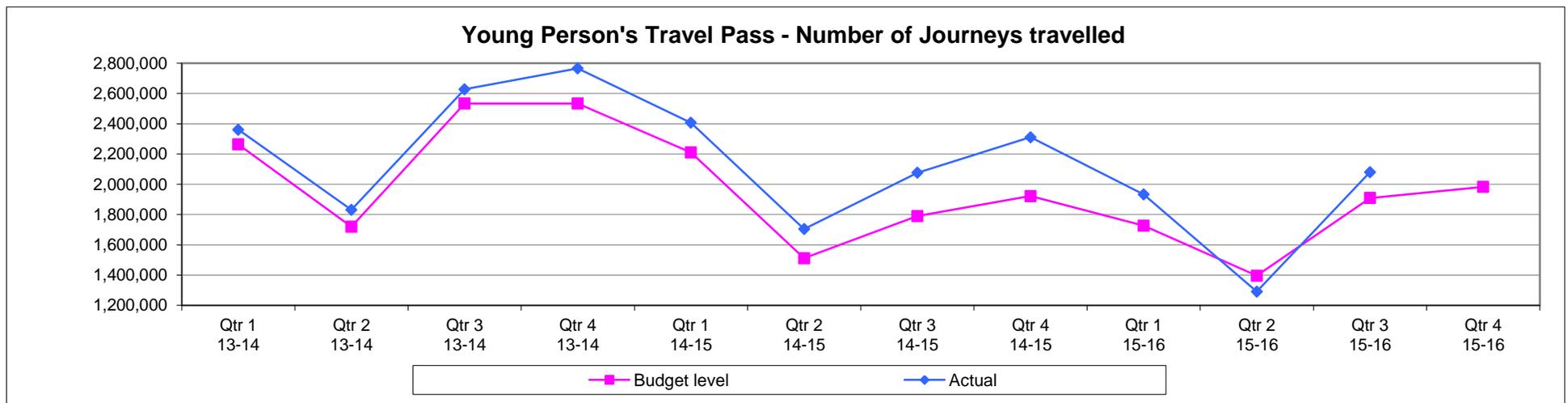
2.4 Young Person's Travel Pass (formerly Freedom Pass until September 2014) - Number of Journeys Travelled

	2013-14		2014-15		2015-16	
	Budget level (000's)	Actual (000's)	Budget level (000's)	Actual (000's)	Budget level (000's)	Actual (000's)
Qtr 1	2,263	2,361	2,210	2,407	1,726	1,933
Qtr 2	1,719	1,832	1,512	1,705	1,395	1,291
Qtr 3	2,534	2,627	1,789	2,076	1,910	2,081
Qtr 4	2,534	2,765	1,922	2,311	1,983	
	9,050	9,585	7,433	8,499	7,014	5,305

The data for this activity indicator is only provided on a quarterly basis by our external provider MCL Transport Services once they have reconciled data from the bus operators.

The figures for actual journeys travelled are reviewed quarterly and updated as further information is received from the bus companies, so may be subject to change.

Budgeted journey numbers are lower in quarter 2 of 2015-16 as, since September 2014, the pass is no longer valid during the school summer holidays.



Comments:

- The reduction in the budgeted number of journeys for 2014-15 was as a result of the introduction of the Young Persons Travel Pass, agreed by County Council in February 2014, restricting travel to between the hours of 6am and 7pm, Monday to Friday, between 1 September and 31 July, meaning the pass is no longer valid during the school summer holidays or at weekends.
- The additional funding resulting from the increase in income from September 2015 referred to in section 2.3 above resulted in the affordable number of journeys increasing from 6,569,000 to 7,014,000.
- Journey numbers as at the end of quarter 3 in 2015-16 are in excess of the budgeted level but any variance is offset as the number of passes in issue is currently below the budget level.
- This data does not include journeys travelled relating to free home to school transport as these costs are met from the Education & Young People Directorate budget and not from the Young Persons Travel Pass budget.

