AGENDA

CABINET

Monday, 15th September, 2008, at 10.00 am	Ask for:	**Karen Mannering / Geoff Mills**
Darent Room, Sessions House, County Hall, Maidstone	Telephone	**(01622) 694367/ 694289**

UNRESTRICTED ITEMS

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

1. Declaration of Interests by Member in Items on the Agenda for this meeting
2. Minutes of the Meeting held on 4 August 2008 (Pages 1 - 8)
3. Revenue & Capital Budget, Key Activity and Risk Monitoring (Pages 9 - 84)
4. Autumn Budget Statement (Pages 85 - 108)
5. Annual Audit and Inspection Letter (Pages 109 - 124)
6. National Indicator Set (Pages 125 - 140)
7. Select Committee: Accessing Democracy (Pages 141 - 146)
8. Review of Specialist Unit and Designated Provision in Mainstream Schools - Update. Leader School Implementation (Pages 147 - 166)
9. KCC Strategy for Early Education and Childcare (0-5 Years) (Pages 167 - 228)
10. Excellent Homes for All - Kent Housing Private Finance Initiative (PFI) (Pages 229 - 238)
11. Decisions from Cabinet Scrutiny Committee - 23 July 2008 (Pages 239 - 242)
12. Other items which the Chairman decides are relevant or urgent

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Gilroy
Chief Executive
Friday, 5 September 2008

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

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KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, Maidstone on Monday, 4 August 2008.

PRESENT: Mr P B Carter (Chairman), Mr N J D Chard, Mr M C Dance, Mr K A Ferrin MBE, Mr G K Gibbens, Mr R W Gough, Mr A J King, MBE, Mr K G Lynes and Mr C Wells.

ALSO PRESENT: Mrs E M Tweed.

OFFICERS: Mr P Gilroy (Chief Executive), Mr G Ward (Director of Resources) was present on behalf of Mr G Badman (Managing Director of Children, Families and Education); Ms A Honey (Managing Director, Communities); Ms L McMullan (Director of Finance); Miss M Goldsmith (Finance Manager) was present on behalf of Mr O Mills (Managing Director for Adult Social Services); Mr M Lemon (Head of Policy) was present on behalf of Ms M Peachey (Director of Public Health); and Mr G Mee (Director Kent Highways Services) was present on behalf of Mr A Wilkinson (Managing Director, Environment and Regeneration).

UNRESTRICTED ITEMS

1. Mr John Law

With deep regret, the Leader informed the Cabinet of the sad and untimely death of Mr John Law, County Council Member for Herne Bay, on Sunday 3 August. He stated that Mr Law would be a great loss, both to the people he represented so well in Herne Bay, but also to Kent County Council. He added that Mr Law applied his significant experience in the business sector and his sharp, analytical mind to work tirelessly in helping to ensure that KCC services were as efficient as possible and achieved good value for money. The Leader spoke on behalf of the Cabinet in offering his sympathy, thoughts and prayers to Mr Law's wife Jean and his family.

The Cabinet stood in silence as a mark of respect for Mr Law.

2. Declarations of interest

(Item 1)

There were no declarations of interest by Cabinet Members in any matter on the agenda.

3. Minutes of the Meeting held on 14 July 2008

(Item 2)

The Minutes of the meeting held on 14 July 2008 were agreed and signed as a correct record.

4. Impact of the current economic situation on the Council

(Item 3 – Report by Mr Nick Chard, Cabinet Member for Finance, and Ms Lynda McMullan, Director of Finance)

(1) The Leader stated that he had agreed to consider this matter as an urgent item for the following reason:

"In light of the accelerating inflationary pressures and the "credit crunch" affecting both the wider economy and KCC, it is considered urgent business to ensure that the Cabinet takes decisive action for 2008/09 by allocating the revenue contingency for the current economic situation (set aside from the roll forward from 2007/08) and also have due regard to the continuing impact on the medium term plan 2009/12. Further, to recommend to Council that innovative action is taken to support the ongoing capital programme by the establishment of a second Property Enterprise Fund."

(2) Mr Carter stated that the combined impact of increased fuel and energy prices, together with a downturn in the property market, would have a significant impact on both the revenue and capital budgets in terms of increased costs and reduced capital receipts. With regard to the capital programme, Mr Carter stated that the Council required capital receipts of between £160m and £180m to fund its ambitious capital programme over the next 3 years, which the Council would not realistically achieve in the current economic climate. Accordingly, the establishment of a second Property Enterprise Fund would go a long way to achieving certainty for Directorates in terms the provision of a temporary borrowing facility and a guaranteed valuation of assets assumed in the MTP. He added, however, that additional work was still required to undertake a complete review of the Capital Programme, which might entail a re-phasing or curtailing of certain projects. It was anticipated that the Council would be in a position to re-publish a revised Capital Programme by the end of September.

(3) Mr Chard stated that he was pleased the Council was acting quickly and decisively in the current economic climate, adding that the Council's sound financial management in previous years had meant that the Council was in a fortunate position of being able to provide this additional support to its revenue budget, without needing to use reserves. He referred to the exempt appendix to the report, which had been prepared to provide further detail of where the additional revenue resources were most required. He also stated that the proposed establishment of the second Property Enterprise Fund was an elegant way of maintaining capital investment during the current economic conditions and avoided unnecessary fluctuations in the Council's capital programme activity. It was noted that the intention of the Property Enterprise Fund was that it would neither be in surplus nor deficit at the end of the period. Mr Chard expressed his concern that the Consumer Price Index (CPI) would exceed the Retail Price Index (RPI) at some stage in the coming year, which would be bad news for people on fixed incomes, creating an even larger pressure on their available resources. Ms McMullan added that requests from Directorates for additional resources had not been accepted at face value and without challenge, but would continue to be monitored to ensure that they were realistic. Finally, Mr Chard offered his sincere thanks to all officers and Cabinet colleagues during the preparation of this important report.

(4) Cabinet agreed to:-

(a) Note the forecast impact of the current economic situation on the revenue position for 2008/09 and the medium term as shown in the report;

(b) Agree the allocation of the £5.111m contingency for the current economic climate as detailed in paragraph 2.6 of the report;

(c) Note the estimated impact on the services funded by the Dedicated Schools Grant as highlighted in paragraph 2.4.4 of the report;

(d) Agree the establishment of a second Property Enterprise Fund in order to defer disposing of the assets until prices improve, subject to approval by County Council in September, with a temporary borrowing facility capped at £85m, as detailed in Appendix 2 of the report; and

(e) Support the inflationary impact on highways, as detailed in paragraph 4.2 of the report, be built into the revised capital programme for 2008-12, with a compensatory reduction elsewhere within the overall capital programme (which will be incorporated into the "Revenue and Capital Budget" report to be determined by Cabinet in September).

5. Response to the consultation on Water Company Draft Water Resource Management Plans

(Item 4 – Report by Mr Keith Ferrin, Cabinet Member for Environment, Highways & Waste and Mr Adam Wilkinson, Managing Director for Environment & Regeneration)

(1) The Leader stated that he had agreed to consider this matter as an urgent item for the following reason:

"The five Water Companies that supply Kent are currently consulting on their draft Water Resource Management Plans (WRMP) for the next 25 years and the deadline for our response is such that today is the only opportunity for KCC's position on these plans to be discussed at Cabinet."

(2) Mr Carter introduced the report, stating that there was significant concern about the management of water demand in future years, particularly given the proposed expansion in the number of new homes that were due to be built in Kent. He added that the five water companies did not appear to be acting together in relation to medium and long term planning and that, subject to legal advice, there was a strong case for a public inquiry into the Water Resource Management Plans for Kent. Mr Carter stressed that residents of the County should not have to pay extra for the investment in infrastructure needed to meet the demand for water in future years. Mr Carter then introduced Councillor John Horne of Maidstone Borough Council, to address Cabinet.

(3) Councillor Horne stated that Maidstone Borough Council had already made an 18 page submission to the Secretary of State on the draft Water Resource Management Plans for Kent and that copies of the submission and reference documents had been made available to the Cabinet. Councillor Horne stated that there was a distinct lack of coordination and strategic planning between the five water companies that serve Kent, especially between supply and disposal strategies and he echoed the comments of Mr Carter in relation to the enormous demand in the South East for new housing. He commented that a sole company solution to the demand for water in Kent was unlikely to be successful and he supported the recommendation being made to the Cabinet for a full public inquiry.

(4) Mr Ferrin stated that the five water companies were appearing to work to the disadvantage of the people of Kent, particularly in relation to a number of apparently un-coordinated plans for capital investment in new facilities, some of which involved 2 companies proposing to pump water in completely opposite directions. He stated that the companies appeared to be adopting a ruthlessly commercial attitude, the only effect of which would be higher charges for Kent residents. He supported the request for a public inquiry.

(5) In adding his support for the public inquiry, Mr Gough highlighted paragraph 37 of the report in relation to the water supply and disposal infrastructure needed to meet the projected housing growth and, specifically, the need to control the environmental impact of any agreed solutions.

(6) Mr Chard referred to the significant environmental damage to chalk streams in Kent as a result of previous underground extraction to supply water to London.

(7) Councillor Horne expressed his support for the recommendation to Cabinet to call for a public inquiry. He added that current EU Directives would further curtail the use of river water to top up reservoirs in times of drought, which would appear to conflict directly with the plans of the water companies for addressing water demand within Kent.

(8) Cabinet agreed:-

(a) The KCC responses to the Water Resource Management Plan consultations should include:

(i) strong support for the emphasis on demand management and the implementation of universal compulsory metering providing that there are appropriate tariffs in place to ensure that vulnerable families in Kent are not subjected to higher bills;

(ii) strong response to DEFRA that existing customers should not be made to pay higher water charges to pay for the water infrastructure needed to accommodate housing growth;

(iii) detailed questioning of the basis for the water companies' proposals for balancing water demand; and

(iv) pointing out the unacceptable lack of strategic cooperation between companies regarding their medium and long term infrastructure proposals and rejecting some of these proposals

(b) KCC should seek legal advice with a view to requesting the Secretary of State to call a public inquiry into the Draft Water Resource Management Plans of South East Water, Southern Water Services and Folkestone and Dover Water Services;

(c) KCC should use its influence on Local Development Frameworks by:

(i) demanding high standards of water efficiency in new homes

(ii) calling for a strategic tariff on new developments that would be partly used to offset the residual water demands of new homes by investing in improvements to the water efficiency of the existing local housing stock

(iii) ensuring land is identified and safeguarded for future infrastructure that may be required in the long term

(d) KCC should continue to play a leadership role in promoting the sustainable management of water demand and should encourage local water demand targets within the District Chapters of the Kent Agreement 2.

6. Ashford's Future – proposed entry into the Partnership Agreement
(Item 5 – Report by Mr Roger Gough, Cabinet Member for Regeneration and Supporting Independence and Adam Wilkinson, Managing Director, Environment and Regeneration)

(1) The Leader stated that he had agreed to consider this matter as an urgent item for the following reason:

"The signing of the Partnership Agreement by Kent County Council is considered urgent because of the need to demonstrate to other partners the Council's commitment to the Ashford's Future scheme at a crucial stage in its development. The pre-conditions reported to Cabinet at its June meeting will eventually be satisfied."

(2) Mr Gough introduced the report, stating that the Partnership Agreement could not be signed at present without amendment to the resolutions of the Cabinet at its meeting on 16 June 2008, because of the pre-conditions set out in those resolutions. He added that the Partnership Agreement was not a legally binding document, but it was important that it was signed by KCC as soon as possible, in order to demonstrate the Council's commitment to the Ashford Future project. He added that, whilst the pre-conditions were not required to be satisfied insofar as the signing of the Partnership Agreement was concerned, they were relevant to the Council's participation in the Special Purpose Vehicle (SPV) and would, therefore, be dealt with in due course in consultation with and subject to the agreement of the Director of Finance and the Director of Law and Governance.

(3) Cabinet agreed to revoke its resolution of 16 June 2008 and replace with the following revised resolutions:-

1. That Cabinet authorises the Director of Law and Governance or his representative to immediately sign the Partnership Agreement on behalf of the County Council;

2. That the Cabinet Member for Regeneration and Supporting Independence be authorised to attend meetings of the AFPB and exercise the voting rights of the County Council at such meetings.

3. That subject to:-

(a) a full risk assessment being approved by the Chief Executive and the Director of Finance on the consequences of decisions made by the AFPB and the SPV;

(b) the Director of Law & Governance approving the proposed reporting regime of the SPV to the AFPB and being satisfied this facilitates robust scrutiny by the AFPB's programme management function; and

(c) approval of entry into the SPV and the Members Agreement by EP, SEEDA and the Department for Business Enterprise and Regulatory Reform (DBERR) (if such approval is required in respect of EP and SEEDA) and the Department of Communities and Local Government (DCLG) in respect of the proposed SPV arrangements and in particular in respect of DCLG's funding of such arrangements

Cabinet makes the following resolutions:

(i) the County Council become a member of Ashford's Future SPV;

(ii) the County Council is authorised to enter the Members' Agreement as outlined in the report to Cabinet dated 16 June 2008;

(iii) that the Cabinet Member for Regeneration and Supporting Independence is appointed to attend general meetings of the SPV and exercise the County Council's voting rights as a member of the SPV on behalf of the County Council;

(iv) to delegate sufficient authority to the Cabinet Member for Regeneration and Supporting Independence to enable him fully to exercise the rights and discharge his duties relating to such appointment, acting as necessary of such in consultation with the Director of Law and Governance and Director of Finance;

(v) to nominate a director on the SPV Board to manage the company on behalf of the company members on such terms as the Director of Law and Governance shall approve;

(vi) to delegate authority to the Managing Director of Environment and Regeneration in consultation with the Cabinet Member for Regeneration and Supporting Independence and the Director of Law and Governance to approve the final versions of the following document on behalf of the County Council:-

- the SPV Memorandum and Articles Association;

- the Members agreement;

and to authorise the Director of Law and Governance to execute those documents on behalf of the County Council.

(vii) to request all County Council Managing Directors to consider the implications of the proposed Ashford's Future SPV and programme for development on their service areas; and

(viii) to note that a further report will be submitted, seeking approval of the terms of the Ashford's Future Programme for Development for SPV Business Plan.

7. Exclusion of the press and public

RESOLVED: That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 A of the Act

8. Impact of the Current Economic Situation on the Council

(Item 7 – Report by Mr Nick Chard, Cabinet Member for Finance and Ms L McMullan, Director of Finance)

(The following text is an unrestricted minute of the discussion on an exempt report)

(1) The Leader stated that this supplementary paper gave the detail behind the inflationary figures set out in the main report on the public side of the agenda

(2) Cabinet agreed to note the schedule.

9. Kent Building Schools for the Future programme

(Item 8 – Report by Mr Mark Dance, Cabinet Member for Operations, Resources and Skills and Mr Graham Badman, Managing Director, Children, Families and Education)

(The following text is an unrestricted minute of the discussion on an exempt report)

(1) The Leader stated that he had agreed to consider this matter as an urgent item for the following reason:

“Discussions are progressing with Land Securities Trillium who were appointed by the County Council in December 2007 as our Preferred Bidder for the first of our Building Schools for the Future contracts and both parties have now fully committee to a financial close of the deal as being no later than 23 September 2008. The scheduled Cabinet meeting in September is too late to allow the necessary approvals etc. to be actioned.

In order to provide Cabinet with a full and comprehensive report, it was decided that it would be better to allow for the meetings with LST in the week ending 26 July to have taken place and the position reached to be reflected.”

(2) Mr Carter referred to the complimentary legal report from Nabarro, which concluded that KCC had achieved a strong commercial position through the competitive dialogue process and that the procurement process carried out by the Council had been thorough and in compliance with relevant legislation and published guidance.

(3) Mr Dance expressed his thanks to Mr Ward and the team for progressing the BSF programme, which would deliver much needed improvements to a number of schools.

(4) Mr Ward gave further detail about the revenue support arrangements, adding that the proposals had been approved by the Schools Funding Forum. He explained the implications of missing the “drop dead” date of 23 September and the work that had to be undertaken prior to this date.

(5) Mr Chard stated that, whilst he was grateful for the resources provided by central Government under the BSF programme, there was still a budget gap that KCC had to meet. He also stated that the BSF programme wasn't just about updating school accommodation; it was about transforming the education and life chances of young people and improving links with the vocational programme. He added his thanks to the team.

(6) Mr Carter referred to a regional LSC meeting he attended the previous week and stressed the importance of the continued partnership working between KCC, the LSC and the HEFCE in relation to improving the link between formal education, vocational and other training for the post 16 group and also adult education.

(7) Mr Gilroy stated the BSF programme represented a massive opportunity to improve the links between schools and industry and added his personal thanks to the team.

(8) In response to a question, Mr Ward confirmed that the words "resolution that resolution" in recommendation (iv) were superfluous and should be deleted from the recommendation.

(9) Cabinet agreed to:

(i) Submit the Final Business Case for Wave 3 to PfS and DCSF for final departmental approval by PfS, DCSF and Treasury;

(ii) Authorise, following recommendation from the Director, Resources CFE, the Cabinet Member for Operations, Resources and Skills in consultation with the Leader to agree final contractual terms, provided the affordability gap to KCC (both the schools DSG and the CFE capital programme) did not exceed that detailed in the Cabinet report. In the event the affordability were to be more then they would agree with the Finance Director if it can be funded from elsewhere within the CFE capital programme;

(iii) Authorise the Director, Resources CFE in consultation with the Director of Law and Governance to enter into the necessary contracts on behalf of the County Council, following approval to final contractual terms as set out in (ii) above;

(iv) Authorise, following point (i), (ii), and (iii) above the establishment of a joint venture company – called Kent BSF LEP1 to deliver the BSF projects for that area and our investment in the LEP. For Waves 4 and 6 this is subject to further approvals by both PfS/DCSF and KCC; and

(v) Record its thanks to Mr Ward and all staff involved in getting the BSF programme to this stage

REPORT TO: **CABINET – 15 SEPTEMBER 2008**

SUBJECT: **REVENUE AND CAPITAL BUDGETS, KEY ACTIVITY AND RISK MONITORING**

BY: **NICK CHARD – CABINET MEMBER FOR FINANCE**
LYNDA McMULLAN – DIRECTOR OF FINANCE
MANAGING DIRECTORS

SUMMARY:

Members are asked to:

- **note the latest monitoring position on the revenue budget,**
- **agree the changes to revenue cash limits within the KASS portfolio to reflect realignment of budgets in line with changing trends of service provision**
- **note that a revised capital programme, to address the impact of the current economic situation, will be brought to Cabinet in October for decision**

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1. INTRODUCTION

1.1 This is the first full monitoring report to Cabinet for 2008-09.

1.2 The format of this report is:

- This summary report highlights only the most significant issues
- There are 6 reports, each one an annex to this summary, one for each directorate and one for Financing Items. Each of these reports is in a standard format for consistency, and each one is a stand-alone report for the relevant directorate.

2. OVERALL MONITORING POSITION

2.1 **Revenue**

The net projected variance against the combined portfolio revenue budgets is a pressure of £0.543m after management action (excluding Asylum). Section 3 of this report provides the detail, which is summarised in Table 1a below. Options for further management action within CFE are to be discussed at the CFE SMT in September in order to balance their budget by year end. If achieved this will reduce the position by a further £1.438m to an underspend of £0.895m (excluding Asylum).

Table 1a – Portfolio position – net revenue position **after** proposed management action

Portfolio	Budget	Gross Variance	Management Action	Net Variance
	£k	£k	£k	£k
O,R&S (CFE)	-813,418	+1,043	0	+1,043
CF&EA	+131,887	+2,645	-2,250	+395
Kent Adult Social Services	+325,420	+1,663	-1,663	0
E,H&W	+143,787	0	0	0
Regen & SI	+9,641	0	0	0
Communities	+55,260	+299	-299	0
Public Health	+1,401	0	0	0
Corporate Support	+24,385	-178	0	-178
Policy & Performance	+5,695	-59	-41	-100
Finance	+106,508	+134	-751	-617
TOTAL (excl Schools)	-9,434	+5,547	-5,004	+543
Asylum	0	+4,002	0	+4,002
TOTAL (excl Schools)	-9,434	+9,549	-5,004	+4,545
Schools	+874,685	0	0	0
TOTAL	+865,251	+9,549	-5,004	+4,545

2.2 **Capital**

2.2.1 As reported to Cabinet in August, it is proposed to recast the capital programme to reflect action to be taken to address the funding issues brought about by the current economic situation ie reduced capital receipts and potentially other capital funding, together with increased building tender price inflation which is likely to add an average of £6m per annum to the programme costs and £2.4m to the highways maintenance programme in 2008-09 alone. This is a major piece of work that has already made good progress, with a target to have the revised capital programme in draft by the end of September, to be reported back for decision by Cabinet in October. Further details of the proposed actions are provided in section 4 of this report. This report therefore does not include any details of the current position against the capital programme as this will all change as a result of this review.

3. REVENUE

3.1 **Virements/changes to budgets**

Directorate cash limits have been adjusted to include:

- the roll forward from 2007-08 of £2.790m, as approved by Cabinet on 16 June 2008; (This excludes the £12k deficit rolled forward on the Property Enterprise Fund, as this is treated in isolation to portfolio controllable budgets),
- the allocation of the £5.111m contingency set aside from the 2007-08 rolled forward underspend for the current economic situation, as agreed by Cabinet on 4 August 2008.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set or adjustments to the level of grant allocation assumed in the budget following confirmation from the awarding bodies. These are detailed in Appendix 2.

There have also been some virements as follows:

- Within Children, Families & Educational Achievement portfolio, the transfer of £1.863m from Grants to Voluntary Organisation to Independent Sector Residential Care (£1.463m) and County Fostering Team (£0.4m), as agreed by Cabinet on 14 July 2008.
- £0.250m from the underspending on debt charges within the Finance portfolio to the Regeneration Projects group within the Regeneration & Supporting Independence portfolio for the development of the A2 outdoor activity centre and park and ride as agreed by the relevant portfolio holders.
- £0.750m from the underspending on the debt charges budget within the Finance portfolio to the Communities portfolio to reflect the agreed recovery plan required to balance the Adult Education budget.

In addition, a detailed exercise to realign budgets within the Kent Adult Social Services portfolio has been undertaken. At the time the budget was set, best estimates were used to distribute the growth, savings and demography money provided in the 2008-11 MTP and to determine gross expenditure and income levels but a more accurate distribution is now reflected based on the 2007-08 outturn and continuing trends, including the changing trends in services away from residential care into community based care as part of the modernisation of services. Further details are provided in annex 2. Cabinet is asked to agree these changes.

All other changes to cash limits since the budget was set are considered “technical adjustments” ie where there is no change in policy, including allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.

3.2.1 **Table 1b** – Portfolio/Directorate position – gross revenue position **before** management action

			Directorate					
Portfolio	**Budget**	**Variance**	CFE	KASS	E&R	CMY	CED	FI
	£k	**£k**	£k	£k	£k	£k	£k	£k
O,R&S (CFE)	**-813,418**	**+1,043**	+1,043					
CF&EA	**+131,887**	**+2,645**	+2,645					
Kent Adult Social Services	**+325,420**	**+1,663**		+1,663				
E,H&W	**+143,787**	**0**			0			
Regen & SI	**+9,641**	**0**			0			
Communities	**+55,260**	**+299**				+299		
Public Health	**+1,401**	**0**						
Corporate Support	**+24,385**	**-178**					-178	0
Policy & Performance	**+5,695**	**-59**					-59	
Finance	**+106,508**	**+134**					+751	-617
SUB TOTAL (excl Schools)	**-9,434**	**+5,547**	+3,688	+1,663	0	+299	+514	-617
Asylum	**0**	**+4,002**	+4,002					
TOTAL (excl Schools)	**-9,434**	**+9,549**	+7,690	+1,663	0	+299	+514	-617
Schools	**+874,685**	**0**	0					
TOTAL	**+865,251**	**+9,549**	+7,690	+1,663	0	+299	+514	-617

3.2.3 **Table 1c** – Gross, Income, Net (GIN) position – revenue (**before** management action)

	CASH LIMIT			**VARIANCE**		
Portfolio	**Gross**	**Income**	**Net**	**Gross**	**Income**	**Net**
	£k	£k	£k	£k	£k	£k
O,R&S (CFE)	+140,271	-953,689	**-813,418**	+1,134	-91	**+1,043**
CF&EA	+219,330	-87,443	**+131,887**	+3,836	-1,191	**+2,645**
Kent Adult Social Services	+447,584	-122,164	**+325,420**	+2,237	-574	**+1,663**
E,H&W	+156,382	-12,595	**+143,787**	0	0	**0**
Regen & SI	+12,264	-2,623	**+9,641**	0	0	**0**
Communities	+106,836	-51,576	**+55,260**	+706	-407	**+299**
Public Health	+1,401	0	**+1,401**	0	0	**0**
Corporate Support	+39,485	-15,100	**+24,385**	+1,203	-1,381	**-178**
Policy & Performance	+12,519	-6,824	**+5,695**	+1,111	-1,170	**-59**
Finance	+175,464	-68,956	**+106,508**	-3,219	+3,353	**+134**
SUB TOTAL (excl Schools)	+1,311,536	-1,320,970	**-9,434**	+7,008	-1,461	**+5,547**
Asylum	+13,450	-13,450	**0**	0	+4,002	**+4,002**
TOTAL (excl Schools)	+1,324,986	-1,334,420	**-9,434**	+7,008	+2,541	**+9,549**
Schools	+955,202	-80,517	**+874,685**	0	0	**0**
TOTAL	+2,280,188	-1,414,937	**+865,251**	+7,008	+2,541	**+9,549**

A reconciliation of the above gross and income cash limits to the approved budget book is detailed in **Appendix 2.**

3.3 Table 2 below details all projected revenue variances over £100k, in size order. Supporting detail to each of these projected variances is provided in individual Directorate reports as follows:

Annex 1 **Children, Families & Education**
incl. Operations, Resources & Skills (CFE) and Children, Families & Educational Achievement portfolios

Annex 2 **Kent Adult Social Services**

Annex 3 **Environment & Regeneration**
incl. Environment, Highways & Waste & Regeneration & Supporting Independence portfolios

Annex 4 **Communities**

Annex 5 **Chief Executives**
incl. Public Health, Corporate Support & External Affairs, Policy & Performance and Finance portfolios

Annex 6 **Financing Items**
incl. elements of the Corporate Support & External Affairs and Finance portfolios

Table 2 - All Revenue Budget Variances over £100k in size order

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CFEA	Asylum - Shortfall in grant income (income)	+4,002	FIN	Savings on debt charges due to lower level of borrowing required in 2007-08 and less new borrowing in 2008-09 than anticipated, together with new borrowing arranged at lower interest rate than budgeted and increase in duration of short term lending	-3,064
CFEA	Independent Sector Residential Care - increase in demand and high cost placements (gross)	+2,184	CS	Information Systems income from additional services/projects	-1,780
CS	Information Systems costs of additional services/projects	+1,780	CFEA	Fostering Service - Non Independent Fostering Allowance lines (gross)	-1,317
EHW	Invest to save schemes within KHS to address MTP issues	+1,400	EHW	Diversion to landfill while Allington waste to energy plant off-line	-1,100
CFEA	Fostering Service - Independent fostering allowances (gross)	+1,366	CFEA	Family Support - Planned management action (gross)	-1,090
FIN	Reduction in LABGI income	+1,349	CFEA	Independent Sector Residential Care - placement funding from Joint Residential Assessment Panel (income)	-728
CFEA	Assessment and Related - Frontline staffing overspend (gross)	+1,260	KASS	Older People Residential gross - release of Deferred Payments Loan from DoH	-628
KASS	LD Residential gross - activity in excess of affordable level in independent sector placements	+1,130	KASS	Older People Nursing gross - release of Deferred Payments Loan from DoH	-628
KASS	PD Residential gross - activity in excess of affordable level in independent sector placements	+1,046	P&P	Legal income resulting from additional work (partially offset by increased costs)	-570
CFEA	ASK Early Years - additional Sure Start targets (gross)	+1,000	CFEA	Adoption Service - adoption allowances (gross)	-502
FIN	Lower interest receipts due to reduction in base rates since budget was set	+798	EHW	Reduced waste tonnage	-500
KASS	LD Residential gross - Preserved Rights reduced attrition	+789	KASS	MH Assessment & Related gross - vacancy management	-473
FIN	Change in accounting treatment of some staffing costs of Corporate Property Unit, previously charged to capital	+751	P&P	Legal services costs of disbursements recovered from clients	-450
KASS	All Adults Assessment & Related Gross - staffing pressures	+732	KASS	Older People Other Services - release of the balance of the Managing Director's contingency	-436
KASS	Older People Nursing gross - activity in excess of affordable level in independent sector placements	+716	CS	P&D vacant Learning Account Manager posts resulting in reduced courses and expenditure on course delivery	-410
CFEA	Other Services Support - Legal costs (gross)	+650	ORS	Personnel and Development - reduction in school staff redundancy costs (gross)	-398
ORS	Capital Strategy - closing schools revenue maintenance (gross)	+543	CMY	Transfer of expenditure for Education Business System within AE to capital programme	-373
ORS	Personnel and Development - pensions (gross)	+468	CFEA	Assessment and Related - additional income from Best project, training and Health	-353
P&P	Legal services cost of additional disbursements	+450	KASS	Policy, Performance & QA gross - vacancy management	-321

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CS	P&D vacant Learning Account Manager posts resulting in reduced income generation from courses	+430	KASS	LD Residential gross - Preserved Rights change in unit cost	-313
KASS	MH Residential gross - activity in excess of affordable level	+415	KASS	Resources gross - release of Supporting People reserve to fund PFI legal costs	-300
CMY	AE rolled forward deficit from 2007-08 due to lower than expected enrolments and restructure costs.	+373	KASS	Older People Domiciliary gross - reduction in hours in independent care	-292
P&P	Legal services cost of additional work (offset by increased income)	+370	KASS	PD Residential gross - additional income through additional activity	-285
FIN	Commercial Services - Shortfall in income from sponsorship of roundabouts	+300	CMY	Youth external contributions for Connexions	-271
KASS	Older People Residential gross - activity in excess of affordable level in independent sector placements	+294	KASS	LD Other Services - release of the balance of the Managing Director's contingency	-264
ORS	Capital Strategy - mobile classroom costs (gross)	+278	KASS	Older People Nursing income resulting from additional activity	-212
CMY	Youth expenditure on connexions covered by increased income	+271	KASS	LD Residential income - additional income resulting from additional activity	-203
CFEA	Adoption Service - County Adoption Team	+245	CS	Confirmed profile of Kent TV revenue spend to Aug09 (roll forward proposal)	-200
KASS	Resources income - write back of PFI debtor	+225	CFEA	Independent Day Care - lower take up of places	-198
EHW	Country parks	+200	KASS	LD Residential income resulting from additional Preserved Rights activity	-144
CFEA	Family Support - shortfall of partnership income (income)	+183	CFEA	Education Psychology - staffing vacancies (gross)	-125
KASS	LD Residential gross - pressure relating to change in unit cost of independent sector placements	+180	KASS	All Adults Assessment & Related one-off income from Health	-125
KASS	LD Residential gross - in house provision staffing	+176	CMY	Consumer Direct SE staff savings and draw down from reserves to cover pressure from declining call volumes	-125
KASS	Older People Residential gross - Preserved Rights reduced attrition	+149	CFEA	Fostering Service - additional income for training, placements etc (income)	-124
CMY	Consumer Direct reduced income due to declining call volumes	+125	CMY	Libraries & Archives Staff underspends to cover costs of stamps and	-109
KASS	LD Domiciliary gross - cost of Independent Living Scheme	+121	CFEA	Direct Payments - utilisation of Sure Start grant giving base budget underspend (gross)	-108
CMY	Coroners long inquests payments	+120	KASS	PD Residential gross - Preserved Rights increased attrition	-108
CFEA	Section 17 - increased support to clients (gross)	+119	KASS	Older People Nursing gross - Preserved Rights increased attrition	-103
ORS	Business Management - delay in administrative support saving (gross)	+118	CFEA	Leaving Care/16 plus - lower than anticipated take up of places (gross)	-101
P&P	Democratic Services delay in budgeted staff savings	+118			
KASS	Older People Residential gross - in house provision staffing costs	+117			
CMY	Coroners Pathology Fees & Mortuary Attendants	+117			
KASS	Older People Residential gross - pressure relating to change in unit cost in independent sector placements	+107			
KASS	Older People Domiciliary gross - pressure relating to change in unit cost in independent sector placements	+106			

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CMY	Libraries & Archives Purchase of stamps & merchandise	+100			
		+27,771			**-18,831**

3.4 **Key issues and risks**

3.4.1 In the Children, Families & Education directorate, the key issues by portfolio are:

3.4.1.1 **Operations, Resources & Skills portfolio:** Forecast excl Schools **+£1.043m**
This pressure is mainly due to increased pension costs resulting from early retirements due to school closures and amalgamations in previous years and the costs of boarding up closed schools and repairs required as a result of vandalism.

3.4.1.2 **Children, Families & Educational Achievement portfolio:** Forecast excl Asylum **+£2.645m**
This pressure is mainly a continuation of the pressures experienced in 2007-08 on independent sector residential care, independent fostering allowances and legal fees within Children's Social Services, together with pressure on Sure Start grant funded projects due to additional targets and an overspend on frontline staffing within Children's Social Services. These pressures are partially offset by savings elsewhere within the Children's Social Services budgets.

3.4.1.3 **Children, Families & Educational Achievement portfolio - Asylum:** Forecast **+£4.002m**
The forecast assumes the same grant rules and unit costs as 2007-08, which will give a shortfall in funding of £3.502m of direct costs and £0.5m of indirect costs. The Home Office has given an undertaking that no authority will be out of pocket in 2008-09 and the LGA has said that costs "directly attributable to the care of an individual" will be 100% reimbursed subject to audit. However we have yet to receive anything in writing clarifying what costs will be reimbursed, therefore we continue to report this pressure. Negotiations regarding previous year costs continue. The 2006-07 Home Office bid has been agreed at 100% but the position regarding bids outstanding with both the Home Office and DCSF for 2007-08 is less clear.
All of these pressures are detailed in Annex 1.

3.4.2 **Kent Adult Social Services portfolio:** Forecast **+£1.663m**
This pressure is mainly as a result of demographic and placement pressures, primarily within services for people with learning and physical disabilities. The impact of young adults transferring from Children's Services, many of whom have very complex needs and require a much higher level of support, continues to be felt. Alongside these so-called "transitional" placements are the increasing number of older learning disabled clients who are cared for at home by ageing parents who will begin to require more support.
Further details are provided in Annex 2.

3.4.3 In the Environment & Regeneration directorate, the key issues are:

3.4.3.1 **Environment, Highways & Waste portfolio:** Forecast **Breakeven**
Although the forecast is to breakeven, there is an underspend on waste due to lower waste tonnage than assumed in the budget and savings resulting from the Waste to Energy plant in Allington not working as expected leading to more waste going to landfill which is currently a cheaper means of disposal. It is proposed that these savings, after offsetting a small pressure on Country Parks, are invested in schemes to produce future savings within Kent Highways Services to assist with meeting the MTP inflation pressures.
Further details are provided in Annex 3.

3.4.4 **Communities portfolio:** Forecast **+£0.299m**
This pressure mainly relates to the Coroners service due to increased costs as a result of an increasing number of long inquests and increased pathology and mortuary costs.
Further details are provided in Annex 4.

3.4.5 In the Chief Executives directorate, the key issues by portfolio are:

3.4.5.1 **Corporate Support & External Affairs portfolio:** Forecast **-£0.178m**
This saving in largely due to a re-phasing of Kent TV expenditure through to August 2009.

3.4.5.2 **Finance portfolio:** Forecast **+£0.751m**
This pressure results from the continuation of the change in accounting treatment in 2007-08 of some staffing costs of the Corporate Property Unit, which were previously capitalised.

3.4.5.3 **Policy & Performance portfolio:** Forecast **-£0.059m**

An over recovery of income within Legal Services as a result of additional internal and external work is partially offset by a delay in achieving the staffing reductions assumed in the budget within Democratic Services.
Further details are provided in Annex 5.

3.4.6 On the Financing Items budgets, the key issues are:

3.4.6.1 **Finance portfolio:** Forecast **-£0.617m**
Savings on debt charges as a result of a lower level of borrowing required in 2007-08 and less new borrowing than anticipated so far in 2008-09 together with new borrowing arranged at better rates than budgeted, are largely offset by lower interest receipts due to a reduction in the base rates since the budget was set, a reduction in LABGI income and a shortfall in income from the sponsorship of roundabouts.
Further details are provided in Annex 6

3.4.7 Directorates have implemented management action plans which are expected to reduce the pressures from £9.549m to £4.545m including Asylum of +£4.002m, with residual pressures currently anticipated within the Operations, Resources & Skills and Children, Families & Educational Achievement portfolios. However further management action is currently being considered to address this. Details of these plans are provided in the annex reports. Progress against these management action plans will be closely monitored throughout the remainder of the financial year so that, if necessary, a decision on further action can be taken as soon as possible.

3.5 Implications for future years/MTP

3.5.1 The key issues and risks identified above will need to be addressed in directorate medium term plans (MTP) for 2009-12. Although these are forecast to be largely offset by management action this year, a lot of the management action is one-off or not sustainable for the longer term. The Directorates are currently trying to assess the medium term impact of these issues. There are other pressures which, although not hugely significant this year, will also need addressing in the MTP. These are detailed in the Annex reports.

4. CAPITAL

4.1 As highlighted in paragraph 2.2 above, this report does not include any capital monitoring due to the current review of the whole capital programme. This review has been necessary to address the funding shortfall arising as a result of the current economic situation and the impact this has had on property prices and our ability to realise capital receipts. The funding of the 2008-11 capital programme, is reliant upon capital receipts of some £186.802m. However, this level of receipts is not realisable in the short term, therefore we are reviewing the capital programme with a view to:

- Defer those capital projects, which are proving difficult to progress at the pace assumed in the capital programme or remove them from the programme altogether.
- Dispose of assets for which negotiations are already at an advanced stage and/or the sale proceeds are not substantially reduced from the value assumed in the MTP.
- Create a second Property Enterprise Fund (PEF2). The objective of PEF2 is to provide a temporary borrowing facility, capped at £85m, from which we can offer directorates an agreed value in recognition of the current or previous value of an asset that is assumed in the MTP. County Council agreed the creation of PEF2 on 4 September 2008.
- Absorb the additional inflationary costs as a result of the increase in the building tender price inflation since the budget was set, estimated at an average of £6m per year, by reducing budgets by an equivalent value.
- Reflect the £2.9m pressure in 2009-10 and £3m pressure in 2010-11 on the highways maintenance programme as a result of the increased inflation and absorb the £2.4m impact of this pressure in the current year, by reducing budgets elsewhere by an equivalent value.

A revised capital programme will be reported, for decision, to Cabinet in October, following the above review.

4.2 Implications for future years/MTP

4.2.1 Directorates are continuously addressing issues around their capital programmes, in particular, careful consideration is given to the funding of these projects to ensure that as far as possible capital receipts and external funding, or agreement to utilising PEF2 is in place before the project is contractually committed.

4.3 **Impact on Treasury Management**

4.3.1 The re-phasing of the capital programme from 2007-08, resulting in a lower level of borrowing required in the 2007-08 financial year, and the re-phasing on the capital programme likely to be required this year to address the capital receipts shortfall are major factors in the £2.266m underspend reported against the Interest on cash balances/debt charges budget within the Financing Items revenue budget. Further details are provided in Annex 6. This re-phasing will impact upon the phasing of the debt charges within the revenue budget and this will be reflected in the 2009-12 MTP.

4.4 **Resourcing issues**

4.4.1 There will always be an element of risk relating to funding streams which support the capital programme until all of that funding is "in the bank". As highlighted above there is a significant reduction in the level of capital receipts expected compared to when the budget was set as a result of the current economic situation. We are proposing to manage this in the short term via the creation of PEF2 and by deferring some capital projects. The current economic situation may also adversely impact the level of developer contributions we are able to attract to fund capital works as the number of new housing developments reduces and developers pull out of new developments. At this stage, there are no other significant risks to report.

4.5 **Prudential Indicators**

4.5.1 The latest monitoring of Prudential Indicators will be reported to Cabinet in October to reflect the impact of the revised capital programme.

5. RISK MANAGEMENT

We have recently conducted an Internal Audit of the Authority-wide risk management arrangements. Across directorates we found a high level of risk awareness, particularly in relation to operational risks. There was a general awareness of the Authority's risk management framework and adherence to its principles.

Taking into account the findings of internal audit and other external assessments, it is evident that risk is generally well managed throughout the Authority. There are however a number of initiatives that we will be focussing on over the next year to further improve the framework. These include:

- Refreshing and further communicating of the existing risk management guidance;
- Further use to be made of workshops when refreshing the risk register during business planning;
- Implementing protocols to ensure that formalised and agreed risk management arrangements are in place for the Authority's key strategic partnerships, including creating and regularly updating a partnership risk register;
- Better and more consistent articulation of specific risks, the source of the risk and potential consequences within risk registers.

6. BALANCE SHEET AND CONSOLIDATED REVENUE ACCOUNT

6.1 **Impact on reserves**

6.1.1 A copy of our balance sheet as at 31 March 2008 is provided at **appendix 1**. Highlighted are those items in the balance sheet that we provide a year-end forecast for as part of these quarterly budget monitoring reports, based upon the current forecast spend and activity for the year. The forecast for the three items highlighted are as follows:

Account	Projected balance at 31/3/09 £m	Balance at 31/3/08 £m
Earmarked Reserves	66.5	86.0
General Fund balance	25.8	25.8
Schools Reserves *	79.4	79.4

* Both the table above and section 2.3 of annex 1 include delegated schools reserves and unallocated schools budget.

6.1.2 The reduction of £19.5m in earmarked reserves is mainly due to the anticipated movements in the rolling budget, DSG, Supporting People and Consumer Direct reserves as reflected in the annex reports and the planned movements in reserves such as PRG, IT Asset Maintenance, Kingshill Smoothing, earmarked reserve to support the 2008-09 budget, insurance reserve and PFI equalisation reserves.

7. RECOMMENDATIONS

Cabinet is asked to:

7.1 Note the latest monitoring position on the revenue budget.

7.2 Note the intention to overspend the Kent Highways Services budget by £1.4m on invest to save schemes in order to produce future savings to assist with meeting the MTP inflation issues within the EH&W portfolio.

7.3 Note that a revised capital programme, to address the impact of the current economic situation, will be brought to Cabinet in October for decision.