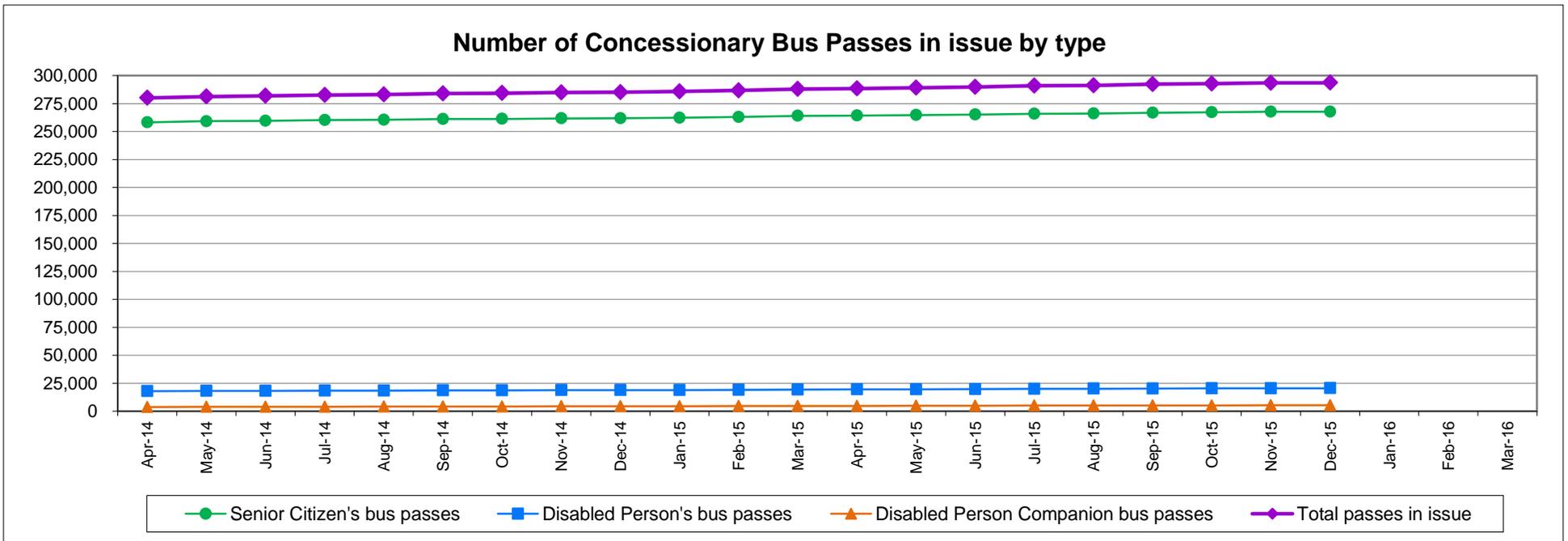
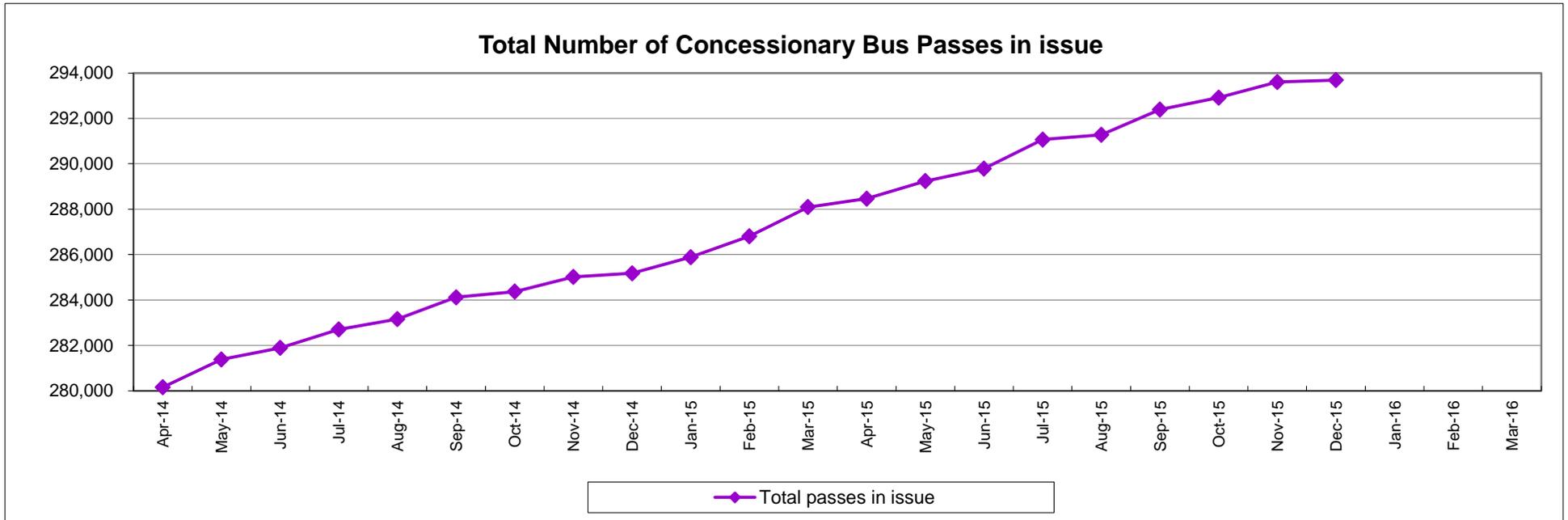
2.5 Concessionary Fares (English National Concessionary Travel Scheme - ENCTS) - Number of Passes in Issue

		Senior Citizen's bus passes	Disabled person's bus passes	Disabled Person Companion bus passes	TOTAL passes
		Actual	Actual	Actual	Actual
2014-15	April	258,342	17,961	3,849	280,152
	May	259,299	18,102	3,978	281,379
	June	259,623	18,212	4,055	281,890
	July	260,263	18,352	4,084	282,699
	Aug	260,558	18,438	4,164	283,160
	Sept	261,284	18,586	4,248	284,118
	Oct	261,352	18,701	4,313	284,366
	Nov	261,826	18,800	4,387	285,013
	Dec	261,879	18,868	4,427	285,174
	Jan	262,434	18,964	4,490	285,888
	Feb	263,062	19,176	4,564	286,802
	Mar	264,108	19,341	4,645	288,094
2015-16	April	264,314	19,459	4,692	288,465
	May	264,856	19,594	4,792	289,242
	June	265,180	19,715	4,894	289,789
	July	266,023	20,020	5,028	291,071
	Aug	266,078	20,134	5,069	291,281
	Sept	266,949	20,312	5,133	292,394
	Oct	267,257	20,452	5,204	292,913
	Nov	267,794	20,538	5,273	293,605
	Dec	267,792	20,601	5,296	293,689
	Jan				
	Feb				
	Mar				

- The number of affordable passes is not calculated because the primary driver of cost is the number of journeys people travel.
- Also a passholder in England and Wales can use the pass anywhere in those two countries. The Transport Co-ordinating Authority for that area picks up the cost of any ENCTS pass used for boarding a bus, within its area. Therefore KCC will not only be reimbursing passes for Kent residents but also any Medway holders boarding in Kent or in fact any ENCTS visitor to Kent using a bus.

There are three types of passes available to Kent residents:

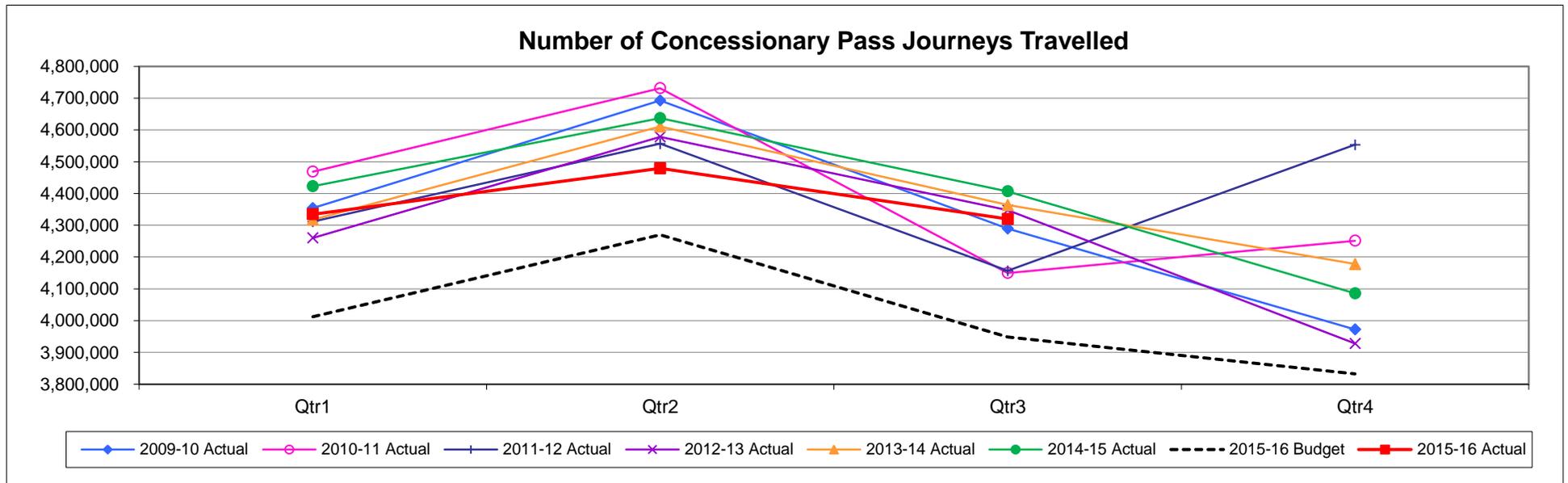
- A Senior Citizen's bus pass if you are of state pension age or older.
- A Disabled Person's bus pass for people with certain disabilities, for example for people who are blind or partially sighted, profoundly or severely deaf, or have a learning disability. There is no age restriction for the disabled person's bus pass.
- A Disabled Person Companion bus pass is available in cases where a Disabled Person bus pass user is unable to travel alone.



2.6 Concessionary Fares (English National Concessionary Travel Scheme - ENCTS) - Number of Journeys Travelled

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
	Actual (000's)	Budget level (000's)	Actual (000's)					
Qtr 1	4,354	4,469	4,311	4,260	4,317	4,423	4,012	4,335
Qtr 2	4,693	4,731	4,557	4,578	4,611	4,637	4,270	4,479
Qtr 3	4,289	4,150	4,157	4,348	4,364	4,407	3,949	4,320
Qtr 4	3,972	4,251	4,553	3,928	4,178	4,086	3,833	
	17,308	17,601	17,578	17,114	17,470	17,553	16,064	13,134

The data for this activity indicator is only provided on a quarterly basis by our external provider MCL Transport Services once they have reconciled data from the bus operators.



- As with the Young Persons Travel Pass the figures for actual concessionary journeys travelled are reviewed quarterly and updated as further information is received from the bus companies or our concessionary travel consultant, MCL Transport Services, so may be subject to change.
- Journey numbers as at the end of quarter 3, as reconciled by MCL Transport Services, are in excess of the budgeted level and as a result a financial pressure of +£526k is being forecast, as reflected in Table 1.

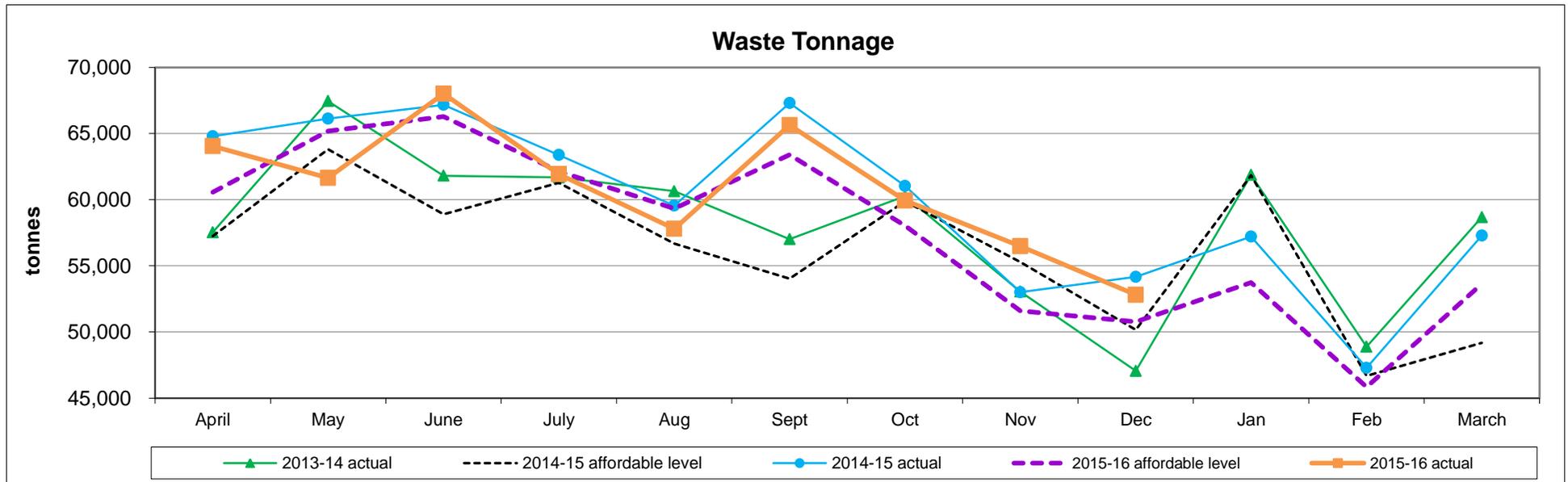
2.7 Waste Tonnage

	2013-14	2014-15		2015-16	
	Waste Tonnage	Affordable Level	Waste Tonnage	Affordable Level	* Waste Tonnage
Apr	57,538	57,246	64,792	60,559	64,041
May	67,448	63,802	66,119	65,181	61,648
Jun	61,813	58,899	67,164	66,290	68,014
Jul	61,687	61,282	63,374	62,147	61,929
Aug	60,643	56,684	59,554	59,324	57,800
Sep	57,013	54,032	67,300	63,391	65,635
Oct	60,264	59,881	61,043	58,037	59,929
Nov	53,050	55,294	53,000	51,585	56,486
Dec	47,063	50,167	54,159	50,768	52,802
Jan	61,869	61,844	57,212	53,742	
Feb	48,892	46,682	47,292	45,841	
Mar	58,672	49,187	57,287	53,635	
	695,952	675,000	718,296	690,500	548,284

* Note: waste tonnages are subject to slight variations between reports as figures are refined and confirmed with Districts.