7.4 Agree the realignment of budgets within the KASS portfolio as detailed in section 1.1.1 and 1.1.2 of annex 2.

Balance Sheet

The County Fund Balance Sheet shows the financial position of Kent County Council as a whole at the end of the year. Balances on all accounts are brought together and items that reflect internal transactions are eliminated.

		31 March 2008		31 March 2007 Restated	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets			3,629		4,732
Tangible fixed assets					
Operational assets					
Land and buildings		1,443,378		1,414,844	
Vehicles, plant and equipment		21,576		15,863	
Roads and other highways infrastructure		568,640		514,320	
Community assets		8,047		7,775	
Non-operational assets					
Investment property		6,588		6,584	
Assets under construction		256,871		237,813	
Surplus and non-operational property		81,737		95,423	
Total tangible assets			2,386,837		2,292,622
Total fixed assets			2,390,466		2,297,354
Long-term investments			134,547		115,000
Long-term debtors			56,533		59,736
Deferred premiums			0		20,990
PFI debtor			3,933		441
Total long-term assets			2,585,479		2,493,521
Current assets					
Stocks and work in progress		5,390		5,905	
Debtors		177,518		175,613	
Investments		264,121		153,059	
Total current assets			447,029		334,577
Current liabilities					
Temporary borrowing		-35		-38	
Creditors		-266,688		-260,119	
Cash balances overdrawn		-108,383		-27,957	
			-375,106		-288,114
Total assets less current liabilities (Net assets employed)			2,657,402		2,539,984
Long-term liabilities					
Long-term borrowing		-1,017,200		-952,365	
Deferred liabilities		-535		-957	
Deferred credit - Medway Council		-53,385		-55,609	
Provisions		-14,636		-13,786	
Government grant deferred account		-196,381		-174,435	
Liability related to defined benefit	- KCC	-564,100		-637,700	
pensions schemes	- DSO	-2,447		-2,487	
			-1,848,684		-1,837,339
Total assets less liabilities			808,718		702,645

Balance Sheet

Revaluation reserve		-72,530		0	
Capital adjustment account		-1,071,609		-1,126,217	
Financial instruments adjustment account		20,803		0	
Earmarked capital reserve		-52,436		-26,698	
Usable capital receipt reserve		-7,825		-7,942	
Pensions reserve	- KCC	564,100		637,700	
	- DSO	2,447		2,487	
Earmarked reserves		-86,015		-80,929	
General fund balance		-25,835		-25,835	
Schools reserves		-79,360		-74,376	
Surplus on trading accounts		-458		-835	
Total net worth			-808,718		-702,645

Appendix 2

Reconciliation of Gross and Income Cash Limits in Table 1c to the Approved Budget Book

	Gross	Income	Net	
	£k	£k	£k	
Reconciliation:				
Cash Limits Per Budget Book	+2,235,840	-1,378,822	**+857,018**	
Subsequent changes:				
	+3,052	-262	+2,790	Roll Forwards as agreed at 16 June Cabinet (excluding PEF)
	+5,111		+5,111	Allocations from Contingency for Economic Situation set aside from roll forward
OR&S	+49		+49	Additional ABG for Education Health
CMY	+283		+283	Additional ABG for KDAAT
OR&S & CS	+487	-487	0	recharge of Schools Personnel Service
OR&S & P&P	-110	+110	0	tfr of budget rather than recharge for Kent Works
				Changes to grant/income allocations:
OR&S	+95	-95	0	Standards Fund - Playing for Success grant increase
OR&S	+210	-210	0	Standards Fund - Aimhigher 0708 Grant Increase
OR&S	+4	-4	0	Standards Fund - Every Child A Reader
OR&S	+440	-440	0	LSC grant adjustment
OR&S	+1,058	-1,058	0	Diploma Grant
OR&S	+20	-20	0	Standards Fund - Ethnic Minority Achievement
OR&S	+76	-76	0	Standards Fund - Every Child Counts
OR&S	+8,482	-8,482	0	unspent 2007-08 Standards Fund
OR&S	-1,295	+1,295	0	Standards Fund - Schools Development Grant Decrease
OR&S	-160	+160	0	Extended Schools Grant reduction
OR&S	-12	+12	0	Reduction in Ethnic Minorities & Achievement Standards Fund for Academies Adjustment
OR&S	-312	+312	0	SSG final allocation adjustment
OR&S	-10	+10	0	Reduction in Improving Schools Programme
CF&EA	+310	-310	0	Targeted Mental Health in Schools Pathfinder Grant
CF&EA	+317	-317	0	Standards Fund KS4 engagement programme
CF&EA	+210	-210	0	Every Child a Chance Academic year funding
CF&EA	+140	-140	0	Grant income for unspent 2007-08 Standards Fund
KASS	+57	-57	0	Increase for 2008/09 HIV/AIDS
KASS	+701	-701	0	LD Campus Closure Grant
KASS	+1,725	-1,725	0	Additional PCT funding to reduce Delayed Discharges
Finance	+12,102	-12,102	0	South East Improvement & Efficiency Partnership
CMY	+160	-160	0	Contactpoint for Data fee & Query full integration from GOSE
CMY	+1,098	-1,098	0	Regional Sports Board funding from Sport England

	Gross	Income	Net	
	£k	£k	£k	
				Technical Adjustments:
OR&S	-3,235	+3,235	0	Removal of incorrect income targets for accounting treatment of capital recharges
OR&S	+90	-90	0	Gross and income adjustment for Capital Projects conference
CF&EA	-94	+94	0	Income target adjustment for trainee psychologists
CF&EA	-1,197	+1,197	0	Removal of incorrect income targets for accounting treatment of capital recharges
CF&EA	+333	-333	0	Correction of income targets for Specialist Teaching Service
CF&EA	-212	+212	0	Correction of income targets for Children's social services
KASS	-1,710	+1,710	0	Revisions to growth/demography and savings allocations following Special Budget SMT and in light of 2007/08 out-turn
KASS	-1,307	+1,307	0	Other Gross and Income realignment
KASS	-1,858	+1,858	0	Adjustments to reflect changing trends and modernisation of services
CMY	+378	-378	0	Costs & income for Dover Discovery Centre omitted from budget
CMY	+344	-344	0	DSG incorrectly shown in budget as negative expenditure but should be income
CMY	-133	+133	0	Transfer of Kent Superior Pictures to Astor College
CMY	+63	-63	0	Revised income from Medway for Coroners Service
CMY	-154	+154	0	Realignment of gross & income budgets in the Youth Service
Corporate Support	-2,476	+2,476	0	Contribution from IT asset maintenance reserve, incorrectly shown as income in budget
Finance	-116	+116	0	South East Improvement & Efficiency Partnership
Finance	+20,419	-20,419	0	Debt Charges & Interest budget realignment
Finance	-2,400	+2,400	0	Contribution from earmarked reserves, incorrectly shown as income in budget
Finance	-1,000	+1,000	0	Income from Regeneration Fund (to come from reserve)
Finance	-1,851	+1,851	0	LABGI - some to come from reserves as received in previous years
Finance	+6,176	-6,176	0	PRG - income due but to be transferred to reserve if not allocated in year
Revised Budget per table 1c	+2,280,188	-1,414,937	**+865,251**	

CHILDREN, FAMILIES & EDUCATION DIRECTORATE SUMMARY
JULY 2008-09 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered "technical adjustments" ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the budget was set to reflect a number of technical adjustments to budget; a virement within CF&EA portfolio of £1.863m from Grants to Voluntary Organisations to Independent Sector Residential Care (£1.463m) and Fostering (£0.4m), as approved by Cabinet on 14 July 2008 and an allocation of £0.249m from the contingency set aside from the 2007-08 rolled forward underspend for the impact of the current economic situation as agreed by Cabinet on 4 August.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 2 to the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
OPERATIONS, RESOURCES AND SKILLS portfolio							
Delegated Budget:							
- Delegated Schools Budget	852,367	-80,517	771,850	0	0	0	
- Devolved Standards Fund	102,835	0	102,835	0	0	0	
- Targeted Standards Fund	0	0	0	0	0	0	
- Direct Financing for schools	0	0	0	0	0	0	
TOTAL DELEGATED	**955,202**	**-80,517**	**874,685**	**0**	**0**	**0**	
Non Delegated Budget:							
- Finance	3,810	-1,071	2,739	0	0	0	
- Awards	5,058	-827	4,231	89	-49	40	
- Grant income & contingency	4,384	-934,827	-930,443	0	0	0	
- Personnel & Development	16,007	-3,606	12,401	70	0	70	Redundancy costs for school staff underspend £398k, pensions overspend £468k
- Capital Strategy Unit	2,808	-242	2,566	821	-2	819	Revenue maintenance due to school closures and vandalism £543k, 3 new projects for mobile moves £278k
- BSF/ PFI and academies unit	450	0	450	83	0	83	
- Client Services	5,165	-3,471	1,694	11	0	11	
- Business Management	2,276	-143	2,133	118	0	118	Delay in achieving the full administrative staff saving in 2008/09 £118k
- ICT	7,630	-1,880	5,750	-16	-38	-54	
- Health & Safety	437	-8	429	6	0	6	
- Strategic Management	1,714	0	1,714	0	-2	-2	
- Extended Services	5,955	-350	5,605	0	0	0	
- Kent Music	858	0	858	0	0	0	
-14-24 unit	2,307	-202	2,105	0	0	0	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
- School Organisation	2,984	-66	2,918	-48	0	-48	
- Mainstream HTST	16,555	-484	16,071	0	0	0	
- Clusters	19,426	-263	19,163	0	0	0	
- AEN & Resources	15,981	-5,552	10,429	0	0	0	
- SEN Transport to Schools	15,483	0	15,483	0	0	0	
- Independent Sector Provision	10,983	-697	10,286	0	0	0	
TOTAL NON DELEGATED	**140,271**	**-953,689**	**-813,418**	**1,134**	**-91**	**1,043**	
OR&S Assumed Mgmt Action				**0**		**0**	
OR&S non delegated Forecast after Mgmt Action	**140,271**	**-953,689**	**-813,418**	**1,134**	**-91**	**1,043**	
Total OR&S incl schools delegated	**1,095,473**	**-1,034,206**	**61,267**	**1,134**	**-91**	**1,043**	
CHILDREN, FAMILIES AND EDUCATIONAL ACHIEVEMENT portfolio							
- Strategic Planning & Review	1,436	0	1,436	0	0	0	
- P & P (Vulnerable Children)	4,263	-395	3,868	0	0	0	
- Managing Directors Office & Democratic Services	2,070	0	2,070	0	0	0	
- Project Management (SPR)	113	0	113	0	0	0	
- Advisory Service Kent (ASK) Secondary Team	3,373	-160	3,213	65	0	65	
- ASK Primary Team	5,741	-360	5,381	55	0	55	
- ASK Early Years Team	5,756	-12	5,744	1,000	0	1,000	Additional targets linked to Outcomes, quality and inclusion strand of Sure Start overspend £1m
- ASK Improvement Partnerships	3,486	0	3,486	0	0	0	
- ASK Professional Development	5,080	-2,262	2,818	0	0	0	
- Early Years & Childcare	22,570	-154	22,416	0	0	0	
- Management Information	30,965	-35	30,930	0	-7	-7	
- International Development	195	-100	95	0	0	0	
- Educational Psychology Service	3,725	0	3,725	-125	0	-125	Psychologist vacancies £125k
- Attendance & Behaviour Service	17,208	-5,292	11,916	40	0	40	
- Minority Community Achievement	1,720	-96	1,624	0	0	0	
- Specialist Teaching Service	3,061	-590	2,471	0	0	0	
- Joint Commissioning	1,847	-310	1,537	0	0	0	
- Commissioning General	13,047	-614	12,433	0	0	0	
- Residential Care provided by KCC	2,261	-25	2,236	11.0	-11.0	0.0	
- Independent Sector res. care	5,119	-403	4,716	2,184.0	-728.0	1,456.0	Overspend due to increased demand and high cost placements. Increased income from joint funding arragements as agreed by JRAP
- Residential care - not looked after children	664	-7	657	22.0	-64.0	-42.0	
- KCC Family support	10,942	-960	9,982	-1,090.0	183.0	-907.0	Planned underspend to cover the pressures on Assessment & Related
- Family group conferencing	1,129	-241	888	12.0	-11.0	1.0	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
- Fostering service	23,403	-97	23,306	124.0	-124.0	0.0	Increase in independent fostering allowances £1,366k, overspend on County Fostering Team £75k, underspend on other fostering lines £1,317k. Additional income from placements, training and OLAs.
- Adoption service	5,988	-22	5,966	-257.0	-9.0	-266.0	Underspend on adoption allowances £502k, overspend on County Adoption Team £245k
- Independent Sector day care	920	0	920	-198.0	0.0	-198.0	Lower than anticipated number of clients
- Section 17	908	-5	903	119.0	5.0	124.0	Higher than anticipated number of clients, more expensive support
- Link placements	236	0	236	-10.0	0.0	-10.0	
- Grants to voluntary organisations	5,678	-266	5,412	9.0	-9.0	0.0	
- Direct payments	735	0	735	-108.0	-10.0	-118.0	Expenditure charged to new strand of the Sure Start Grant for Transforming Short Breaks for Disabled Children leading to a base underspend.
- Teenage pregnancy	706	0	706	6.0	-6.0	0.0	
- Leaving care/16+	3,413	0	3,413	-101.0	0.0	-101.0	Lower than anticipated take up of places
- Other services support	6,789	-824	5,965	818.0	-47.0	771.0	Legal overspend £650k, Out of Hours additional staff overspend due to transition £80k, other minor overspends £88k
- Assessment and related	19,077	-16	19,061	1,260.0	-353.0	907.0	Staffing overspend covered by planned underspend on Family Support
- Grant income & contingency	5,706	-74,197	-68,491	0.0	0.0	0.0	
Total C,F&EA	**219,330**	**-87,443**	**131,887**	**3,836**	**-1,191**	**2,645**	
CF&EA Assumed Mgmt Action				**-2,250**		**-2,250**	
CF&EA Forecast after Mgmt Action	**219,330**	**-87,443**	**131,887**	**1,586**	**-1,191**	**395**	
- Asylum Seekers	13,450	-13,450	0	0	4,002	4,002	
Total C,F&EA incl. Asylum	232,780	-100,893	131,887	3,836	2,811	6,647	
Total Delegated	955,202	-80,517	874,685	0	0	0	
Total Non Delegated (excl. Asylum)	**359,601**	**-1,041,132**	**-681,531**	**4,970**	**-1,282**	**3,688**	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
Total Directorate Controllable (excl. Asylum)	**1,314,803**	**-1,121,649**	**193,154**	**4,970**	**-1,282**	**3,688**	
Directorate Assumed mgmt action				**-2,250**		**-2,250**	
Total Directorate Controllable (excl. Asylum) after mgnt action	**1,314,803**	**-1,121,649**	**193,154**	**2,720**	**-1,282**	**1,438**	
Directorate Net Total (incl. Asylum) before mgmt action	**1,328,253**	**-1,135,099**	**193,154**	**4,970**	**2,720**	**7,690**	
Directorate Net Total (incl. Asylum) after mgmt action	**1,328,253**	**-1,135,099**	**193,154**	**2,720**	**2,720**	**5,440**	

1.1.3 **Major Reasons for Variance**:

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

OR&S portfolio:
There is a net pressure of £1,043k on this portfolio before the implementation of management action. The main variances are:

1.1.3.1 Personnel and Development (Gross)
The Personnel and Development Unit is forecasting an overspend on the pensions budget of £468k, the majority of which is due to previous years early retirements resulting from school closures and amalgamations. This pressure is largely offset by an underspend of £398k on the budget for redundancies of school staff which is due to a reduction in the number of school closures and amalgamations during the 2008-09 financial year.

1.1.3.2 Capital Strategy Unit (Gross)
The Capital Strategy Unit is projecting a £821k gross pressure. The budget for revenue maintenance of non operational sites is forecast to overspend by £543k due to the boarding up of closed schools and repairs caused by vandalism. The balance of the pressure is attributed to the costs of moving and hiring mobile classrooms in excess of the amount funded through the MTP 2008-11 (including 3 large projects) of £278k. This is consistent with spend in previous years.

1.1.3.3 Business Management (Gross)
The Business Management Unit is projecting a £118k gross pressure. One of the 2008-09 MTP savings related to administrative support. The unit concerned provides support to all directorates and following a consultation it was agreed that the unit would reduce in size rather than close. This has resulted in a reduction in the total to be saved against this heading and due to the consultation, a full years saving will not be generated in this financial year.

CF&EA portfolio:
There is a net pressure of £2,645k on this portfolio (excluding Asylum), before the implementation of management action. The main variances are:

1.1.3.4 Advisory Service Kent – Early Years
There is a pressure on the ASK Early Years unit of £1,000k on Sure Start funded projects. As declared in the last exception report the total grant funding for 2008-09 (excluding Childrens' centre funding) is at a similar level to last year. However the Directorate has additional targets for 2008-09 that the DCSF have now set linked to the Outcomes, Quality and Inclusion strand where our performance is subject to external monitoring and assessment against national indicators. KCC is committed to containing spend within the totality of the grant and is therefore looking at balancing this pressure.

1.1.3.5 Educational Psychology (Income)

A forecast underspend of £125k is due to staff vacancies.

1.1.3.6 Independent Sector Residential Care (Gross and Income)

A pressure of £2,184k is forecast due to an increase in demand and high cost placements which is consistent with the pressure experienced in 2007-08. This is partly offset by additional funding of £728k for placements following agreement from the Joint Residential Assessment Panel (JRAP) for this financial year.

1.1.3.7 KCC Family Support (Gross and Income)

The Family Support Unit is forecasting a gross underspend of £1,090k and an income overspend of £183k. The underspend is due to planned management action to balance the forecast overspend declared on Assessment and Related (see section 1.1.3.15). The overspend on income of £183k is due to a shortfall in income expected from partners and other sources.

1.1.3.8 Fostering Service (Gross and Income)

There is a gross pressure on this budget of £124k. The independent fostering allowances budget is forecasting an overspend of £1,366k. Based on the average weekly cost of £1,010 the 2008-09 budget of £1,502k can afford 1,487 weeks of independent foster care. The activity details in section 2.5.2 show actual client weeks as 736.59 for quarter 1, with a forecast of 2,789.41 weeks for the full financial year, which equates to a forecast spend of £2,868k. It should be noted that the actual number of client weeks is an estimate based on financial information only due to ongoing technical problems with the Integrated Childrens System (ICS). These figures will be subject to change once accurate information becomes available.

There is also a small overspend on the County Fostering team of £75k. Both of these overspends are largely offset by underspends of £1,317k on other fostering lines such as KCC fostering.

There is an income variance of £124k due to income received for training, placements and from OLAs for non Kent children being placed with KCC foster carers.

1.1.3.9 Adoption Service (Gross)

There is a forecast underspend on the Adoption Service of £257k. A forecast underspend on adoption allowances of £502k due to a new annual review of allowances is being partly offset by an overspend on the County Adoption Team of £245k due to the recruitment to posts to undertake the annual allowance reviews.

1.1.3.10 Independent Sector Day Care (Gross)

This is a preventative service managed in conjunction with Section 17 payments and the variances are inter-related. The forecast underspend of £198k is due to lower than anticipated number of clients receiving support under this line.

1.1.3.11 Section 17 (Gross)

This is a preventative service managed in conjunction with Independent Sector Day Care the variances are inter-related. The forecast overspend of £119k is due to higher than anticipated number of clients receiving more expensive support under this line.

1.1.3.12 Direct Payments (Gross)

There is a forecast underspend on this service of £108k. A new strand of the Sure Start Grant has been introduced in 2008/09 for Transforming Short Breaks for Disabled Children. Where possible, expenditure is being charged to the grant to ensure that it will be fully utilised leading to an underspend on the base budget for Direct Payments.

1.1.3.13 Leaving Care/16+ (Gross)

This is a client based service and current usage is below the anticipated level leading to an underspend of £101k. It should be noted that there are pressures on the other 16+ services which are overspent and are reported within the Independent residential lines and Fostering Service Lines.

1.1.3.14 Other Services Support (Gross)

The pressure on this budget continues and the gross overspend of £818k is mainly attributed to Legal Services which is forecast to overspend by £650k. The pressure on this budget has continued from 2007-08 and the Directorate will be reviewing this budget further with a view of identifying the ongoing base pressure in the 2009-12 MTP. There is a pressure on the Out of Hours budget of £80k as additional staff are required while the transition to the Call Centre takes place. There are other minor overspend on Facilities and the Business Planning Unit of £88k.

1.1.3.15 Assessment and Related (Gross and Income)

Assessment and Related is forecasting a gross overspend of £1,260k and an income underspend of £353k. The overspend is due to the filling of frontline posts and this is being offset by a planned underspend on the Family Support line (see 1.1.3.7).

The variance on income is due to income for the Best project £165k and Ready for Practice income and training money £147k with the balance being attributed to ad hoc money secured from Health and other sources.

1.1.3.16 **Asylum**

The Asylum Service is forecasting to have a funding shortfall of £4,002k for the 2008-09 financial year, £3,502k of direct costs and £500k of indirect costs. The number of referrals in Kent is running at its highest monthly level for this point in the financial year at almost 50 cases per month.

The forecast income is based on the 2007-08 rules and levels. The Home Office have given an undertaking that no authority would be out of pocket in 2008-09 but there has been no reference to levels of income in any correspondence. However the latest information from the LGA says that costs "directly attributed to the care of an individual" in the current year should be reimbursed at 100% subject to audit. Until we receive anything in writing from the Home Office clarifying what costs will be reimbursed, based on last years grant levels and rules, the authority will have a shortfall of £4m. The Home Office has also referred to a winding down of indirect costs in line with reducing numbers which should be achieved over two years, although at this stage it is not clear what costs they consider to be indirect. Also while nationally the number of Unaccompanied Asylum Seeking Children (UASCs) may be falling, the number of referrals in Kent remains significantly higher than our service was designed for.

We continue to lobby Central Government concerning outstanding grant income for previous years. Funding from the Home Office for outstanding income relating to 2006-07 has been confirmed at 100% (£2,430k) but the position regarding outstanding income for 2007-08 is less clear. The DCSF had offered 56% funding of the UASC Leaving Care shortfall amounting to £1,488k which leaves Kent with a £1,150k shortfall. However latest correspondence says that this is an estimate and the final amount will depend on how much other authorities bid for with additional funding capped at £16m. There is also lack of clarity in the latest letter from the Home Office regarding 2007-08 where 100% funding was expected but now a bidding process will take place and additional cash will be limited at £9m nationally.

Other Issues

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

The latest forecast suggests an underspend of around £900k on payments to PVI providers for 3 and 4 year olds. This budget is funded entirely from DSG and therefore any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations, and cannot be used to offset over or underspends elsewhere in the directorate budget. Therefore, as any unspent Early Years funding has to be returned to schools, at year end any underspend will be transferred to the schools unallocated reserve for DSG and hence is not included in the overall directorate forecast in this report.

Delegated Schools Budgets

1.1.3.18 As reported in the last exception monitoring report, the Local Authority has consulted its Schools' Funding Forum regarding the levels of school reserves and agreed with them that we will challenge those school's who have had consistently high levels of revenue reserves over the past 5 years. On 3rd and 4th July, 31 schools attended meetings with representatives from the Forum, the Advisory Service and Finance. These schools were required to explain why they are holding reserves at these levels and how they impact on improving standards. The LA is in the process of recovering reserves from 10 schools with the possibility of this increasing to 18 schools. A formal appeals process has been established for September.

Any reserves recovered will need to be re-distributed amongst Kent schools' (as per DCSF regulations) and we will discuss this with the Forum at the next meeting in October.

On 15th and 16th September the Local Authority will be seeing the next round of schools with high reserves.

The first monitoring returns from schools are due in October and an update on the schools' forecast movement on their reserves during 2008-09 will be provided as soon as the information is available.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CFEA	Asylum - Shortfall in income (income)	+4,002	CFEA	Fostering Service - Non Independent Fostering Allowance lines (gross)	-1,317
CFEA	Independent Sector Residential Care - increase in demand and high cost placements (gross)	+2,184	CFEA	Family Support - Planned management action (gross)	-1,090
CFEA	Fostering Service - Independent fostering allowances (gross)	+1,366	CFEA	Independent Sector Residential Care - placement funding from Joint Residential Assessment Panel (income)	-728
CFEA	Assessment and Related - Frontline staffing overspend (gross)	+1,260	CFEA	Adoption Service - adoption allowances (gross)	-502
CFEA	ASK Early Years - additional Sure Start targets (gross)	+1,000	ORS	Personnel and Development - reduction in school staff redundancy costs (gross)	-398
CFEA	Other Services Support - Legal costs (gross)	+650	CFEA	Assessment and Related - additional income from Best project, training and Health	-353
ORS	Capital Strategy - closing schools revenue maintenance (gross)	+543	CFEA	Independent Day Care - lower take up of places	-198
ORS	Personnel and Development - pensions (gross)	+468	CFEA	Education Psychology - staffing vacancies (gross)	-125
ORS	Capital Strategy - mobile classroom costs (gross)	+278	CFEA	Fostering Service - additional income for training, placements etc (income)	-124
CFEA	Adoption Service - County Adoption Team	+245	CFEA	Direct Payments - utilisation of Sure Start grant giving base budget underspend (gross)	-108
CFEA	Family Support - shortfall of partnership income (income)	+183	CFEA	Leaving Care/16 plus - lower than anticipated take up of places (gross)	-101
CFEA	Section 17 - increased support to clients (gross)	+119			
ORS	Business Management - delay in administrative support saving (gross)	+118			
		+12,416			-5,044

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

N/A.

1.1.5 **Implications for MTP**:

Some of these ongoing pressures are being addressed through the 2009-12 MTP process, such as independent fostering allowances and independent sector residential care. We are expecting to manage the remaining pressures downwards on an ongoing and sustainable basis, however if this is not fully achieved we may need to address some of these issues within an already extremely difficult 2009-12 MTP.

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

None

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

The Directorate intends to balance the 2008-09 budget using the proposals listed below:

In the CF&EA portfolio:

- We anticipate that we will have some one-off Sure Start funding available for re-badging of base expenditure. The availability of the funding is, as in previous years, linked to the timing of the opening of Childrens Centres. This is likely to be the last year that the option will be available to us but we should be able to deliver £1,000k through this to offset the £1,000k pressure shown in 1.1.3.4.
- The directorate underspent its LAA grant in 2007-08 by £250k. LAA funding which is one off in nature will be used to offset part of the pressure.
- We will continue to look in detail at expenditure items in the Directorate – particularly Childrens Social Services – that we may be able to charge to the LA element of the DSG where we have some capacity. We have set a target of £1,000k.

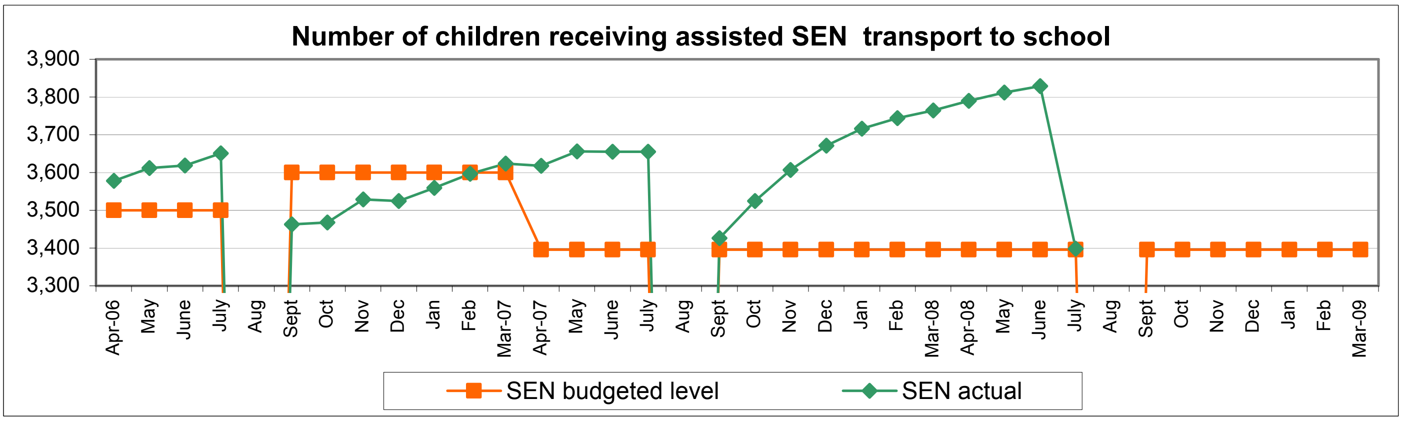
These management actions will cover £2,250k of the reported pressures and leaves the directorate with a residual overspend of £1,438k (excluding Asylum). Options to manage the residual overspend will be discussed at SMT in September and this could include a vacancy freeze. However at this stage the directorate expects to finish the financial year in a balanced position.

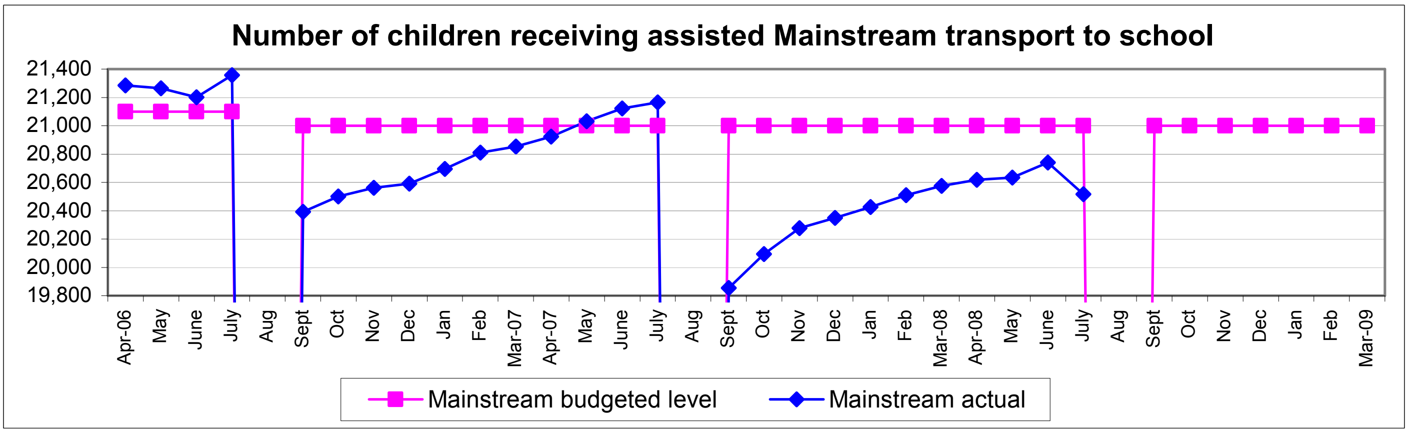
Although these measures will cover the majority of this year's overspend, there will still be an underlying pressure in the base budget, as most of the proposals listed above are using one-off monies. The directorate is looking to manage this pressure downwards on an ongoing and sustainable basis, however if this is not fully achieved we may need to address some of these issues within the 2009-12 MTP.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2006-07				2007-08				2008-09			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budgeted level	actual	Budgeted level	actual	Budgeted level	actual	Budgeted level	actual	Budgeted level	actual	Budgeted level	actual
April	3,500	3,578	21,100	21,285	3,396	3,618	21,000	20,923	3,396	3,790	21,000	20,618
May	3,500	3,612	21,100	21,264	3,396	3,656	21,000	21,032	3,396	3,812	21,000	20,635
June	3,500	3,619	21,100	21,202	3,396	3,655	21,000	21,121	3,396	3,829	21,000	20,741
July	3,500	3,651	21,100	21,358	3,396	3,655	21,000	21,164	3,396	3,398	21,000	20,516
Aug	0	0	0	0	0	0	0	0	0		0	
Sept	3,600	3,463	21,000	20,392	3,396	3,426	21,000	19,855	3,396		21,000	
Oct	3,600	3,468	21,000	20,501	3,396	3,525	21,000	20,093	3,396		21,000	
Nov	3,600	3,529	21,000	20,561	3,396	3,607	21,000	20,276	3,396		21,000	
Dec	3,600	3,525	21,000	20,591	3,396	3,671	21,000	20,349	3,396		21,000	
Jan	3,600	3,559	21,000	20,694	3,396	3,716	21,000	20,426	3,396		21,000	
Feb	3,600	3,597	21,000	20,810	3,396	3,744	21,000	20,509	3,396		21,000	
March	3,600	3,624	21,000	20,852	3,396	3,764	21,000	20,575	3,396		21,000	





Comments:

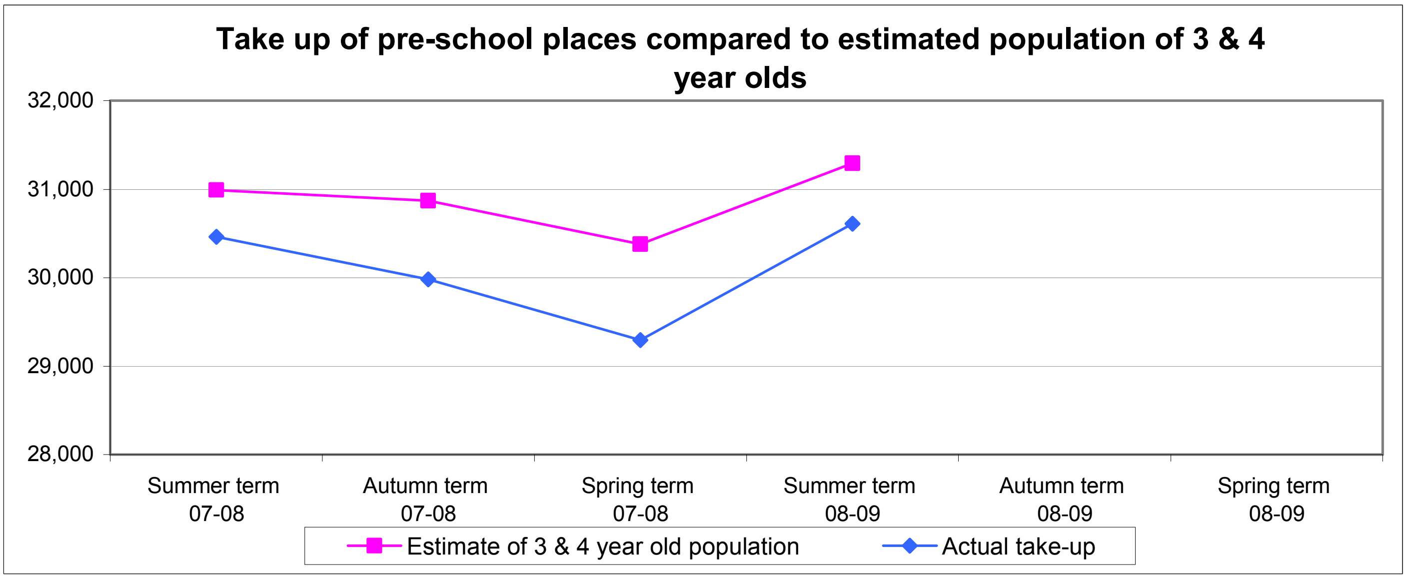
- **SEN HTST** – In 2007-08 there was a significant gap between the actual and budgeted level of assisted SEN transport to schools which related to the savings targets which significantly reduced the budgeted level and the fact that the service was unable to achieve these. Whilst actual numbers travelling continue to exceed budgeted levels, work is still being undertaken by Passenger Transport Unit on the savings that will be achieved through contract negotiations. Any variance to budget will be reported following the outcome of this piece of work.

  The actual number of pupils travelling appears low in July as the ‘day of count’ was after some special schools had closed for the summer. (The count is only taken on one day in the month). The data in September should give a better view of the levels of pupils receiving assisted transport.

- **Mainstream HTST** - The budgeted level has been calculated by dividing the 2008/09 budget by the current average cost per child. Actual numbers travelling are slightly less than budgeted levels but at this stage of the year an underspend has not been reported until the impact of the fuel price rise becomes clear.

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

	2007-08					2008-09				
	PVI places taken up	*School places taken up*	Total places taken up	Estimate of 3 & 4 year old population	% take up	*PVI places taken up*	*School places taken up*	Total places taken up	Estimate of 3 & 4 year old population	% take up
Summer term	*20,675*	*9485*	30,460	30,992	98%	*20,766*	*9,842*	30,608	31,294	98%
Autumn term	*14,691*	*15,290*	29,981	30,867	97%					
Spring term	*17,274*	*12,020*	29,294	30,378	97%					

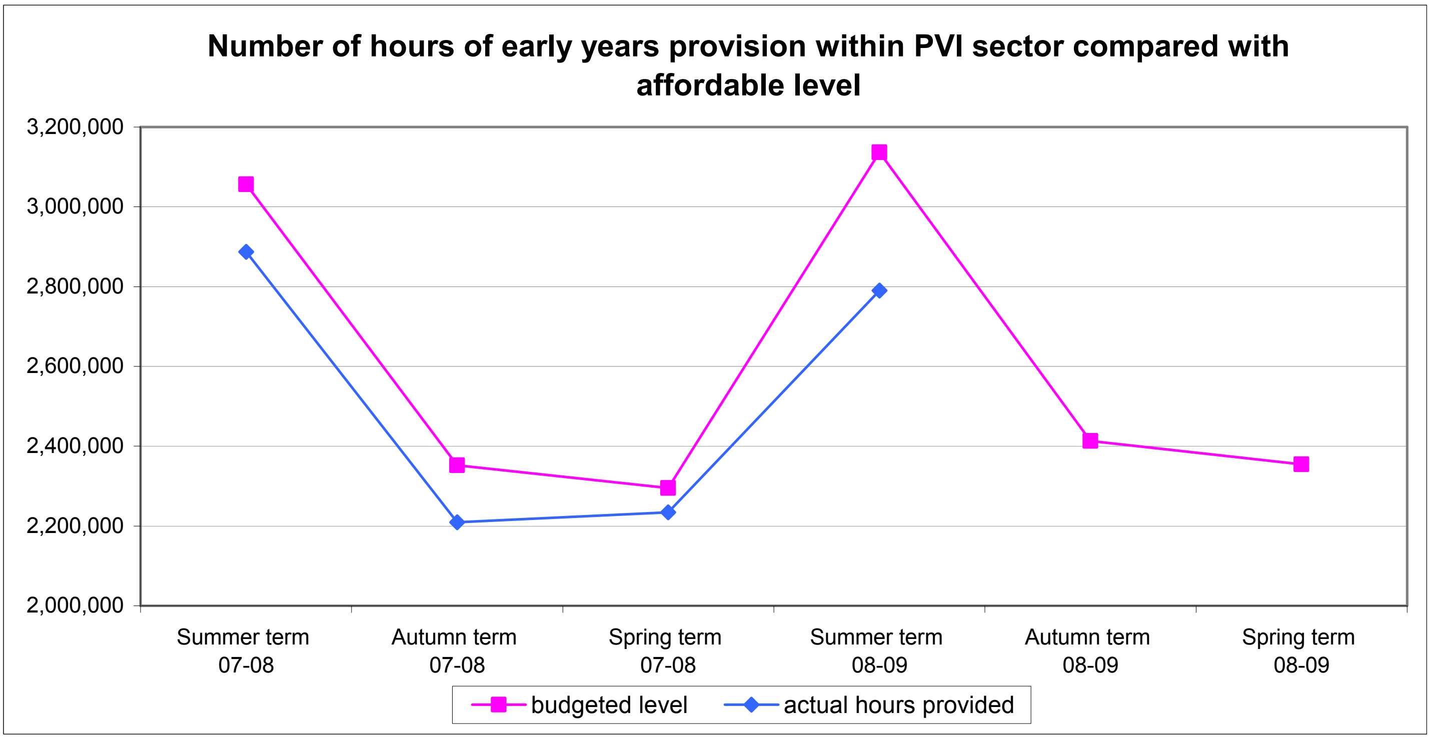


Comments:

- This graph shows that currently 98% of the estimated population of 3 and 4 year olds are receiving some level of early years provision, whether this be one session per week for 33 weeks or the maximum of five sessions per week for the full 38 weeks. This activity indicator is based on headcount and provides a snapshot position at a point in time, whereas the activity data in 2.2.2 below provides details of the number of hours provided in the Private, Voluntary & Independent sector, and will correlate with the variance on the Early Years budget within the Management Information Unit. However as this budget is funded entirely from DSG, any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations, and cannot be used to offset over or underspends elsewhere in the directorate budget. Therefore, as any unspent Early Years funding has to be returned to schools, at year end any underspend will be transferred to the schools unallocated reserve for DSG and hence is not included in the overall directorate forecast shown in table 1, but is reported in the narrative in section 1.1.3.17 of this annex

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

	2007-08		2008-09	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided
Summer term	3,056,554	2,887,134	3,136,344	2,790,446
Autumn term	2,352,089	2,209,303	2,413,489	
Spring term	2,294,845	2,233,934	2,354,750	
	7,703,488	**7,330,371**	**7,904,583**	**2,790,446**



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 current activity suggests an underspend on this budget which has been mentioned in section 1.1.3.17 of this annex.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

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

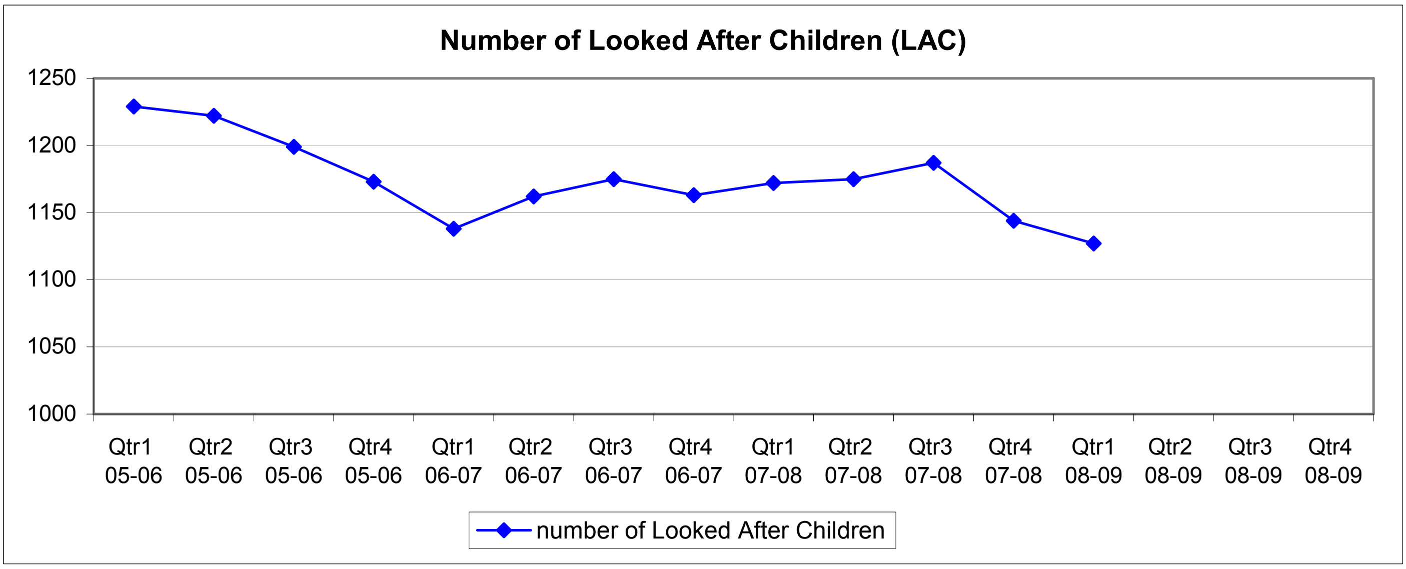
	2005-06 as at 31-3-06	2006-07 as at 31-3-07	2007-08 as at 31-3-08	2008-09 Projection
Total number of schools	600	596	575	574
Total value of school revenue reserves	£70,657k	£74,376k	£79,360k	£79,360k
Number of deficit schools	9	15	15	11
Total value of deficits	£947k	£1,426k	£1,068k	£920k

Comments:

- The information on deficit schools for 2008/09 has been obtained from the schools budget plan submissions. The LA 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.
- KCC now has a "no deficit" policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year's budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the LA, which could ultimately mean suspending delegation.
- The CFE Statutory team are working with all schools currently reporting a deficit with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.