These waste tonnage figures include recycled waste, composting and residual waste processed either through Allington Waste to Energy plant or landfill.

Waste tonnages were restated in the quarter 2 report to include Trade Waste activity, which was previously excluded in error.



Comments:

General

- From 2013-14 Waste tonnage data is based on waste outputs from transfer stations rather than waste inputs to our facilities. This is necessary due to the changes in how waste is being presented to KCC by the waste collection authorities, where several material streams are now being collected by one refuse collection vehicle utilising split body compaction. These vehicles are only weighed in once at our facilities, where they tip all of the various waste streams into the separate bays, and then the vehicle is weighed out when empty. The separate waste streams are stored separately at our transfer stations, where these materials are bulked up for onward transfer to various processing plants/facilities. The bulked loads are weighed out, providing data for haulage fees and then are weighed in at the relevant processing plant, providing data for processing fees. All the data presented in the table above has been restated on this output basis in order to enable comparison. The data has also been restated to include Trade Waste activity.

2013-14

- The overall volume of waste managed in 2013-14 was 695,952 tonnes, which was 19,048 tonnes below the affordable level and equated to a saving of £2.155m. However this saving on waste volumes was offset by other pressures within the service, giving an overall saving against the waste management budget of £0.778m.
- The actual tonnage in 2013-14 of 695,952 tonnes was far higher than the forecast figure of 676,900 tonnes based on actuals to January and reported to Cabinet in April. This unexpected increase in volume in the final quarter of 2013-14 continued into 2014-15, with actual tonnage for 2014-15 ending up at 43,296 tonnes more than the affordable level for the year, as the 2014-15 affordable level was based on the actual activity of the first three quarters of 2013-14. These increased volumes are also continuing into 2015-16.

2014-15

- The actual waste tonnage in 2014-15 of 718,296 tonnes was 43,296 tonnes above the affordable level and equated to a pressure of £2.972m. However with the advent of the new contracts, some of the tonnage, primarily soil and hardcore, does not attract an incremental cost as it is processed as part of a fixed management fee irrespective of the volume of waste, therefore an increase in waste tonnage may not always result in an increased pressure on the waste budget. The pressure on waste volumes was largely offset by other savings within the service giving an overall net pressure against the waste management budget for 2014-15 of +£0.543m. The service believes that the increase in waste tonnage experienced over much of 2014 can be mostly explained by two separate issues. Firstly, climatic: the extraordinarily mild and moist winter of 2013-14 and spring 2014, as well as a markedly high water table, which led to a very favourable and advanced growing season, resulting in high levels of organic waste. In addition, large volumes of broken fence panels etc were evident in the early part of the financial year as a result of repairs to winter storm damage. Secondly, the growth in the UK economy led to increased waste arising across the UK, but particularly in the south east, where economic activity is greatest, in particular in house purchases and renovations. The overall volume of waste was 3.2% higher in 2014-15 than 2013-14.

2015-16

- Based on the actual waste tonnage for April to December and forecasts for January to March, the overall volume of waste to be managed this financial year is expected to be approximately 708,600 tonnes, which is 18,100 tonnes above the affordable level and equates to a pressure of £2.142m. The vast majority (c.£2.1m) of this results from residual waste that cannot be recycled and ends up in landfill or burned to generate electricity at the Allington Waste to Energy plant. The pressure on waste volumes is largely offset by favourable price variances and other savings within the service, as detailed in table 1, giving an overall pressure against the waste management budget of £0.186m.
- The figures in Table 1 of section 1.2 are based on actual activity for April to December, with estimates for the remaining months.
- Overall waste volumes are currently 1.5% lower for the first nine months when compared with the same period for last year.
- Waste volumes, both in Kent and nationally, are impacted upon by changes in the economy and the improving economic climate continues to result in higher levels of waste.

3. CAPITAL

3.1 The Growth, Environment and Transport Directorate has a working budget for 2015-16 of £125,905k. The forecast against the 2015-16 budget is £103,673k giving a variance of -£22,232k.

3.2 **Table 2** below details the Growth, Environment and Transport Directorate's Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Country Parks Access and Development	60	84	-20	-20	Rephasing: -£38k. Real: +£18k Revenue	Purchase of tractor funded from a revenue reserve.	Green	Rolling Programme	Increase 2015-16 cash limit +£18k revenue
Library Modernisation Programme	0	136	-136	-136	Real: -£41k Prudential, -£95k Capital receipt	-£136k underspend to cover overspend on Tunbridge Wells Library.	Green	Rolling Programme	
Management and Modernisation of Assets - Vehicles	110	223	-223	-223	Real - Prudential	There is no current need in this financial year to replace existing vehicles.	Green		
Public Rights of Way	915	1,238	0	0			Green		
Public Sports Facilities Improvement - Capital Grant	100	110	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Village Halls and Community Centres - Capital Grants	300	446	0	0			Green		
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	26,661	28,451	875	875	Real: +£760k Developer contributions, + £76k External other, +£39k Revenue	Additional footway scheme funded by £260k developer contributions for Bank Street. £500k additional developer contributions for enhancement of Star Lane, Thanet. +£56k external income for additional drainage works. +£20k external income received for Highways Operations. +£39k for weather stations funded from a revenue reserve.	Green	Additional works funded by additional funding.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Integrated Transport Schemes under £1 million	3,968	4,682	25	25	Rephasing: -£440k Real: +£465k Revenue	Rephasing of works at the Bat & Ball junction to summer 2016 due to utility companies working in this area this summer. Rephasing for a scheme at Thistle Hill due to design issues. Rephasing at St Johns Road as scheme has been postponed pending designs for a Tunbridge Wells LGF scheme. In addition there is minor rephasing on a number of smaller schemes. +£465k real variance to purchase additional buses and community transport minibuses funded from revenue.	Green	Rolling Programme	
Member Highway Fund	0	169	0	0			Green		
Land compensation and Part 1 claims arising from completed projects	0	265	-70	-70	Rephasing		Green		
Major Schemes - Preliminary Design Fees	100	779	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Dartford Library Plus	434	434	-418	-418	Rephasing	Rephasing of £418k for progression of project which will now commence in 2016-17.	Amber	Amber status due to project now progressing in 2016-17 - completion date March 2017.	
Libraries Wi-Fi Project	0	0	313	313	Real: +£313k External	New funding from Arts Council to add/upgrade Wi-Fi in 66 libraries	Green	Funding to be spent in 15-16.	Increase 2015-16 cash limit +£313k External other
Tunbridge Wells Library	0	30	157	157	Real: +£101k Capital receipt, +£41k prudential, +£15k developer contributions	Overspend due to additional works required to conform to Building Control regulations and to settle final account. To be funded from underspend on Library modernisation and additional banked developer contributions and £6k capital receipt from Edenbridge Community Centre underspend.	Red	Project completion has been delayed, final scheme costs have been agreed with the contractor and payment complete. Additional works remain to complete the project.	
New Community Facilities at Edenbridge	0	31	-6	-6	Real: -£6k Capital receipt	Project financially complete - underspend to go towards Tunbridge Wells Library.	Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Southborough Hub	250	390	-115	-115	Rephasing	Rephasing of £115k to 2016-17 for further progression of project.	Amber	Rephasing previously reported.	
Tunbridge Wells Cultural Hub	0	0	0	0				Project to commence in later years but feasibility works currently being undertaken with revenue.	
Sustainable Access to Maidstone Employment Areas	820	805	-605	-605	Rephasing	Rephasing variance: see below *	Green		
Sustainable Access to Education & Employment	200	187	0	0			Green		
Broadband Contract 1	9,763	13,075	-3,720	-3,720	Real: +£37k grant Rephasing: -£3,757k	Real: Additional grant expected for the Broadband Voucher scheme. Rephasing: -£963k The completion date for the Satellite scheme has been moved in Kent and Medway from December 2015 to December 2017 following a variation of contract by Government. -£2,794k Whilst project delivery remains on track, the supplier has requested a deferral of the payment in order to align their internal evidence and assurance processes.	Green	New completion date of December 2017 previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Broadband Contract 2 (formerly Superfast Extension Programme)	0	0	155	155	Rephasing	KCC has agreed with BDUK and BT to accelerate the deployment timeframes for the Contract 2 project. This will bring forward spend from the BDUK grant into 2015-16.			
Cyclopark	0	3	87	87	Real: Prudential	Funded by underspend on Swale Parklands and Incubator Development.	Green		
Empty Property Initiative	2,500	3,868	-1,168	-1,168	Rephasing: -£1,303k Real: +£135k revenue	Spend has been re-aligned to match expected project loan repayments. Additional revenue received from interest on late repayments of loans.	Green	This has no effect on the completion date of the project. This is a revolving loan scheme.	
Eurokent Road (East Kent)	62	68	-68	-68	Rephasing		Green		
Folkestone Heritage Quarter	680	948	0	0			Green		
Incubator Development	0	1,602	-75	-75	Real: -£75k prudential	-£75k to cover spend on Cyclopark.	Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Innovation Investment Initiative (i3) (Kent & Medway Growth Hub)	0	0	1,000	1,000	Real: External other	Funding from the Government's Local Growth Fund for the provision of loans to small and medium enterprises with the potential for innovation and growth, helping them to improve their productivity and create jobs.	Green		
Marsh Million	0	517	400	400	Real: External other	Expected match funding from partners.	Green		
No Use Empty - Rented Affordable Homes	442	34	-34	-34	Real: External other	Will be used within the Extension Programme below.	Green		
No Use Empty - Rented Affordable Homes - Extension	673	673	-264	-264	Real: External other	+£34k from the original programme above and -£298k forecast reduction in the potential level of HCA funding based on the current number of actual units identified, which fit the criteria for support.	Green		