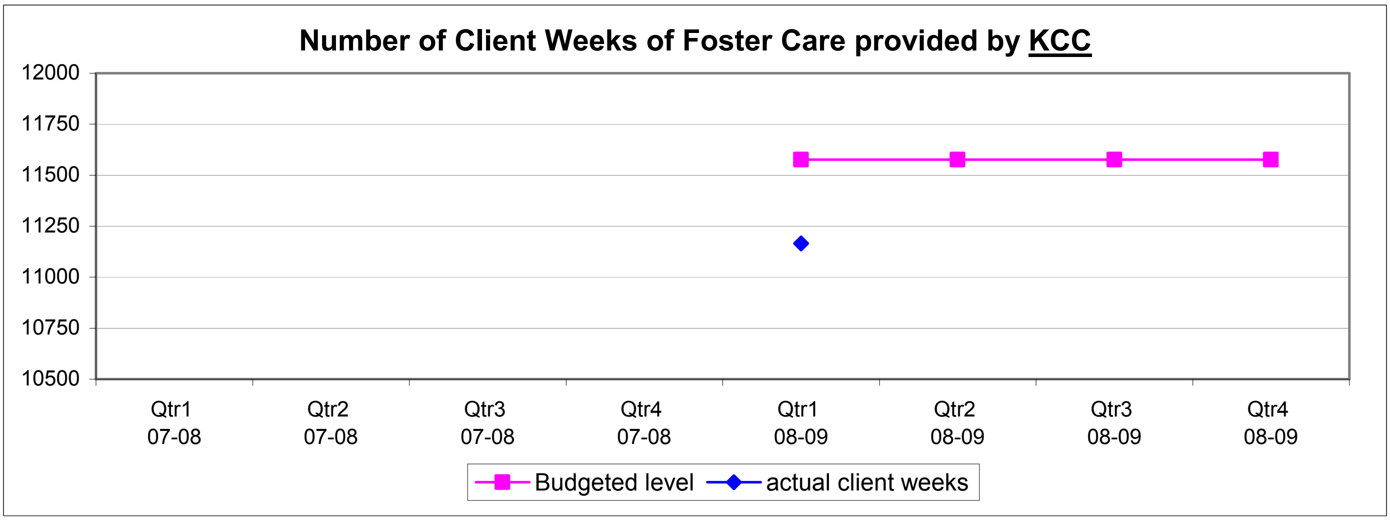
2.4 Numbers of Looked After Children (LAC):

	2005-06	2006-07	2007-08	2008-09
Apr – Jun	1,229	1,138	1,172	1,127
Jul – Sep	1,222	1,162	1,175	
Oct – Dec	1,199	1,175	1,187	
Jan – Mar	1,173	1,163	1,144	



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

	2007-08		2008-09	
	Budgeted level	**Actual Client Weeks**	**Budgeted level**	**Actual Client Weeks**
Apr - Jun			11,575.8	11,165.7
Jul - Sep			11,575.8	
Oct - Dec			11,575.8	
Jan - Mar			11,575.8	
			46,303.2	**11,165.7**

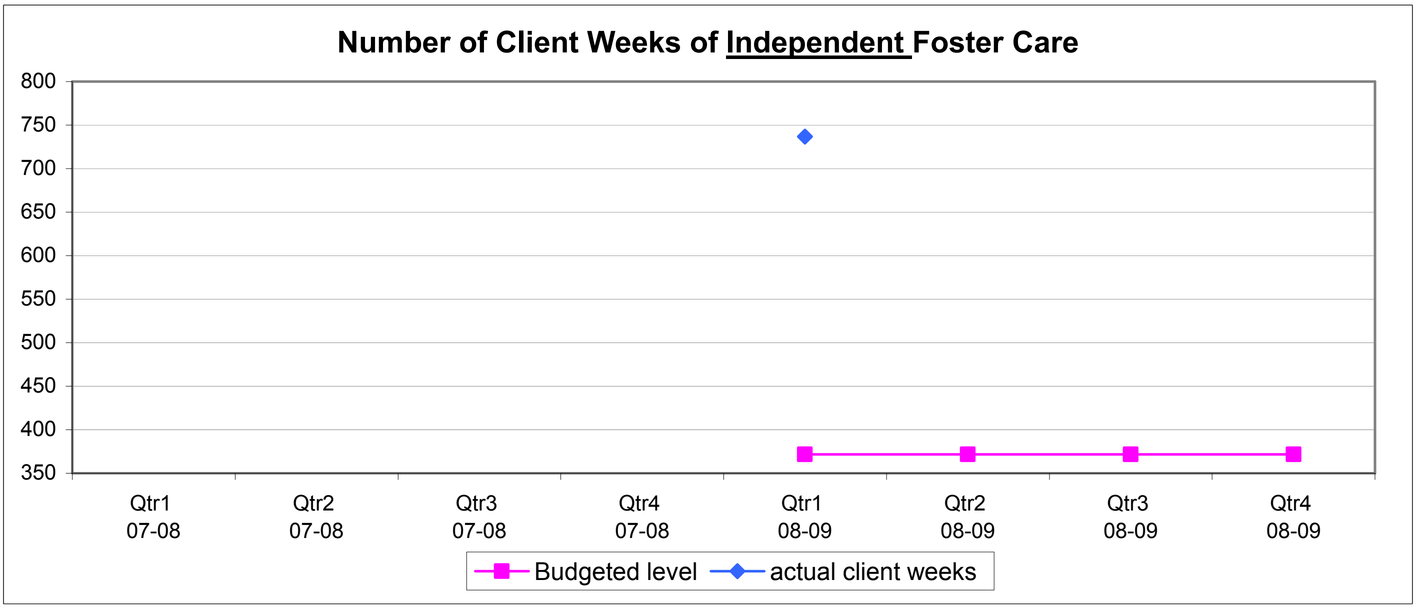


Comments:

- 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 average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- The activity data for 2007-08 is not readily available as we previously reported on client numbers, not client weeks of service. The data is being produced manually and this is a time consuming process. It will be available for the next quarters monitoring report.
- The current activity suggests an underspend on this budget which has been mentioned in 1.1.3.8 of this annex.

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

	2007-08		2008-09	
	Budgeted level	**Actual Client Weeks**	**Budgeted level**	**Actual Client Weeks**
Apr - Jun			371.78	736.59
Jul - Sep			371.78	
Oct - Dec			371.78	
Jan - Mar			371.78	
			1,487.12	**736.59**



Comments:

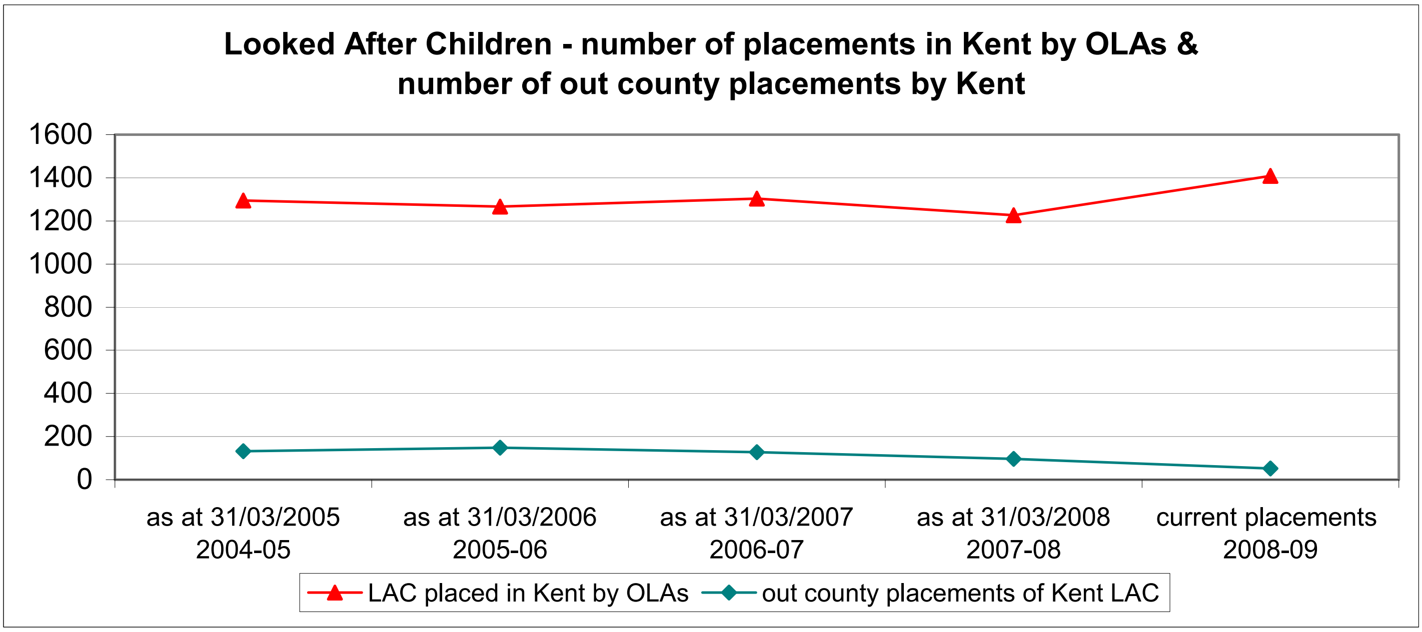
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- The activity data for 2007-08 is not readily available. The data is being produced manually and this is a time consuming process. It will be available for the next quarters monitoring report.
- The current activity suggests an overspend on this budget which has been mentioned in 1.1.3.8 of this annex.

2.6 Number of Placements in Kent of LAC by other Authorities:

2004-05 as at 31/03/2005	2005-06 as at 31/03/2006	2006-07 as at 31/03/2007	2007-08 as at 31/03/2008	2008-09 Current placements
1,294	1,266	1,303	1,226	1,408

2.7 Number of Out County Placements of LAC by Kent:

2004-05 as at 31/03/2005	2005-06 as at 31/03/2006	2006-07 as at 31/03/2007	2007-08 as at 31/03/2008	2008-09 Current placements
132	149	127	97	52



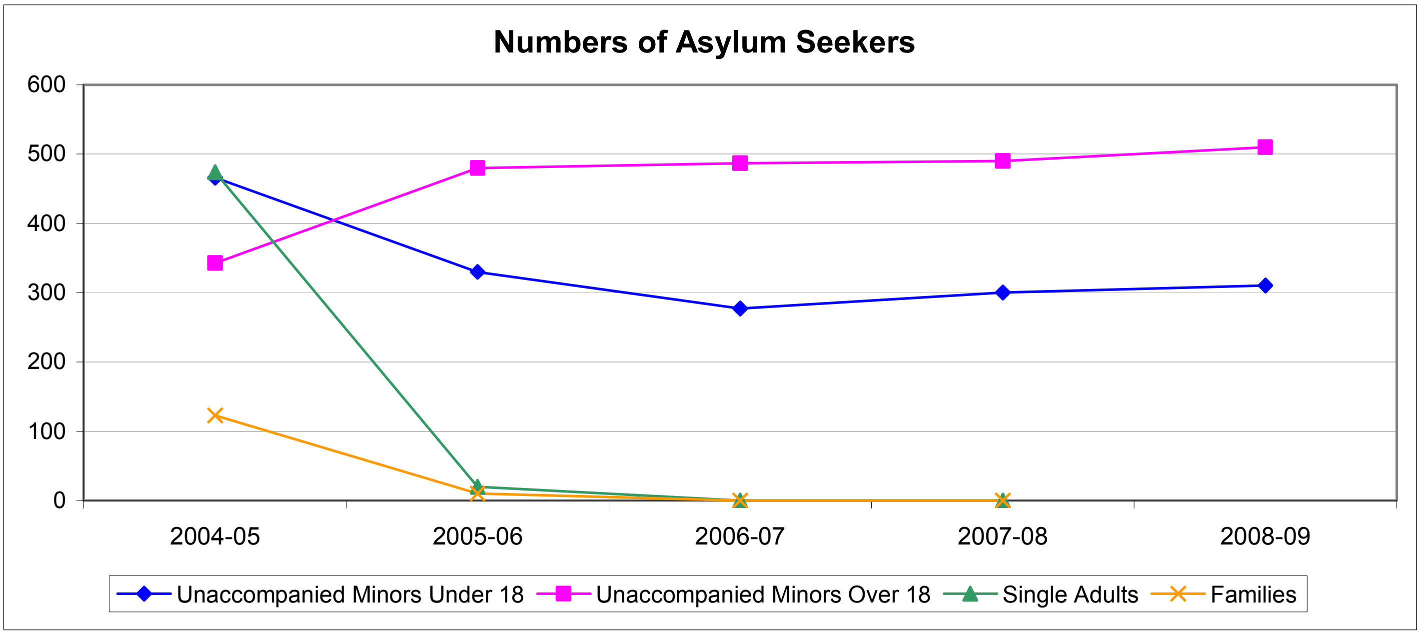
Comment:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken. The majority (over 99%) of Looked After Children placed out of the Authority are either in adoptive placements, placed with a relative, specialist residential provision not available in Kent or living with KCC foster carers based in Medway.

- It should be noted that the data shown above for 2008-09 is an estimate as accurate data is unavailable due to data migration problems with the Integrated Childrens System (ICS). When the data for Looked After Children placements from other local authorities and out county placements was migrated to ICS it did not transfer 100% accurately. A team within Management Information is currently undertaking a task to check the data quality of over 1,000 records. This is an ongoing issue and the timescale for completion is not yet known.

2.8 **Numbers of Asylum Seekers (by category)**:

	2004-05	2005-06	2006-07	2007-08	2008-09
	31-03-05	31-03-06	31-03-07	31-03-08	31-07-08
	Number	Number	Number	Number	Number
Unaccompanied Minors Under 18	466	330	277	300	310
Unaccompanied Minors Over 18	343	480	487	490	510
Single Adults	474	20	0	0	0
Families	123	10	0	0	0



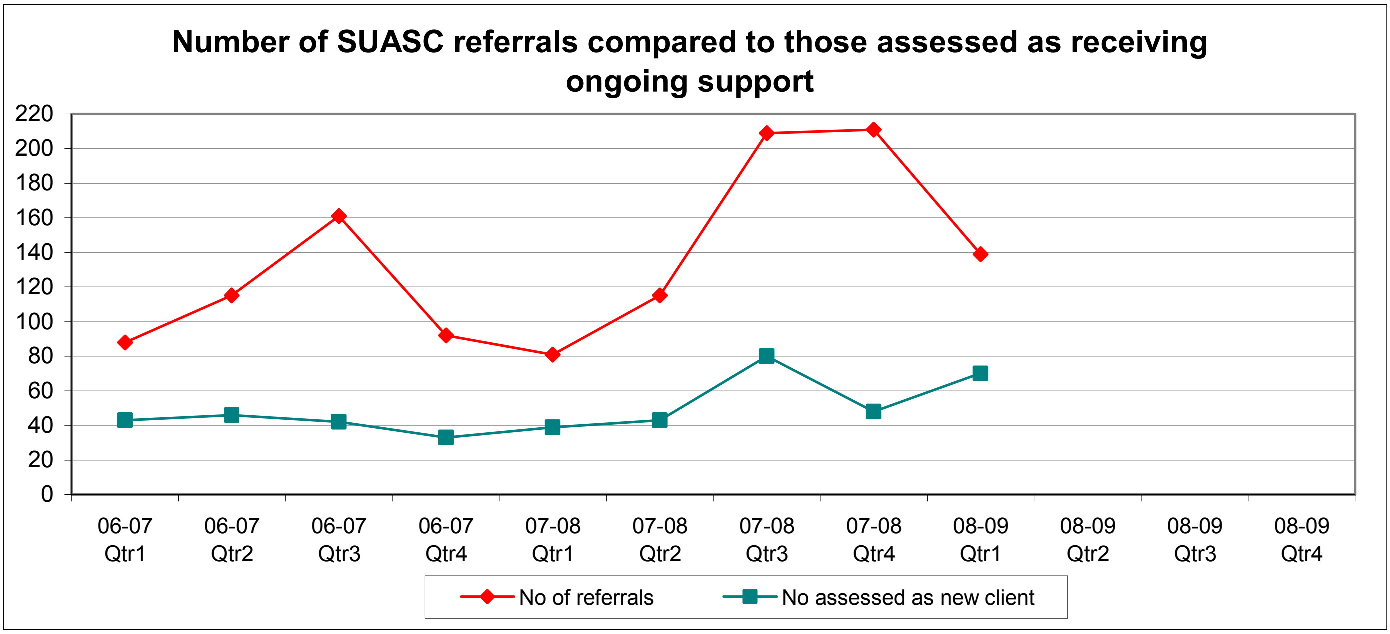
Comment:

- Client numbers have risen as a result of higher referrals and are higher than projected numbers.

- It should be noted that the data shown above for 2008-09 is an estimate as accurate data is unavailable due to data migration problems with the Integrated Childrens System (ICS). When the data was migrated to ICS it did not transfer 100% accurately. Work is being undertaken to resolve this issue.

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

	2006-07			2007-08			2008-09		
	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%
April - June	88	43	49%	81	39	48%	139	70	50%
July - Sept	115	46	40%	115	43	37%			
Oct - Dec	161	42	26%	209	80	38%			
Jan - March	92	33	36%	211	48	23%			
	456	**164**	**36%**	**616**	**210**	**34%**			



Comments:

- Referral rates have reduced compared to the last half of 2007-08. However the numbers are considerably higher than for the same period in the previous two years. The number being assessed as under 18 is significantly higher than the same period in the previous two years.

- It should be noted that the data shown above for 2008-09 is an estimate as accurate data is unavailable due to data migration problems with the Integrated Childrens System (ICS). When the data was migrated to ICS it did not transfer 100% accurately. Work is being undertaken to resolve this issue.

KENT ADULT SOCIAL SERVICES DIRECTORATE SUMMARY JULY 2008-09 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 The cash limits that the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following two reasons:

- Firstly, changes required in respect of the allocation of previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process. This primarily relates to how the Directorate allocated demography/growth and savings, decisions for which were made following a Special Budget SMT in mid February. Where necessary allocations have been adjusted in light of the 2007-08 out-turn, whereas before they would have been based on forecasts from several months earlier. As a result demography/growth and savings have in some cases been allocated across different headings to those assumed within budget build. The value of these changes is a reduction in gross expenditure of £1,710k and a corresponding £1,710k reduction in income.
- Secondly, cash limits need to be adjusted to reflect the changing trends in services over the past couple of years through modernisation of services and the move towards more self directed support. Services are now more likely to be community based, for example in supported accommodation, or through a domiciliary care package, or via a direct payment, rather than residentially based. The value of these changes is a £1,858k reduction in gross expenditure and a £1,858k reduction in income.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and the inclusion of a number of 100% grants/contributions (i.e. which fully fund the additional costs) awarded since the budget was set. These include £1,725k from the Eastern and Coastal Kent Primary Care Trust, and £701k in respect of the Learning Disability Campus Closure Grant. Throughout 2007/08 it was acknowledged that some of the income budgets were not correctly aligned to where the gross budget was held. This should have been rectified in budget build but regrettably was not hence a number of adjustments are now required. The value of these changes is a £1,176k increase in gross expenditure and a £1,176k increase in income.

These adjustments have resulted in an overall decrease in the gross expenditure budget of £2,392k (-£1,710k - £1,858k + £1,176k) and a reduction in the income budget of an equal amount, giving a net nil effect.

In addition there has been an increase of £1,617k in the gross budget, which includes a £1,384k allocation from the corporate contingency set aside from the rolled forward underspend from 2007-08 for the impact of the current economic situation and the transfer of services from other portfolios.

Therefore, the overall movement in cash limits shown in table 1a below is a reduction of £775k in gross expenditure (-£2,392k + £1,617k) and a reduction in income of £2,392k.

Table 1a shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with Corporate allocations,
- the total value of the adjustments applied to each service line.

Cabinet is asked to approve these revised cash limits:

1.1.2 **Table 1a: Movement in cash limits since Published Budget**

Budget Book Heading	Published Budget			Revised Cash limit			Movement in Cash limit		
	G	I	N	G	I	N	G	I	N
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Kent Adult Social Services portfolio									
Older People:									
- Residential Care	89,446	-31,330	58,116	87,732	-29,891	57,841	-1,714	1,439	-275
- Nursing Care	44,144	-19,084	25,060	42,753	-18,982	23,771	-1,391	102	-1,289
- Domiciliary Care	43,457	-9,606	33,851	45,964	-10,461	35,503	2,507	-855	1,652
- Direct Payments	4,138	-432	3,706	3,927	-327	3,600	-211	105	-106
- Other Services	22,793	-6,980	15,813	23,373	-7,157	16,216	580	-177	403
Total Older People	203,978	-67,432	136,546	203,749	-66,818	136,931	-229	614	385
People with a Learning Difficulty:									
- Residential Care	63,332	-11,927	51,405	62,104	-9,946	52,158	-1,228	1,981	753
- Domiciliary Care	5,129	-419	4,710	5,822	-696	5,126	693	-277	416
- Direct Payments	3,858	-97	3,761	3,772	-49	3,723	-86	48	-38
- Supported Accommodation	5,666	-597	5,069	7,247	-593	6,654	1,581	4	1,585
- Other Services	19,405	-1,818	17,587	19,139	-1,076	18,063	-266	742	476
Total People with a LD	97,390	-14,858	82,532	98,084	-12,360	85,724	694	2,498	3,192
People with a Physical Disability									
- Residential Care	12,024	-2,381	9,643	10,897	-1,649	9,248	-1,127	732	-395
- Domiciliary Care	8,105	-521	7,584	8,039	-689	7,350	-66	-168	-234
- Direct Payments	5,857	-215	5,642	5,712	-247	5,465	-145	-32	-177
- Supported Accommodation	287	0	287	604	-59	545	317	-59	258
- Other Services	4,828	-82	4,746	4,734	-78	4,656	-94	4	-90
Total People with a PD	31,101	-3,199	27,902	29,986	-2,722	27,264	-1,115	477	-638
All Adults Assessment & Related	33,893	-496	33,397	35,088	-1,596	33,492	1,195	-1,100	95
Mental Health Service									
- Residential Care	7,759	-1,692	6,067	6,441	-948	5,493	-1,318	744	-574
- Domiciliary Care	915	-2	913	874	0	874	-41	2	-39
- Direct Payments	321	0	321	234	0	234	-87	0	-87
- Supported Accommodation	51	0	51	303	-62	241	252	-62	190
- Assessment & Related	9,435	-726	8,709	10,131	-854	9,277	696	-128	568
- Other Services	6,555	-996	5,559	6,569	-881	5,688	14	115	129
Total Mental Health Service	25,036	-3,416	21,620	24,552	-2,745	21,807	-484	671	187
Supporting People	32,957	0	32,957	32,957	0	32,957	0	0	0
Gypsy & Traveller Unit	632	-283	349	628	-279	349	-4	4	0
People with no recourse to Public Funds	100	0	100	100	0	100	0	0	0
Strategic Management	1,327	0	1,327	1,407	0	1,407	80	0	80
Policy, Performance & Quality Assurance	6,680	-175	6,505	6,152	-307	5,845	-528	-132	-660
Resources	15,265	-510	14,755	14,881	-392	14,489	-384	118	-266
Specific Grants	0	-34,187	-34,187	0	-34,945	-34,945	0	-758	-758
Total Adult Services controllable	**448,359**	**-124,556**	**323,803**	**447,584**	**-122,164**	**325,420**	**-775**	**2,392**	**1,617**

1.1.3 **Table 1b** below details the revenue position by Service Unit against the revised cash limits shown in table 1a:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Kent Adult Social Services portfolio							
Older People:							
- Residential Care	87,732	-29,891	57,841	41	-83	-42	Demographic and placement pressures offset by one-off release of loan and additional income
- Nursing Care	42,753	-18,982	23,771	-8	-212	-220	Demographic and placement pressures offset by one-off release of loan and additional income

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Domiciliary Care	45,964	-10,461	35,503	-231	89	-142	Reducing clients but more intensive packages
- Direct Payments	3,927	-327	3,600	22	-2	20	
- Other Services	23,373	-7,157	16,216	-561	93	-468	Balance of Managing Director's Contingency to offset overall pressure
Total Older People	203,749	-66,818	136,931	-737	-115	-852	
People with a Learning Difficulty:							
- Residential Care	62,104	-9,946	52,158	1,971	-347	1,624	Demographic and placement pressures offset by additional income
- Domiciliary Care	5,822	-696	5,126	121	-4	117	Demographic and placement pressures
- Direct Payments	3,772	-49	3,723	77	-10	67	
- Supported Accommodation	7,247	-593	6,654	52	2	54	
- Other Services	19,139	-1,076	18,063	-137	34	-103	Balance of Managing Director's Contingency to offset overall pressure
Total People with a LD	98,084	-12,360	85,724	2,084	-325	1,759	
People with a Physical Disability							
- Residential Care	10,897	-1,649	9,248	996	-285	711	Demographic and placement pressures offset by additional income
- Domiciliary Care	8,039	-689	7,350	-87	19	-68	
- Direct Payments	5,712	-247	5,465	34	-4	30	
- Supported Accommodation	604	-59	545	-21	9	-12	
- Other Services	4,734	-78	4,656	-127	14	-113	Balance of Managing Director's Contingency to offset overall pressure
Total People with a PD	29,986	-2,722	27,264	795	-247	548	
All Adults Assessment & Related	35,088	-1,596	33,492	732	-125	607	Pressure of increments, low turnover and increasing numbers of referrals/assessments
Mental Health Service			0			0	
- Residential Care	6,441	-948	5,493	415	10	425	Forecast activity in excess of affordable level
- Domiciliary Care	874	0	874	49	0	49	
- Direct Payments	234	0	234	0	0	0	
- Supported Accommodation	303	-62	241	-62	0	-62	
- Assessment & Related	10,131	-854	9,277	-473	58	-415	Vacancy management
- Other Services	6,569	-881	5,688	-27	-1	-28	
Total Mental Health Service	24,552	-2,745	21,807	-98	67	-31	
Supporting People	32,957	0	32,957	-9	0	-9	
Gypsy & Traveller Unit	628	-279	349	30	-4	26	
People with no recourse to Public Funds	100	0	100	-20	0	-20	
Strategic Management	1,407	0	1,407	-33	0	-33	
Policy, Performance & Quality Assurance	6,152	-307	5,845	-321	6	-315	Vacancy management
Resources	14,881	-392	14,489	-186	169	-17	Release from reserve, write back of debtor
Specific Grants	0	-34,945	-34,945	0	0	0	
Total Adult Services controllable	**447,584**	**-122,164**	**325,420**	**2,237**	**-574**	**1,663**	
Assumed Management Action				**-1,663**		**-1,663**	
Forecast after Mgmt Action				**574**	**-574**	**0**	

1.1.4 **Major Reasons for Variance**:

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

1.1.4.1 General Comment

The Directorate continues to face significant demographic pressures, primarily within services for People with Learning and Physical Disabilities, and although they are offset by underspends elsewhere, there remains an overall pressure of £1,663k.

Contributions to KASS from the Eastern & Coastal Kent PCT

As previously reported the Directorate secured funding from the Eastern & Coastal Kent PCT in late 2007/08 in respect of intermediate care proposals and services for patients leaving hospital and requiring social care. This funding has continued into 2008/09 and recognises the growing pressures that have been seen within our financial forecast on services for older people, and has allowed us to work jointly on a strategy for intermediate care across the East Kent area for 2008/09. The income and associated costs are included within the forecast.

1.1.4.2 **Older People:**

Although the overall net position is an underspend of £852k, this is only achieved after releasing the one–off Deferred Payments Loan of £1,256k from the Department of Health, therefore there is an underlying pressure of £404k. Significant pressures remain, particularly the increasing proportion of clients who are suffering from dementia.

a. Residential Care
There is a pressure of £41k against gross expenditure which includes the release of the proportion of the Deferred Payments Loan that relates to residential care (£628k). There is also a small over-recovery in income of £83k. Although the number of clients in permanent placements in the independent sector has reduced from 2,917 in March to 2,901 in June, in terms of client weeks the forecast assumes 790 weeks more than is affordable at a cost of £294k. This primarily results from additional non-permanent/respite placements to assist clients to remain within their own homes. In addition the forecast unit cost is £372.27 per week against an affordable figure of £371.60 which has resulted in a pressure of £107k. This pressure reflects the increasing number of clients with dementia that the Directorate is having to contend with as placements are more expensive.

It should also be noted that the residential budget has been adjusted with funding transferred to the domiciliary and direct payments lines to support current levels of clients and/or expected growth in these services.

A pressure of £149k is forecast against Preserved Rights because the actual attrition rate is currently less than that assumed in the budget.

In house residential provision is showing a pressure of £117k on staffing because of the continuing need to cover sickness and absence with agency staff in order to meet care standards set by the regulator (Commission for Social Care Inspection - CSCI).

b. Nursing Care
There is an underspend of £8k gross expenditure which includes the release of the proportion of the Deferred Payments Loan that relates to nursing care (£628k); there is also an over-recovery in income of £212k. Client numbers have increased from 1,386 in March to 1,420 in June with the result that the forecast is assuming 1,577 weeks more than budget. The cost of these extra weeks is £716k. The unit cost is also forecast to be marginally higher than budget, £453.86 instead of £453.77, and this adds £7k to the pressure. The additional activity has resulted in increased income of £212k.

It is worth noting that there is some evidence to suggest that client numbers may have increased more than they have done but for the implementation of the National Framework for NHS Continuing Healthcare in October 2007. This greatly clarified when someone should receive NHS care with the result that many clients that may otherwise have received a service via KASS are now paid for directly by Health.

The attrition within Preserved Rights is actually higher than budgeted for and this has resulted in an underspend of £103k against gross expenditure.

c. Domiciliary Care
This service remains the most volatile and difficult to forecast. Currently this line is forecasting an underspend against gross of £231k, and a corresponding under-recovery of income of £89k. The number of clients receiving packages of care from an independent sector provider has dropped from 6,739 in March to 6,696 in June and as a result the forecast assumes 19,735 hours less than the budget, a saving of £292k. The forecast unit cost is slightly more expensive than affordable, at an additional cost of £106k. The average number of hours per client per week has increased from 7.2 in March 2008 to 7.6 in June and reflects the increasing number of clients with higher needs, including those with dementia, requiring more intensive packages to enable them to remain within their own homes. The higher unit cost reflects these intensive packages and the increasing number of clients requiring 'double-handers' (two carers).

It was estimated that the number of clients on residential would fall, with clients instead remaining in their own homes and receiving a domiciliary package, and as a consequence budget has transferred from residential care to domiciliary. However it may be the case that increasing numbers of clients with higher levels of need, particularly those with dementia, have no option but to go into residential care.

d. Direct Payments
Since March there has been a significant increase in the number of clients accessing a service via a direct payment – 626 clients in June compared with 518 in March – but approximately 60 of these only require small payments to access transport to day-care facilities. These payments are well below the average cost per week afforded in the budget which explains why this budget line is only forecasting a minor net pressure of £20k.

e. Other Services
The position is a £561k underspend against the gross budget with an under-recovery against income of £93k. There are small variances against a number of services, including meals, payments to voluntary organisations, and in-house day-care, but the significant portion of the underspend relates to the £436k release of the remaining balance of the Contingency held by the Managing Director to offset the overall pressure within the Directorate.

1.1.4.3 **People with a Learning Difficulty**:

Overall the position for this client group is a net pressure of £1,759k. Services for this client group remain under extreme pressure as a result of both demographic and placement price pressures. As a result there continue to be significant forecast overspends against both residential and domiciliary care. The impact of young adults transferring from Children's Services, many of whom have very complex needs and require a much higher level of support, continues to be felt. Alongside these so-called "transitional" placements are the increasing number of older learning disabled clients who are cared for at home by ageing parents who will begin to require more support. There are also more cases of clients becoming "ordinarily resident" in Kent. This is the term used to describe people deemed to be living in the county and therefore the responsibility of KCC, rather than just receiving care in a residential or nursing placement. A client would become "ordinarily resident" following de-registration of a residential home and conversion to supported accommodation, something which is starting to happen more frequently.

a. Residential Care
Although the number of clients has reduced from 633 in March to 623 in June the forecast assumes 1,060 more weeks than is affordable. It should be noted that the Directorate has transferred a significant proportion of the cash limit from this line to support the increasing demand for services against domiciliary care, direct payments and supported accommodation. The additional weeks result in a pressure of £1,130k. The forecast unit cost is also above the affordable level which adds £180k to the position. The additional activity has resulted in an over-recovery of income of £203k.

The position on Preserved Rights clients is also a pressure. Lower than expected attrition means that there are 873 more weeks than budgeted for at a cost of £789k. However the actual unit cost is £904.17 per week which is nearly £14 lower than the £918.05 budgeted for. This reduces the pressure by £313k. Also there is additional income from this extra activity of £144k.

As with Older People, in house residential provision is showing a pressure of £176k on staffing because of the need to cover sickness and absence with agency staff to meet CSCI care standards.

b. Domiciliary Care
Demand against this budget continues to be significant as the Directorate tries to support clients to remain at home rather than in a residential placement. The current forecast pressure of £121k relates to the in-house independent living scheme.

c. Direct Payments
Client numbers have increased from 338 in March to 365 in June which is slightly above the affordable level of clients. This budget is therefore showing a pressure of £77k on gross expenditure with a small over-recovery on income of £10k.

d. Other Services
There is an underspend on gross of £137k but within this is the £264k release of the remaining balance of the Contingency held by the Managing Director to offset the overall pressure within the Directorate. There are minor pressures against a number of services including day-care, supported employment and payments to voluntary organisations. These services also show minor under-recoveries of income.

1.1.4.4 **People with a Physical Disability:**

There are similar pressures here to those for services for People with Learning Disabilities, especially demand and demographic pressures against residential care budgets. The overall position is a net pressure of £548k.

a. Residential Care
This line is forecasting a pressure against gross expenditure of £996k. Client numbers have increased from a figure of 207 in March to 219 in June and overall the forecast assumes 1,268 weeks of care above the affordable level. The additional cost of these weeks is £1,046k. The additional activity has resulted in an over-recovery income of £285k. The unit cost is also forecast to be £824.88 per week as opposed to the £823.38 assumed within the budget, and this adds nearly £16k.

It should be noted that the residential budget has been adjusted with funding transferred to domiciliary, direct payments and supported accommodation to support current levels of clients and/or expected growth in these services.

The attrition within Preserved Rights is actually higher than budgeted for and this has resulted in an underspend of £108k against gross expenditure.

b. Domiciliary Care
The forecast is for an underspend of £87k on gross and an under-recovery in income of £19k. The adjusted budget gives an affordable level of activity which is currently in excess of actual demand. It is expected that this underspend will reduce over the course of the year as the Directorate looks to keep clients out of residential care.

c. Direct Payments
This budget is currently forecasting a small pressure of £34k, with a small over-recovery of income. The number of clients has increased from 547 in March to 586 in June.

d. Supported Accommodation
There is a small underspend on gross expenditure of £21k as client numbers remain slightly below what is affordable. As with domiciliary, the supported accommodation budget has been increased at the expense of residential care and gives an affordable level of in excess of actual demand. Again it is expected that this underspend will reduce over the remaining months of the year as clients in residential care are reviewed, and where appropriate transferred back into the community.

e. Other Services
The current forecast is an underspend of £127k on gross, however within this is £90k released as the balance of the Contingency held by the Managing Director to offset the overall pressure within the Directorate. The remaining budgets, which include day-care, OT equipment, sensory disabilities unit, payments to voluntary organisations and assisted telephones are showing a small underspend of £37k. These services also show a minor under-recovery of income of £14k.

1.1.4.5 **All Adults Assessment & Related:**

There is a pressure against gross expenditure of £732k, with an over-recovery in income of £125k. As a result there is currently a freeze on all non-essential posts. An impact assessment is also currently being undertaken on the use of agency staff to inform any decision that may be taken to reduce their numbers or move to a position of no agency staff. The over-recovery in income relates to additional one-off contributions from Health.

For several years now the Directorate has taken the decision not to fund the cost of increments on the assumption that staff turnover will cover this cost. However there is some evidence, including from the staff survey, that the level of turnover is reduced on previous years, and this has impacted on the forecast. The forecast also includes the additional costs of their travel due to the recent increases.

Although there has been no increase in the number of staff within care management for a number of years there is strong evidence of increases in the number of referrals made to the Directorate. Between 2004 and 2007 there was a 25% increase in referrals to care management, but more importantly the number of referrals leading to a formal assessment, and therefore potentially a service, increased from 78% to 88%. The requirements of the Directorate, for both professional and non-professional staff, need to be seen in light of demographic pressures and the clear impact that this is having on numbers of referrals.

The move towards more self directed support should mean less support is needed from professionals. There are also a number of initiatives to modernise the service, particularly through mobile technology. However it should be recognised that as more clients remain within their own homes and receive more complex packages of care in a community setting, the support from care managers is higher than if they were in traditional residential placements.

Although there is little benchmarking data currently available to enable comparison with other authorities, we are pursuing this to try and obtain further information

1.1.4.6 **Mental Health Service:**

The overall position for Mental Health is an under-spend of £31k.

a. Residential Care
Although client numbers have reduced slightly from 278 in March to 270 in June this budget is reporting a pressure of £415k against gross expenditure. This is due to the fact that cash limit has been transferred to Supported Accommodation to reflect the changed priorities in the Directorate and the desire for clients to remain within a community based setting. A similar pressure on this line was reported through much of last year but the application of good financial practice and delaying planned placements brought this budget in at an underspend. Where appropriate, specialist resettlement teams will work to get clients out of residential care into the community.

b. Assessment & Related
A significant underspend of £473k on gross expenditure is being forecast as a result of the vacancy management necessary to offset the pressure within residential care. Savings also accrue from difficulties experienced in recruiting to senior posts in both social care and health. This is especially so in the north west of the county because of the proximity to London.
There is an under-recovery of income of £58k which relates primarily to a joint funded post with Health that is forecast to remain vacant as a result of the recruitment savings identified above.

1.1.4.7 **Policy, Performance & Quality Assurance:**

The gross budget is estimated to underspend by £321k which is spread across a number of teams both at Headquarters and in the two Areas. The forecast position is very much in line with the 2007/08 out-turn and reflects savings through vacancy management. There are also cases where costs have been funded through a grant. For example several posts are either partly or totally covered through the Whole Systems Demonstrator (Telecare/Telehealth) funding awarded by the Department of Health. Backfilling of posts has either been done at a lower cost or the post has not been covered, both of which have added to the underspend.

1.1.4.8 **Resources:**

There is a £186K underspend on gross expenditure. Within this is a credit of £300k released from the Supporting People reserve to fund some of the legal costs incurred in 2007/08 on the Better Homes Active Lives PFI as agreed by the Supporting People Commissioning Body. The release from reserve is shown as a credit entry in revenue and offsets the £225K debit against income as outlined below. Fortuitously the remaining £75K released from reserve reduces the Directorate's position as the costs were incurred last year. There are pressures relating to the legal SLA, and other legal costs involved with the new PFI scheme, and pensions but much of this is covered by the additional income outlined below.

The current position is an under-recovery in income of £169k. The position is skewed by the writing back (to revenue as a debit) of a debtor for £225K set up in 2007/08 in respect of contributions from District Councils towards the legal costs of the Better Homes Active Lives PFI scheme. The contribution will instead come from the Supporting People reserve as described above. In addition we are expecting income from Medway Council in respect of Enhanced Pensions as well as contributions from District Councils involved in the new Excellent Homes For All PFI scheme.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
KASS	LD Residential gross - activity in excess of affordable level in independent sector placements	1,130	KASS	Older People Residential gross - release of Deferred Payments Loan from DoH	-628
KASS	PD Residential gross - activity in excess of affordable level in independent sector placements	1,046	KASS	Older People Nursing gross - release of Deferred Payments Loan from DoH	-628
KASS	LD Residential gross - Preserved Rights reduced attrition	789	KASS	MH Assessment & Related gross - vacancy management	-473
KASS	All Adults Assessment & Related Gross - staffing pressures	732	KASS	Older People Other Services - release of the balance of the Managing Director's contingency	-436
KASS	Older People Nursing gross - activity in excess of affordable level in independent sector placements	716	KASS	PPQA gross - vacancy management	-321
KASS	MH Residential gross - activity in excess of affordable level	415	KASS	LD Residential gross - Preserved Rights change in unit cost	-313
KASS	Older People Residential gross - activity in excess of affordable level in independent sector placements	294	KASS	Resources gross - release of Supporting People reserve to fund PFI legal costs	-300
KASS	Resources income - write back of PFI debtor	225	KASS	Older People Domiciliary gross - reduction in hours in independent care	-292
KASS	LD Residential gross - pressure relating to change in unit cost of independent sector placements	180	KASS	PD Residential gross - additional income through additional activity	-285
KASS	LD Residential gross - in house provision staffing	176	KASS	LD Other Services - release of the balance of the Managing Director's contingency	-264
KASS	Older People Residential gross - Preserved Rights reduced attrition	149	KASS	Older People Nursing income resulting from additional activity	-212
KASS	LD Domiciliary gross - cost of Independent Living Scheme	121	KASS	LD Residential income - additional income resulting from additional activity	-203
KASS	Older People Residential gross - in house provision staffing costs	117	KASS	LD Residential income resulting from additional Preserved Rights activity	-144
KASS	Older People Residential gross - pressure relating to change in unit cost in independent sector placements	107	KASS	All Adults Assessment & Related one-off income from Health	-125
KASS	Older People Domiciliary gross - pressure relating to change in unit cost in independent sector placements	106	KASS	PD Residential gross - Preserved Rights increased attrition	-108
			KASS	Older People Nursing gross - Preserved Rights increased attrition	-103
		+6,303			-4,835

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

The forecast pressure of £1,663k assumes that the savings identified within the MTP will be achieved and the Directorate remains confident that all savings will be achieved. The Management Action, or 'Guidelines for Good Financial Practice' as they are now referred to, required to address the residual pressure is detailed in section 1.1.8 below.

1.1.6 **Implications for MTP**:

The MTP includes an underlying pressure of £1,256k for 2008/09 as this year's position has been reduced by this same amount in respect of the Deferred Payments Loan. The impact of the Current Economic Situation has also identified a pressure of £7,102k in 2009/10 as highlighted in the report to Cabinet on 4 August.

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

No revenue projects have been identified for re-phasing.

1.1.8 **Details of proposals for residual variance**:

1.1.8.1 Over recent weeks the KASS Management Team have been refining the 'Guidelines for Good Financial Practice', which were previously referred to as 'Management Action Plans' in 2007-08. Details of these guidelines are provided below. Robust monitoring arrangements are in place on a monthly basis to ensure that all areas and HQ budgets are aggressively challenged and monitored.

It should be noted that at this time of the year, history tells us that managers tend to be overly cautious with their forecasts, and in recent years we have seen that forecasts begin to fall over the summer and autumn months, especially on non-direct services. At this stage we would predict that this is likely to happen again.

The KASS Directorate is wholly committed to delivering a balanced outturn position by the end of the year. The range of innovations that the Directorate has implemented will help us to achieve this, for example telehealth and telecare through the successful investment of the 'Whole Systems Demonstrator Programme', and extra care sheltered housing in the latter part of the year.

The guidelines below are currently expected to balance the £1.663m forecast pressure by year end:

1.1.8.2 <u>Guidelines for Good Financial Practice – Residential/Nursing:</u>

Waivers

Action: **Residential** – No waivers or exceptions to be agreed
Impact: Service users may not get District of choice/no transport for visiting outside of District.
Action: **Nursing** – No waivers to be agreed
Exceptions to be agreed when there is a risk to the service user.
District Manager and Head of Adult Services (HOAS) sign off at agreed limits.
Impact: Letter to be updated and handed out by District Manager in hospitals.
Action: **All** Placements under contract price to be agreed by HOAS
Impact: Contract team to be aware that there will be an increase in spot contracts and that "under price" negotiations are unavoidable.

Transition – LD & PD

- Supported living default position for Transition Service Users.
- 6 Monthly Area and 2 monthly District transition meetings to be held between Children disability teams and KASS.
- All transition cases are to be presented at panel, cost model applied, in control (Resource Allocation Statement) Person Centred Planning (PCP) to be used.
- LD Contracts to receive handover from contracts in CFE for all Service Users in transition from CFE to KASS.
- Spreadsheet to be maintained by Budget Team of all transition clients and presented to Area Finance Managers Meeting monthly.

- Outcomes of JRAP to be communicated to HOAS

Continuing Care
- Monthly Continuing Care panels to continue. Weekly District panel notes to be emailed to HOAS.
- KASS attendance at NHS Continuing Care panel.
- Hospital teams to close referral where potential Service User is medically unfit.
- Note family are not to look for homes until decision at panel has been made.
- Budget Team to maintain a Continuing Care spreadsheet to be presented quarterly at Area Activity & Finance Monitoring Group (AAFMG).
- Panel notes to include a summary of decisions made and a risk assessment of clients on waiting list.
- Panels to put expected admission dates in notes.
- If a client is not accepted for NHS Funded Continuing Care, Practitioners to review the decision support tool information from panel; reconcile with health practitioner and provide enhanced evidence to support the application for arbitration.

OPMH Nursing
- When nursing is required because of enhanced nursing needs, the cost above the band price is to be charged to the PCT under joint funding arrangements as set out by policy. If it is required because of behavioural issues continuing care should be applied for.
- Agreement should be reached before placement is made.
- If an existing placement is moved from Elderly Mentally ill residential to nursing, move to go ahead, application to PCT for top up above nursing home level.

Placement Panels – OP & PD
- All Districts to hold panels.
- All placements including respite in P&V to go to panel.
- Panel to assess risk of delaying placements and to report accordingly to appropriate District Manager.
- Assessment beds to be used for hospital placements.
- Unit Managers Direct Provision to ensure maximum bed usage.

Wealth Depleters
- Can Third Party Top Up (TPTU) be arranged?
- Can home within price band be found?
- Can service user move?
- Can contract price be reduced?
- Could shared room/reduced price room to be an option?

Action
- Hospital Teams to ensure the TPTU is signed by the Service User and on file prior to case notes transferring to the community.
- Directorate to introduce standard letter to be sent to the client stating that when assets reduce KASS will not pick up top up.

LD Placements
- All placements and supported living (up to £500) to be presented to monthly panel.
- Panel notes to all DMs/HOAS/Team Managers.
- All districts to implement Invest to Save model with a view to reducing placements. Identify Service Users with “moving on” potential.
- DP respite requests to go to panel.
- Panels to asses risks.
- Identify Service Users who could apply for Continuing Care.
- Ensure service users moving out of residential car have a minimum 20% reduction on care costs.
- Review 1:1 funding using the cost matrix model.
- Leaflet to be designed for Service User/Family member.
- TOR placement panel to be adhered to.

1.1.8.3 Guidelines for Good Financial Practice – Community:

Domiciliary

- All service users to receive up to 4 – 6 weeks intermediate care, active care or re-ablement service prior to agreement for an ongoing care package.
- Practice guidance case reviews to be followed and developed through Self Directed Support.
- Domiciliary Purchasing Strategy to be developed Per District/review of block contracts.
- In supervision review of low level care packages (under 2.5hrs) – cancel if not for personal care or essential for service users to remain in the community.
- Review packages within Independent Living Fund (ILF) limit and apply for ILF funding.
- No packages above the ceiling hours agreed as in guidance (incl. Direct Payments) unless client tops up privately.
- No domestic and shopping to be given unless informal carer does all the personal care and there is critical risk to carer whereby maximum of up to 2 hours per week can be provided. (1 hour for shopping, 1 hour domestic). Clients in Receipt of Disability Living Allowance/Attendance Allowance (DLA/AA) will have to pay for domestic and shopping service from DLA/AA.
- All new packages above 8 hours to be agreed by Team leaders and above 14 hour with District Manager

Meals

- Discontinue all meals after 4 weeks unless Domiciliary Package is required in its place.
- Contract Team to review the optimum usage before a block contract increases in price due to optimum not being reached.

Day Care

- In House and block service to be considered first.
- Direct Payment default for external respite.
- Direct Provision to use over-booking system showing decrease in costs
- New transport arrangements to show decrease in costs;
- Direct Payment and Kent Card to be default position for transport

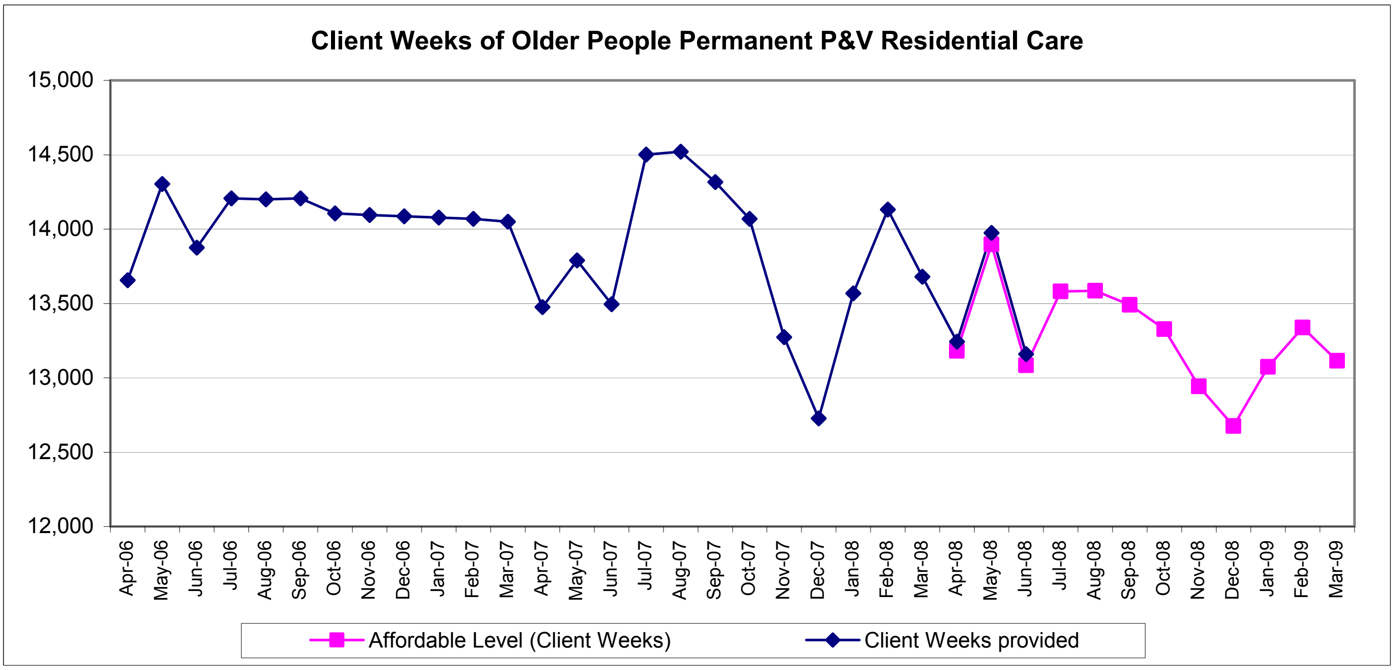
Direct Payments (DP)

- Direct Payments and Kent Card to become the default position.
- All above guidelines applicable to DP's including ceilings in domiciliary care.
- DP – cost of package should not exceed cost of non-DP package.
- DP4 form completed (used to review Direct Payments packages every 6 months) – Personal Assistant to client and Care Manager to carry out these reviews.
- Reduction in outstanding amounts in DP and Client Money Service user's bank accounts to be achieved

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2006-07		2007-08		2008-09	
	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided
April		13,656		13,476	13,181	13,244
May		14,303		13,789	13,897	13,974
June		13,875		13,495	13,084	13,160
July		14,207		14,502	13,581	
August		14,199		14,520	13,585	
September		14,206		14,316	13,491	
October		14,105		14,069	13,326	
November		14,095		13,273	12,941	
December		14,086		12,728	12,676	
January		14,077		13,568	13,073	
February		14,069		14,131	13,338	
March		14,049		13,680	13,114	
TOTAL	**167,393**	**168,928**	**169,925**	**165,546**	**159,287**	**40,378**



Comments:

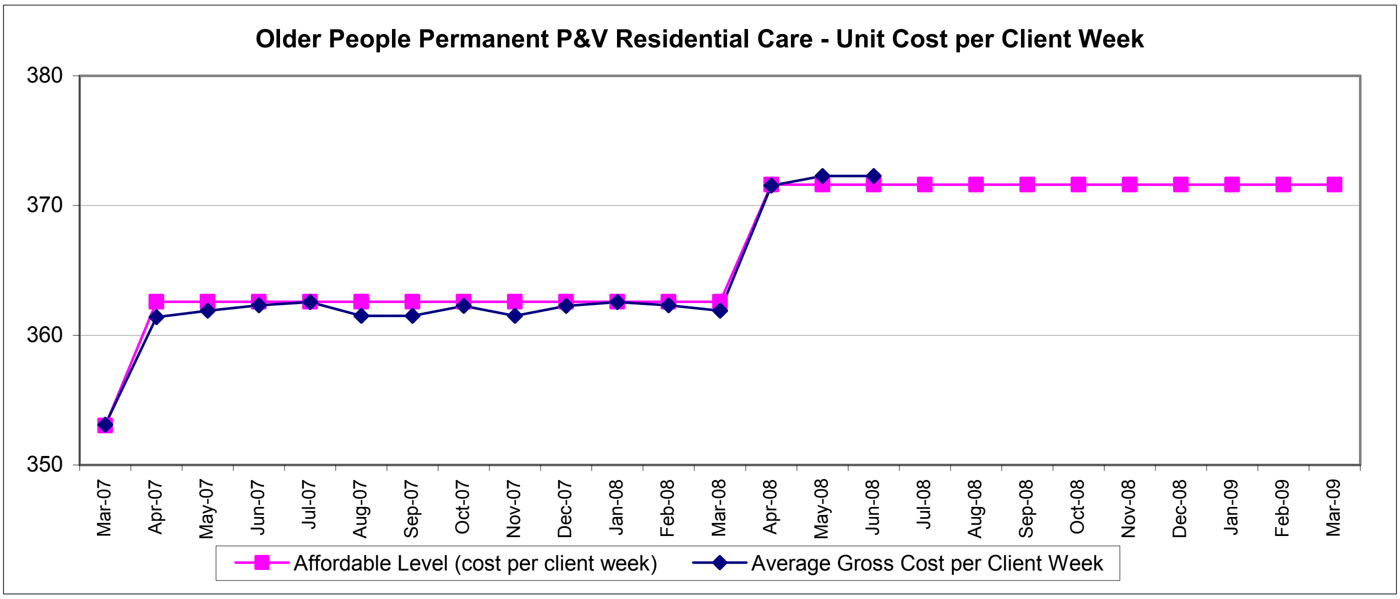
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2006-07 was 3,045, at the end of 2007-08 it was 2,917 and at the end of June 2008 it was 2,901.

- The current forecast is 160,077 weeks of care against an affordable level of 159,287, a difference of 790 weeks. Using the forecast unit cost of £372.27 this additional activity adds £294k to the forecast, as highlighted in section 1.1.4.2.a.

- To the end of June 40,378 weeks of care have been delivered against an affordable level of 40,162, a difference of 216 weeks.

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

	2006-07		2007-08		2008-09	
	Affordable Level (Cost per Week)	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**
April			362.60	361.41	371.60	371.54
May			362.60	361.90	371.60	372.28
June			362.60	362.31	371.60	372.27
July			362.60	362.56	371.60	
August			362.60	361.50	371.60	
September			362.60	361.50	371.60	
October			362.60	362.27	371.60	
November			362.60	361.50	371.60	
December			362.60	362.27	371.60	
January			362.60	362.56	371.60	
February			362.60	362.31	371.60	
March	353.04	353.10	362.60	361.90	371.60	

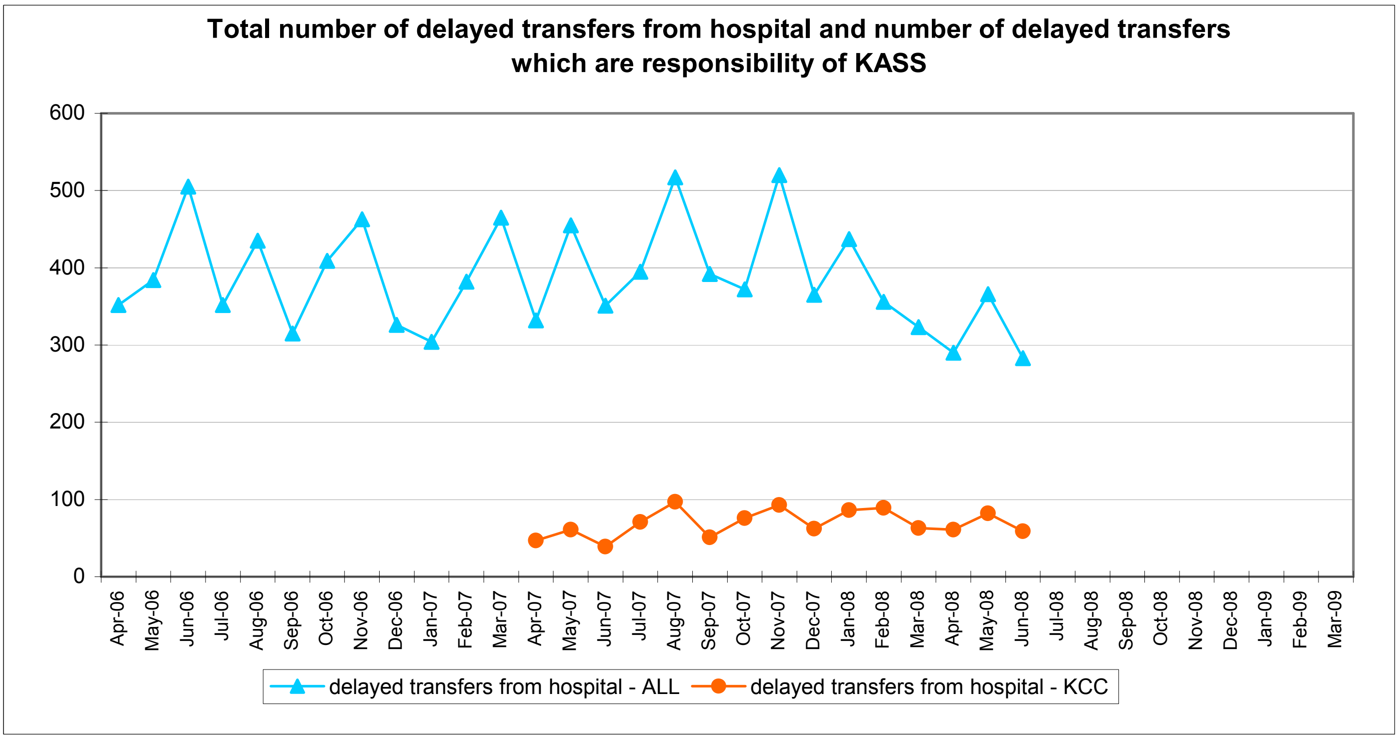


Comments:

- Average unit cost per week has increased more than inflation and may reflect the increasing numbers of clients with dementia.
- The forecast unit cost of £372.27 is slightly higher than the affordable cost of £371.60 and this difference of 67p adds £107k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.4.2.a.

2.1.3 **Total of All Delayed Transfers from hospital compared with those which are KASS responsibility**:

	2006-07		2007-08		2008-09	
	ALL	KASS responsibility	ALL	KASS responsibility	ALL	KASS responsibility
April	352		332	47	290	61
May	384		455	61	366	82
June	505		351	39	283	59
July	352		395	71		
August	435		517	97		
September	315		392	51		
October	409		372	76		
November	463		520	93		
December	326		365	62		
January	304		437	86		
February	382		356	89		
March	465		323	63		

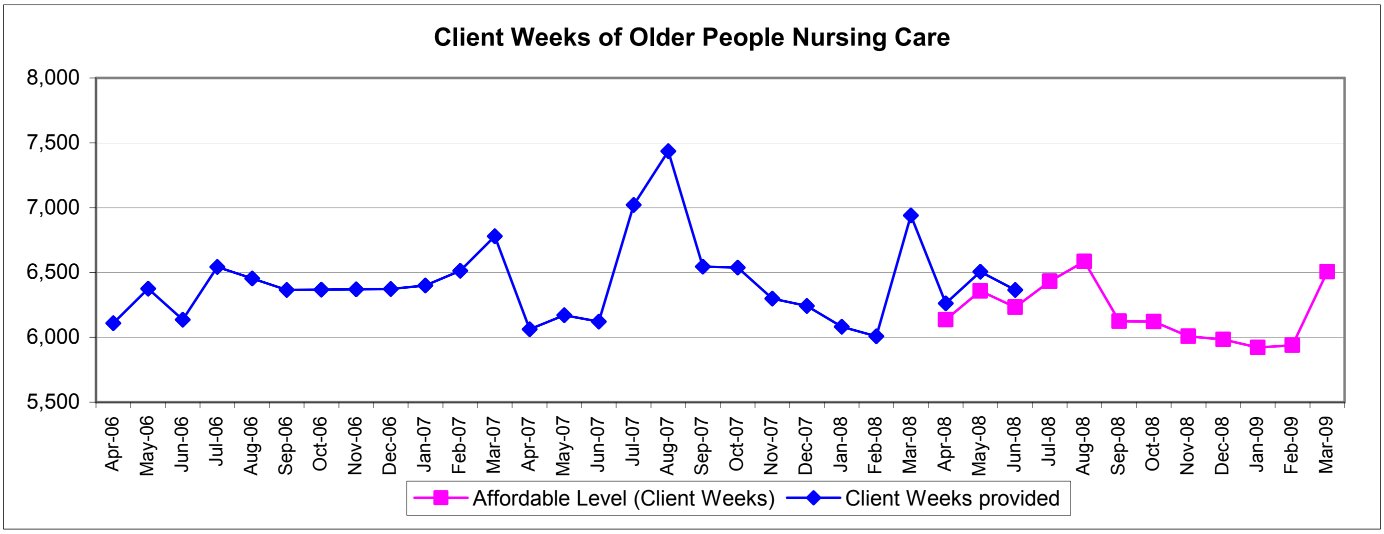


Comments:

- The Delayed Transfers of Care (DTCs) show the numbers of people whose movement from an acute hospital has been delayed. Typically this may be because they are waiting for an assessment to be completed, they are choosing a residential or nursing home placement, or waiting for a vacancy to become available. This figure shows all delays, but those attributable to Adult Social Services, and therefore subject to the reimbursement regime, are a minority. There are many reasons for fluctuations in the number of DTCs which result from the interaction of various different factors within a highly complex system across both Health and Social Care. The average number of delayed transfers per week is on a steadily reducing trend from a peak in the second quarter of 2007/08. Approximately 13%-22% of these will be the responsibility of Social Services, but this occasionally rises and there are some more predictable “seasonal" variations throughout the year. It should also be noted that each third month is a five-week month.

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

	2006-07		2007-08		2008-09	
	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided
April		6,109		6,062	6,137	6,263
May		6,375		6,170	6,357	6,505
June		6,136		6,120	6,233	6,365
July		6,542		7,020	6,432	
August		6,454		7,436	6,586	
September		6,366		6,546	6,124	
October		6,368		6,538	6,121	
November		6,371		6,298	6,009	
December		6,374		6,243	5,984	
January		6,399		6,083	5,921	
February		6,513		6,008	5,940	
March		6,780		6,941	6,507	
TOTAL	**74,256**	**76,786**	**74,707**	**77,463**	**74,351**	**19,133**

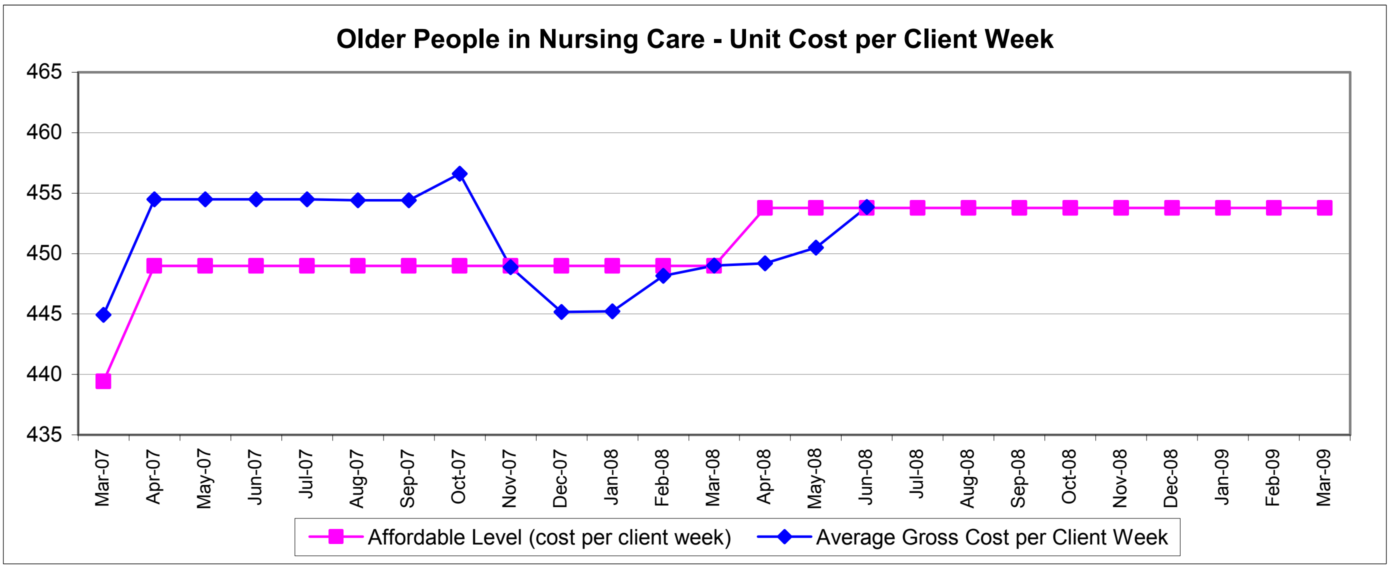


Comment:

- 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 nursing care at the end of 2006-07 was 1,378, at the end of 2007-08 it was 1,386 and at the end of June 2008 it was 1,420.
- The current forecast is 75,928 weeks of care against an affordable level of 74,351, a difference of 1,577 weeks. Using the forecast unit cost of £453.86 this additional activity adds £716k to the forecast, as highlighted in section 1.1.4.2.b.
- To the end of June 19,133 weeks of care have been delivered against an affordable level of 18,727, a difference of 406 weeks.
- Increases in permanent nursing care may happen for many reasons. For example the knock on effect of minimising delayed transfers of care has resulted in an increase in the number of older people being admitted to nursing care. Demographic changes – increasing numbers of older people with long term illnesses – also means that there is an underlying trend of growing numbers of people needing more intense nursing care.

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

	2006-07		2007-08		2008-09	
	Affordable Level (Cost per Week)	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**
April			448.98	454.50	453.77	449.18
May			448.98	454.50	453.77	450.49
June			448.98	454.50	453.77	453.86
July			448.98	454.50	453.77	
August			448.98	454.40	453.77	
September			448.98	454.40	453.77	
October			448.98	456.60	453.77	
November			448.98	448.88	453.77	
December			448.98	445.16	453.77	
January			448.98	445.22	453.77	
February			448.98	448.17	453.77	
March	439.42	444.94	448.98	449.00	453.77	

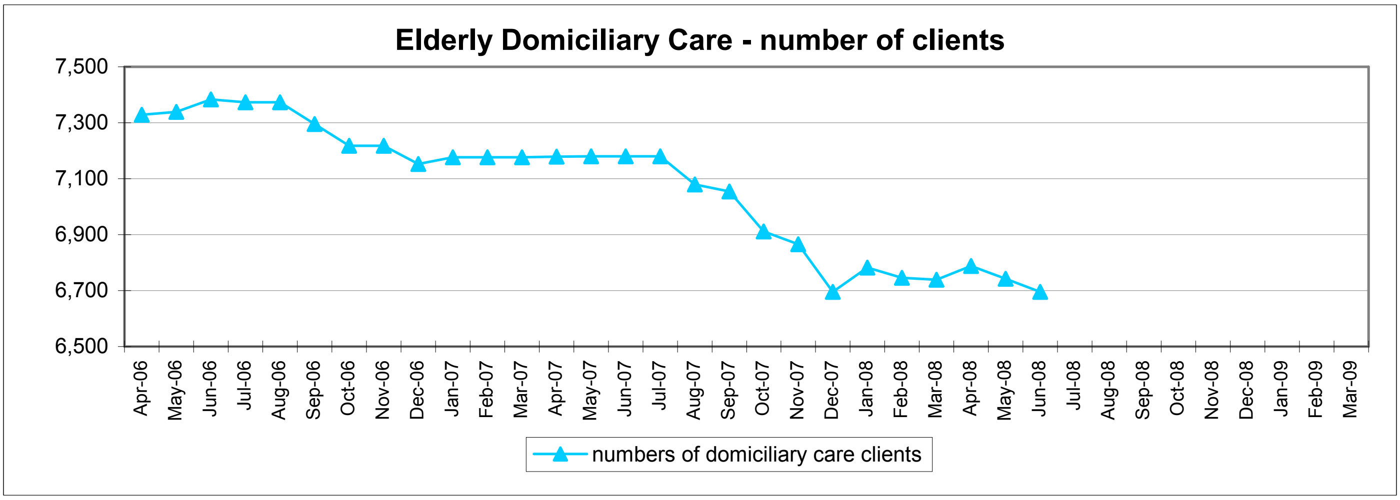


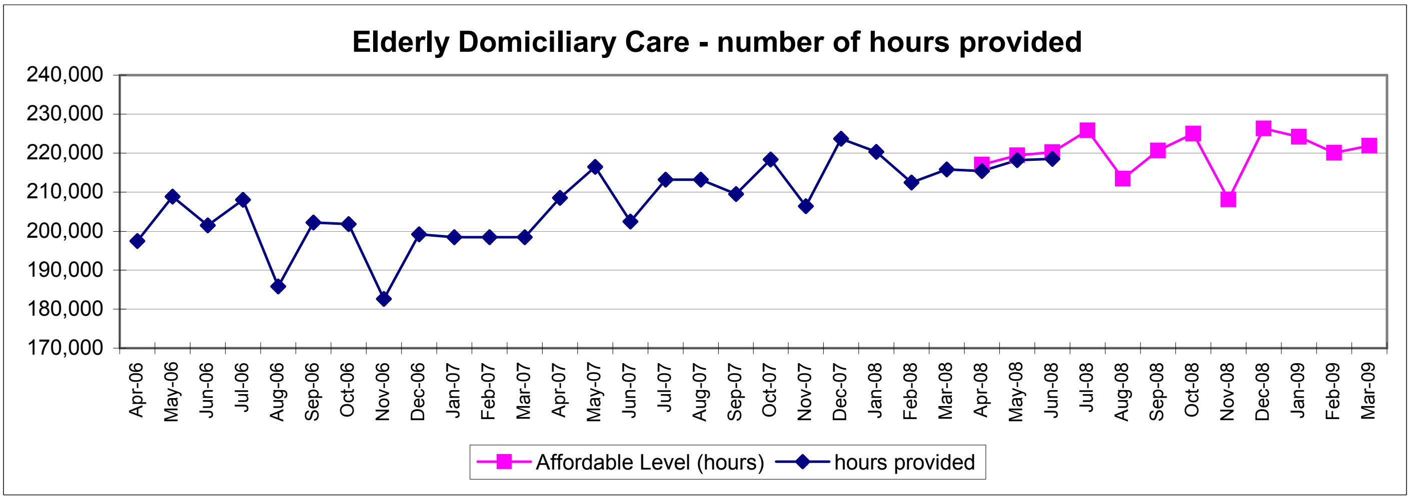
Comments:

- The forecast unit cost of £453.86 is slightly higher than the affordable cost of £453.77 and this difference of 9p adds £7k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.4.2.b.

2.3.1 **Elderly domiciliary care – numbers of clients and hours provided in the independent sector**:

	2006-07			2007-08			2008-09		
	Affordable level (hours)	**hours provided**	**number of clients**	**Affordable level (hours)**	**hours provided**	**number of clients**	**Affordable level (hours)**	**hours provided**	**number of clients**
April		197,531	7,329		208,524	7,179	217,090	215,448	6,788
May		208,870	7,339		216,477	7,180	219,480	218,200	6,742
June		201,559	7,383		202,542	7,180	220,237	218,557	6,696
July		208,101	7,373		213,246	7,180	225,841		
August		185,768	7,373		213,246	7,079	213,436		
September		202,227	7,295		209,504	7,054	220,644		
October		201,815	7,218		218,397	6,912	225,012		
November		182,608	7,218		206,465	6,866	208,175		
December		199,235	7,153		223,696	6,696	226,319		
January		198,524	7,177		220,313	6,782	224,175		
February		198,524	7,177		212,499	6,746	220,135		
March		198,524	7,177		215,865	6,739	221,875		
TOTAL	**2,462,712**	**2,383,286**		**2,610,972**	**2,560,774**		**2,642,419**	**652,205**	





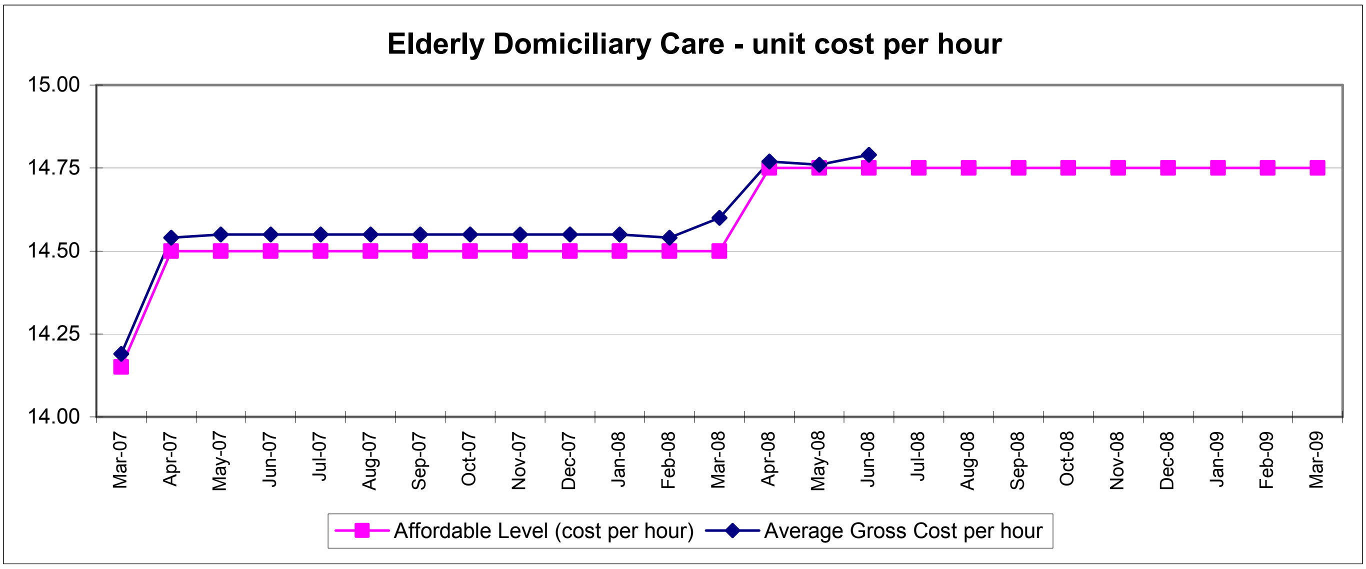
Comments:

- Figures exclude services commissioned from the Kent HomeCare Service.
- The current forecast is 2,622,684 hours of care against an affordable level of 2,642,419, a difference of 19,735 hours. Using the forecast unit cost of £14.79 this reduction in activity reduces the forecast by £292k, as highlighted in section 1.1.4.2.c.
- To the end of June 652,205 hours of care have been delivered against an affordable level of 656,807, a difference of 4,602 hours.

- The decrease in numbers of people receiving domiciliary care is partly as a result of the increase in direct payments. This is not linked to nursing care placements, as the two cohorts of service users are completely different. There are a number of other factors reducing the need for formal domiciliary care. Ongoing service developments with the voluntary sector and other organisations mean that we continue to prevent people from needing 'mainstream' domiciliary care, and they can access services, very often involving social inclusion (e.g. luncheon clubs and other social activities), without having to undergo a full care management assessment. Public health campaigns and social marketing aimed at improving people's health is already starting to result in healthier older people. Increase in the use of Telecare and Telehealth similarly reduces the need for domiciliary care, and it is possible that this trend will continue despite the growth in numbers of older people.
- The average number of hours provided per client has over the first three months of this year and reflects the increasing number of clients who require a higher level of support to enable them to remain within their own homes. Often this support could be through two care workers rather than one.

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

	2006-07		2007-08		2008-09	
	Affordable Level (Cost per Hour)	**Average Gross Cost per Hour**	**Affordable Level (Cost per Hour)**	**Average Gross Cost per Hour**	**Affordable Level (Cost per Hour)**	**Average Gross Cost per Hour**
April			14.50	14.54	14.75	14.77
May			14.50	14.55	14.75	14.76
June			14.50	14.55	14.75	14.79
July			14.50	14.55	14.75	
August			14.50	14.55	14.75	
September			14.50	14.55	14.75	
October			14.50	14.55	14.75	
November			14.50	14.55	14.75	
December			14.50	14.55	14.75	
January			14.50	14.55	14.75	
February			14.50	14.54	14.75	
March	14.15	14.19	14.50	14.60	14.75	

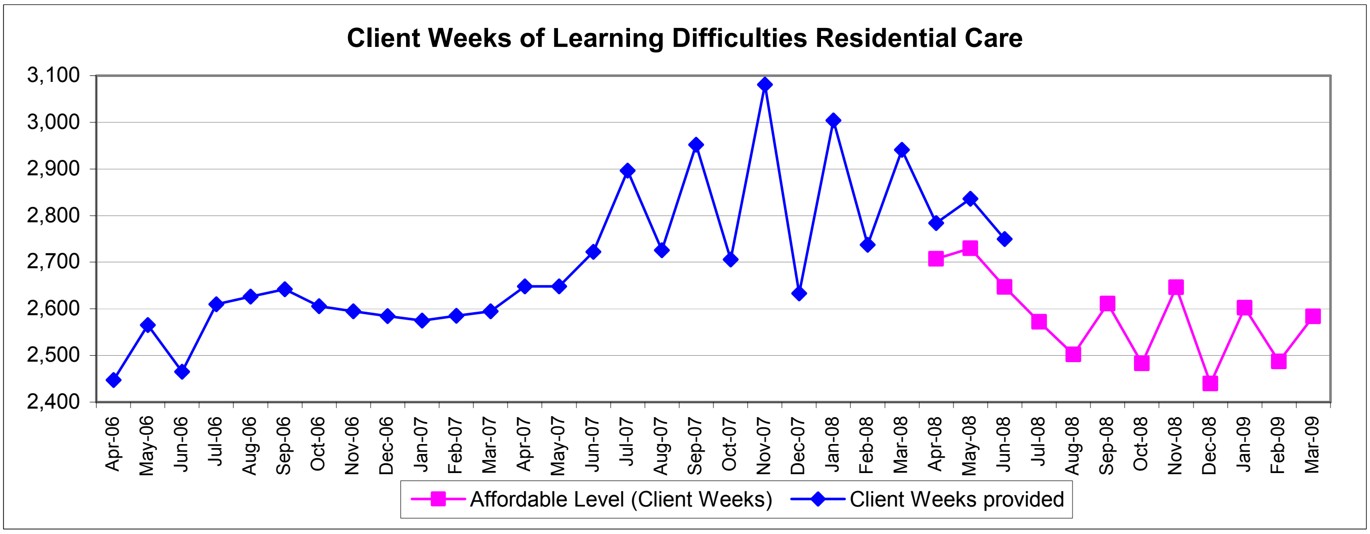


Comments:

- Average unit cost is increasing and may reflect the same issues outlined above concerning more intense packages and higher levels of need.
- The forecast unit cost of £14.79 is slightly higher than the affordable cost of £14.75 and this difference of 4p increases the pressure by £106k when multiplied by the affordable hours, as highlighted in section 1.1.4.2.c.

2.4.1 **Number of client weeks of learning difficulties residential care provided compared with affordable level (non preserved rights clients):**

	2006-07		2007-08		2008-09	
	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided
April		2,447		2,648	2,707	2,784
May		2,565		2,648	2,730	2,836
June		2,465		2,722	2,647	2,750
July		2,610		2,897	2,572	
August		2,626		2,725	2,502	
September		2,642		2,952	2,611	
October		2,606		2,706	2,483	
November		2,595		3,081	2,646	
December		2,584		2,633	2,440	
January		2,575		3,004	2,602	
February		2,585		2,737	2,487	
March		2,595		2,941	2,584	
TOTAL	**30,984**	**30,895**	**30,984**	**33,695**	**31,011**	**8,370**



Comments:

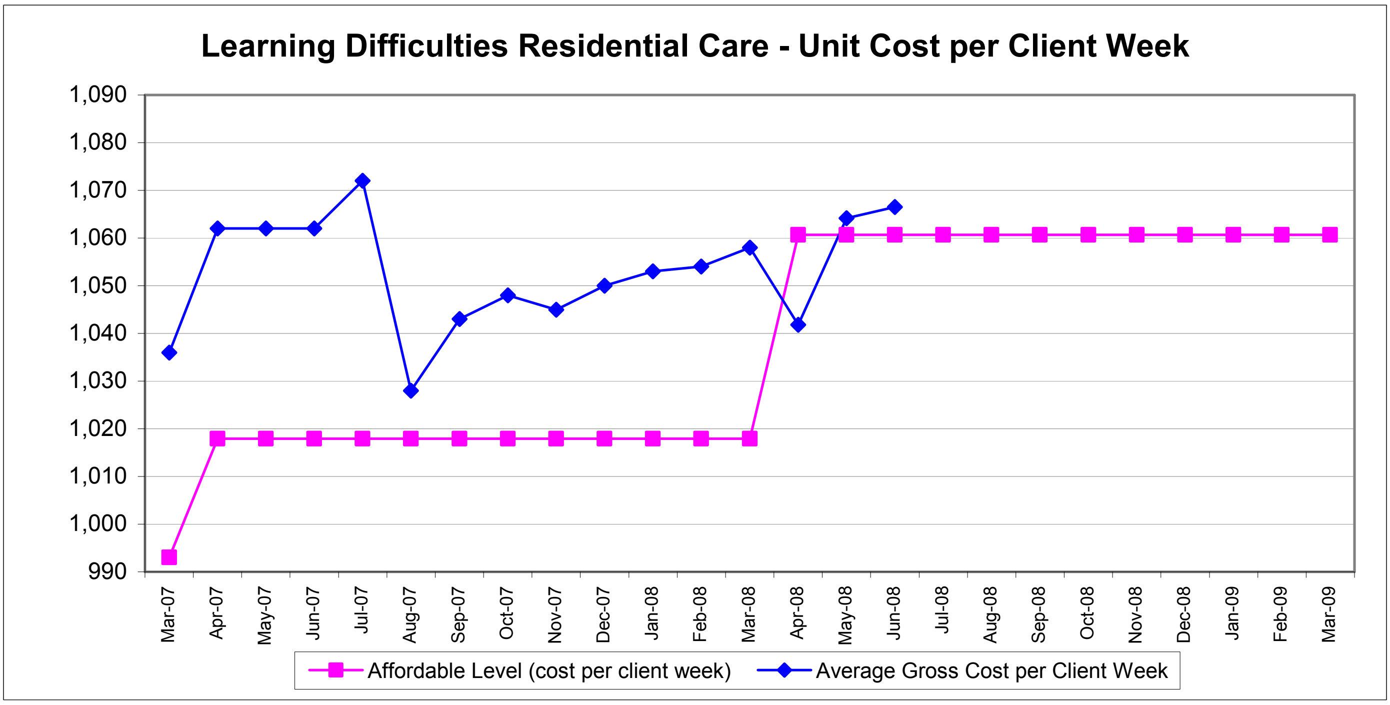
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care at the end of 2006-07 was 615, at the end of 2007-08 it was 633 and at the end of June 2008 it was 623.