Old Town Hall, Gravesend	0	27	-27	-27	Real: Capital Receipt		Green		
Regeneration Fund Projects	0	212	0	0			Green		
Regional Growth Fund - Expansion East Kent	2,141	15,286	470	470	Real: Grant	Use of interest earned on grant balances in line with the grant agreement.	Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Regional Growth Fund - Journey Time Improvement (JTI)	3,577	3,554	0	0			Green		
Rural Broadband Demonstration Project	0	48	65	65	Real: Prudential	Funding diverted from the Superfast Extension Programme (SEP) to complete this project, original underspend from this project was used to fund SEP.	Amber		
Swale Parklands	0	12	-12	-12	Real: External other	To cover overspend on Cyclopark	Green		
TIGER	2,522	1,699	0	0			Green		
Escalate	311	527	0	0			Green		
Rendezvous Hotel	0	0	0	0				Project to commence in later years.	
Energy and Water Efficiency Investment Fund - External	185	278	171	171	Real: +£100k External, +£33k Revenue, Rephasing: +£38k	Additional Salix funding for additional school energy reduction schemes. Increase in budget to reflect the current loan repayment schedule for existing LED school projects.	Green		
Energy Reduction and Water Efficiency Investment - KCC	138	256	14	14	Real: +£14k revenue		Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Sandwich Sea Defences	435	435	0	0			Green	Project complete.	
Coldharbour Gypsy site	0	0	0	0			Green	Project complete.	
Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):									
Richborough Closed Landfill site - Emergency Works	200	400	0	0			Amber	Project is expected to overspend due to additional costs for leaching worse than anticipated and works to ramps for Bailey Bridge.	
Sturry Road Closed Landfill site- Emergency Works	150	199	0	0			Green		
TS/HWRC - Swale	2,780	3,050	-866	-866	Rephasing		Amber	Rephasing to allow completion of project in 16/17. Any underspend resulting from revisions to scheme expected to cover predicted overspend on Richborough.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Kent Highway Services:									
East Kent Access Phase 2 - Major Road Scheme	2,524	2,298	-1,459	-1,459	Rephasing	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
Rathmore Road Link	1,530	2,034	-288	-288	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
Kent Thameside Strategic Transport Programme	430	428	-170	-170	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
Lorry Park	1,990	2,000	-2,000	-2,000	Real: prudential	This scheme is no longer progressing following the 2015 Spending Review announcement that the Government has allocated funds for a new permanent lorry park. However, KCC will continue to work with Highways England in regard to provision of an overnight solution in addition to the proposed lorry storage facility.			
North Farm Longfield Road, Tunbridge Wells	1,021	3,232	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rushenden Link (Sheppey) - major road scheme	609	700	-633	-633	Rephasing	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
Sandwich Highways Depot	0	0	0	0				Project to commence in later years.	
Sittingbourne Northern Relief Road - major road scheme	1,418	1,834	-1,336	-1,336	Rephasing	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
Street Lighting Column - Replacement Scheme	1,250	1,779	0	0			Green		
Street Lighting Timing - Invest to Save	0	0	0	0			Green	Project complete.	
Thanet Parkway	1,000	2,100	-1,589	-1,589	Rephasing	Station design option selection and approval process has taken longer than anticipated. Therefore track access for survey information has been limited and will be carried out over the Christmas period resulting in delayed completion of GRIP Stage 3. The planning application cannot be submitted until completion of GRIP Stage 3.	Green	Revised completion date of 30 September 2019 previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Westwood Relief Strategy - Poorhole Lane Improvement	435	1,327	0	0			Green	Scheme completed 30/07/15 but awaiting final accounts.	
LED Conversion	4,000	4,000	-2,500	-2,500	Rephasing	Rephasing of £2,500k to 2016-17 as tender invitation extended and therefore start of works delayed until March 2016.	Green	No impact on completion date.	
Sittingbourne Town centre regeneration	4,500	2,500	-1,950	-1,950	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
Middle Deal transport improvements	1,500	1,500	-1,500	-1,500	Real: -£750k developer contributions Rephasing: -£750k	Real variance: The match funding will be held by the third party that is delivering the scheme and will therefore not go through KCC's books. Rephasing variance: see below *	Green	Rephasing previously reported.	
A28 Chart Road, Ashford	1,340	1,776	-688	-688	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Victoria Way	0	484	-412	-412	Rephasing	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
Drovers Roundabout junction	0	154	-95	-95	Rephasing	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
M20 Junction 4 Eastern Over bridge	2,800	2,799	-1,972	-1,972	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
A26 London Rd/Staplehurst Rd/Yew Tree Junction	1,200	1,192	-580	-580	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
A28 Sturry Rural Integrated Transport Package - Canterbury	520	537	-528	-528	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
Maidstone Gyratory Bypass	500	416	624	624	Rephasing	Rephasing variance: see below *	Green		
Folkestone Seafront	500	490	96	96	Real: +£96k Developer contributions	Additional elements added to the scheme funded by developer contributions.	Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Tonbridge Town Centre Regeneration	2,220	2,231	-421	-421	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
Sturry Link Road-Canterbury	250	238	-97	-97	Rephasing	Rephasing variance: see below *	Green		
West Kent Local Sustainable Transport- Tackling Congestion	965	946	5	5	Real: +£5k grant		Green		
Kent Strategic Congestion Management	800	787	0	0			Green		
Kent Sustainable Intervention programme for growth	500	484	-334	-334	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
Kent Thameside LSTF	2,428	2,408	-310	-310	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
M20 Junction 10a	5,000	0	0	0				Project removed from programme as there is no longer a direct role for KCC in promoting an interim scheme.	
Total	101,707	125,905	-22,232	-22,232					