- The current forecast is 32,071 weeks of care against an affordable level of 31,011, a difference of 1,060 weeks. Using the forecast unit cost of £1,066.49 this additional activity adds £1,130k to the forecast, as highlighted in section 1.1.4.3.a.

- To the end of June 8,370 weeks of care have been delivered against an affordable level of 8,084, a difference of 286 weeks.

2.4.2 **Average gross cost per client week of Learning Difficulties residential care compared with affordable level (non preserved rights clients)**:

	2006-07		2007-08		2008-09	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April			1,018.00	1,062.00	1,060.70	1,041.82
May			1,018.00	1,062.00	1,060.70	1,064.19
June			1,018.00	1,062.00	1,060.70	1,066.49
July			1,018.00	1,072.00	1,060.70	
August			1,018.00	1,028.00	1,060.70	
September			1,018.00	1,043.00	1,060.70	
October			1,018.00	1,048.00	1,060.70	
November			1,018.00	1,045.00	1,060.70	
December			1,018.00	1,050.00	1,060.70	
January			1,018.00	1,053.00	1,060.70	
February			1,018.00	1,054.00	1,060.70	
March	993.00	1,036.00	1,018.00	1,058.00	1,060.70	



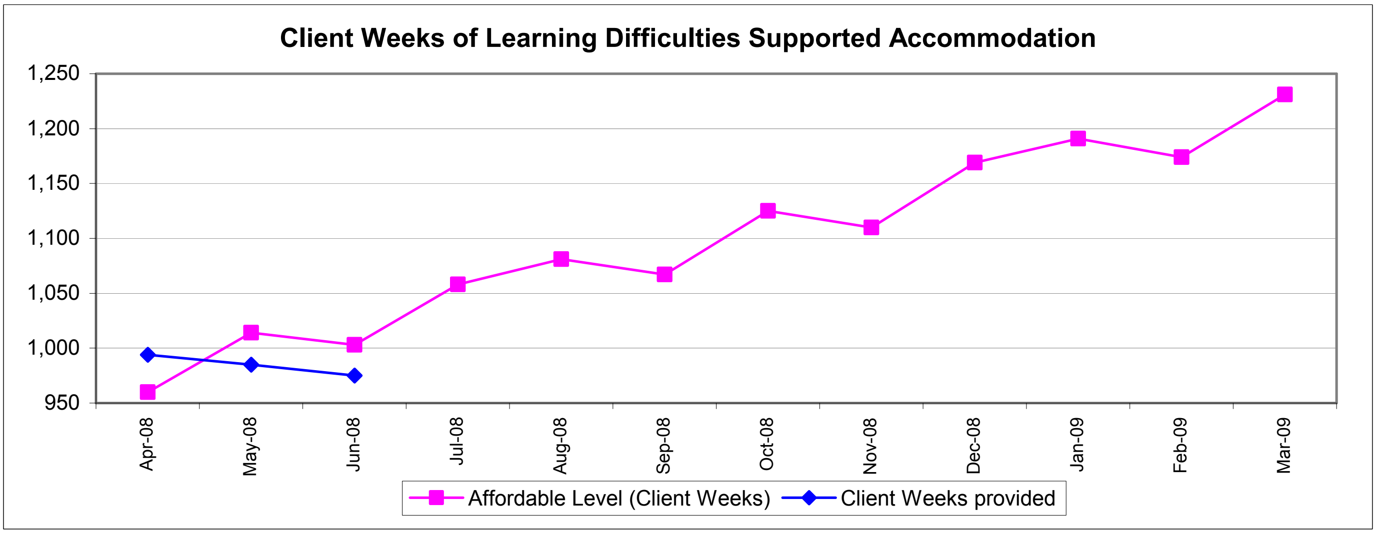
Comments:

- Clients being placed in residential care are those with very complex needs which makes 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 £1,000 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 the very high cost ones – some of whom can cost up to £2,000 per week.

- The forecast unit cost of £1,066.49 is higher than the affordable cost of £1,060.70 and this difference of £5.79p adds £180k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.4.3.a.

2.5.1 Number of client weeks of learning difficulties supported accommodation provided compared with affordable level:

	2007-08		2008-09	
	Affordable Level (Client Weeks)	**Client Weeks of LD supported accommodation provided**	**Affordable Level (Client Weeks)**	**Client Weeks of LD supported accommodation provided**
April			960	994
May			1,014	985
June			1,003	975
July			1,058	
August			1,081	
September			1,067	
October			1,125	
November			1,110	
December			1,169	
January			1,191	
February			1,174	
March			1,231	
TOTAL	**7,618**	**11,156**	**13,182**	**2,954**

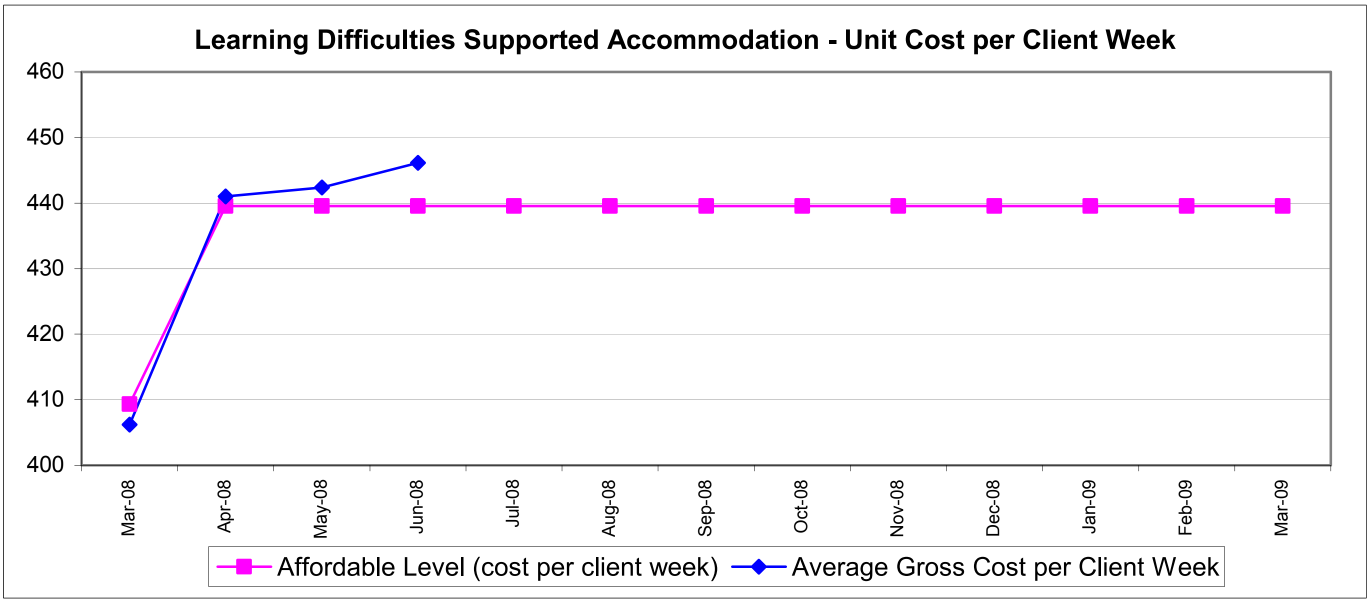


Comments:

- 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 supported accommodation at the end of 2007-08 was 224 and at the end of June 2008 it was 237.
- The current forecast is 13,081 weeks of care against an affordable level of 13,182, a difference of 101 weeks. Using the forecast unit cost of £446.13 this reduction in activity provides a saving of £45k.
- To the end of June 2,954 weeks of care have been delivered against an affordable level of 2,977, a difference of 23 weeks.
- This number is expected to increase in line with the expectation of transferring clients with less complex needs from residential care and using this service as an alternative to a residential placement for new clients. As such there has been a corresponding increase in the cash limit to support these additional clients.
- Supported Accommodation is a rapidly growing area of expenditure and as such there is little activity/unit cost data available from prior years. There remains some discussion nationally regarding the definition of Supported Accommodation so some adjustment to the activity may be required in the future once an agreed definition has been reached.

2.5.2 **Average gross cost per client week of Learning Difficulties supported accommodation compared with affordable level (non preserved rights clients)**:

	2007-08		2008-09	
	Affordable Level (Cost per Week)	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**
April			439.54	441.00
May			439.54	442.40
June			439.54	446.13
July			439.54	
August			439.54	
September			439.54	
October			439.54	
November			439.54	
December			439.54	
January			439.54	
February			439.54	
March	409.31	406.18	439.54	

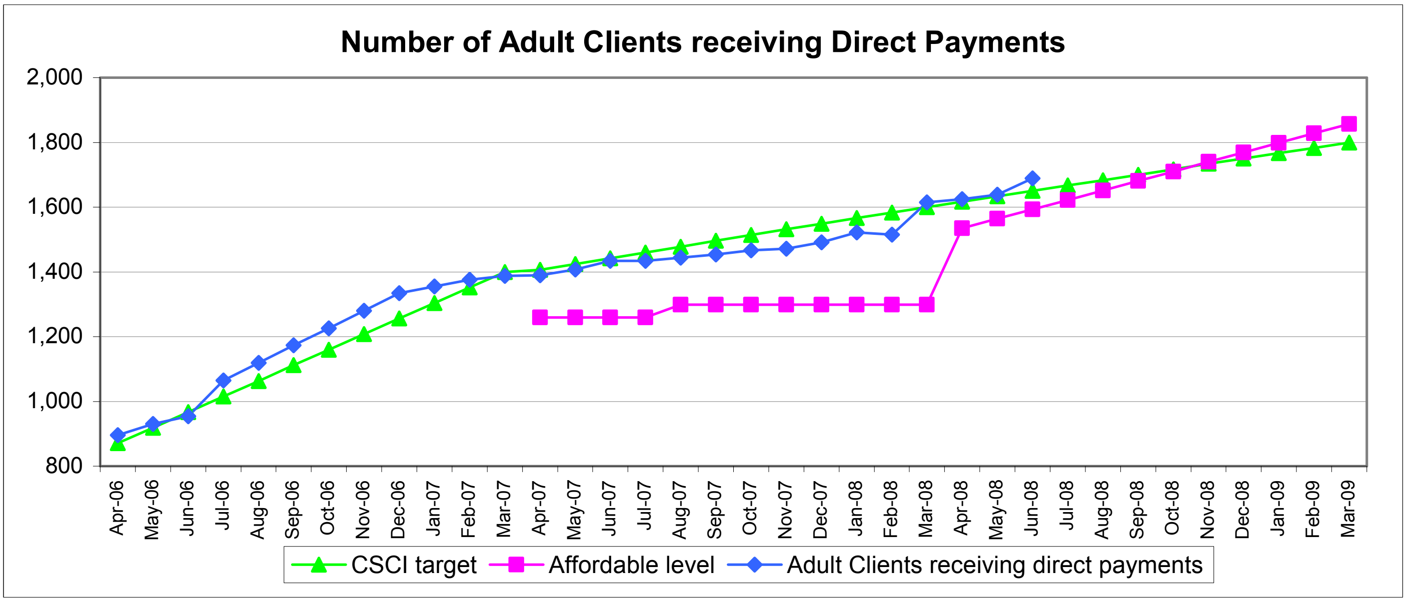


Comments:

- The forecast unit cost of £446.13 is higher than the affordable cost of £439.54 and this difference of £6.59p adds £87k to the position when multiplied by the affordable weeks.
- Supported Accommodation is a rapidly growing area of expenditure and as such there is little activity/unit cost data available from prior years. There remains some discussion nationally regarding the definition of Supported Accommodation so some adjustment to the activity may be required in the future once an agreed definition has been reached.

2.6 Direct Payments – Number of Adult Social Services Clients receiving Direct Payments:

	2006-07			2007-08			2008-09		
	CSCI Target	Affordable Level	Adult Clients receiving Direct Payments	CSCI Target	Affordable Level	Adult Clients receiving Direct Payments	CSCI Target	Affordable Level	Adult Clients receiving Direct Payments
April	871		896	1,406	1,259	1,390	1,617	1,535	1,625
May	919		930	1,424	1,259	1,407	1,634	1,564	1,639
June	967		954	1,442	1,259	1,434	1,650	1,593	1,689
July	1,015		1,065	1,460	1,259	1,434	1,667	1,622	
August	1,063		1,119	1,478	1,299	1,444	1,683	1,651	
September	1,112		1,173	1,496	1,299	1,454	1,700	1,681	
October	1,160		1,226	1,514	1,299	1,467	1,717	1,710	
November	1,208		1,280	1,532	1,299	1,472	1,734	1,740	
December	1,256		1,334	1,549	1,299	1,491	1,750	1,769	
January	1,304		1,355	1,566	1,299	1,522	1,767	1,799	
February	1,352		1,376	1,583	1,299	1,515	1,783	1,828	
March	1,400		1,388	1,600	1,299	1,615	1,800	1,857	



Comments:

- Figures provided for last year represented the number of people who had a direct payment to provide permanent support. As of March 2008 and onwards, the monitoring of these figures have changed slightly, in line with guidance from the Department of Health. We are now monitoring all people who have had a direct payment, irrespective of whether permanent ongoing support is being purchased, or whether the direct payment is being used to purchase respite care.
- The introduction of direct payments is identifying some previously unmet demand/need. Work is ongoing to track all new direct payment clients to prove /disprove this belief.

Annex 3

ENVIRONMENT & REGENERATION DIRECTORATE SUMMARY
JULY 2008-09 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the budget was set to reflect a number of technical adjustments to budget; a virement of £0.250m from the underspending on debt charges within the Finance portfolio towards the development costs of the A2 outdoor activity centre and park and ride scheme; the addition of £2.045m of roll forward from 2007-08, as agreed by Cabinet on 16 June 2008 and the allocation of £3.288m of the contingency set aside from the 2007-08 rolled forward underspend for the impact of the current economic situation as agreed by Cabinet on 4 August.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 2 to the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment, Highways & Waste portfolio							
Kent Highways Services	59,540	-6,306	53,234	1,400	0	1,400	Invest to save proposals
Public Transport Contracts	14,524	-669	13,855	0	0	0	
Waste Management	66,760	-1,158	65,602	-1,600	0	-1,600	Diversion to landfill while Allington off-line and reduced tonnage
Environmental Group	8,140	-4,000	4,140	200	0	200	Country parks
Transport Strategy	617	0	617	0	0	0	
Strategic Management, Finance, Performance & Information & Analysis Group	6,801	-462	6,339	0	0	0	
Total E, H & W	**156,382**	**-12,595**	**143,787**	**0**	**0**	**0**	
Regeneration & Supporting Independence portfolio							
Regeneration & Projects	6,540	-1,118	5,422	0	0	0	
Economic Development	3,147	-991	2,156	0	0	0	
Planning & Development	1,100	-46	1,054	0	0	0	
Planning Applications	1,477	-468	1,009	0	0	0	
Total Regen & SI	**12,264**	**-2,623**	**9,641**	**0**	**0**	**0**	
Total Directorate Controllable	**168,646**	**-15,218**	**153,428**	**0**	**0**	**0**	
Assumed Management Action:							
- EH&W portfolio						**0**	
- R&SI portfolio						**0**	
Forecast after Mgmt Action				**0**	**0**	**0**	

1.1.3 **Major Reasons for Variance**:

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

Environment, Highways & Waste portfolio:

1.1.3.1 Waste Management:

- Waste is experiencing higher than expected inflation largely due to fuel and gas oil increases. This has now been addressed for 2008-09 by allocation from the corporate contingency set aside from the 2007-08 underspending for the impact of the current economic conditions but will be an ongoing issue for the MTP.
- There is a one-off saving of £1.1m from the waste to energy plant at Allington not being operational during the first few months of the financial year. This saving results from 73,000 tonnes of waste at approximately £16 per tonne being diverted to landfill (which is currently a cheaper option but not sustainable in the long run due to increasing landfill taxes and restrictions in the allowances).
- Further waste savings of £0.5m are likely to be achieved through reduction in waste tonnage (as discussed in the July Cabinet exception report) because April to July figures are down on the previous year.

1.1.3.2 Country Parks have an inherent budget problem of about £0.2m. This has been brought about by under investment in an adequate maintenance programme (leading to health and safety issues) and taking on Lullingstone park and the loss-making Canterbury environment centre from CFE. The Country Parks service is currently reviewing all of its activity and looking to make efficiencies where possible. They are also trying to increase income generation but without some capital investment, this strategy is limited. An MTP capital bid will be submitted in order to invest in facilities that will encourage people to attend the parks and to spend money while they are there.

1.1.3.3 After offsetting the £0.2m pressure on Country Parks against the £1.6m one-off waste saving, there is a residual underspend of £1.4m. It is proposed to use this one-off money to fund invest to save schemes within KHS, which will be needed to help address the MTP inflation issues within the portfolio (for waste, highways maintenance, energy and transport inflation). Current schemes under investigation are streetlighting and paying off coastal protection loans to save on interest payments. The savings expected to be generated from these projects over the medium term will be reported once these schemes have been developed sufficiently, and formal virement of the funding from Waste to KHS will be requested.

1.1.3.4 KHS is also currently experiencing much higher inflation than was anticipated when setting the medium term financial plan last year. This is mainly due to increases in fuel prices, aggregates, electricity and oil related products such as coated roadstone. The Baxter index used to measure price pressures in the road maintenance industry was expected to be about 5.5% when the MTP was set. The index is currently running at 9.3% on a year on year basis and is expected to rise further, topping 10%. This means that the original KHS budget was short by about £0.984m to maintain the current programme, however this has been addressed for 2008-09 by a one-off allocation from the corporate contingency set aside from the 2007-08 underspending for the impact of the current economic conditions, but will be an ongoing issue for the MTP.

1.1.3.5 The other major difficulty for KHS is the renewal of the electricity contract with LASER from October of this year. The MTP has zero allowance for an electricity rise based on the existing price KHS was paying for its electricity under the previous contract and the market conditions at the time of setting the MTP. The situation has changed dramatically since then and the latest quote for the renewal will be a 52% rise. On the £4.8m budget, this equates to £1.248m for the six months to March 2009 (£2.496m for the full year effect). This has now also been addressed for 2008-09 by allocation from the corporate contingency set aside from the 2007-08 underspending for the impact of the current economic conditions, but will be an ongoing issue for the MTP.

Regeneration & Supporting Independence portfolio:

1.1.3.6 There are no issues on this portfolio at this stage

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Invest to save schemes within KHS to address MTP issues	+1,400	EHW	Diversion to landfill while Allington waste to energy plant off-line	-1,100
EHW	Country parks	+200	EHW	Reduced waste tonnage	-500
		+1,600			-1,600

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

N/A

1.1.5 **Implications for MTP**:

Although the inflation issues affecting KHS, Public Transport and Waste have been met through allocation from the one-off corporate contingency for 2008-09, these will need to be addressed in the base budget for the 2009-12 MTP. There will be a double impact on the MTP price allocations, firstly to address the base shortfall from 2008-09 and secondly to top up the allowances to take account of the difference between the existing MTP inflation estimates and those that are now prevalent. This will cause significant additional pressures on the EH&W portfolio of over £6m in 2009-10 in order to maintain current service levels.

It is proposed to invest the remaining waste underspend after offsetting the pressure on the Country Parks budget, to produce future savings to assist with meeting the MTP inflation pressures. Current projects under consideration are streetlighting and paying off coastal protection loans to save on interest payments, both within KHS. Once these schemes have been developed sufficiently we will come back to Cabinet with further details and to request formal virement of funds from the Waste underspend to KHS.

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

N/A

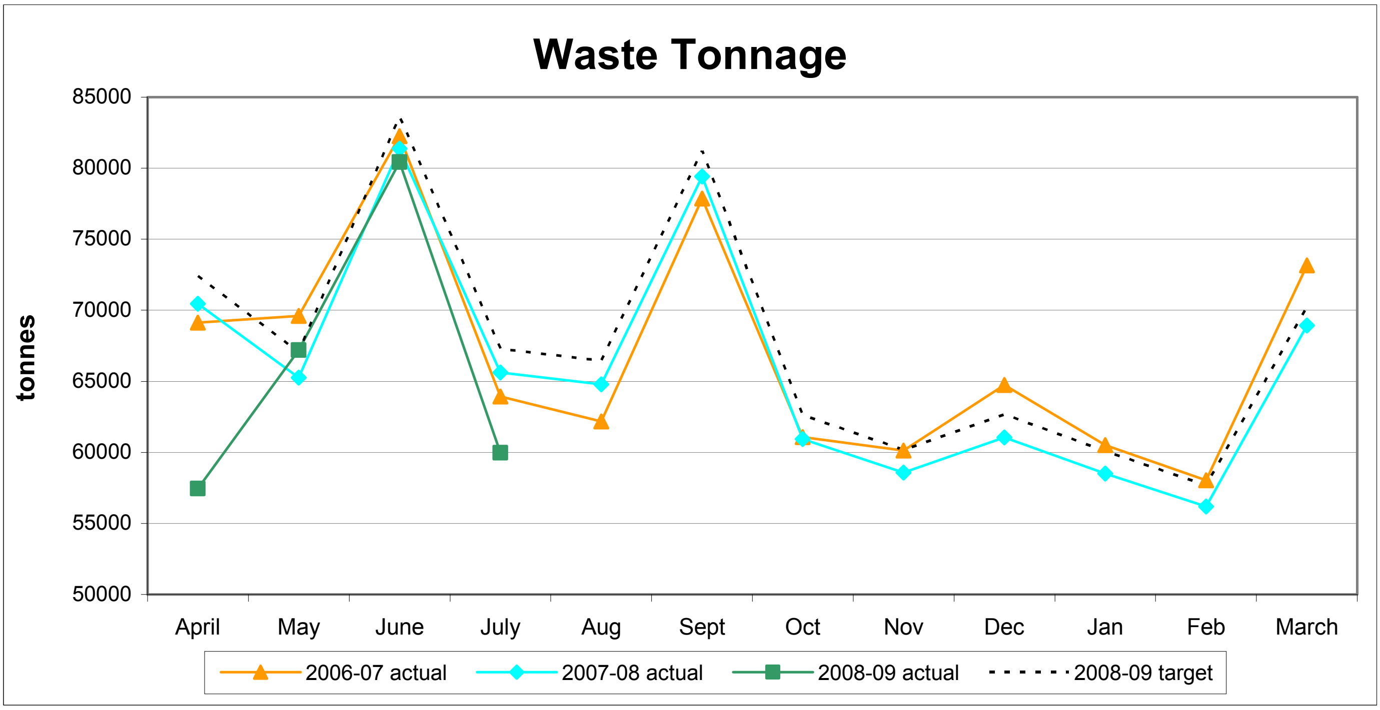
1.1.7 **Details of proposals for residual variance**: *[eg roll forward proposals; mgmt action outstanding]*

N/A

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Waste Tonnage:

	2006-07	2007-08	2008-09	
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Target
April	69,137	70,458	57,448	72,411
May	69,606	65,256	67,201	67,056
June	82,244	81,377	80,425	83,622
July	63,942	65,618	59,968	67,275
August	62,181	64,779		66,459
September	77,871	79,418		81,212
October	61,066	60,949		62,630
November	60,124	58,574		60,180
December	64,734	61,041		62,669
January	60,519	58,515		60,073
February	58,036	56,194		57,679
March	73,171	68,936		70,234
TOTAL	**802,631**	**791,115**	**265,042**	**811,500**



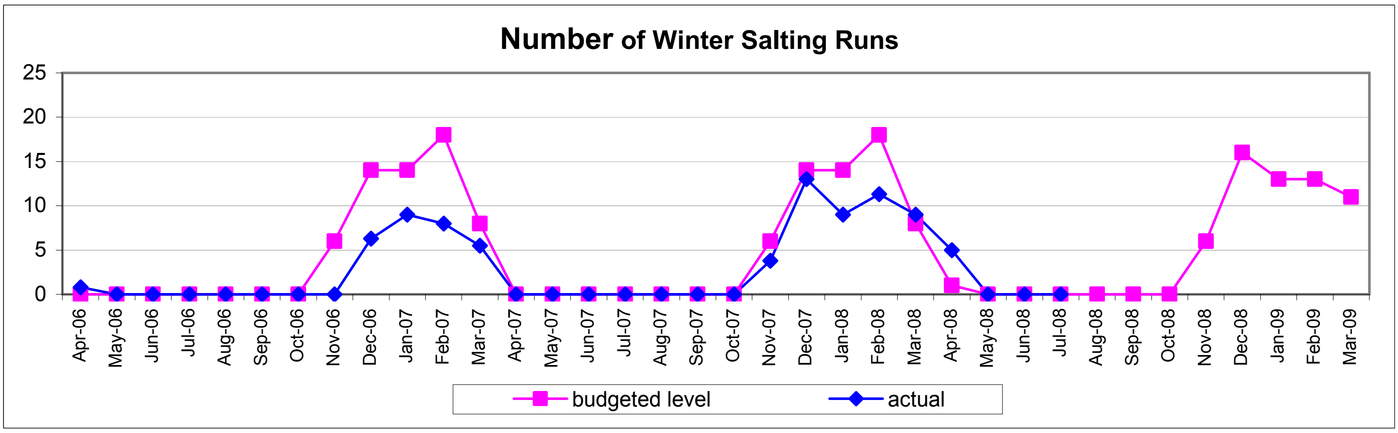
Comments:

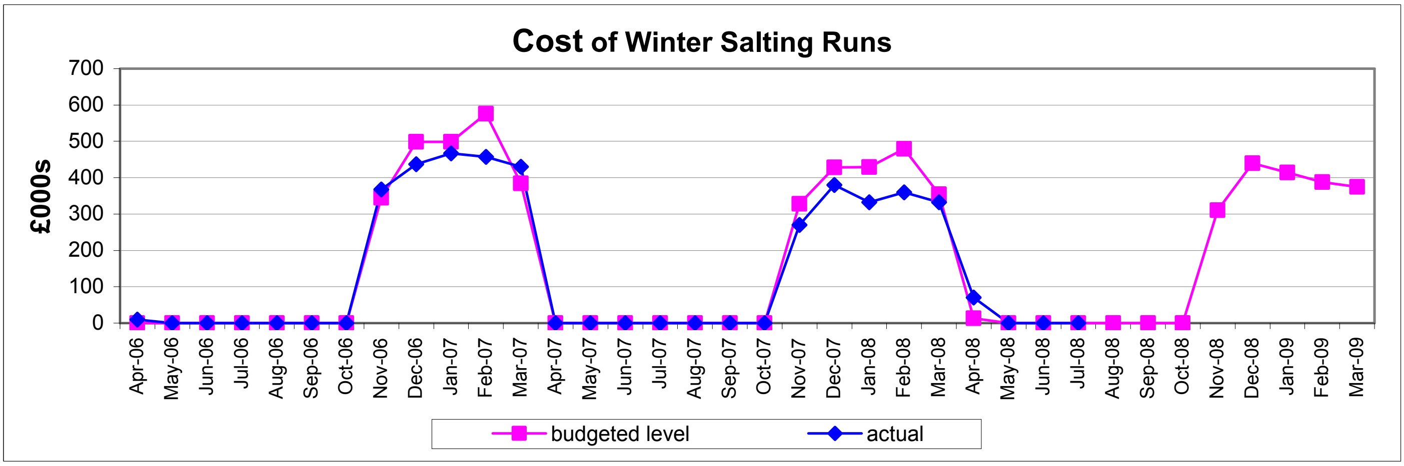
- April tonnage is significantly down on previous years but May and June and similar to expectations. The reduced April figure may be partly attributable to Easter being in March this year or possibly a reflection of a downturn in consumption. However, waste statistics in previous years have not followed this pattern and waste tonnage continues to be very difficult to predict accurately. The July tonnage is also down on the previous year, but this may change as it includes estimates for some districts.

2.2 Number and Cost of winter salting runs:

	2006-07				2007-08				2008-09			
	Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs	
	Actual [2] £000s	Budgeted Level £000s	Actual £000s	Budgeted Level £000s	Actual £000s	Budgeted Level £000s	Actual £000s	Budgeted Level [2] £000s	Actual	Budgeted level	Actual £000s	Budgeted Level [2] £000s
April	0.8 [1]	-	10	-	-	-	-	-	5	1	70	13
May	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-		-		-
September	-	-	-	-	-	-	-	-		-		-
October	-	-	-	-	-	-	-	-		-		-
November	-	6	368	345	3.8	6	270	328		6		310
December	6.3	14	437	499	13.0	14	380	428		16		440
January	9.0	14	467	499	9.0	14	332	429		13		414
February	8.0	18	457	576	11.3	18	360	479		13		388
March	5.5	8	430	384	9.0	8	332	354		11		375
TOTAL	**29.6**	**60**	**2,169**	**2,303**	**46.1**	**60**	**1,674**	**2,018**	**5**	**60**	**70**	**1,940**

Note [1]: only part of the Kent Highways Network required salting
Note [2]: the 2007-08 & 2008-09 budgets exclude overheads, as these are now charged centrally.



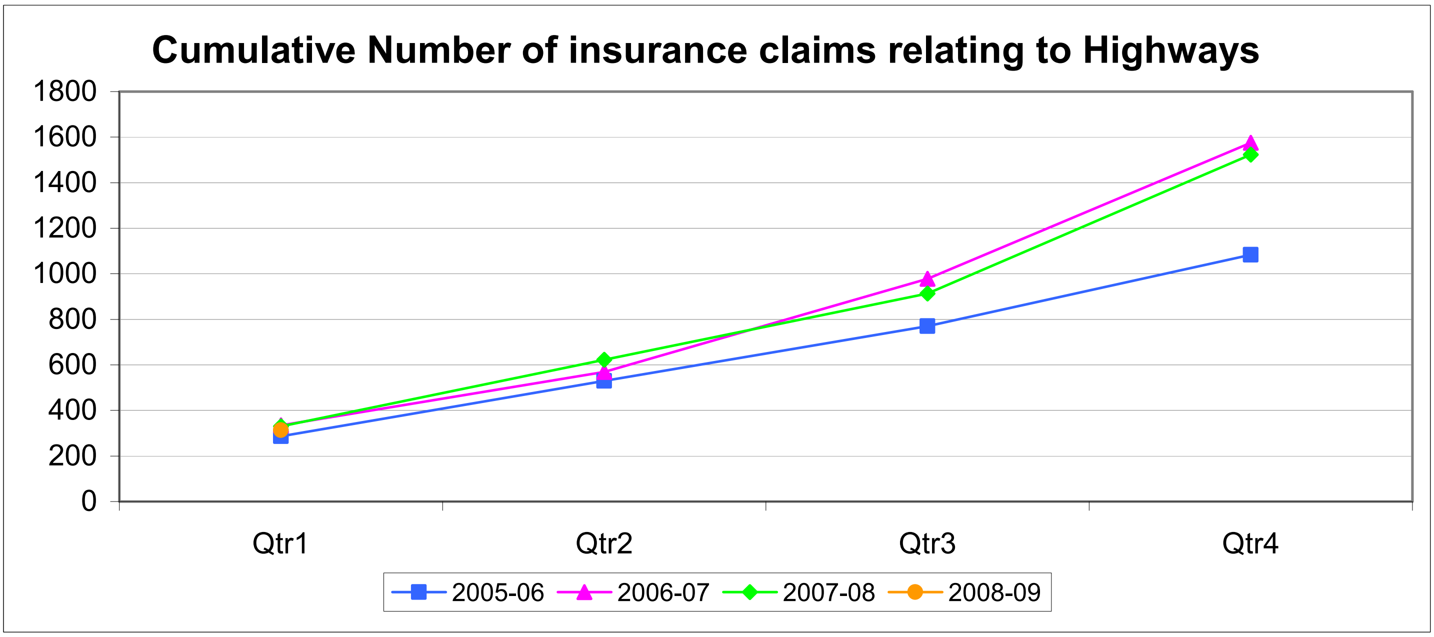


Comment:

- The charges for the Winter Maintenance Service reflect two elements of cost: the smaller element being the variable cost of the salting runs undertaken; the major element of costs, relating to overheads and mobilisation within the contract, have been apportioned equally over the 5 months of the salting period.
- In setting the 2008-09 Budget, a reassessment of the overheads and mobilisation element of the costs of the service has enabled a slightly lower budget to be set.

2.3 **Number of insurance claims arising related to Highways with accident dates during these periods**:

Accident Date	2005-06 Cumulative no. of claims	2006-07 Cumulative no. of claims	2007-08 Cumulative no. of claims	2008-09 Cumulative no. of claims
April – June	286	335	330	313
July – September	530	569	622	
October – December	770	978	913	
January - March	1,083	1,575	1,523	



Comments:

- Numbers of claims will continually change as new claims are received relating to accidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 19 August 2008.
- Quarter 1 figures for 2008-09 are currently slightly down on the previous two years, however it is highly likely that we will receive further claims over the next few months and years which will increase this figure.
- The Insurance section continues to work closely with Highways to try to reduce the number of successful claims and currently the Authority manages to achieve a rejection rate of claims where it is considered that we do not have any liability, of about 80%.

COMMUNITIES DIRECTORATE SUMMARY
JULY 2008-09 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the budget was set to reflect a number of technical adjustments to budget; a virement of £0.750m from the Finance portfolio to reflect the agreed recovery plan to balance the Adult Education budget; the roll forward of £0.873m Adult Education overspend from 2007-08, as agreed by Cabinet on 16 June 2008, and an allocation of £0.148m from the contingency set aside from the 2007-08 rolled forward underspend for the impact of the current economic situation as agreed by Cabinet on 4 August.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 2 to the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Communities portfolio							
Turner Contemporary	1,016	-200	816			0	
Kent Drug & Alcohol Action Team	15,399	-13,414	1,985			0	
Youth Offending Service	6,417	-2,639	3,779	100	-28	72	Net pressure after making staffing and other savings
Youth Services	12,678	-5,207	7,471	451	-451	0	unbudgeted expenditure & income for connexions and various other minor over/underspends
Adult Education	13,472	-13,845	-373			0	
Arts Development	1,305	-15	1,290			0	
Libraries, Information & Archives	25,594	-3,210	22,384			0	
Sports, Leisure & Olympics	1,414	-334	1,080			0	
Key Training	4,001	-3,865	136			0	
Kent Community Safety Partnership	4,379	-275	4,104			0	
Contact Centre	4,756	-1,986	2,770	-72	72	0	Shortfall on income & reduced expenditure on CDSE
Coroners	2,394	-384	2,010	227		227	Continuation of 2007-08 pressures on Mortuary Fees, pathology costs and long inquests
Emergency Planning	736	-142	594			0	
Kent Scientific Services	1,628	-1,655	-27			0	
Registration	4,321	-2,855	1,466			0	
Trading Standards	4,515	-340	4,175			0	
Policy & Resources	1,369	-77	1,292			0	
Business Development Team	203	0	203			0	
Strategic Management	985	0	985			0	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Centrally Managed directorate budgets	255	-1,135	-880			0	
Total Communities controllable	**106,836**	**-51,576**	**55,260**	**706**	**-407**	**299**	
Assumed Management Action				**-299**		**-299**	
Forecast after Mgmt Action				**407**	**-407**	**0**	

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

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

1.1.3.1 Adult Education

The adult education service has made significant progress to address the deficits it has incurred in previous years arising from a combination of reductions in funding from the Learning and Skills Council in 2005/06 and 2006/07, and lower than anticipated enrolments in 2007/08. The service has now agreed a budget plan to ensure expenditure does not exceed income in 2008/09 and to repay the £373k in year deficit made during 2007/08. To achieve this, the AE service will capitalise expenditure on the Education Business System which will be funded from a capital receipt from the sale of a redundant AE centre. This position is after the £750k virement from Finance portfolio to reflect the agreed recovery plan.

1.1.3.2 Libraries, Information and Archives

Income from the rental of audio visual materials in libraries has declined in recent years and the service has been unable to meet its income budgets. The service has explored other merchandising opportunities and this year is forecasting that it can make sufficient from these e.g. the sale of jute bags, to meet income targets in the budget. However, there are additional costs associated with merchandising new products meaning the service has to make savings on staff costs through managing vacant posts and other expenditure budgets to ensure the overall budget is in balance.

1.1.3.3 Youth Service

The budget assumed that that the contract with Connexions to provide advisory services to young people would come to an end at the end of 2007/08, but we have now negotiated an extension until the end of September and this may be extended further.

1.1.3.4 Contact Centre

Income for Consumer Direct South East declined in 2007/08 from its peak in 2006/07 as a result of reduced call volumes. In the main this has been attributed to a reduction in national advertising of the service. CDSE is making some savings on staffing through managing vacancies and is planning a further draw down from reserves of £70k to cover the anticipated £125k shortfall in income in 2008/09.

1.1.3.5 Coroners

Despite providing an additional £200k into the budget in 2008/09 the Coroner's service continues to be overspent. The demands placed on Coroners to investigate deaths are increasingly resulting in more long inquests and thus additional expenses for the Coroners and other costs associated with conducting inquests. Coroners are also having to incur additional expense for pathology fees (both as a consequence of investigating more cases and due to higher charges) and for mortuary attendants. KCC has very little influence over the work of the Coroners and therefore little control over expenditure which is governed by the claims from Coroners themselves.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CMY	AE rolled forward deficit from 2007-08 due to lower than expected enrolments and restructure costs.	+373	CMY	Transfer of expenditure for Education Business System within AE to capital programme	-373
CMY	Youth expenditure on connexions covered by increased income	+271	CMY	Youth external contributions for Connexions	-271
CMY	Consumer Direct reduced income due to declining call volumes	+125	CMY	Consumer Direct SE staff savings and draw down from reserves to cover pressure from declining call volumes	-125
CMY	Coroners long inquests payments	+120	CMY	Libraries & Archives Staff underspends to cover costs of stamps and merchandise.	-109
CMY	Coroners Pathology Fees & Mortuary Attendants	+117			
CMY	Libraries & Archives Purchase of stamps & merchandise	+100			
		+1,106			-878

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

1.1.4.1 The Adult Education Service has developed a financial recovery plan to address previous years' deficits and to ensure that in future it can respond more quickly to changes in income. Particular actions include:

- a review of terms and conditions for sessional lecturers so that their hours can be reduced without the individual having the right to redundancy benefits
- a reduction in fixed overheads through staff savings on management and administration
- significant progress in setting local managers increased targets for student numbers on individual courses to make courses financially viable
- review of course fees, freezing fees at 2007/08 levels for existing courses, and introducing a wider range of premium courses where the fees paid by students cover the full cost of courses
- transfer expenditure on Education Business System to the capital programme, to be funded by a combination of revenue contribution and proceeds from sale of redundant AE centre

These actions will resolve the deficit accrued in 2007/08 due to lower than expected enrolments and restructure costs.

1.1.4.2 The Youth Offending Service has agreed to hold 8 posts vacant throughout the year in order to keep within budget. The service has also transferred £25k of expenditure on parenting to external funding and has reduced forecast expenditure on remand fostering by £50k. This still leaves the service with a forecast overspend of £72k which at this stage it has not agreed specific actions to offset. Nonetheless the County Youth Justice Board has agreed that further savings should be made to reduce the overspend to nil as it would be inappropriate to approach partners for additional contributions at this stage in the year.

1.1.4.3 The Arts Development Unit has completed a major staff restructuring to deliver the efficiency saving and staffing reductions assumed in the budget.

1.1.4.4 The Registration Service has increased charges for non statutory services by an average of approximately 45% in order to deliver the increased income agreed through medium term financial plan. At this stage this appears to have minimal impact on take-up of services.

1.1.4.5 Community Safety has ceased grants to Crime and Disorder Reduction Partnerships for community safety projects. This was taken as a saving in the 2008-11 MTP. This has not been well received by some partnerships although KCC remains committed that our priority for supporting crime and disorder reductions is through the warden service.

1.1.5 **Implications for MTP**:

The ongoing pressures faced by the Coroners Service and the full year impact of the recent fuel and electricity price rises remain the main additional medium term financial pressures for the portfolio. Coroners are being expected to investigate more cases leading to additional mortuary and specialist fees. Where these cases result in a long inquest Coroners can claim additional expenses.

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

N/A

1.1.7 **Details of proposals for residual variance**:

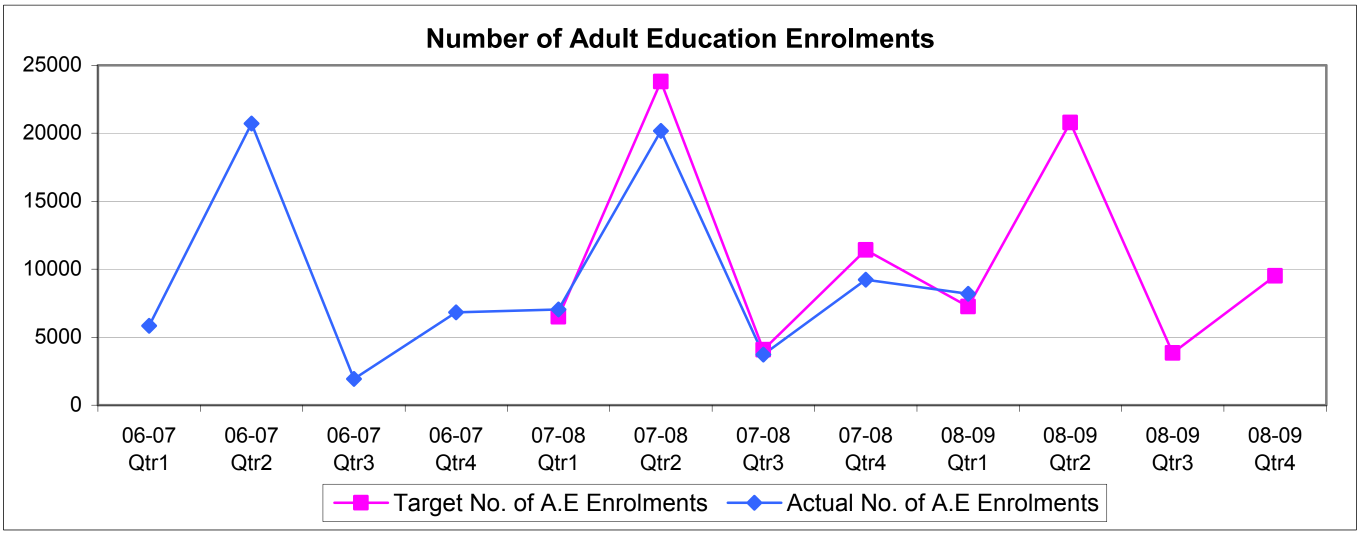
The position for the Youth Offending Service has been reported to the County Youth Justice Board. The board recommended that partners should not be asked for additional contributions and that further savings need to be found on staff and other budgets within the service. Final details of these savings have yet to be agreed with the head of service to include in this monitoring report.

Compensatory savings elsewhere within the Coroners budget are unlikely unless demands on the service reduce. We are working with the individual Coroners to identify the underlying reasons for different patterns of investigations but this is unlikely to result in significant savings. We are working with other local authorities to lobby the Local Government Association for additional government funding to resolve the situation but in the meantime we will be looking to identify savings in other services to offset the Coroners overspend. In the first instance we will look to make further savings on staffing budgets through holding posts vacant. If sufficient savings cannot be made as a result of staff turnover we will look to reduce spending on non essential non staffing budgets along the same lines achieved in 2007/08.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 **Number of Adult Education Enrolments**:

	Financial Year				
	2006-07	2007-08		2008-09	
	A.E Enrolments	Target	A.E Enrolments	Target	A.E Enrolments
Q1 07-08	5,849	6,501	7,030	7,241	8,202
Q2 07-08	20,713	23,803	20,183	20,788	
Q3 07-08	1,925	4,071	3,727	3,839	
Q4 07-08	6,829	11,416	9,230	9,507	
TOTAL	**35,316**	**45,791**	**40,173**	**48,205**	**8,202**

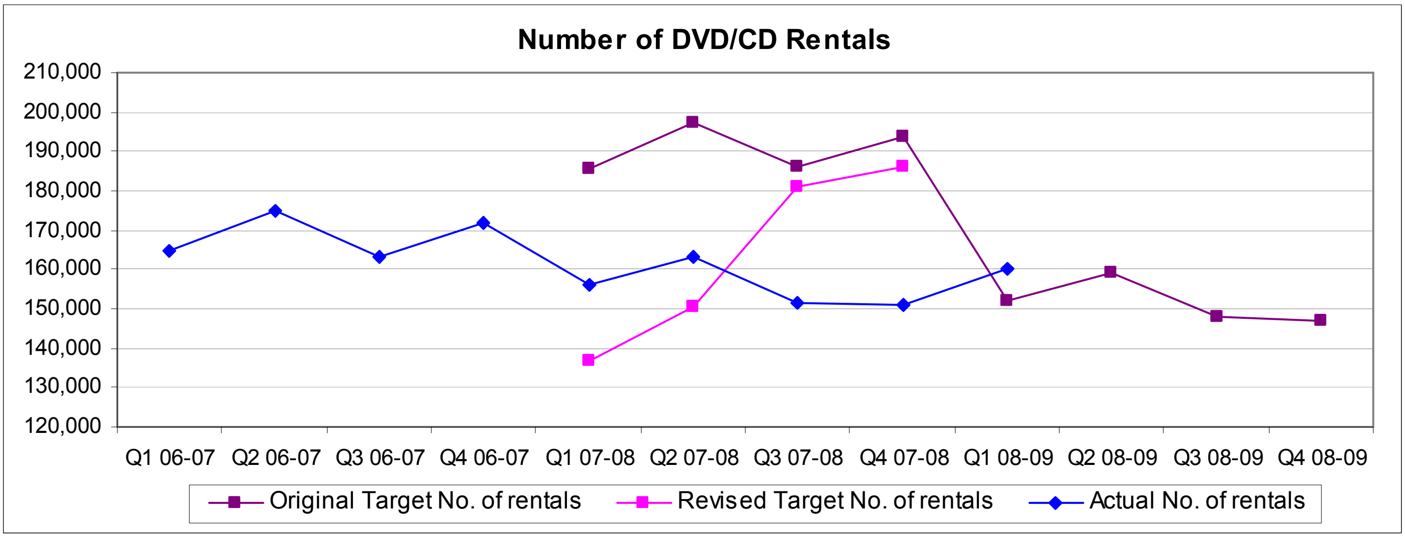


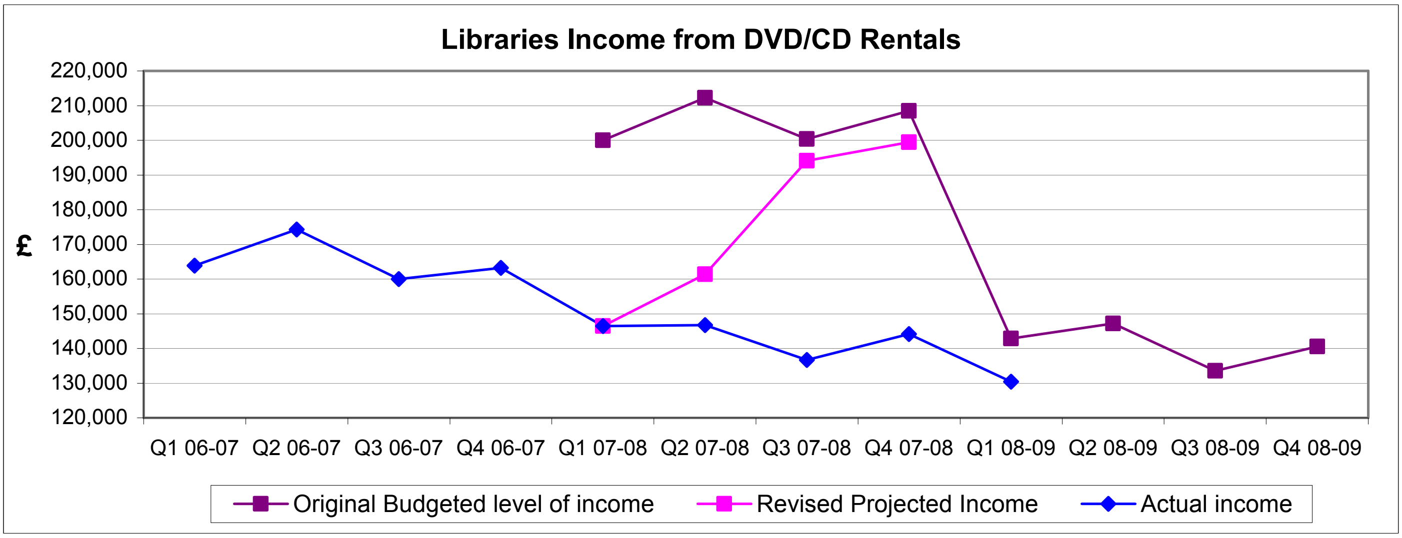
Comments:

- The LSC grants depend partly on enrolments to courses and are subject to a contract agreement with LSC. Students taking courses leading to a qualification are funded via Further Education (FE) grant based upon the course type and qualification. However, students taking non-vocational courses not leading to a formal qualification are funded via a block allocation not related to enrolments, referred to as Adult and Community Learning Grant (ACL) grant.
- Students pay a fee to contribute towards costs of tuition and examinations. There is a concession on ACL tuition fees for those aged under 19, those in receipt of benefits and those over 60. FE courses are free for those aged under 19 or in receipt of benefits undertaking Basic Skills or Skills for Life Courses.
- The AE service reduced expenditure on course provision in 2007-08 as a result of lower than anticipated enrolments, however a residual pressure remained on the AE budget which was largely as a result of a reduction in tuition fee income due to the reduced enrolments, hence a rolled forward overspend of £0.373m into 2008-09.
- The target numbers of enrolments for 2008-09 reported in the outturn report to Cabinet on 16 June were indicative as they still needed to be negotiated and agreed with the LSC. The indicative figures were based on estimates used for curriculum plans to set the 2008-09 budget. The target numbers now reflect the figures agreed with the LSC, the overall total remains the same as previously reported but the profile across the four quarters has changed.
- The target enrolments relate to courses starting in the stated periods i.e. April to June, July to September, October to December, January to March. The actual enrolments similarly relate to courses starting in those periods. In some instances students enrol for courses after they have started. This means that the actual enrolments may be different from those previously reported. This is especially the case in the autumn when significant numbers may enrol in October for courses starting in September.

2.2 **Number of Library DVD/CD rentals together with income raised**:

	2006-07		2007-08						2008-09			
	No of rentals	Income (£)	No of rentals			Income (£)			No of rentals		Income (£)	
	actual	actual	Budgeted target	revised target	actual	budget	revised projected income	actual	Budgeted target	actual	Budget	actual
April–Jun	164,943	163,872	185,800	136,556	155,958	200,000	146,437	146,437	152,059	160,162	142,865	130,379
July–Sep	174,975	174,247	197,300	150,500	163,230	212,300	161,390	146,690	159,149		147,232	
Oct–Dec	163,470	160,027	186,200	181,000	151,650	200,400	194,096	136,698	147,859		133,505	
Jan–Mar	171,979	163,269	193,700	186,000	150,929	208,500	199,458	144,136	147,156		140,533	
TOTAL	**675,367**	**661,415**	**763,000**	**654,056**	**621,767**	**821,200**	**701,381**	**573,961**	**606,223**	**160,162**	**564,135**	**130,379**





Comments:

- Target figures for 2006/07 have not been shown as this data was not presented in previous monitoring reports
- Rentals of audio visual materials (especially videos and CDs) continue to decline as videos become more obsolete and alternative sources for music become more widely available. Demand for DVDs has remained reasonably stable. Demand for spoken word materials has increased but these do not attract a loan charge as they replace the core service (the printed word) for people with a visual impairment.
- Targets and income budgets set for 2008-09 are based on a continued decline. The service has increased income from other merchandising to offset the loss of income from AV issues.
- The actual number of rentals includes those from visits to lending libraries, postal loans and reference materials.

CHIEF EXECUTIVES DIRECTORATE SUMMARY
JULY 2008-09 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered "technical adjustments" ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the budget was set to reflect a number of technical adjustments to budget and the addition of £0.602m of roll forward from 2007-08, as agreed by Cabinet on 16 June 2008.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 2 to the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Public Health portfolio							
Kent Department of Public Health	**1,401**	**0**	**1,401**	**0**	**0**	**0**	
Corporate Support & External Affairs portfolio							
Personnel & Development	10,208	-4,458	5,750	-406	427	21	vacant posts leading to reduced spend & income from courses; HCI Scheme ends Jul09
Information Systems	22,411	-6,976	15,435	1,806	-1,805	1	Costs & income of additional work
Corporate Communications	1,307	-94	1,213	0	0	0	
International Affairs Group	461	-113	348	0	0	0	
Strategic Development & Corporate Management	2,674	-14	2,660	-197	-3	-200	Kent TV contract runs to Aug09.
Dedicated Schools Grant		-2,789	-2,789	0	0	0	
Total CS&EA	**37,061**	**-14,444**	**22,617**	**1,203**	**-1,381**	**-178**	
Policy & Performance portfolio							
Policy & Performance	1,149	-340	809	45	-45	0	
Kent Partnerships	456	0	456	0	0	0	
Kent Works	940	-740	200	-16	57	41	
Legal Services	5,326	-5,726	-400	888	-1,106	-218	Costs & income of additional work
Democratic Services	4,648	-18	4,630	194	-76	118	Delayed staff savings
Total P&P	**12,519**	**-6,824**	**5,695**	**1,111**	**-1,170**	**-59**	
Finance Portfolio							
Strategic Management	1,530	-184	1,346	-43	43	0	
Finance Group	20,554	-15,722	4,832	-131	131	-1	
Property Group	16,930	-7,693	9,237	19	732	751	Corp Property Unit change in accounting treatment
Total Finance	**39,014**	**-23,599**	**15,415**	**-155**	**906**	**751**	
Total Directorate Controllable	**89,995**	**-44,867**	**45,128**	**2,159**	**-1,645**	**514**	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Assumed Management Action:							
- CS&EA portfolio						**0**	
- P&P portfolio					**-41**	**-41**	Attract additional income
- Finance portfolio				**-751**		**-751**	Review of MRP
Forecast after Mgmt Action				**1,408**	**-1,686**	**-278**	
Memorandem Item							
Property Enterprise Fund	**0**	**-12**	**-12**	**561**	**-249**	**312**	See section 2.2 Annex 5

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

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

Corporate Support & External Affairs portfolio:

1.1.3.1 Personnel & Development: Variances on gross spend **(-£410k)** and income **(+£430k)** are caused by current vacancies of Learning Account Manager posts which, until filled, is leading to a reduced number of courses offered and therefore reduced expenditure on delivering courses and a reduced level of income generated.

1.1.3.2 Information Systems: Variances on gross spend **(+£1,780k)** and income **(-£1,780k)** reflect the increased demand for additional IT services and projects, a demand which is difficult to predict during budget setting.

1.1.3.3 Strategic Development: **(-£200k)** relating to the Kent TV contract which will need to be re-phased into 2009-10 as the profile of spend finishes in Aug09.

Policy & Performance portfolio:

1.1.3.4 Legal Services:

- Variances on gross spend **(+£370k)** and income **(-£570k)** reflect the additional work that the function has taken on over and above that budgeted for, responding to both internal and external demand.
- Variances on gross spend **(+£450k)** and income **(-£450k)** are a result of additional disbursements incurred. Costs of disbursements are recovered from clients but they are difficult to predict during budget setting.

1.1.3.5 Democratic Services: Variance on gross spend **(+£118K)** as the staffing reductions assumed in the budget have not yet happened.

Finance portfolio:

1.1.3.6 Property Group: Variance on income **(+732k)** and gross spend **(+£19k)** is due to a change in the accounting treatment of some staffing costs of the Corporate Property Unit, which were previously capitalised but upon latest guidance, these costs must be charged to revenue.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CS	Information Systems costs of additional services/projects	+1,780	CS	Information Systems income from additional services/projects	-1,780
FIN	Change in accounting treatment of some staffing costs of Corporate Property Unit, previously charged to capital	+751	P&P	Legal income resulting from additional work (partially offset by increased costs)	-570
P&P	Legal services cost of additional disbursements	+450	P&P	Legal services costs of disbursements recovered from clients	-450
CS	P&D vacant Learning Account Manager posts resulting in reduced income generation from courses	+430	CS	P&D vacant Learning Account Manager posts resulting in reduced courses and expenditure on course delivery	-410
P&P	Legal services cost of additional work (offset by increased income)	+370	CS	Confirmed profile of Kent TV revenue spend to Aug09 (roll forward proposal)	-200
P&P	Democratic Services delay in budgeted staff savings	+118			
		+3,899			-3,410

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

N/A

1.1.5 **Implications for MTP**:

<u>Finance portfolio:</u>
The consequences of the change in the accounting treatment of the indirect staffing costs of the Corporate Property Unit have been reflected as a pressure in the MTP for 2009-10.

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

The following projects are re-phasing into 2009-10:

<u>Strategic Development:</u> **-£200k** for Kent TV, to meet the contractual commitment through to Aug09.

<u>Personnel & Development:</u> **+£21k** Home Computing Initiative. Due to the accounting treatment of this scheme, a scheduled overspend of £21k will be required to roll forward into 2009-10 to be met from staff salary deductions to July 2009, when the scheme is due to complete.

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

<u>Policy & Performance portfolio:</u>
Kent Works is continuing to review its contracts with Schools and aims to attract additional income to offset the current forecast pressure of £41k.

<u>Finance portfolio:</u>
Corporate Property Unit: It is envisaged that a review of the regulations around the minimum repayment of outstanding debt, known as the Minimum Revenue Provision (MRP), the full implications of which are currently being assessed, will release funds to cover the revenue shortfall of £751k.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

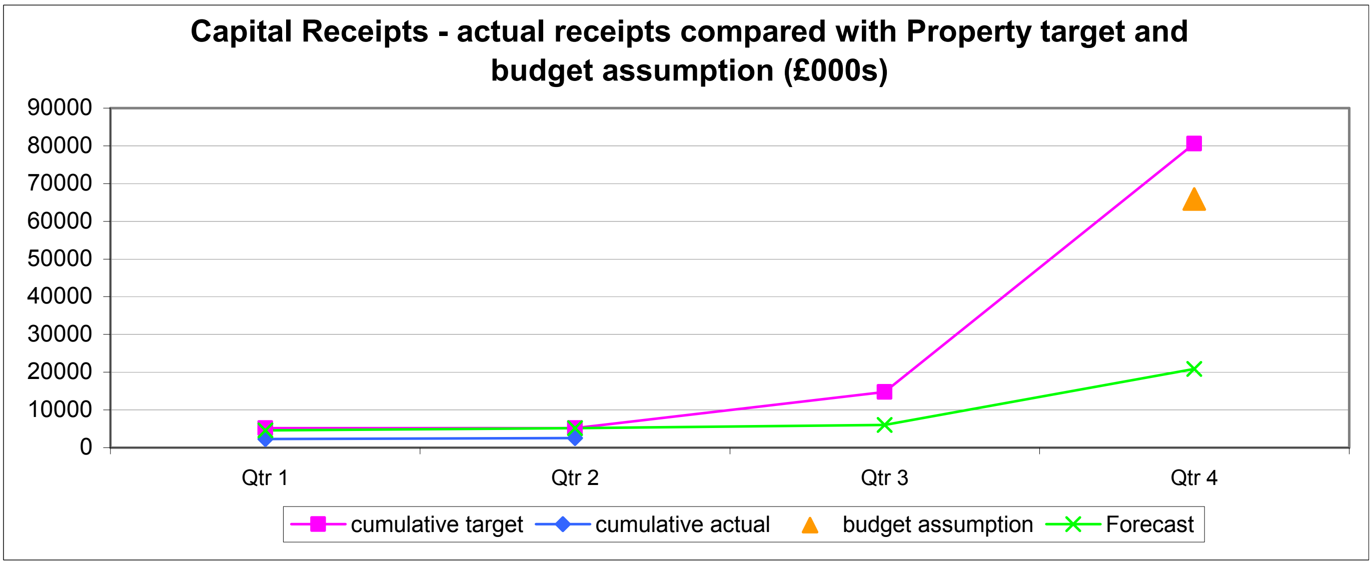
2.1 Capital Receipts – actual receipts compared to budget profile:

	2008-09			
	Budget funding assumption £000s	Cumulative Target profile £000s	Cumulative Actual receipts £000s	Forecast receipts £000s
April - June		5,156	2,314	4,590
July - September		5,156	**2,524	5,192
October - December		14,742		6,019
January - March		80,556		20,849
TOTAL	***65,950***	*****80,556**	**2,524**	**20,849**

* *figure updated from 2008-09 budget assumption to reflect roll forward from 2007-08*

** *actuals to 31 July 2008*

*** *The cumulative target profile shows that at the start of the year anticipated receipts for 2008-09 totalled £80,556k. The variance between this and the budget funding assumption is due to timing differences between when the receipts were anticipated to come in and when the spend in the capital programme to be funded by these receipts was due to occur. This shows that an element of the receipts due to come in during 2008-09 were not needed for funding the capital programme until 2009-10 or later.*



Comments:

- The decrease in forecast receipts for 2008-09 is as a direct result of the instability and downturn in the property market due to the global credit crunch. Most housebuilders (who have been the mainstay of KCC's earmarked sales in recent years) have now withdrawn from acquisitions at the present time. Due to the lack of transactions in the market it is difficult to predict a percentage fall in values overall.
- The table below shows we are currently forecasting a potential deficit of £39,866k for the current year. KCC is currently exploring options in an effort to manage the impact of reduced capital receipts on the progression of the capital programme in the current and future years.

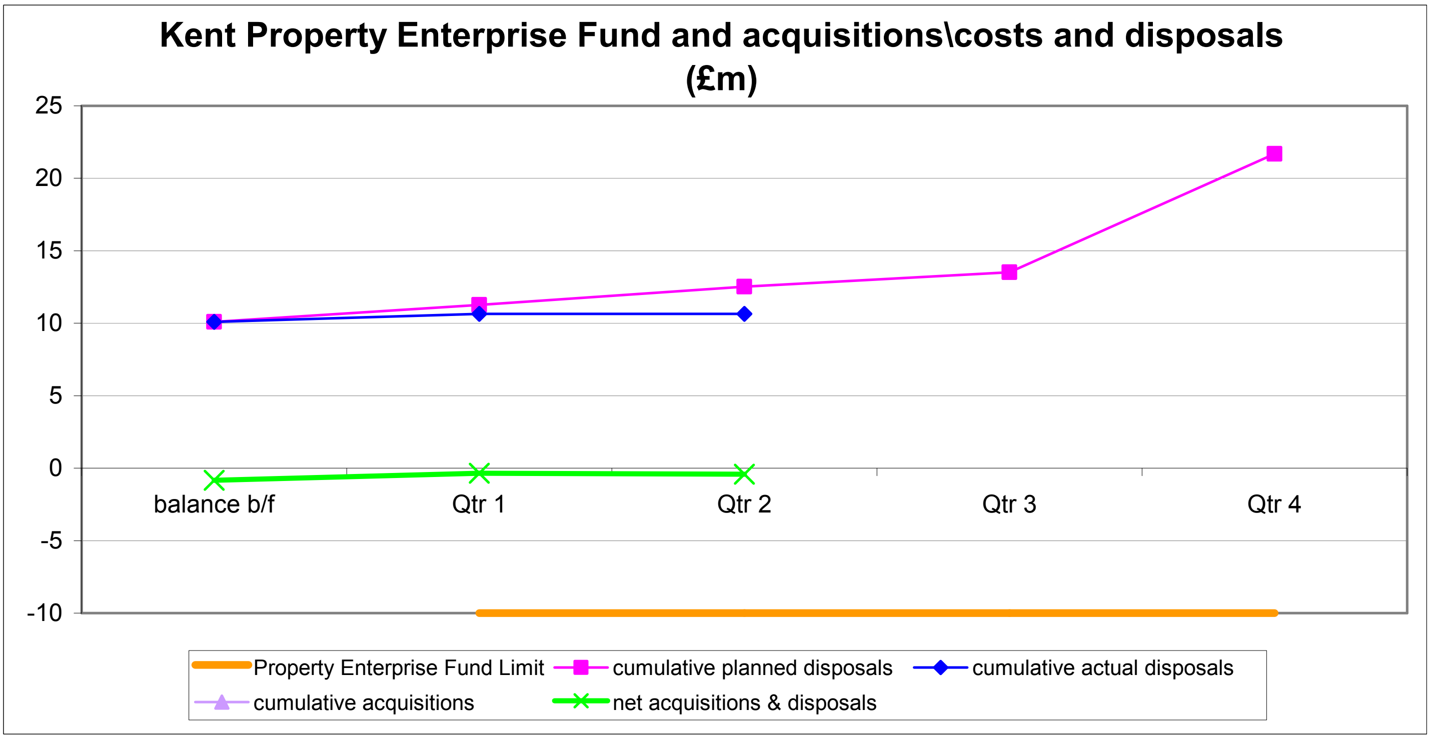
	2008-09 £'000
Capital receipt funding per 2008-11 MTP	65,950
Property Group's forecast receipts	20,849
Receipts banked in previous years for use	1,739
Receipt funding from other sources	1,051
Sites identified by Directorates for Property to work up for disposal*	2,445
Potential Surplus\Deficit Receipts (-)	**-39,866**

* Timescale for delivery uncertain until worked up by Property Group

2.2 **Capital Receipts – Kent Property Enterprise Fund**:

	Kent Property Enterprise Fund Limit £m	Cumulative Planned Disposals (+) £m	Cumulative Actual Disposals (+) £m	Cumulative Actual Acquisitions (-) £m	Cumulative Net Acquisitions (-) & Disposals (+) £m
Balance b/f		10.096	10.096	-10.924	-0.828
April - June	*-10*	11.259	10.642	-10.995	-0.353
July – September *	*-10*	12.526	10.642	-11.067	-0.425
October - December	*-10*	13.507			
January - March	*-10*	21.695			

** reflects position to the end of July*



Comments:

- County Council approved the establishment of the Property Group Enterprise Fund, with a maximum permitted deficit of £10m, but self-financing over a period of 10 years. The cost of any temporary borrowing will be charged to the Fund to reflect the opportunity cost of the investment. The aim of this Fund is to maximise the value of the Council's land and property portfolio through:
  - the investment of capital receipts from the disposal of non operational property into assets with higher growth potential, and
  - the strategic acquisition of land and property to add value to the Council's portfolio, aid the achievement of economic and regeneration objectives and the generation of income to supplement the Council's resources.

  Any temporary deficit will be offset as disposal income from assets is realised. It is anticipated that the Fund will be in surplus at the end of the 10 year period.

  <u>Balance brought forward</u>

  In 2005-06, £0.541m of capital receipts were realised from the disposal of non-operational property. The associated disposal costs of £0.054m were funded from these receipts, leaving a balance of £0.487m available for future investment in the Kent Property Enterprise Fund.
  In 2006-07, £3.065m of capital receipts were realised from the disposal of non-operation property giving a balance of £3.606m for investment. The Fund was used to acquire land at Manston Business Park. Together with the costs of acquisition and disposal, costs in the year totalled £5.864m, leaving a deficit of £2.312m to be temporarily funded from the £10m borrowing facility.

In 2007-08, £6.490m of receipts were realised of which £3.3m was used for revenue budget support, £1.110m was used to fund expenditure on the Eurokent Access Road and there was £0.596m of acquisition and disposal costs, leaving a balance of £1.484m to offset against the £2.312m deficit brought forward. Therefore the deficit carried forward to 2008-09 was £0.828m.

Actual Disposals

At the start of 2008-09 Property Group identified **£11.599m** worth of potential non-earmarked receipts to be realised this financial year.

Disposals to date this year have been **£0.546m** from the disposal of 3 non-operational properties, but as a result of the credit crunch, the market has hardened affecting the ability to achieve the original target. Property Group is now working to a revised target of **£3.491m**.

Acquisitions\Costs

At present there are no committed acquisitions to report, however forecast outturn for costs of disposals (staff and fees) is currently estimated at **£0.400m**.

Other Fund Commitments

The 2008-09 revenue budget includes £0.7m of receipts to be generated by the Fund in the current year.

The Fund has also been earmarked to provide a further £4.193m of funding for the Eurokent Access Road, £1m for Ashford Library (currently forecast for 2009-10) and £2m for Gateways over the MTP (currently forecast at £0.587m in 2008-09, £1.4m in 2009-10 and £0.013m in 2010-11).

Forecast Outturn

Taking all the above into consideration, the Fund is expected to be in a deficit position of £3.217m at the end of 2008-09.

Opening Balance – 01-04-08	-£0.828m
Planned Receipts (Risk adjusted)	£3.491m
Costs	-£0.400m
Acquisitions	-
Other Funding: - revenue budget support - Eurokent Access Road - Gateways - Ashford Library	 -£0.700m -£4.193m -£0.587m -
Closing Balance – 31-03-09	**-£3.217m**

Revenue Implications

The Fund also generated £0.096m of low value revenue receipts during 2007-08 but, with the need to fund both costs of borrowing (£0.107m) against the overdraft facility and a small deficit on the cost of managing non-earmarked properties held for disposal (£0.001m), the PEF carried forward a £0.012m deficit on revenue which has been rolled forward to be met from future income streams.

In 2008-09 the fund is currently forecasting £0.032m of low value revenue receipts but, with the need to fund both costs of borrowing (£0.161m) against the overdraft facility and the cost of managing properties held for disposal (£0.159m), the PEF is forecasting a £0.300m deficit on revenue which will be rolled forward to be met from future income streams.

FINANCING ITEMS SUMMARY
JULY 2008-09 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered "technical adjustments" ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the budget was set to reflect a number of technical adjustments to budget; a virement of £0.250m from the underspending on the debt charges budget to R&SI portfolio for the development of the A2 outdoor activity centre and park and ride scheme; a virement of £0.750m, also from the underspending on the debt charges budget, to Communities portfolio to reflect the agreed recovery plan for Adult Education to balance their budget and the addition of £1.004m of roll forward from 2007-08, as agreed by Cabinet on 16 June 2008.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 2 to the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Corporate Support & External Affairs portfolio							
Contribution to IT Asset Maintenance Reserve	2,424		2,424			0	
PFI Grant		-656	-656			0	
Total Corporate Support	**2,424**	**-656**	**1,768**	**0**	**0**	**0**	
Finance Portfolio							
Insurance Fund	3,479		3,479			0	
County Council Elections	255		255			0	
Workforce Reduction	1,468		1,468			0	
Environment Agency Levy	359		359			0	
Joint Sea Fisheries	264		264			0	
Audit Fees & Subscriptions	800		800			0	
Interest on Cash Balances / Debt Charges	125,295	-29,896	95,399	-3,064	798	-2,266	savings on debt charges due to lower levels of borrowing in 07-08 & 08-09 & better rates for new borrowing
Contribution from Commercial Services		-6,210	-6,210		300	300	roundabout sponsorship shortfall
Public Consultation	100		100			0	
Member Community Grants	848		848			0	
Local Priorities	595		595			0	
Local Scheme spending recommended by Local Boards	656		656			0	
Transferred Services Pensions	22		22			0	
PRG	6,176	-7,902	-1,726			0	
Contribution from Reserves	-2,400	0	-2,400			0	
Income from Kings Hill	-1,000	0	-1,000			0	
ABG Safer Stronger Communities	1,384		1,384			0	
LABGI income	-1,851	-1,349	-3,200		1,349	1,349	reduced level of LABGI income
Total Finance	**136,450**	**-45,357**	**91,093**	**-3,064**	**2,447**	**-617**	
Total Controllable	**138,874**	**-46,013**	**92,861**	**-3,064**	**2,447**	**-617**	

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

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

1.1.3.1 Interest on Cash Balances and Debt Charges

Due to the re-phasing on the capital programme in 2007-08 a lower level of new borrowing was required resulting in a reduction in the debt charges compared to the level assumed when the 2008-09 budget was set. In addition, new market borrowing has been arranged for January 2009 at 3.95% per annum which is 1.55% below budget. No other new borrowing has yet been taken or arranged therefore making further savings against the budget.
This is partially offset by lower interest receipts as a result of reductions in the base rate since the budget was set but this has been mitigated in part by an increase in the duration of short-term lending which has provided an improved return.

1.1.3.2 Local Authority Business Growth Incentive (LABGI)

The Government has reconsidered all aspects of the approach used to distribute the resources available for year 3 of this scheme. As a result, the worst case scenario is that we will receive £1.349m less income than we previously expected. However, the Government has retained some funding to cover the potential outcomes of existing Judicial Reviews against the LABGI scheme. It is possible that not all of this will be required and that we will receive a further distribution, if so our position could improve to a best case scenario of a £0.595m shortfall.

1.1.3.3 Commercial Services Contribution:

We are currently reporting a £300k shortfall in the budgeted contribution from Commercial Services. This is due to problems with obtaining planning consent from the Districts for the erection of signs for sponsorship of roundabouts; we will therefore not achieve all of the expected income from this initiative this year.
The £250k current estimated impact of increasing fuel and electricity prices, which mainly affects Transport Services and Landscape Services, is expected to be offset by attracting new business.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
FIN	Reduction in LABGI income	+1,349	FIN	Savings on debt charges due to lower level of borrowing required in 2007-08 and less new borrowing in 2008-09 than anticipated, together with new borrowing arranged at lower interest rate than budgeted and increase in duration of short term lending	-3,064
FIN	Lower interest receipts due to reduction in base rates since budget was set	+798			
FIN	Commercial Services - Shortfall in income from sponsorship of roundabouts	+300			
		+2,447			-3,064

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

N/A

1.1.5 **Implications for MTP**:

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

N/A

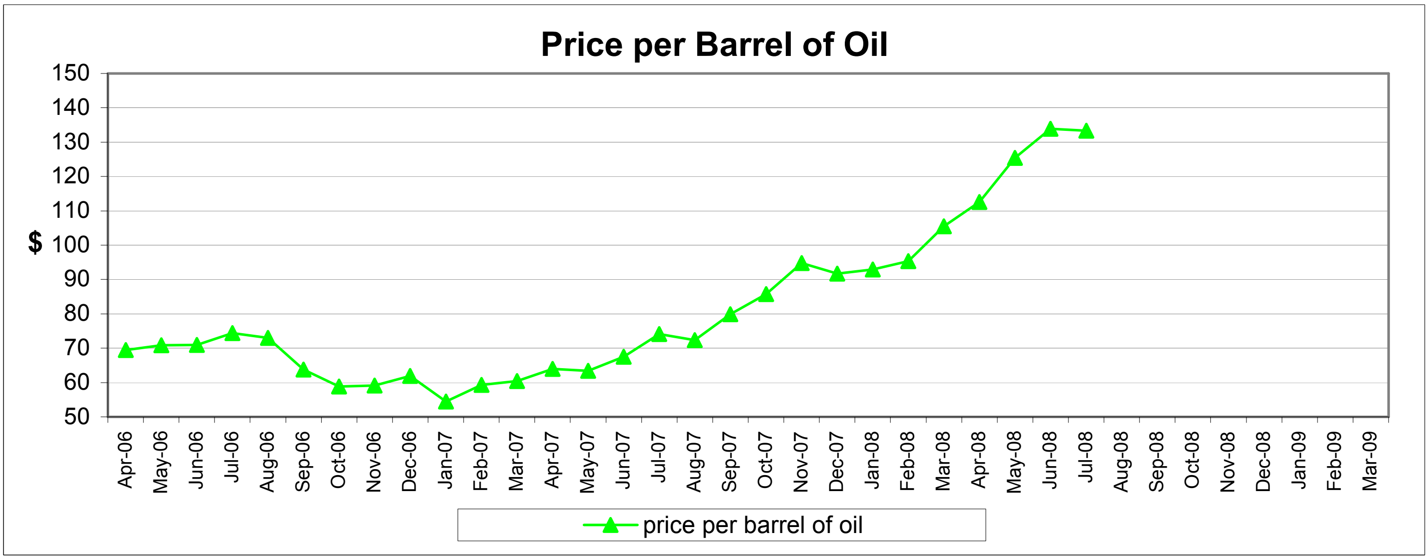
1.1.7 **Details of proposals for residual variance**: *[eg roll forward proposals; mgmt action outstanding]*

N/A

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Price per Barrel of Oil - average monthly price in dollars since April 2006:

	Price per Barrel of Oil		
	2006-07	2007-08	2008-09
	$	$	$
April	69.44	63.98	112.58
May	70.84	63.45	125.40
June	70.95	67.49	133.88
July	74.41	74.12	133.37
August	73.04	72.36	
September	63.80	79.91	
October	58.89	85.80	
November	59.08	94.77	
December	61.96	91.69	
January	54.51	92.97	
February	59.28	95.39	
March	60.44	105.45	



Comments:

- The figures quoted are the monthly average of the West Texas Intermediate Spot Price in dollars per barrel.
- The inflation busting increases in the price of oil are having a huge impact of KCC budgets, especially home to school transport and highway maintenance. This impact has been mainly offset for 2008-09 by the allocation of the £5.111m contingency for the current economic situation set aside from the 2007-08 rolled forward underspend.

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Report to Cabinet – 15 September 2008

By: Paul Carter, Leader of the Council
Nick Chard, Cabinet Member for Finance
Peter Gilroy, Chief Executive
Lynda McMullan, Director of Finance

AUTUMN BUDGET STATEMENT

Summary

This paper sets out the context, at both the national and local level, within which the County Council's medium term financial plan will be framed over the next three years.

There are three critical issues facing KCC and the rest of local government at the moment:

- the totality of resources between now and 2011 that are available at a national level for our services which were set out in the Comprehensive Spending Review 2007;

- how we balance increasing demands on our services due to demographic and wider socio-economic change, government imposition of new burdens, climate and environmental change, rising customer service expectations and indeed our own aspirations for continued innovation and improvement in services at a time of nationally and locally constrained resources;

- how we respond and react to the continuing to unfold "credit crunch" and the more recent rapidly escalating rises in inflation which are now way above the target set for the Bank of England by the government.

The key conclusions from this report are:

Resources:

- the current local government finance settlement is a three year settlement lasting to 2011;
- key driver of resources for local government in total is that set out in CSR 07;
- CSR07 assumptions were set before the implications of the global "credit crunch", the slowing of the world and UK economies, the rapid escalation in commodity prices (oil, petrol, diesel, gas, electricity etc.)and the spill over into inflation more generally;
- the levels of grant for 2009-10 and 2010-11 pre-announced last year, whilst viewed as significantly constrained last year, are now to be seen as even more severely constrained, falling well short of any accepted measure of inflation and thus are real terms cuts in funding;
- the Government's announcements, at the time of writing this report, on measures to help the housing market appear to be very modest and thus have no material affect on the outlook for the housing market, the overall economy or KCC's financial planning assumptions.

The items on which KCC and partners are most concerned are:

- the overall resources available to fund service pressures (particularly demographics in elderly and disability services) and inflation;
- regional disparities, in particular flowing from the Barnett formula and other regional comparisons;
- the funding of the Growth Agenda;
- the operation of the main funding formula and its inbuilt deficiencies which fail to adequately reflect Kent's unique features (and whether those will be adequately addressed in the next formula review in 2011-12);
- the operation of Dedicated Schools Grant and its inbuilt deficiencies in terms of resource allocation and the total quantum of funding;
- the burdens imposed upon us by government without adequate recompense in terms of additional funding;
- a continued failure by government to assure us that it will fully reimburse asylum costs

Recommendations

Cabinet are asked to note:

1. The key conclusions from this report as set out in the summary.

2. KCC has developed and strengthened its policy led budgeting yet further to ensure that it optimises the allocation of constrained resources to meet local priorities

3. The financial planning risks for KCC which are set out in paragraph 92 onwards of this report

4. The proposed Medium Term Planning key milestone dates set out in Appendix 1.

Background Documents: None

Contacts: Lynda McMullan, Director of Finance on 01622 694550
Andy Wood, Head of Financial Management on 01622 694622
Ben Smith, Group Manager on 01622 694597

AUTUMN BUDGET STATEMENT

Introduction

1. This report is a key stage in medium term financial planning. It provides an opportunity to review both the national and local contextual issues that will shape our forward thinking for the next three years. It also gives direction to the necessary actions required to deliver the Council's policies and priorities and sets out the financial framework for the budget and medium term financial plan, which will be presented for formal agreement by Council next February.

2. In particular it looks at what resources will be available to local government from the national perspective and at how we will deliver the medium term plan in KCC within the context of the likely distribution of that total national resource to Kent over the medium term.

The Economy and Public Expenditure

3. The Budget 2008, announced on 12 March, is the most recently published document setting out the government's view of the national economic situation and the public finances. Featured, were the confirmed plans to remove the 10 pence starting rate of tax, and to cut the basic rate of income tax from 22 pence to 20 pence from April 2008 (subsequently followed by measures to try and alleviate the increased taxation for low earners that this removal of the 10p rate caused). The Chancellor affirmed that inflation was expected to be above the 2.0% target rate, with CPI falling back to 2.5% by the end of 2008 and returning to target in 2009 and beyond. The economy was expected to slow markedly with growth down from 3% in 2007 to 1.75% to 2.25% during 2008, rising to 2.25% to 2.75% in 2009 and 2.5% to 3.0% in 2010. The Chancellor will be presenting his pre-budget report in the autumn of 2008, which will provide updated forecasts of the public finances and will set the scene for the 2009 Budget.

4. It has to be said that those statements looked optimistic at the time and now look increasingly optimistic and indeed unattainable. Both the OECD and the IMF have issued recent reports pointing to a much more significant slow down in both the UK and world (especially developed) economies. The IMF report published in August for example has revised growth for the UK down to 1.4% in 2008 and 1.1% in 2009, both well below government projections. That same report noted accelerating inflation in the UK and predicted that the 2% target would be breached for an "extended period". It further went on to say that to rebalance government spending plans there would need to be sharp spending cuts or tax rises of up to 1% of GDP a year until 2013. Now the latest OECD forecast issued in September predicts growth of just 1.2% for 2008 and shrinkage in the economy for the latter two quarters of 2008-09, which meets the working definition of a recession, two quarters of negative growth.

5. The Bank of England's August Inflation Report takes a more cautious stance still on the outlook for economic growth for the UK. It assumes output is broadly flat (i.e. nil growth) for the next year with a recognition of risks on the downside that could mean a contraction in the overall economy

6. The Bank of England's Monetary Policy Committee held base rates at 5.0% in August 2008, following three separate 0.25% percentage cuts since their most recent peak in autumn 2007 at 5.75%. The Bank of England is facing a clear dilemma over future interest rates: rising and rapidly escalating consumer and retail prices well above the long run 2% target should result in a tightening of monetary policy and increases in interest rates but to

do that at a time when the economy has slowed significantly runs the risk of pushing the economy into recession.

7. The Bank of England therefore appears to be adopting a wait and see strategy hoping that the rapid escalation in prices primarily as a result of spikes in commodity prices and oil in particular will be short lived and that whilst in the short run that will mean much higher levels of inflation, these will partly self correct over the medium term as commodity prices stabilise and then tail off (as has happened with oil recently, down over 20% from its high reached in July)

8. We have also made some key assumptions on the outlook for the next Spending Review due in 2009 (SR09) and local government in particular so that we can look beyond the current financial settlement which runs to 2011.

9. The Institute for Fiscal Studies analysis of The Budget 2008 indicated that real terms cuts in forecast spending needed to grow from £4bn for the CSR07 period (3 yrs 2008-11) to £8bn for the next spending review, SR09 (2 yrs 2011-13). If we further assume the Chancellor permanently funds the whole £2.7bn per annum cost of the subsequently announced rebates to part compensate for the removal of the 10p starting rate of tax then that means £4.7bn needs to be taken out of public spending per annum to rebalance spending. That level of saving is equivalent to a 1.2% reduction per annum in real terms growth and given CSR 07 had broadly 2% real terms growth per annum that means headroom would be down to 0.8% real terms growth across the whole of the public sector.