* Rephasing of schemes following realignment of cost and associated funding due to nature of SELEP schemes. The budgets will be amended as part of the 2016-19 budget process.

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

STRATEGIC & CORPORATE SERVICES DIRECTORATE
DECEMBER 2015-16 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
						committed	uncommitted	
	Total Directorate (£k)	+71,952	-2,354	-	-2,354	-	-	-2,354

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Strategic & Corporate Services						
Strategic Management & Directorate Support Budgets	3,059.7	-5,168.2	-2,108.5	-51		
<u>Community Services</u>						
- Contact Centre & Citizens Advice Help Line	2,421.5	-387.3	2,034.2	+331	+186	This overspend relates to the period Apr-Nov 15 and the arrangements prior to the move to a new 3rd party contract. The position is being offset by underspends elsewhere within the EODD Division (<i>see Human Resources & Communications & Consultation below</i>). There is no further overspend post the start of the new contract in December.
- Customer Relationship (including Gateways)	1,315.0	-35.0	1,280.0	+154	+273	Delivery of the 2015-16 saving of £0.390m has been delayed pending the restructure of the Engagement, Organisation Design & Development division.
					-119	Other minor variances, each below £100k in value
	3,736.5	-422.3	3,314.2	+485		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Local Democracy</u>							
- Community Engagement	328.0	0.0	328.0	+31			
- County Council Elections	570.0	0.0	570.0	0			
- Local Member Grants	2,704.4	0.0	2,704.4	-1,080	-1,080	Forecast underspend based upon the anticipated level of projects predicted to be approved before year end	
- Partnership arrangements with District Councils	2,163.2	0.0	2,163.2	-3			
	5,765.6	0.0	5,765.6	-1,052			
<u>Support to Frontline Services</u>							
- Business Services Centre	41,855.8	-41,855.8	0.0	-688	-491	Staffing vacancies originally held pending the outcome of the back office procurement process	
					-157	Additional external income following increased demand for teacher recruitment	
					-40	Other minor variances	
- Business Strategy	3,216.3	-82.0	3,134.3	-166	-166	Other minor variances, each below £100k in value	
- Communications & Consultation	3,055.1	-531.0	2,524.1	-202	-110	Staffing vacancies held pending restructure of the Engagement, Organisation Design & Development division	
					-92	Other minor variances	
- Democratic & Members	3,793.1	-142.0	3,651.1	-15			
- Finance & Procurement	18,525.7	-8,192.6	10,333.1	-243	-243	Minor variances, each below £100k in value	
- Human Resources	9,029.8	-1,301.9	7,727.9	-199	-199	Minor variances, each below £100k in value	
- Information, Communications & Technology	16,847.4	-1,742.8	15,104.6	+467	+203	One-off Managed Print Service project implementation costs	
					+158	Maintenance charge for increased data storage	
					+106	Other minor variances, each below £100k in value	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Legal Services & Information Governance	8,688.5	-10,872.2	-2,183.7	0	+412 Increased use of agency staff due to a number of unexpected vacancies and to provide cover for legal staff working on Facing the Challenge, together with an increased demand for legal services. -454 Anticipated increase in internal income based upon last year's income levels together with increased demand for legal services +42 Other minor variances	
- Property & Infrastructure Support	33,469.3	-8,779.8	24,689.5	-690	-174 Rental saving generated from the purchase of Brook House -190 Lower than anticipated cost of repairs to non operational buildings following completion of condition surveys -326 Minor variances relating to Corporate Landlord, each below £100k in value	
- Transformation	0.0	0.0	0.0	0	see Financing Items (Annex 7) for details	
	138,481.0	-73,500.1	64,980.9	-1,736		
Total S&CS	151,042.8	-79,090.6	71,952.2	-2,354		
Assumed Management Action						
Total S&CS Forecast <u>after</u> mgmt action	151,042.8	-79,090.6	71,952.2	-2,354		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts

The total forecast receipts expected to be banked during 2015-16 is **£15.030m**.

2.2 Capital Receipts Funding Capital Programme

	2015-16
	£'000
Banked capital receipts as at 31.03.15	21,974
Forecast receipts for 2015-16	15,030
Capital receipt funding required for capital programme in 2015-16	<u>22,118</u>
Potential Surplus / (Deficit) of Useable Capital Receipts	14,886

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2015-16 totals **£22.118m**.

Taking into account receipts banked in previous years which are available for use, the assumption that the forecast receipts are achieved in 2015-16 and the assumption that the capital receipt funding required for the capital programme does not change, there is a forecast surplus of useable capital receipts of **£14.886m** at the end of the year. Any surplus receipts are required to fund future capital expenditure.

3. CAPITAL

3.1 The Strategic and Corporate Services Directorate has a working budget for 2015-16 of £27,788k. The forecast against the 2015-16 budget is £24,389k giving a variance of -£3,399k.

3.2 **Table 2** below details the Strategic & Corporate Services Directorate Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Corporate Property Strategic Capital	2,650	2,530	-110	-110	Real: Grant	Budget adjustment to reflect use of grant within revenue.	Green		
Disposal Costs	250	250	400	400	Real: Capital receipts	Increased forecast reflects the capitalisation of security costs to protect the value of KCC assets.	Amber	Amber status reflects increased forecast.	
Modernisation of Assets	3,152	3,958	-2,908	-2,908	Rephasing: Prudential	A forward modernisation programme is being developed by the TFM providers, hence large programmes of work are being re-phased to later years. Priority work is continuing.	Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Building Information Modelling (BIM)	65	123	-123	-123	Rephasing: Prudential	There are ongoing discussion with IT to determine the best solution for our proposed system whether this be on premise or hosted. We are also reviewing the original technical requirements to ensure these are compliant and of the business need. We are hoping to have started the procurement process by the end of January however the monies will not be spent before 1st April 2016.	Green	This has no effect on the June 2016 completion date.	
Connecting with Kent	0	97	0	0			Green		
Customer Relationship Management Solution	842	842	658	658	Real: +£858k Revenue Rephasing: -£200k Prudential	Real: Payment for the Digital and Engage Platform partially funded by a revenue contribution towards this capital outlay. Rephasing: Procurement for the Customer Feedback solution is due to start in January 2016, hence spend has been rephased to 2016-17.	Amber	Amber until completion date agreed.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Electronic Document Management Solution (EDMS) (known as Electronic Document & Records Management (EDRM))	1,276	1,400	-1,200	-1,200	Rephasing: -£1,200k Capital receipt	Phase 1 delivered & completed. Project Board proposed closure of current project and to use Phase 1 assets & knowledge to inform a re-scoped management solution for the document and file storage requirements derived from the New Ways of Working Strategy.	Amber	Amber until a solution has been agreed.	
Enterprise Resource Programme	0	62	0	0			Green		
Herne Bay Gateway	427	476	-476	-476	Rephasing: Prudential	Delayed following the need for value engineering to ensure project is viable and represents value for money.	Amber	Amber until completion date agreed.	
HR System Development	60	59	-10	-10	Rephasing: Capital receipts		Amber	Revised completion date 31st March 2017.	
Innovative Schemes Fund	0	242	-122	-122	Real: +£104k External funding and -£73k capital receipt Rephasing: -£153k Capital receipt	-£73k to be used to fund an overspend on the PAMS project below. +£104k towards a software solution to monitor developer contributions across the authority. -£153k rephasing of remaining budget which will not now be required until next financial year.	Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
LIVE Margate	4,032	5,125	-831	-831	Rephasing: Prudential	Rephasing following the elongated tender phase of a property purchase and the cancellation of a proposed strategic acquisition due to unforeseen difficulties surrounding the release of legal charges.	Green		
New Ways of Working	4,200	8,627	0	0			Green		
Property Asset Management System	0	54	73	73	Real: Capital receipts	£73k additional funding is required to complete phase 1 of this project. To be funded from the underspend on the Innovative Schemes Fund above.	Red	The status reflects the need for additional funding which has had to be found from elsewhere within the S&CS capital programme and a new revised completion date by the end of this financial year.	
Property Investment & Acquisition Fund	3,000	3,000	1,360	1,360	Rephasing: Capital receipts	The brought forward amount has reduced since last reported by £1.4m due to the removal/revaluation of some properties as a result of restrictions on title and use. The strategic acquisitions approved in November will complete this year.	Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Sustaining Kent - Maintaining the Infrastructure	0	0	11	11	Real: +£11k External funding		Amber	Amber status reflects the unforeseen additional costs.	
Swanley Gateway	308	632	0	0			Green		
Web Redevelopment Programme	320	311	-121	-121	Rephasing: -£121k Prudential revenue	The future of this project has an ambitious design, development & build programme causing some developments to be rephased into 2016-17.	Green	Revised completion date of 31st March 2017 has been previously reported.	
S&CS Directorate	20,582	27,788	-3,399	-3,399					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