10. At the time of writing this report the government has begun to announce measures to help the housing market.
    - A one year exemption from stamp duty for house sales up to £175,000 in value (then reverting back to the current £125,000 limit);
    - "Free" five year loans of up to 30% of a property's value for first time buyers of new homes in England;
    - Extension of powers for councils and housing associations to be able to pay off debt for homeowners who can no longer afford mortgage payments and then charge rent;
    - Shortening from 39 weeks to 13 weeks the period before Income Support for Mortgage Interest is paid;
    - Bringing forward spending from future years to encourage more social housing to be built.

11. The first measure is estimated to cost an extra £600 million and HM Treasury have not indicated how this will be funded. The remaining measures are all said to be a bringing forward of existing spending plans. Whilst this puts further spending pressure on the public finances it is a set of measures that, on top of the stamp duty holiday, will initially directly help perhaps just 16,000 households (with a further 10,000 helped to avoid repossession and 5,500 more social homes built earlier than planned. Whilst a helpful start, this has to be set in the context of the 24.4 million households in Great Britain, so the measures appear very modest.

12. The funding position is therefore bound to be tighter still. This position was all predicated on a 2008 Budget assuming growth of 2.5-3% by 2010. The International Monetary Fund thinks that UK growth more like an average of 1.25% for each of the next two years is more realistic. So that takes a further average 1.5% off long term trend growth. So that leaves minus 0.7% on average real terms growth and clearly, given spending priorities and

commitments by government to the NHS and education, that pain will not be passed on there to any significant level. Local government can therefore expect even less than that average, i.e. an even worse real terms settlement, perhaps around -2%.

13. If we assume CPI inflation in the longer run is kept to the 2% target and the GDP deflator (used for pricing government spending plans) is 2.5% by 2012-13 then that means there may be only +0.5% nominal cash per annum increases for local government in SR09. That's compared to the local government CSR 07 and 2008 grant settlement of a 3.5% increase in nominal cash terms on average (and in real terms +1% per annum).

14. In summary we can expect higher inflation, lower growth, worse public finances overall, a need for a reduction in public spending as a share of gross domestic product and probably pretty much standstill cash grants for local government which will of course be a real terms cut. No additional cash at a time of increasing demand on our services will undoubtedly mean difficult decisions lie ahead. We are assuming for KCC a cash grant increase of 1.3% in 2011-12. The reason this is higher than the expected average is that we currently pay into the damping mechanism for formula grant to the tune of nearly £12 million per annum and we would expect an element of this (assumed at 30%) to continue to unwind over time as damping is removed.

Inflation

15. Inflation is currently running at 4.4% (CPI August 2008). The trend in this figure is firmly upwards and in the short run it will continue to go higher still, primarily due to higher oil prices to work through and feed into consequential rises in the cost of road fuel, gas and electricity prices (whilst oil prices are now falling it will take time for that downward pressure to fully work through into the rest of the economy). The rate is significantly above the long run inflation target which is set at 2.0%. Similarly RPI, the inflation measure which is used for benefits indexation, is currently running at 5.0% (August 2008). The same pressures have affected RPI but there has been some downward pressure on the RPI from mortgage interest payments (excluded in CPI) which have been falling as the base rate has reduced but the benefit to consumers may be less marked because the "credit crunch" has affected the rates at which mortgage lenders are prepared to actually lend or indeed even lend at all. There will be some further downward pressure on the RPI from falling house prices (because a percentage of the average house value is used each month as a proxy for the cost of maintaining houses in their current condition). The interaction of lower interest rates and falling house prices could mean RPI and CPI cross over before the year is out (i.e. that CPI, the preferred measure, exceeds RPI, whereas we have got more used to the inverse).

16. Neither CPI or RPI may be the best rates to use when considering public sector inflation. One of the biggest difficulties in dealing with this area is to find any robust consistent method of measuring public sector inflation. The current methodology is derived from public sector outputs and has been revised many times by the Office for National statistics (ONS). The Chief Secretary to the Treasury has agreed in principle to develop a measure of public sector inflation but progress on its implementation has been slow and there has to be concern that part of the reason for delay is that if there is a measure available which demonstrably shows funding increases at a rate less than inflation that government will feel under pressure, and rightly so, to increase its funding for local government.

17. The Adam Smith Institute has previously set out an argument that shows that public sector inflation (PSI) has run at almost 5% per year since 1997. Our estimates, based on current budget data continue to be consistent with a local price inflation rate in excess of 5%.

18. We have, of course, already taken action to address some of the inflationary pressures following Cabinet on 4 August 2008. Additional inflation pressures for 2008-09 of £5.3 million were identified and we have broadly covered that pressure by allocating our £5.1 million contingency for inflation itself approved by Cabinet on 14 July (funded from the reported under spend on the 2007-08 budget). Nevertheless the inflationary pressures remain pronounced as identified in the report to Cabinet on 4 August: an additional £14.9 million in 2009-10 and a further £13.4 million between 2010 and 2012 which we are having to address as part of this budget and medium term planning round.

Government's Current Spending Plans

19. Comprehensive Spending Review 2007, published in October 2007, set out the government's spending plans for the period 2008-09 to 2010-11. This remains the prime source of funding information for local government.

20. The Budget 2008 highlighted the following:
    - Measures designed to tackle child poverty through increases in Child Benefit and reform of how Housing and Council Tax Benefit operates from October 2009;
    - Measures to tackle climate change including an ambition for all new public sector buildings to be zero carbon by 2018 and the publication of five year carbon budgets from 2009;
    - Voluntary and statutory arrangements with energy companies to help those facing fuel poverty;
    - For schools £200m of funding to be brought forward one year to 2011 to support the aim that no school should have fewer than 30 per cent of its pupils achieving 5 A*-C GCSEs, including English and Maths;
    - Funding to develop technology to underpin national road pricing schemes;
    - Measures to try and enhance the efficiency of PFI projects;
    - An announcement of the start of a review for the value for money framework post the CSR 07 period (i.e. from 2011 onwards) which will set out further public sector efficiencies and savings (amounts to be quantified in Budget 2009).

21. So we can expect some further pressure on local government spending and very little in the way of additional resources to help fund that spending.

Comprehensive Spending Review 2007 (CSR07)

22. On 9 October 2007, HM Treasury announced the second Comprehensive Spending Review, CSR 07 (the first being in 1997). It set out what the investments and reforms initiated to date have delivered and what further steps must be taken to ensure that Britain is equipped to meet the challenges of the decade ahead.

23. The efficiency target for local government was confirmed at 3% per annum. An additional £150m was made available for supporting the efficiency programme in local government.

24. CSR 07 set out arrangements for £5 billion of specific grants to be mainstreamed (i.e. re-badged) into formula grant and into the LAA area based grant over the three year period of the CSR. This has subsequently been reflected in the three year local government finance settlement 2008-11.

25. CSR 07 also confirmed there would be a third round of Performance Reward Grant but with the inference (and since confirmed) that the PRG available will be smaller than current

levels ("at a level that maintains incentives but recognises that partnerships are now much stronger").

26. CSR 07 also confirmed that the current LABGI scheme (worth £1 billion over three years) would cease and was to be replaced with a new scheme from 2009-10 with a national budget of just £50m rising to £100m in year 2.

27. Finally CSR 07 also set out the following statement on council tax. "This will provide the resources to enable local authorities to deliver improving services while maintaining the low council tax rises of recent years, and the government expects the overall increases in council tax to be well under 5 per cent in each of the next three years".

The 'Four Block' System

28. In 2006-07, settlements began adopting a new 'four block' system for formula grant, which means that total assumed spending and formula spending shares (FSS) no longer exist.

The four blocks of the model are as follows:

i. Relative Needs Block – worked out using the Relative Needs Formulae (RNF), this is the equivalent to FSS
ii. Relative Resource Amount – takes account of different capacity to raise income for council tax (a negative amount for KCC)
iii. Central Allocation Amount – allocated on a per capita basis
iv. Floor Damping Block – to ensure that all authorities receive the minimum grant increase

29. The four block system is less transparent than the previous FSS system, and it is harder to explain to key stakeholders. This is because it is no longer possible to easily find out the total the government is prepared to support through grant and how much of this is assumed to be financed by councils' own resources (i.e. council tax).

30. The underpinning formula will next be subjected to review in time for the 2011-12 settlement onwards. The current work schedule of the Settlement Working Group indicates that there will be changes to the highway maintenance, fire, police, environmental protective and cultural and capital financing formulae. There is also likely to be a review of area cost adjustment calculations and a discussion and debate on the availability and thus scope for inclusion or otherwise of 2011 Census data. We can expect formal consultation on any changes to begin in 2010.

Education Funding and Dedicated Schools Grant

31. The DfES (now the Department for Children, Schools and Families) launched its five-year strategy for Children and Learners in July 2004, which set out key reforms including guaranteed three-year budgets for every school from 2006, tied to the CSR cycle and geared to pupil numbers, with every school also guaranteed a minimum per pupil increase each year. The DfES introduced this funding mechanism in the form of Dedicated Schools Grant in 2006-07. Indicative funding was announced for 2006-07 and 2007-08. A consultation took place in early 2007 about potential changes to this funding system for the period 2008-11 and decisions on that were announced on 25 June 2007.

32. Those announcements meant that the risks that we identified with the DSG system when it was introduced will continue in the future. Decisions on schools budgets will still have to be

taken before DCSF announce the final DSG, due to lags in the DCSF systems for processing and verifying pupil data. Local decisions therefore have to be based on indicative allocations with a mechanism to deal with under and over allocations.

33. The announcements do not change the fact that the funding arrangements seem to be based on an assumption that there is a national "one size fits all" solution to the funding of schools. The new system leaves little room for changes to reflect local needs and priorities. It also assumes that at the point in time that these changes were introduced the local schools formula was "right".

34. There are immense pressures from Government stated commitments and priorities and there is estimated to be an excess pressure on DSG funded services and no funding headroom to pay for this. The only option to close the gap other than cutting services would be to top up funding from council tax. But with funding pressures of our own it is wholly unacceptable to expect local taxpayers to top up a supposedly nationally funded schools service.

35. Given that there is also an expectation by Government that there will be further expansion of the Academies programme it is worth noting that each academy that opens takes further resource away from the DSG grant settlement for the authority which will impact on the funding of both CFE and CED.

36. The overall impact of these changes has meant that the supposed headroom that the authority has (which is the difference between overall DSG funding increases and the amounts that have to be passported to schools and schools spending under the funding guarantee) may well become negative.

37. The decisions about the future funding framework that were announced in June 2007 include some significant longer term changes in respect of funding for schools and early years. Subsequent announcements have made it clear that by 2010 all funding for 16-19 year old students in schools and <u>FE Colleges</u> will be removed from the LSC and (partially) returned to local authorities through a new grant that is separate to, but "aligned" with, the DSG. There will also be two new national funding bodies to replace the LSC in respect of schools and FE colleges. A DCSF/DIUIS consultation on a range of proposals as to how all this might work took place earlier this year and we understand that Ministers will be taking final decisions on this by October 2008. The DCSF clearly wish to retain a national formula for 16-19 funding and have raised the possibility of extending this to 14-16 in 2011/12. By April 2010 we have to have established a single local formula for all early years funding (maintained and PVI). By 2011-12 there should have been a wider review of the national methodology for DSG distribution to local authorities, from which a single formula for all should be announced. This could adversely affect Kent.

38. For KCC, there is a further particular concern in relation to the funding of those parts of the DSG that cover Early Years and non-delegated items such as spending on the Education Welfare Officers (EWOs), Attendance & Behaviour Services, Pupil Referral Units etc. As a first call the DSG must fund the nationally set minimum per pupil increases in schools (the minimum funding guarantee), which means that the resources available in the DSG for the other services such as these may be squeezed to unacceptable levels. This is particularly an issue in terms of the early years funding for the PVI sectors where the DCSF announcements have built up a degree of expectation about improved funding despite the fact that there are no indications about any extra money being made available in the DSG.

39. There are continuing worrying issues in relation to new responsibilities and pressures for schools. Schools are having to make efficiency savings in order to balance their budgets because of the impact of falling rolls. Alongside this there is the concern that there are no

national mechanisms in place to reflect significant local pressures on schools – such as the big price increases schools face when long-tem contracts for services such as energy, catering and cleaning come up for renewal – apart from squeezing that element of the DSG that funds other local authority services for schools and pupils. It was this failure to properly assess the costs that led to the national funding "crisis" in 2003 and this is already being reflected in the 3 year budget plans produced by schools in May/June 2008 which shows an increasing number expecting to move into a deficit position during the period 2008-11.

Forthcoming legislative change and consequential pressures on local government

40. There are, as ever, a number of proposed government bills, as set out in the draft legislative programme in May 2008, which will have direct or consequential affects on local government.

41. The Community Empowerment, Housing and Economic Regeneration Bill implements those elements of the recent Empowerment White Paper requiring primary legislation, implements the recommendations from the review of sub-national economic development and regeneration and extends the powers of the new social housing regulator. The bill provides increased opportunities for local communities to be involved in decision taking, including giving individuals the right of response to petitions.

42. The National Health Service Reform Bill takes forward the recommendations of the Darzi review of the NHS and includes measures for increasing accountability to local people.

43. The Policing and Crime Reduction Bill increases accountability in the police force and seeks to establish a public voice in decision making through directly elected representatives.

44. The Education and Skills Bill seeks to promote excellence in schools, modernises the apprenticeship system and transfers funding responsibility for delivering 16-18 education and training to local authorities.

45. The Business Rates Supplement Bill will give county councils and unitary authorities the power to levy a local supplement of up to 2p per pound of rateable value on the business rate and retain the proceeds for economic development subject to a majority vote by local businesses.

46. The Coroners and Death Certification Bill will create a national coroners service with minimum national standards but crucially there will remain a funding anomaly, as funding responsibility will remain with local authorities and the cost of the service will continue to be an issue (e.g. the costs of large scale inquests which are outside individual council control)

47. Other bills of relevance to local government include:

- Welfare Reform Bill
- Equality Bill
- Constitutional Renewal Bill
- Citizenship, Immigration and Borders Bill
- Marine and Costal Access Bill
- Heritage Protection Bill

National Spending Pressures

48. CSR 07 set out, as expected, a much tighter public spending round than we have seen for the past decade. That was predicated on assumptions made by the government at the time

before the full impact of the "credit crunch" was known and before the rapid and accelerating increases in commodity prices which have begun to spill over into the wider measures of inflation. This has been coupled with noticeably slowing economic growth which will in turn affect future tax revenues for the government.

49. It is fair to say therefore that what was assumed at the time of CSR 07, and the basis for the spending plans to 2011, is already significantly out of date. What was already a significant tightening of expenditure is likely to become tighter still.

50. Particular additional challenges remain in funding and tackling climate change, growing fuel poverty, waste and its disposal, and increases in the old age dependency ratio and for the latter particularly how the long term funding for older people is to be put on a sustainable funding footing. Nevertheless there is very little, if any room, for manoeuvre by government to put any additional funding into these areas.

Local Government Pension Scheme

51. The regulatory framework for the new LGPS scheme came into effect from 1st April 2008.

52. To address the general trend of increased life expectancy (and therefore pensioners claiming their pension for longer), the new scheme aimed to make the LGPS more affordable and sustainable. Removing the 85 year rule, those who retire under 65 will receive slightly less, where those who retire later receive the full benefits. It is however, payable for a longer period for all involved, because of increased life expectancy, continuing the overall strain on the pension fund.

53. On average, employers pay in twice as much as employees do - meaning this will also be payable for longer. The Government wanted to ensure no additional costs were imposed on the taxpayer, so plans are to be in place by March 2009 to have a mechanism of sharing future costs pressures. The actuarial valuation of the new scheme will not be until 2010, and individual fund actuaries will set new employer contribution rates to take effect on 1 April 2011.

54. On balance, though, there appears to be some additional upward pressure on employer contribution rates to come, due to longevity, despite good investment performance.

Interaction of services with the NHS

55. There is a continued grey area between the NHS and local authorities in the responsibility for provision of some aspects of health and social care. The well documented and reported upon funding crises affecting aspects of the NHS are beginning to be felt by local authorities. KCC is no exception to this pattern.

56. The LGA last year published a report following a study of local authorities operating in areas where NHS trusts are in deficit. Returns were received from 55 of the 78 local authorities in those deficit areas. Of these, 67% indicated that the deficit had had an adverse effect on the authority. It demonstrates that trusts have adopted a number of cost-cutting measures that have impacted on councils, including:

- The withdrawal of funding from jointly funded projects
- A sharp increase in the referral of patients that would normally be cared for by the NHS
- Paying no more than one per cent inflation on existing joint contracts
- Closure of beds

57. Measures local authorities have adopted to cope with the cutbacks have included:

- Withdrawing services from people with lower-level care needs
- Increasing waiting times for social care assessments and services
- Outsourcing more services
- Transferring resources from other services – including leisure facilities and transport
- Using budget reserves
- Negotiating with – or taking legal action against – the NHS over the non-payment of bills

58. The Audit Commission has reviewed several aspects of the funding of the Health service, and published three reports, all of which have a bearing on this. The main themes identified were:

- The increasing severity of the deficits, and the concomitant difficulties of recovering from these
- The needs for appropriate skills, leadership and cultures to be developed within the NHS organisations
- The importance of a robust financial management framework to support radical service configurations, where these are deemed to be necessary

59. The position in Kent is that the Health economy experiences substantial and significant difference between East and West Kent Primary care trusts. The West Kent PCT is in financial deficit and the east Kent PCT in financial surplus and this has consequential knock on effects on their respective ability to offer broadly the same levels of support and care to Kent residents.

60. Managers are working carefully to ensure that the risks and uncertainties arising from the difficult financial environment do not impact on services or service users. The budgetary risk is also being carefully monitored; and where appropriate Health decisions are being challenged. There will continue to be risk for the council's social care services all the time that the Health economy locally is so stretched at a time when demographic trends mean that there will continue to be large scale funding pressures on funding elder care. However, it is also clear that there can be no resolution to this difficulty unless the council is constructively engaged.

61. In order for local Councils to take greater share of responsibility in public health and health services, central Government has abolished the Patient and Public Involvement Forums and the Commission for Patient and Public Involvement in Health. They have been replaced by the Local Involvement Networks (LINKs). The prime function will be to gather information and make the views of the public know about local health and social care services.

62. We are supplementing national provisions with our own stronger local accountability arrangements by setting up and funding Healthwatch.

Differences across the UK

63 It is also perhaps worth noting and contrasting the different funding levels that exist between England, Wales, Scotland and Northern Ireland at a time when the balance of funding is being reviewed. The Barnett Formula, which was introduced in the seventies, and has not been reviewed since, results in substantially more public spending in these countries than in England. It is time that the formula was reviewed to see if it still accurately reflects relative needs.

Table 1 - Public expenditure by region/country

Country/Region	Spend £ per head of population 2007-08 plans
England	7,535
Of which South East	6,512
Scotland	9,179
Wales	8,577
Northern Ireland	9,789

(Source: HM Treasury: Public Expenditure Statistical Analysis, 2008 table 9.2)

64 The government expects council taxpayers in the South East, excluding London, to bear a much higher proportion of spending than in other regions, particularly in the North and Midlands. Table 2 shows that the proportion of spending borne by the council taxpayer is around 54% in the South East in 2007-08, but around 42% in the North East and under 40% in the East Midlands.

Table 2 – Funding, Grant and Council Tax in 2008-09

Region	Proportion of Budget Requirement met by council tax %	Grant increase %	Increase in Band D for all tiers %	Average council tax per dwelling £
Kent	**48.3**	**3.4**	**4.1**	**1,259.63**
South East	**54.2**	**2.5**	**4.4**	**1,309.20**
South West	55.1	4.1	4.5	1,208.87
Eastern	47.0	3.5	4.4	1,235.74
East Midlands	39.7	5.2	5.3	1,091.95
West Midlands	41.0	4.2	3.8	1,060.17
Yorkshire & Humber	45.0	4.2	3.9	998.67
North West	42.3	3.8	3.7	1,039.33
North East	42.0	3.2	3.5	1,004.20
London	41.6	2.3	2.7	1,198.89
England	44.4	3.5	4.0	1,145.79

Source: Communities 2008-09 Settlement data; CIPFA council tax statistics 2008-09

Capping

65 KCC and the LGA are both opposed to capping. Ministers have reiterated that the government is prepared to use its capping powers to protect council-tax payers from excessive increases where necessary.

66 Ministers have indicated that increases in excess of 5% will be subject to scrutiny and run the risk of capping.

67 For 2008-09 eight authorities were deemed to have set excessive council tax increases (defined as a budget requirement increase of 5% or more between 2007-08 and 2008-09 and a council tax increase of more than 5% in the same period).

68 Lincolnshire Police Authority was designated for capping. Three other police authorities were allowed to retain 2008-09 council tax increases but had restrictions imposed limiting future year increases to 3% for 2009-10 and 2010-11, a variant of being designated for capping. Three further police authorities and one unitary council, Portsmouth, had

alternative notional budgets set for 2008-09 allowing them to keep 2008-09 budgets and council tax levels unchanged from those proposed but limiting their scope for future council tax increases.

Provisional settlement 2009-10 to 2010-11

69. Due to the CSR 07 announcement last autumn and the consequential three year provisional local government finance settlement we already know our provisional grant allocations for both 2009-10 and 2010-11.

70. It is assumed, as government intends, for these to be firm settlement figures but there will, as is usual, be a period of consultation on each year's actual settlement to enable representations to be made if material errors or omissions are discovered in the calculations.

71. Tables 3 and 4 set out are provisional settlement for 2009-10 and 2010-11.

Table 3 – Provisional Settlement for KCC 2009-10

	Adjusted Base 2008-09 £m	**Provisional Settlement 2009-10 £m**	**Increase for KCC £m**	**Increase for KCC %**
Relative Needs	n/a	276.5	n/a	n/a
Relative Resource	n/a	-170.6	n/a	n/a
Central Allocation	n/a	171.4	n/a	n/a
Floor Damping	n/a	-10.1	n/a	n/a
External Funding (Revenue Support Grant and NNDR)	258.9	267.2	8.3	3.2%*

* After adjusting for loss of LABGI grant, this falls to an effective 2.0% for 2009-10

Table 4 – Provisional Settlement for KCC 2010-11

	Adjusted Base 2009-10 £m	**Provisional Settlement 2010-11 £m**	**Increase for KCC £m**	**Increase for KCC %**
Relative Needs	n/a	284.4	n/a	n/a
Relative Resource	n/a	-176.4	n/a	n/a
Central Allocation	n/a	179.5	n/a	n/a
Floor Damping	n/a	-11.8	n/a	n/a
External Funding (Revenue Support Grant and NNDR)	267.1	275.7	8.7	3.2%

72. Table 5 sets out some examples of the settlements to show the wide disparity between regions and authorities.

Table 5 - Increase in Grant – Some Examples

	Increase in grant on like for like basis			
	2007-08	**2008-09**	**2009-10**	**2010-11**
England	3.8%	3.5%	2.8%	2.6%
East Midlands Region	4.5%	5.2%	3.9%	3.6%
South West Region	4.3%	4.1%	3.4%	3.3%
London	3.4%	2.3%	2.1%	2.0%
South East Region	**3.4%**	**2.5%**	**2.2%**	**2.2%**
Shire Counties (average)	3.8%	5.3%	4.2%	4.0%
Dorset	9.5%	10.9%	7.6%	7.1%
Norfolk	8.4%	8.7%	6.0%	5.3%
North Yorkshire	5.9%	6.3%	5.2%	5.2%
Kent	**2.7%**	**3.4%**	**3.2%**	**3.2%**
Sample Kent Districts:				
Swale	8.0%	1.7%	1.3%	1.1%
Canterbury	5.2%	2.9%	2.8%	2.5%
Thanet	2.9%	1.5%	1.1%	1.1%
All others	2.7%	1.0%-1.6%	0.5%-1.8%	0.5%-2.5%

KCC Input to the next Spending Review

73. KCC lobbied comprehensively ahead of CSR 07 and produced a document *Input into Comprehensive Spending Review 2007*, which provided information about the shortfall in funding that Kent suffers. This was submitted to HM Treasury on 26 May 2006.

74. We believe KCC has been under-resourced for some time and the next spending review in either 2009 or 2010 is the appropriate juncture for the Government to take stock of resource allocation.

75. Likely key issues for KCC for the next spending review are set out in Appendix 2.

Local Area Agreements and Local Public Service Agreement 2

76. The first Local Area Agreement between Kent County Council, working with the Kent Partnership and other local partners, and the Government concluded at the end of March 2008, although it will take some time to ratify and verify the performance achieved in some of the performance indicators. The agreement comprised a set of 18 outcomes which been developed and agreed by a very wide range of partners across Kent.

77. The Local Public Services Agreement 2 (LPSA2) was developed alongside the LAA and all of the LPSA 2 targets contribute to the LAA. The total amount available on successful conclusion of all targets in LPSA2 is in the region of £36 million for all Kent partners. We continue to estimate KCC and its partners are likely to receive in the order of £23 million based on our performance. £16 million of this is estimated to flow to KCC although a prudent 50% of this amount has already been built into our cash limits. Payment by way of performance reward grant will be made at the end of 2008-09 and the end of 2009-10.

78. We have recently concluded with government and partners negotiations for the second local area agreement. This focuses on 35 agreed indicators and a further series of statutory education indicators. This agreement is also subject to the payment of performance reward grant although the amounts potentially payable are around one fifth of those payable last time round. Any payments of PRG will be made in 2011-12 and 2012-13.

The Efficiency Agenda

79. Alongside CSR 2007, DCLG published a value for money plan for the CSR period. All public services have now been set a target of achieving at least 3% net cash-releasing value for money gains per annum over 2008-09 to 2010-11. This target excludes schools expenditure with a target of 1%. The rationale for a substantially lower efficiency requirement from schools has not been adequately explained by government, although with many schools having 80% plus of their budget committed to staffing, perhaps this is the reason.

80. The annual efficiency target for each of years 2008-11 is £28.2 million.

81. KCC has recently submitted its final Annual Efficiency Statement for the period covered by Spending Review 2004 and the Gershon Report. We have achieved just under £90 million of total cumulative efficiency gains, of which just over £74 million are cashable. KCC has the potential to carry forward its overachievement of efficiency gain for this review period to the new efficiency period spanning 2008-11. The amount that might be able to be carried forward is just over £22 million.

82. The drive for efficiencies and savings is not a new one for KCC. Savings in the published budgets of KCC amount to a cumulative £211.0 million between 2000-01 and 2008-09. Our actual level of efficiencies far exceeds even this value as services continually provide more/better services for the same price.

Comprehensive Performance Assessment

83. In February 2008, it was announced that the KCC had achieved the highest 4 star rating for its annual CPA for the sixth year running, and that its direction of travel is 'improving strongly'.

84. Only one other county council was rated four star, judged to be 'improving strongly', and awarded the highest mark for both its use of resources and its corporate assessment. Of the two county councils we had the lowest Band D Council Tax.

85. Between 27 November 2007 and 9 May 2008 KCC has been subject to a new corporate assessment (the last being in 2002) which forms part of the overall CPA score. KCC has been awarded the highest possible score of 4 out of 4 for its Corporate Assessment having been assessed across five themes; ambition, prioritisation, capacity, performance management and achievement

86. The new Comprehensive Area Assessment will take place in 2009. This will encompass an Organisational Assessment (of KCC) scoring how well performance is managed and resources are utilised and an Area Assessment which looks at the prospects for future improvement in the whole of Kent as an area (i.e. taking into account what KCC and its partners do and plan to do).

Growth Agenda

87. KCC's medium term planning needs to be seen in the context of Kent's housing growth and consequent wider infrastructure and investment needs. This is set out in "What Price Growth". The scale of development being sought by the Government will affect the whole of Kent and pose a huge financial challenge over the next 20 years. The Government has still not yet fully recognised the scale of the investment in local services required by its plans for housing development in the South East. Proposals currently progressing through

Parliament for the Community Infrastructure Levy which will give local authorities a power, but not obligation, to levy a charge relating to new developments having due regard to the scale and character of the development are at least a start but in providing for that levy to flow to lower tier councils fully fail to have due regard to the strategic capacity, delivery and indeed obligations of upper tier authorities such as KCC.

88. KCC has been working with partners to assess the investment contribution that will be needed in the wider public sector to meet the scale of the growth in the county. We have developed models to assist in this assessment of our investment needs and the revenue impact of that investment. It is this context that we will continue to be urging the government that data on population numbers should be projected where possible for growth areas, and that any time lags should be avoided if at all possible.

89. The County Council will work together with the Government and across the public sector to maximise funding streams from other investment sources such as PFI and PPP where these offer value for money, as well as exploring Kent retaining a proportion of the additional business rates generated by new commercial development.

90. KCC's decisions on our Medium Term Capital Programme must be weighed against the scale of the Government's continuing support for borrowing and grant funding, the new prudential borrowing regimes, and the County Council's total borrowing and our ability to service this through revenue funding.

91. Some specific service issues affect authorities such as KCC. The shortage of land in the South East affects waste management costs, through higher capital costs of new facilities for recycling and incineration, as well as landfill.

Financial Planning Risks

92. All our resourcing and spending assumptions are based on the Government's expressed views about levels of council tax, increases in government grant and funding for Kent schools.

93. This year whilst we have reasonable certainty over our funding levels for 2009-10 and 2010-11 we face considerable uncertainty over our spending pressures both for next year and the following few years. We have the following to take into account:

- The continuing impact of the credit crunch, including a potential reduction in client incomes and wealth and thus our ability to charge for services
- Substantial increases in inflation for the goods and services we purchase
- Greater potential demand for our services as the economy slows
- Continuing demographic trends (rising elderly population)
- On-going risk of not recovering costs of supporting Asylum Seekers
- The key individual service risks built into our risk registers.

94. There is uncertainty over the burdens that may be imposed upon local government by a number of new bills before parliament:

- Community Empowerment, Housing and Economic Regeneration Bill
- National Health Service Reform Bill
- Policing and Crime Reduction Bill
- Education and Skills Bill
- Business Rates Supplement Bill
- Welfare Reform Bill

- Equality Bill
- Constitutional Renewal Bill
- Citizenship, Immigration and Borders Bill
- Marine and Costal Access Bill
- Heritage Protection Bill
- Coroners and Death Certification Bill

95. There is a risk to the LABGI scheme. KCC has argued the current scheme is not operating as it should do. Other authorities, with specific issues, have gone further and sought judicial review of the government's operation of the scheme. On 31 July 2007, two councils won their judicial review that the government had not operated the scheme correctly. Government has reworked the LABGI scheme but held back £100 million of the reward earnt by local government in case there are further legal challenges to its operation of the existing scheme. We still await details of how the new, much smaller value, scheme will operate.

96. Our key assumptions on the budget and medium term plan for the County Council are therefore:

- 3.2% formula grant increase for each of the next two years (although net of LABGI losses this is worth an effective 2.0% in 2009-10) given the pre-announced provisional local government finance settlement;
- Approximately 1% reduction in cash terms each year for Area Based Grant on like for like basis as some initial start up grants cease (Area Based Grant will increase by approximately £32m in 2009-10 to allow for the transfer of Supporting People grant into ABG – but this is merely a transfer and not new money);
- Specific grants (which are increasingly primarily targeted at education and children's services and of course ring-fenced) increase as set out in the three year local government finance settlement (e.g. DSG headline increases of 3.4% for 2009-10, 4.1% for 2010-11, Sure Start, Early years and Childcare headline increases of 10.6% for 2009-10 and 13.9% for 2010-11);
- 5% maximum increase in council tax per annum given the threat of capping but equally a desire to keep actual council tax increases as low as practicable;
- Council Taxbase grows by 1% per annum;
- That there is no deterioration beyond that already provided for in the collection fund as the housing market stalls;
- A limit on pay having due regard to the Chancellor of the Exchequer's stipulation to all pay review bodes that public sector pay increases must be contained within a 2% limit;
- That specific grant changes and risks do not adversely move against us, but if they do and funding is directly reduced, we will have no option but to reduce services;
- That Dedicated Schools Grant is sufficient to meet all government promises on service extension and minimum funding guarantees;
- That costs of asylum seekers are fully met and reimbursed by government;
- That we have fully captured updated pressures on our services (pay, prices, demographics, demand, legislation, impact of "credit crunch");
- That we deliver significant efficiencies and savings in specific services and through a series of cross cutting reviews of services.

97. Taking these assumptions we anticipate that the overall budget position will be as follows

	2009-10	2010-11	2011-12
	£'000	**£'000**	**£'000**
Base budget	857,018	930,308	968,831
Base adjustments	38,534	48	17
Pressures (see Appendix 2)	85,598	73,730	62,635
Savings and Income Generation	-50,842	-35,255	-33,318
Budget Requirement	**930,308**	**968,831**	**998,165**

98. Cash limits for individual portfolios will be set having due regard to our policy priorities. Our priorities will have due regard to spending pressures, demographic change, legislative imposition and local choice. The indicative pressures summarised in appendix 3 will be scrutinised, in detail, very closely as we go through the budget process. There will inevitably be changes to this as that process develops.

99. Part of that iterative process will of course be involving, and informed by the work of, the Policy Overview Committees in both November and January and Cabinet Scrutiny Committee in January. It is intended as part of the November POC cycle to further strengthen and build upon the information that POCs receive to help them shape, influence and inform the discussion and debate of aligning resources to priorities. That will include for the first time some explicit activity costing so that POCs are able to see the trade-offs and linkages between outcomes, volumes of activity and levels of budget. Or put simply, ensuring that appropriate information is supplied that expresses, for example, the cost per additional elderly person needing residential care, the cost per extra km of road resurfaced, the cost per average library etc. so that there is a clear and explicit link on a "ready reckoner" basis between current activity volumes and proposed budget and how those budgets would change if activity volumes were to change or be redirected to other policy priorities.

100. The overall scale of the gap between what we would wish to spend and what we are likely to be able to afford, and the consequential savings target, is likely to be consistent with achieving at least the overall 3%, government imposed Gershon target over the medium term.

Reserves

101. The Director of Finance is required to consider the adequacy of the authority's reserves as part of the budget process. Our existing strategy is to take a view about the balance of risk on our medium term financial plans in order that we maintain sufficient levels of reserves to meet such risks. It is our view that with £25.8m of general reserves (at 31 March 2008) this is achieved but will be reviewed, as normal, during the budget process.

Appendix 1 – Timetable

Key Milestone Dates

What	***Who***	***When***
Autumn Budget Statement	Cabinet	15 September
Opportunity for Cabinet Scrutiny to consider Autumn Budget Statement	Cabinet Scrutiny Committee	24September
Public consultation on budget	Cabinet Member for finance, finance officers, MORI, district council representatives	13 September
Review of budget proposals and overall pressures, impacting upon the relevant directorates	Policy Overview Committees	6-18 November
Provisional Settlement – announcement by government and then analysis and interpretation for impact for KCC 2008-11	Financial Strategy Group – briefing for all members	Late November / early December (*timing not yet announced by government)*
Update on Provisional Settlement and review of corporate budget strategy (if announced - see above entry)	Cabinet	1 December
Chancellor of Exchequer Pre-Budget Report	Financial Strategy Group	December (*timing not yet announced by government)*
Budget proposals published and press conference	Cabinet	5 January
Review of budget proposals and overall pressures, impacting upon the relevant directorates	Policy Overview Committees	13-20 January
Final settlement for 2009-10	Cabinet	Late January/ early February (*timing not yet announced by government)*
Opportunity for Cabinet Scrutiny to consider proposed budget	Cabinet Scrutiny Committee	26 January
Cabinet recommends budget to Council	Cabinet	2 February
Council sets budget and precept	Council	19 February

Appendix 2– Key pressures

Demographics (inc. Elderly)	Rising elderly population nationally/locally More complex needs (and costs) across all ages Existing funding inadequate/ unsustainable Risk of increasing numbers of ‘wealth depleters’ triggering more and sooner LA funding if house prices drop significantly Social Care Funding Reform (who pays and when likely implemented? What happens in between) More investment in preventative care (e.g. Telecare, Telehealth) Aim has to be to enable more people to live at home (for both cost and personal fulfilment) Leading healthy, active, independent lives Ensuring the Census 2011 adequately captures the national and local changes to demographics
Young people	A desire to ensure every child to reach their full potential Tackling/eradicating child poverty Investment needed in preventative services to lift out of poverty, crime, truancy, engrained lifelong under-achievement etc. Inadequate funding for young people services outside of Dedicated Schools Grant Inadequate funding for the 10 year Child Care strategy 14-19 Agenda (cost of reform, service delivery etc.) Ensuring full reimbursement of cost of asylum seeking unaccompanied minors Non-sustainability of Dedicated Schools Grant in medium-term, funding barely pays for teacher pay award, rising numbers of schools in deficit etc. Sustainability or otherwise of Building Schools for the Future funding Inflation – transport costs for HTST, foster care
Environment	Continuing impact of EU Landfill Directive Landfill tax currently rising by £8 a tonne a year Need for the tax to be fully and transparently recycled (as was promised) Compounded by Landfill Allowance Scheme and £150 a tonne if landfill exceeds permit Affluence has grown waste volumes Supply shortage of alternative facilities means higher cost of procuring alternatives to deal with waste High fuel prices impact on transport costs of disposal Carbon Reduction Commitment £12 a tonne for permits A new cost burden on local authorities plus a need for full and transparent recycling of permit fees (as promised)
Transport	High fuel costs

	Impact on all users On bus subsidies (as fuel poverty inhibits car usage and increases demand for public transport) On concessionary fare scheme (extra demand, high cost of fuel pushes up operator prices, funding risks on proposed transfer from district to county level) Existing substantial road maintenance backlog Inflation on roads contracts currently high and likely to remain so Infrastructure investment needed especially in growth areas Volume of traffic through the county (especially HGV) as gateway to Europe
Community	Concerns over crime, disorder etc. The new Economic Development Obligation (Community Empowerment, Housing and Regeneration Bill) At a time of slowing economic activity nationally Reviving Coastal Towns Shortage of social housing, exacerbated by economic downturn (LGA 5 million people on waiting list by 2010?) Deprivation - Kent's mixed economy Growth - 2 of 4 national areas in Kent Sustainability - Climate change, water shortages, flooding
Cost Drivers	Geography - Gateway to Europe, proximity to London and effect on prices and wages Inflation - Outlook is higher for longer, puts funding pressure on all our services Pay - Consequential knock on pay awards and on sustainability of 2% target
Funding	Efficiency - Unsustainable to just assume 3% for everyone for ever, ignoring starting point for each council Bonfire of quangos - Allow us to do more locally, as efficiently as we already do and the public sector will save money – local government is the most efficient Formula Grant - We need transparency, stability, predictability, responsiveness to growth agenda etc. to be addressed in the next review of formula funding Ring fencing - End ring fencing, avoid double top ups for deprivation by currently targeting only to deprived areas Full funding - respect and follow the New Burdens Doctrine Barnett Formula - Scrap the formula and fund all according to relative need Business rates - Return to local control, Supplementary Business Rates, proper LABGI scheme Council Tax - Don't allow all unfunded burdens (shortfall in grants, cap on business rate increases) to unduly burden council taxpayers as already at limits of ability/willingness to pay Capping - Scrap universal capping Pensions - As we predicted the new scheme does nothing to address affordability in long run of LGPS – we need proper thought out costed reforms

	Credit crunch - Impact on ability to finance capital spend, on PFI schemes etc Olympics - Impact on supply, inflation, infrastructure costs
Empowerment	Devolve - trust local government to do more Burdens imposed by Community Empowerment, Housing and Regeneration Bill (potential right for public to redirect spending, force a debate etc.) Freedom to trade - Greater clarification, there are powers and we use them but we are often challenged at cutting edge about what we are doing - clarify the position More freedoms and flexibilities required

Appendix 3 – Indicative Pressures

	2009-10	2010-11	2011-12
	£'000	£'000	£'000
Existing pressures			
Pay	7,432	7,532	0
Prices	15,240	15,503	0
Government/Legislative	3,545	9,251	0
Demand/Demographic	8,217	7,739	0
Towards 2010	6,250	200	0
Schools Budget	23,442	28,938	0
Dedicated Schools Grant Increase	-27,930	-39,125	0
Service Strategies and Improvements	19,877	21,698	0
Sub-total	**56,073**	**51,736**	**0**
Major new pressures			
Pay – minor adjustments	53	69	0
Prices – reflecting higher fuel, food and general inflation	14,895	10,307	0
Government – Early Years pressures, Looked After Children Pledge, Common Assessment Framework, Children and Young Persons Bill	8,809	1,281	0
Demand –Early Years, Childrens Social Services, Adults Social Services	13,398	1,921	0
Schools block – net price pressures after taking account of DSG grant changes	601	1,489	0
Service Strategies and Improvements – local children's service partnerships, investments into Kent Highways services, 2012 preparations etc.	4,956	-858	0
Pay new year provision			7,733
Prices new year provision			26,246
Legislative new year provision			2,047
Demand new year provision			8,653
Towards 2010 new provision			200
Choice new provision			1,700
Schools Block new year provision			34,999
DSG new year provision			-35,728
Less new pressures shown that would otherwise fall on DSG - all pressures resisted	-13,187	-2,215	-3,215
Expected pressures to emerge - not yet fully identified		10,000	20,000
Total pressures	**85,598**	**73,730**	**62,635**

	2009-10	2010-11	2011-12
	£'000	£'000	£'000
Pressures by portfolio			
Operations, Resources and Skills	10,455	5,985	6,142
Children, Families and Educational Achievement	19,006	3,879	2,743
Less new pressures shown that would otherwise fall on DSG - all pressures resisted	-13,187	-2,215	-3,215
Adult Services	25,498	23,746	23,913
Environment, Highways and Waste	19,007	8,310	8,249
Regeneration and Supporting Independence	383	-40	69
Communities	2,327	1,889	1,512
Public Health	53	3	3
Corporate Support and External Affairs	1,682	2,211	2,592
Policy and Performance	227	185	138
Finance	2,063	1,761	489
Financing	18,084	18,016	0
Expected pressures to emerge - not yet fully identified		10,000	20,000
Total pressures	**85,598**	**73,730**	**62,635**

By: Paul Carter, Leader of the Council
Peter Gilroy, Chief Executive

To: Cabinet – 15 September 2008

Subject: ANNUAL AUDIT AND INSPECTION LETTER

Classification: Unrestricted

Summary:

This report attaches a copy of the Audit Commission's 'Annual Audit and Inspection Letter'.