FINANCING ITEMS
DECEMBER 2015-16 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
Total (£k)	+129,855	-4,409	-	-4,409	-	-	-4,409

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Financing Items							
Audit Fees	314.0	0.0	314.0	-157	-157	This reflects the agreed audit fees as notified by our external auditors	A saving has been reflected in the recently approved 2016-19 MTFP
Carbon Reduction Commitment Levy	800.0	0.0	800.0	0			
Commercial Services (net contribution)	0.0	-6,700.0	-6,700.0	0			
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	0			
Contribution to/from Reserves	6,305.2	0.0	6,305.2	+638	+638	Forecast transfer to Insurance reserve of surplus on Insurance Fund (see below)	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Insurance Fund	4,999.0	0.0	4,999.0	-638	-638	Forecast surplus on Insurance Fund as the overall claim reserves have reduced following finalisation of the tender of insurances for 2016 and a reduction in value for a couple of notable claims. This trend is unlikely to continue due to the increase in excess applied to Employers Liability & Public Liability claims for the 2015 policy year and the likely increase in claims activity during the winter period. This has been partially offset by an anticipated further levy payment & increase in the outstanding claims potential relating to the Municipal Mutual Scheme of Arrangements which is expected to generate a further clawback from the Council to meet outstanding liabilities for the insurer and the impact of an increase in insurance premiums from January 2016.
Modernisation of the Council	2,941.9	0.0	2,941.9	0		
Net Debt Charges (incl Investment Income)	128,481.0	-8,178.0	120,303.0	-625	-625	Increased interest on cash balances as a result of higher cash balances, investing for longer durations and increased dividends.
Other	949.0	-36.0	913.0	0		
Unallocated	1,626.9	0.0	1,626.9	-3,627	-1,350	Additional Business Rate compensation grant, above the budgeted level, relating to reimbursement for the impact of tax changes incurred under the business rates retention scheme that were introduced in the 2012, 2013 & 2014 Autumn Statements.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -1,477 Estimated retained levy as a result of being in a Business Rate pool with 10 of the Kent District Councils. We have only finalised the accounting treatment for this, via a sign off of the 2014-15 accounts, hence why this was not reflected in the 2015-16 budget build. The cash will not be received until 2016-17 but we need to accrue for the income this year. This is our best estimate, the final figure will not be known until year end. -800 Additional Education Services Grant as a result of the expected number of schools converting to academy status during the year being lower than assumed when the budget was set. +2,071 The Procurement & Commissioning saving previously held within Finance & Procurement in the S&CS Directorate has now been transferred to be held centrally within Financing Items. The report from our project partner (KPMG) has now been finalised. There are a number of proposals for delivering these savings in future years but for the current year, the recommendation is that this is to be delivered from tactical savings across the authority, the impact of which is also being reported against the Financing Items budget. -2,071	A retained levy has been built into the recently approved 2016-19 MTFP
Underspend rolled forward from previous years	-4,000.0	0.0	-4,000.0	0		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Support to frontline services - Transformation	0.0	0.0	0.0	0	+4,739	0-25 Children's Services Transformation implementation
					-4,739	Drawdown from reserves to meet the costs of 0-25 Children's Services Transformation implementation
					+404	Adults Social Care Transformation Phase 2 design
					-404	Drawdown from reserves to meet the costs of Adults Social Care Transformation Phase 2 design
					+4,020	Adults Social Care Transformation Phase 2 implementation
					-4,020	Drawdown from reserves to meet the costs of Adults Social Care Transformation Phase 2 implementation
					+787	Facing the Challenge costs in excess of the budget of £2,264.8k, to be met by further drawdown from reserves
					-787	Drawdown from reserves to meet the costs of Facing the Challenge in excess of the budgeted amount of £2,264.8k
Total Financing Items	144,769.0	-14,914.0	129,855.0	-4,409		
Assumed Management Action				0		
Total Fin Items Forecast <u>after</u> mgmt action	144,769.0	-14,914.0	129,855.0	-4,409		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Price per Barrel of Oil - average monthly price in dollars:

	Price per Barrel of Oil		
	2013-14	2014-15	2015-16
	\$	\$	\$
Apr	92.02	102.07	54.45
May	94.51	102.18	59.26
Jun	95.77	105.79	59.82
Jul	104.67	103.59	50.90
Aug	106.57	96.54	42.87
Sep	106.29	93.21	45.48
Oct	100.54	84.40	46.22
Nov	93.86	75.79	42.44
Dec	97.63	59.29	37.19
Jan	94.62	47.22	31.68
Feb	100.82	50.58	
Mar	100.80	47.82	

Comments:

- The figures quoted are the West Texas Intermediate Spot Price in dollars per barrel, monthly average price.
- The dollar price has been converted to a sterling price using exchange rates obtained from the HMRC UK trade info website.
- Fluctuations in oil prices affect many other costs such as heating, travel, and therefore transportation costs of all food, goods and services, and this will have an impact on all services provided by the Council.