FOR INFORMATION

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1. Introduction

1.1 This report attaches a copy of the 'Annual Audit and Inspection Letter' (AAIL) issued by the Audit Commission in late March 2008 and presented to Members of KCC's Governance and Audit Committee on 30 June.

2. Content of the Annual Audit and Inspection Letter

2.1 The AAIL provides an overall summary of the Audit Commission's assessment of the authority, drawing on audit, inspection and performance assessment work.

2.2 The AAIL is comprised of direct quotes from *previously issued* reports on KCC including:

- KCC's overall CPA scorecard
- KCC's Direction of Travel (DOT) report
- Extracts from the 'Supporting People' inspection in September 2007
- Extracts from our APA letter from Ofsted
- Extracts from CSCI's letter on adult social care
- Findings and conclusions from the statutory audit, which have previously been reported by our appointed auditors.

2.3 The AAIL was prepared by the Audit Commission's Relationship Manager for KCC and addressed to Members as it is the responsibility of the council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money.

2.4 It covers a selection of KCC's performance indicators which ended in the financial year 2006/07 and our direction of travel which includes service improvements up to March 2008.

2.5 It does not take into account findings from the recent CPA corporate assessment (which was published separately from and subsequently to the AAIL).

2.6 I would like to draw your attention to page 4 of the AAIL which sets out the key messages (which is a direct quote from the DOT report) and the action needed by the council. The report is positive and the only area for action is focused on the need to agree an appropriate improvement plan emanating from the corporate assessment. This action is already underway.

3. Publication

3.1 Following its presentation to the Governance and Audit Committee meeting in June the Audit Commission is required to publish KCC's 'Annual Audit and Inspection Letter' on its website. KCC must do the same on its website as well as circulate it to all Members of the County Council, both of which have been done.

4. CPA and CAA

4.1 As Members will be aware CPA comes to an end in March 2009 and will be replaced by CAA (Comprehensive Area Assessment). A three-month consultation on CAA was published in July and KCC will be preparing a response.

5. Recommendation

5.1 Members are asked to NOTE the report.

Contact officer: Sue Garton, County Performance and Evaluation Manager, Chief Executives Dept.
Tel: 01622 (22) 1980
Email: sue.garton@kent.gov.uk

Annual Audit and Inspection Letter

Kent County Council

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles.

- Auditors are appointed independently from the bodies being audited.
- The scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business.
- Auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports

This report provides an overall summary of the Audit Commission's assessment of the Council, drawing on audit, inspection and performance assessment work and is prepared by your Relationship Manager.

In this report, the Commission summarises findings and conclusions from the statutory audit, which have previously been reported to you by your appointed auditor. Appointed auditors act separately from the Commission and, in meeting their statutory responsibilities, are required to exercise their professional judgement independently of the Commission (and the audited body). The findings and conclusions therefore remain those of the appointed auditor and should be considered within the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission.

Reports prepared by appointed auditors are:

- prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission; and
- addressed to members or officers and prepared for the sole use of the audited body; no responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk

Contents

Key messages

1 Kent County Council is improving strongly. The Council continues to make significant improvements against local priorities. Children's education is good, including the attainment of the lowest achieving children. It has also helped vulnerable and older people so that they can live independently and reduced admissions to residential care. It has been successful in creating new jobs and reducing the number of people killed or seriously injured on the road. Securing value for money and improving efficiencies is at the heart of service improvement. 59 per cent of the Council's key performance indicators improved in 2006/07, such as the percentage of 15 year olds achieving five or more GCSE's grade A* to C.

2 The Council's track record of delivering improved services is strong. It has achieved 76 per cent of the targets set out in the KCC Next Four Years document. Prospects for improvement are excellent with robust improvement plans in place to continue developing innovative services, including the current high costs for waste disposal. It is building its capability to deliver its priorities by continuing to deliver efficiencies and strengthening partnership working.

Action needed by the Council

3 The Council is subject to a Corporate Assessment and subject to the results of that assessment will be required to agree an appropriate improvement plan.

Purpose, responsibilities and scope

4 This report provides an overall summary of the Audit Commission's assessment of the Council using performance indicators covering the financial year 2006/07 and the Direction of Travel which includes service improvements up to March 2008. It does not take into account any findings from the recent Corporate Assessment (which is to be published separately) but does draw on the other elements of the most recent Comprehensive Performance Assessment (CPA), the findings and conclusions from the audit of the Council for 2006/07 and from any inspections undertaken since the last Annual Audit and Inspection Letter.

5 We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Council in meeting its responsibilities.

6 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. In addition the Council is planning to publish it on its website.

7 Your appointed auditor is responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, they review and report on:

- the Council's accounts;
- whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
- whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.

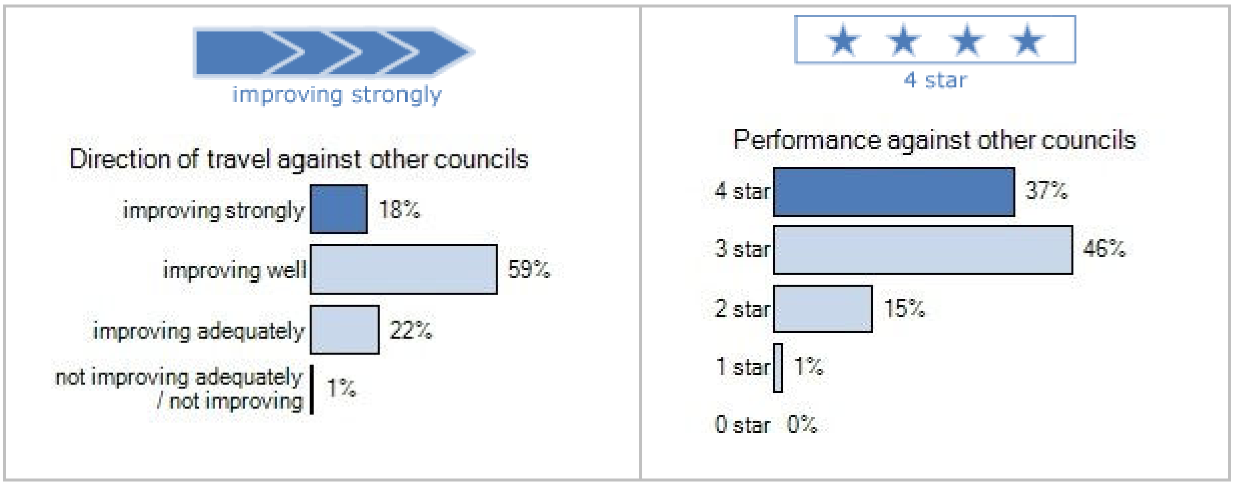
8 This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.

9 We have listed the reports issued to the Council relating to 2006/07 audit and inspection work at the end of this letter.

How is Kent County Council performing?

10 The Audit Commission's overall judgement is that Kent County Council is improving strongly and we have classified Kent County Council as four-star in its current level of performance under the Comprehensive Performance Assessment. These assessments have been completed in all single tier and county councils with the following results.

Figure 1



Source: Audit Commission

11 The detailed assessment for Kent County Council is as follows.

Our overall assessment - the CPA scorecard

Table 1 CPA scorecard

Element	Assessment
Direction of Travel judgement	Improving Strongly
Overall	
Corporate assessment/capacity to improve	4 out of 4
Previous corporate assessment/capacity to improve, as included in overall CPA judgement in 2007	4 out of 4
Current performance	
Children and young people*	3 out of 4
Social care (adults)*	3 out of 4
Use of resources*	4 out of 4
Housing	n/a
Environment	3 out of 4
Culture	3 out of 4
Benefits	n/a
Fire (relevant County Councils only)	n/a

*(Note: * these aspects have a greater influence on the overall CPA score)*
(1 = lowest, 4 = highest)

The improvement since last year - our Direction of Travel report

12 Kent County Council is **improving strongly**

Service inspections

13 Kent County Council delivers a good Supporting People programme with promising prospects for improvement. The programme is delivered through a well-managed, skilled team supported by clear work plans. Service users have been engaged in shaping aspects of the programme. The programme supports some high quality services for a broad range of client groups and a programme of strategic reviews has led to some new provision for some traditionally excluded groups. However, until recently, health has not been consistently involved in the Supporting People programme at a strategic level and there are weaknesses in performance management of the programme. There are still long waiting times for floating support in some districts and some providers are continuing to apply restrictive practices and referral arrangements. Some groups do not yet benefit directly from the programme and a county-wide approach to move-on arrangements is under-developed. Understanding of the needs of BME groups and other hard to reach groups is still developing.

14 Prospects for improvement are promising. There is a strong track record of managing change within the Council and the directorate and the early stages of the Supporting People programme were successfully implemented. Service reviews have delivered improvements and challenging standards are set for new contracts. The programme has clear direction and there are shared objectives and ambitions with partners. Plans are in place to address identified weaknesses. There is a strong approach to financial and risk management and capacity is enhanced through a modern approach to procurement. Partnership and cross-authority working contributes to the effectiveness of the programme. However, until recently there has been little progress in developing new services to meet service priorities identified in the five-year strategy and customer-focused outcomes from the recent raft of strategic reviews are limited. There is insufficient focus on performance management of the programme by the governance bodies and strategic understanding of the programme among some district and county councillors requires further development.

15 An important aspect of the role of the Relationship Manager is to work with other inspectorates and regulators who also review and report on the Council's performance. Relationship Managers share information and seek to provide 'joined up' regulation to the Council. During the last year the Council has received the following assessments from other inspectorates.

16 Ofsted's annual performance assessment of services for children and young people scored the overall effectiveness of children's services as Grade 3 and judged the services for children and young people as good and improving. The weaknesses identified in last year's annual performance assessment had been addressed by well thought out actions which have led to improvement in a number of key indicators. The integration of children's services is making a significant contribution to improving the health and well-being of children and young people. The council makes a good contribution towards improving outcomes for children and young people in enjoying and achieving, being healthy, staying safe and making a positive contribution. The Children and Young People's Plan is well-constructed and a thorough review of the plan demonstrates that the council has a clear and accurate view of its own strengths and weaknesses. The council has outstanding capacity to improve its services further.

17 The findings of the 2007 annual performance assessment (APA) process by the Commission for Social Care Inspection (CSCI) were that: Delivering outcomes are Good (formerly Serving People Well); and Capacity for Improvement is Excellent. The Star Rating was: three-star. Delivering Outcomes was judged on seven criteria - Improved health and emotional well-being; Improved quality of life; Making a positive contribution; Increased choice and control; Freedom from discrimination or harassment; Economic well-being; and Maintaining personal dignity and respect. All of these were scored Good. Capacity to Improve was judged on two criteria: Leadership; and Commissioning and use of resources, both of which were scored Excellent. Typical strengths and areas for improvement, for example, to improving people's health and sense of well being, included a good range of clear, accurate, accessible information and individual advice and support, robust long-term planning, as well as a variety of expanded intermediate care services, which has supported social care to keep delayed discharges from hospital to a reasonable level. However, delayed discharges from hospital due to health needs are still very high and the number of drug misusers sustained in treatment is lower than the average for other similar councils.

The audit of the accounts and value for money

18 Your appointed auditor has reported separately to the Governance and Audit Committee on the issues arising from the 2006/07 audit and has issued:

- an audit report, providing an unqualified opinion on your accounts;
- a conclusion on your vfm arrangements to say that these arrangements are adequate; and
- a report on the Best Value Performance Plan confirming that the Plan has been audited.

Use of Resources

19 The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.

- Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
- Financial management (including how the financial management is integrated with strategy to support council priorities).
- Financial standing (including the strength of the Council's financial position).
- Internal control (including how effectively the Council maintains proper stewardship and control of its finances).
- Value for money (including an assessment of how well the Council balances the costs and quality of its services).

20 For the purposes of the CPA your auditor has assessed the Council's arrangements for use of resources in these five areas as follows.

Table 2

Element	**Assessment**
Financial reporting	4 out of 4
Financial management	4 out of 4
Financial standing	4 out of 4
Internal control	3 out of 4
Value for money	4 out of 4
Overall assessment of the Audit Commission	**4 out of 4**

(Note: 1 = lowest, 4 = highest)

21 The Council has maintained its scores in the five Use of Resources elements. The Council should be commended for its performance in achieving these Use of Resources scores.

Financial Statements Audit

22 Your appointed auditor has reported the detailed findings from their audit of the financial statements in their 2006/07 Report to those charged with governance. Some of the more significant matters identified in this report, included:

- pension liabilities;
- accounting for PFI Schemes;
- value of landfill allowances;
- pension SORP;
- review of Fund Manager/Custodian Internal Control Reports; and
- late payment of pension contributions.

Additional services

23 Your appointed auditor has completed several pieces of targeted performance work during 2006/07. The additional work completed included:

- A Review of Highways Management;
- A Value for Money Review of the Schools Clusters Arrangement;
- A Value for Money Review of Libraries;
- A Review of Waste Management;
- A Value for Money Review of Learning Disability Day Care;
- Review of Carbon Management Policies; and
- The Provision of Risk Management Training.

24 The results of the above reviews identified that value for money was generally being achieved across the services reviewed. However, recommendations were made on how further efficiencies and improvements could be made in these areas. Management have responded positively to these findings and where appropriate have agreed action plans to address the points identified.

25 The detailed findings and recommendations from these reviews have been reported to management and members as appropriate.

Looking ahead

26 The public service inspectorates are currently developing a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.

27 CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate annual area risk assessment and reporting performance on the new national indicator set, together with a joint inspectorate annual direction of travel assessment and an annual use of resources assessment. The auditors' use of resources judgements will therefore continue, but their scope will be widened to cover issues such as commissioning and the sustainable use of resources.

28 The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new Local Area Agreements.

Closing remarks

29 This letter has been discussed with officers and a copy of the letter will be presented at the Governance and Audit committee at its meeting on 30 June 2008. Copies need to be provided to all Council members.

30 Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year.

Table 3 Reports issued

Report	Date of issue
Audit and inspection plan	March 2006
Internal Control Recommendations Report	May 2007
Annual Governance Report	September 2007
Opinion on financial statements	July 2007
Value for money conclusion	July 2007
Annual audit and inspection letter	March 2008

31 The Council has taken a positive and constructive approach to audit and inspection work, and I wish to thank the Council's staff for their support and cooperation during the audit.

Availability of this letter

32 This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the Council's website.

Stephen Mead
Relationship Manager

18 March 2008

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By:	Paul Carter, Leader of the Council Peter Gilroy, Chief Executive
To:	Cabinet 15 September 2008
Subject:	National Indicator Set
Classification:	Unrestricted

SUMMARY

This report provides an update on the new National Indicator Set (NIS) along with named officers who are leading on the areas covered by the indicators.

TO NOTE

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1. Introduction

From April 2008 the existing national performance indicators for local government (BVPIs and PAF indicators) are abolished and have been replaced for 2008/09 with the new *National Indicators for Local Authority Partnerships.*

The full technical definitions for the new National Indicators were published in April 2008. The indicators are intended to provide a clear statement of national outcomes which follow from the priorities identified for central and local government in the 2007 Comprehensive Spending Review.

The new indicators represent the only set of indicators that Government will use to monitor the performance of local authorities and local partnerships. The number of targets which local government has to work towards has also been reduced through the new streamlined arrangements for Local Area Agreements.

2. The Old National Indicators

Results for the 2007/08 BVPIs and PAF indicators will be used for the final year of Comprehensive Performance Assessment (CPA), the results of which will be announced in February 2009.

Provisional outturn for these indicators was published in the KCC Annual Plan in June 2008. Direction of Travel for most of the indicators has been good with 74% improving over a three year period. The results confirm KCC as a high performing authority and once they are fed into the CPA model the forecast is that KCC will again retain a Four Star top rating.

3. The New National Indicators

A list of the new National Indicators, which came into effect in April 2008 is attached at Appendix 1. The list also provides the names of KCC Lead Managing Directors/Officers.

KCC Lead Officers have not been named for various indicators which are the responsibility of partner agencies (e.g. Fire and Districts) except for Health where the KCC Public Health team has been named as KCC lead.

However KCC has an interest in all of the indicators, as the new Comprehensive Area Assessment, which replaces CPA from April 2009, will make use of all of the indicators as an evidence base to assess the performance of the authority and its partnership work.

Baseline data and comparative position is currently being gathered where it is available, but as many are completely new indicators this data will not be available for another year in a number of cases.

4. Target Setting

Local authorities and their partners will agree targets for up to 35 of the National Indicators through the LAA process. In addition, 16 of the national indicators are subject to target negotiations under statutory requirements relating to education and children's services.

Beyond the LAA targets and the statutory education targets, there is no requirement for local authorities to set targets for other indicators in the national indicator set. However, all of the 198 indicators must be collected and reported upon and relative performance across the indicators will form part of the new CAA arrangements.

5. Recommendations

Cabinet is asked to NOTE the list of the national indicators.

Accountable officer:
Richard Fitzgerald, Performance Management Group, Chief Executives Dept
01622 22(1985).

Appendix 1

National Indicator Set

Cross-cutting and Corporate Indicators

Council Corporate

Ref	Indicator	Lead Managing Director	Lead Officer
NI 14	Avoidable contact: The proportion of customer contact that is of low or no value to the customer	Peter Gilroy	Tanya Oliver
NI 179	Value for money – total net value of on-going cash-releasing value for money gains that have impacted since the start of the 2008-9 financial year	Lynda McMullan	Janet Dawson

Place Survey Indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 1	% of people who believe people from different backgrounds get on well together in their local area (Place Survey)	Peter Gilroy	Robert Hardy
NI 2	% of people who feel that they belong to their neighbourhood (Place Survey)	Peter Gilroy	Robert Hardy
NI 3	Civic participation in the local area (Place Survey)	Peter Gilroy	Robert Hardy
NI 4	% of people who feel they can influence decisions in their locality (Place Survey)	Peter Gilroy	Robert Hardy
NI 5	Overall/general satisfaction with local area (Place Survey)	Peter Gilroy	Robert Hardy
NI 22	Perceptions of parents taking responsibility for the behaviour of their children in the area (Place Survey)	Peter Gilroy/Graham Badman	Robert Hardy
NI 23	Perceptions that people in the area treat one another with respect and dignity (Place Survey)	Peter Gilroy	Robert Hardy
NI 138	Satisfaction of people over 65 with both home and neighbourhood (Place Survey)	Peter Gilroy	Robert Hardy
NI 140	Fair treatment by local services (Place Survey)	Peter Gilroy	Robert Hardy

Other Surveys

Ref	Indicator	Lead Managing Director	Lead Officer
NI 7	Environment for a thriving third sector	Peter Gilroy	Robert Hardy

Environment

Ref	Indicator	Lead Managing Director	Lead Officer
NI 185	CO2 reduction from Local Authority operations	Peter Gilroy	KCC climate change programme
NI 186	Per capita CO2 emissions in the LA area	Peter Gilroy	KCC climate change programme
NI 188	Adapting to climate change	Peter Gilroy	KCC climate change programme
NI 194	Level of air quality – reduction in NOx and primary PM10 emissions through local authority's estate and operations.	Peter Gilroy	KCC climate change programme

Appendix 1

National Indicator Set

Public Health

Place Survey Indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 119	Self-reported measure of people's overall health and wellbeing (Place Survey)	Meradin Peachey	Mark Lemon
NI 137	Healthy life expectancy at age 65 (Place Survey)	Meradin Peachey	Mark Lemon

Indicators published by ONS

Ref	Indicator	Lead Managing Director	Lead Officer
NI 120	All-age all cause mortality rate per 100,000 population	Meradin Peachey	Mark Lemon
NI 121	Mortality rate from all circulatory diseases at ages under 75	Meradin Peachey	Mark Lemon
NI 122	Mortality from all cancers at ages under 75	Meradin Peachey	Mark Lemon
NI 129	End of life access to palliative care enabling people to choose to die at home	Meradin Peachey	Mark Lemon

National health system indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 39	Alcohol-harm related hospital admission rates	Meradin Peachey	Mark Lemon
NI 53	Prevalence of breastfeeding at 6 – 8 weeks from birth	Meradin Peachey	Mark Lemon
NI 113	Prevalence of Chlamydia in under 20 year olds	Meradin Peachey	Mark Lemon
NI 123	Rate of smoking quitters per 100,000 population	Meradin Peachey	Mark Lemon
NI 126	Early access for women to maternity services	Meradin Peachey	Mark Lemon
NI 134	The number of emergency bed days per head of weighted population	Meradin Peachey	Mark Lemon

Appendix 1

National Indicator Set

CFE indicators

Secondary

Ref	Indicator	Lead Managing Director	Lead Officer
NI 74	Achievement at level 5 or above in both English and Maths at Key Stage 3	Graham Badman	Carol Parsons
NI 77	Number of schools where under 50% of pupils achieve level 5 or above in both English and Maths at KS3	Graham Badman	Carol Parsons
NI 83	Achievement at level 5 or above in Science at Key Stage 3	Graham Badman	Carol Parsons
NI 75	Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths	Graham Badman	Carol Parsons
NI 78	Number of schools where under 30% of pupils achieve 5 A*-C GCSE including GCSEs in English and Maths	Graham Badman	Carol Parsons
NI 84	Achievement of 2 or more A*-C grades in Science GCSEs or equivalent	Graham Badman	Carol Parsons
NI 95	Progression by 2 levels in English between Key Stage 2 and Key Stage 3	Graham Badman	Carol Parsons
NI 96	Progression by 2 levels in Maths between Key Stage 2 and Key Stage 3	Graham Badman	Carol Parsons
NI 97	Progression by 2 levels in English between Key Stage 3 and Key Stage 4	Graham Badman	Carol Parsons
NI 98	Progression by 2 levels in Maths between Key Stage 3 and Key Stage 4	Graham Badman	Carol Parsons
NI 102ii	Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 4	Graham Badman	Carol Parsons
NI 105	The Special Educational Needs (SEN)/non-SEN gap – achieving 5 A*-C GCSE inc. English and Maths	Graham Badman	Carol Parsons (Joanna Wainwright)
NI 108	Key Stage 4 attainment for Black and minority ethnic groups	Graham Badman	Carol Parsons (Joanna Wainwright)
NI 87	Achievement at level 5 or above in both English and Maths at Key Stage 3	Graham Badman	Joanna Wainwright

Key Stage 2

Ref	Indicator	Lead Managing Director	Lead Officer
NI 73	Achievement at level 4 or above in both English and Maths at Key Stage 2	Graham Badman	Carol Parsons
NI 76	The number of schools where less than 65% of pupils achieve level 4 in both English and Maths at KS2	Graham Badman	Carol Parsons
NI 93	Progression by 2 levels in English between Key Stage 1 and Key Stage 2	Graham Badman	Carol Parsons
NI 94	Progression by 2 levels in Maths between Key Stage 1 and Key Stage 2	Graham Badman	Carol Parsons
NI 102i	Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2	Graham Badman	Carol Parsons
NI 104	The Special Educational Needs (SEN)/non-SEN gap – achieving Key Stage 2 English and Maths	Graham Badman	Carol Parsons (Joanna Wainwright)
NI 107	Key Stage 2 attainment for Black and minority ethnic groups	Graham Badman	Carol Parsons (Joanna Wainwright)

Appendix 1

National Indicator Set

Early years

Ref	Indicator	Lead Managing Director	Lead Officer
NI 109	Percentage of Sure Start Children Centres designated compared to 2010 target	Graham Badman	Alex Gamby
NI 118	Take up of formal childcare by low-income working families	Graham Badman	Alex Gamby

FSP

Ref	Indicator	Lead Managing Director	Lead Officer
NI 72	Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	Graham Badman	Carol Parsons
NI 92	Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest	Graham Badman	Carol Parsons

Post-16

Ref	Indicator	Lead Managing Director	Lead Officer
NI 79	Achievement of a Level 2 qualification by the age of 19	Graham Badman	Sue Dunn
NI 80	Achievement of a Level 3 qualification by the age of 19	Graham Badman	Sue Dunn
NI 81	Inequality gap in the achievement of a Level 3 qualification by the age of 19	Graham Badman	Sue Dunn
NI 82	Inequality gap in the achievement of a Level 2 qualification by the age of 19	Graham Badman	Sue Dunn
NI 85i	Post-16 participation in physical sciences (A Level Physics)	Graham Badman	Sue Dunn
NI 85ii	Post-16 participation in physical sciences (A Level Chemistry)	Graham Badman	Sue Dunn
NI 85iii	Post-16 participation in physical sciences (A Level Maths)	Graham Badman	Sue Dunn
NI 90	Take up of 14-19 learning diplomas	Graham Badman	Sue Dunn
NI 91	Participation of 17 year-olds in education or training	Graham Badman	Sue Dunn
NI 106	Young people from low income backgrounds progressing to higher education	Graham Badman	Sue Dunn
NI 117	16 to 18 year olds who are not in education, training or employment (NEET)	Graham Badman	Sue Dunn

Schools

Ref	Indicator	Lead Managing Director	Lead Officer
NI 52i	Take up of school lunches (primary)	Graham Badman	Mark Sleep
NI 52ii	Take up of school lunches (secondary)	Graham Badman	Mark Sleep
NI 89i	Number of schools in special measures at end of summer term	Graham Badman	Carol Parsons
NI 89ii	Average length of time for schools in special measures	Graham Badman	Carol Parsons
NI 88	Percentage of schools with full core offer of extended services	Graham Badman	Marisa White

Behaviour

Ref	Indicator	Lead Managing Director	Lead Officer
NI 69	Children who have experienced bullying	Graham Badman	Sally Williamson

National Indicator Set

NI 86	Secondary schools judged as having good or outstanding standards of behaviour	Graham Badman	Sally Williamson
NI 87	Percentage of pupils in secondary schools with persistent absence rate (64 half days a year)	Graham Badman	Sally Williamson
NI 114	Rate of permanent exclusions from school	Graham Badman	Sally Williamson

Health

Ref	Indicator	Lead Managing Director	Lead Officer
NI 50	Emotional health of children	Graham Badman (Meradin Peachy)	Andy Heather/ Duncan Ambrose
NI 51	Effectiveness of child and adolescent mental health (CAMHs) services	Graham Badman (Meradin Peachy)	Duncan Ambrose
NI 55	Obesity among primary school age children in Reception Year (Two indicators)	Meradin Peachy (Graham Badman)	Johnathon Sexton (Richard Murrels)
NI 56	Obesity among primary school age children in Year 6 (Two indicators)	Meradin Peachy (Graham Badman)	Johnathon Sexton (Richard Murrels)
NI 57	Children and young people's participation in high-quality PE and sport	Amanda Honey (Graham Badman)	Chris Hespe (Danny O'Donovan)
NI 70	Hospital admissions caused by unintentional and deliberate injuries to children and young people	Graham Badman (Meradin Peachy)	Bill Anderson
NI 112	Under 18 conception rate	Graham Badman (Meradin Peachy)	Ruth Heron
NI 115	Substance misuse by young people	Amanda Honey (Graham Badman)	Lola Triumph

AEN

Ref	Indicator	Lead Managing Director	Lead Officer
NI 54	Services for disabled children	Graham Badman	Bill Anderson
NI 103a	Special Educational Needs – statements issued within 26 weeks excluding exceptions	Graham Badman	Colin Feltham
NI 103b	Special Educational Needs – statements issued within 26 weeks	Graham Badman	Colin Feltham

Other

Ref	Indicator	Lead Managing Director	Lead Officer
NI 116	Proportion of children in poverty	Graham Badman	KCTB
NI 71	Children who have run away from home/care overnight	Graham Badman	Bill Anderson

Children's Social Care Indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 59	Initial assessments for children's social care carried out within 7 working days of referral	Graham Badman	Bill Anderson
NI 60	Core assessments for children's social care that were carried out within 35 working days of their commencement	Graham Badman	Bill Anderson
NI 68	Referrals to children's social care going on to initial assessment	Graham Badman	Bill Anderson

Appendix 1

National Indicator Set

Children's Social Care Indicators – Child protection

Ref	Indicator	Lead Managing Director	Lead Officer
NI 64	Child protection plans lasting 2 years or more	Graham Badman	Bill Anderson
NI 65	Children becoming the subject of a Child Protection Plan for a second or subsequent time	Graham Badman	Bill Anderson
NI 67	Child protection cases which were reviewed within required timescales	Graham Badman	Bill Anderson

Children's Social Care Indicators – LAC

Ref	Indicator	Lead Managing Director	Lead Officer
NI 58	Emotional and behavioural health of children in care	Graham Badman	Bill Anderson
NI 61	Stability of looked after children adopted following an agency decision that the child should be placed for adoption	Graham Badman	Bill Anderson
NI 62	Stability of placements of looked after children: number of moves	Graham Badman	Bill Anderson
NI 63	Stability of placements of looked after children: length of placement	Graham Badman	Bill Anderson
NI 66	Looked after children cases which were reviewed within required timescales	Graham Badman	Bill Anderson
NI 99	Children in care reaching level 4 in English at Key Stage 2	Graham Badman	Joanna Wainwright
NI 100	Children in care reaching level 4 in Maths at Key Stage 2	Graham Badman	Joanna Wainwright
NI 101	Children in care achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4 (including English and Maths)	Graham Badman	Joanna Wainwright

Children's Social Care Indicators – care leavers

Ref	Indicator	Lead Managing Director	Lead Officer
NI 147	Care leavers in suitable accommodation	Graham Badman	Bill Anderson
NI 148	Care leavers in employment, education or training	Graham Badman	Bill Anderson

National Indicator Set

KASS Indicators

KCC Adult Social Care Indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 127	Self reported experience of social care users	Oliver Mills	Margaret Howard Janet Hughes
NI 130	Social Care clients receiving Self Directed Support (Direct Payments and Individual Budgets)	Oliver Mills	Margaret Howard Janet Hughes
NI 132	Timeliness of social care assessment	Oliver Mills	Margaret Howard Janet Hughes
NI 133	Timeliness of social care packages	Oliver Mills	Margaret Howard Janet Hughes
NI 136	People supported to live independently through social services (all ages)	Oliver Mills	Margaret Howard Janet Hughes
NI 139	People over 65 who say that they receive the information, assistance and support needed to exercise choice and control to live independently	Oliver Mills	Pat Huntingford

KCC Adult Social Care Indicators – older people

Ref	Indicator	Lead Managing Director	Lead Officer
NI 125	Achieving independence for older people through rehabilitation/intermediate care	Oliver Mills	Margaret Howard Janet Hughes

KCC Adult Social Care Indicators – adult disability

Ref	Indicator	Lead Managing Director	Lead Officer
NI 145	Adults with learning disabilities in settled accommodation	Oliver Mills	Margaret Howard
NI 146	Adults with learning disabilities in employment	Oliver Mills	Margaret Howard

KCC Adult Social Care Indicators – carers

Ref	Indicator	Lead Managing Director	Lead Officer
NI 135	Carers receiving needs assessment or review and a specific carer's service, or advice and information	Oliver Mills	Margaret Howard Janet Hughes

Interface

Ref	Indicator	Lead Managing Director	Lead Officer
NI 124	People with a long-term condition supported to be independent and in control of their condition	Oliver Mills	Margaret Howard Janet Hughes
NI 128	User reported measure of respect and dignity in their treatment	Oliver Mills	Margaret Howard Janet Hughes
NI 131	Delayed transfers of care from hospitals	Oliver Mills	Margaret Howard Janet Hughes

Mental health

Ref	Indicator	Lead Managing Director	Lead Officer
NI 149	Adults in contact with secondary mental health services in settled accommodation	Oliver Mills	Steve Leidecker
NI 150	Adults in contact with secondary mental health services in	Oliver Mills	Steve Leidecker

	employment		

Supporting People Indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 141	Number of vulnerable people achieving independent living	Oliver Mills	Claire Martin
NI 142	Number of vulnerable people who are supported to maintain independent living	Oliver Mills	Claire Martin

National Indicator Set

E&R Indicators

Highways Services Indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 47	Percentage reduction in people killed or seriously injured in road traffic accidents (over 3 year average)	Adam Wilkinson	Ian Proctor
NI 48	Percentage reduction in children killed or seriously injured in road traffic accidents (over 3 year average)	Adam Wilkinson	Ian Proctor
NI 167	Congestion – average journey time per mile during the morning peak	Adam Wilkinson	Caroline Bruce
NI 168	Principal roads where maintenance should be considered	Adam Wilkinson	Kim Hills
NI 169	Non-principal roads where maintenance should be considered	Adam Wilkinson	Kim Hills
NI 175i	Access to hospitals by public transport, walking and cycling	Adam Wilkinson	Rob Smith/ Louise Bond
NI 175ii	Access to GP surgeries by public transport, walking and cycling		
NI 176	Working age people with access to employment by public transport (and other specified modes)	Adam Wilkinson	Rob Smith/ Louise Bond
NI 177	Local bus passenger journeys originating in the authority area	Adam Wilkinson	David Joyner
NI 178i	Bus services running on time (non-frequent services)	Adam Wilkinson	David Joyner
NI 178ii	Bus services running on time (frequent services)	Adam Wilkinson	David Joyner
NI 198	Children travelling to school – mode of travel usually used	Adam Wilkinson/Graham Badman	David Joyner

Environmental services – county indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 191	Residual household waste per household – kg	Adam Wilkinson	Caroline Arnold
NI 192	Percentage of household waste recycled and composted	Adam Wilkinson	Caroline Arnold
NI 193	Percentage of municipal waste land filled	Adam Wilkinson	Caroline Arnold
NI 197	Improved local biodiversity – proportion of Local Sites with positive conservation management	Adam Wilkinson	Linda Davies

Economy Related

Ref	Indicator	Lead Managing Director	Lead Officer
NI 151	Overall employment rate	Adam Wilkinson	Considered to be context and not within KCC control
NI 152	Working age people on out of work benefits	Adam Wilkinson	ditto
NI 153	Working age people claiming out of work benefits in the worst performing neighbourhoods	Adam Wilkinson	ditto
NI 163	Working age population qualified to at least Level 2 or higher	Adam Wilkinson	ditto
NI 164	Working age population qualified to at least Level 3 or higher	Adam Wilkinson	ditto
NI 165	Working age population qualified to at least Level 4 or higher	Adam Wilkinson	ditto
NI 166	Median earnings of employees in the area	Adam Wilkinson	ditto
NI 171	VAT registration rate	Adam Wilkinson	ditto
NI 172	VAT registered businesses in the area showing growth	Adam Wilkinson	ditto
NI 173	People falling out of work and on to incapacity benefits	Adam Wilkinson	ditto

NI 174	Skills gaps in the current workforce reported by employers	Adam Wilkinson	ditto

Planning Applications

Ref	Indicator	Lead Managing Director	Lead Officer
NI 157	Processing of county matter planning applications within 13 weeks	Adam Wilkinson	Sharon Thompson

Other

Ref	Indicator	Lead Managing Director	Lead Officer
NI 189	Percentage of agreed actions in flood and coastal erosion risk management plans that are satisfactorily undertaken	Adam Wilkinson	Carolyn McKenzie

National Indicator Set

CMY indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 37	Awareness of civil protection arrangements in the local area	Amanda Honey	David Cloake

Culture and Sports

Ref	Indicator	Lead Managing Director	Lead Officer
NI 8	Percentage of adults participating in sport for at least 30 minutes 3 days a week	Amanda Honey	Chris Hespe
NI 9	The percentage of the population who say they have used public libraries in the last 12 months (survey not actual usage)	Amanda Honey	Cath Anley
NI 10	The percentage of the population who say they have used museums or galleries in the last 12 months (survey not actual usage)	Amanda Honey	Cath Anley
NI 11	The percentage of the population who say they have used engaged in the arts in the last 12 months (survey not actual usage)	Amanda Honey	Sally Staples

Adult Education

Ref	Indicator	Lead Managing Director	Lead Officer
NI 13	Migrants English language skills and knowledge	Amanda Honey	Ian Forward
NI 161	Learners achieving a Level 1 qualification in literacy	Amanda Honey	Ian Forward
NI 162	Learners achieving an Entry Level 3 qualification in numeracy	Amanda Honey	Ian Forward

Regulatory services

Ref	Indicator	Lead Managing Director	Lead Officer
NI 182i	Satisfaction of businesses with recorded non-compliance with local authority regulation services	Amanda Honey	Clive Bainbridge
NI 182ii	Satisfaction of businesses with no recorded non-compliance with local authority regulation services	Amanda Honey	Clive Bainbridge
NI 183	Impact of local authority regulatory services on the fair trading environment	Amanda Honey	Clive Bainbridge
NI 190	Achievement in meeting standards for the control system for animal health	Amanda Honey	Clive Bainbridge

Youth services

Ref	Indicator	Lead Managing Director	Lead Officer
NI 110	Young people's participation in positive activities	Amanda Honey/ Graham Badman	Nigel Baker

National Indicator Set

YOS indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 19	Rate of proven re-offending by young offenders	Amanda Honey	Glan Hopkin
NI 43	Young people within the Youth Justice System receiving a conviction in court who are sentenced to custody	Amanda Honey	Glan Hopkin
NI 44i	Difference in ethnic composition of offenders on Youth Justice System disposals compared to population (white)	Amanda Honey	Glan Hopkin
NI 44ii	Difference in ethnic composition of offenders on Youth Justice System disposals compared to population (mixed)	Amanda Honey	Glan Hopkin
NI 44iii	Difference in ethnic composition of offenders on Youth Justice System disposals compared to population (black)	Amanda Honey	Glan Hopkin
NI 44iv	Difference in ethnic composition of offenders on Youth Justice System disposals compared to population (Asian)	Amanda Honey	Glan Hopkin
NI 44v	Difference in ethnic composition of offenders on Youth Justice System disposals compared to population (Chinese)	Amanda Honey	Glan Hopkin
NI 45	Young offenders engagement in suitable education, employment or training	Amanda Honey	Glan Hopkin
NI 46	Young offenders access to suitable accommodation	Amanda Honey	Glan Hopkin
NI 111	First time entrants to the Youth Justice System aged 10 – 17	Amanda Honey	Glan Hopkin

Place Survey Indicators – Volunteering

Ref	Indicator	Lead Managing Director	Lead Officer
NI 6	Participation in regular volunteering (Place Survey)	Amanda Honey	Carole Kincaid

Drug action team Indicators

Ref	Indicator	Lead Managing Director	Lead Officer
NI 40	Increase in the number of drug users in effective treatment since 2007/08	Amanda Honey	Lola Triumph

Place Survey Indicators – Anti-social behaviour

Ref	Indicator	Lead Managing Director	Lead Officer
NI 17	Perceptions of anti-social behaviour	Amanda Honey	Stuart Beaumont
NI 21	Dealing with local concerns about anti-social behaviour and crime by the local council and police	Amanda Honey	Stuart Beaumont
NI 24	Satisfaction with the way the police and local council dealt with antisocial behaviour	Amanda Honey	Stuart Beaumont
NI 25	Satisfaction of different groups with the way the police and local council dealt with anti-social behaviour	Amanda Honey	Stuart Beaumont
NI 27	Understanding of local concerns about anti-social behaviour and crime by the local council and police	Amanda Honey	Stuart Beaumont
NI 41	Perceptions of drunk or rowdy behaviour as a problem	Amanda Honey	Stuart Beaumont
NI 42	Perceptions of drug use or drug dealing as a problem	Amanda Honey	Stuart Beaumont

National Indicator Set

Partner Indicators

Police: recorded crime statistics

Ref	Indicator
NI 15	Serious violent crime rate
NI 16	Serious acquisitive crime rate
NI 18	Adult re-offending rates for those under probation supervision
NI 20	Assault with injury crime rate
NI 28	Serious knife crime rate
NI 29	Gun crime rate
NI 30	Re-offending rate of prolific and priority offenders
NI 32	Repeat incidents of domestic violence
NI 34	Domestic violence – murder
NI 38	Drug-related (Class A) offending rate

Probation

Ref	Indicator
NI 143	Offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence
NI 144	Offenders under probation supervision in employment at the end of their order or licence

Fire Service

Ref	Indicator
NI 33	Arson incidents (2 indicators – primary and secondary)
NI 49	Number of primary fires and related fatalities and non-fatal casualties, excluding precautionary checks (3 indicators)

District Council Indicators

Ref	Indicator
NI 12	Refused and deferred Houses in Multiple Occupation (HMO) license applications leading to immigration enforcement activity
NI 154	Net additional homes provided
NI 155	Number of affordable homes delivered (gross)
NI 156	Number of households living in Temporary Accommodation
NI 158	% decent council homes
NI 159	Supply of ready to develop housing sites
NI 160	Local Authority tenants' satisfaction with landlord services
NI 170	Previously developed land that has been vacant or derelict for more than 5 years
NI 180	Changes in Housing Benefit/ Council Tax Benefit entitlements within the year
NI 181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events
NI 184	Food establishments in the area which are broadly compliant with food hygiene law
NI 187	Tackling fuel poverty – people receiving income based benefits living in homes with a low energy efficiency rating

National Indicator Set

NI 195	Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly posting) - 4 indicators!
NI 196	Improved street and environmental cleanliness – fly tipping

CDRPs - Terrorism/extremism.

Ref	**Indicator**
NI 35	Building resilience to violent extremism
NI 36	Protection against terrorist attack

Other

Ref	**Indicator**
NI 26	Specialist support to victims of a serious sexual offence
NI 199	Children and young people satisfied with parks and play areas

By: Mr P Carter, Leader of the Council and Cabinet Member for Policy and Performance

To: Cabinet – 15 September 2008

Subject: Select Committee: Accessing Democracy

Summary: To receive and comment on the report of the Select Committee on Accessing Democracy

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Introduction

1. The Corporate Policy Overview Committee proposed the establishment of a Select Committee to look at the some of the issues around Accessing Democracy. This was agreed by the Policy Overview Co-ordinating Committee at its meeting on 7 June 2007.

Select Committee Process

Membership

2. The Select Committee commenced its work in February 2008. The Chairman of the Select Committee was Mrs Christine Angell, other members being Mrs Ann Allen, Mr David Brazier, Mr Bill Hayton, Mr George Koowaree, Mr Mike Snelling, Mrs Eileen Rowbotham and Mr Roland Tolputt.

Terms of Reference

3. (1) The Terms of Reference for this Select Committee Topic Review were to:-

- To understand why many people do not participate in and influence decision making in Kent
- To discover what would/could encourage more people to participate in and influence decision making in Kent
- To discover what KCC can do to increase participation

Evidence

4. The Committee used a number of evidence sources to inform their investigations including oral and written evidence from a wide range of stakeholders.

Timescale

5. The Select Committee met with Mr A J King, Deputy Leader, Corporate Support and External Affairs; Mr R Hardy, Director for Improvement and Engagement and Mr P Sass Head of Democratic Services and Local Leadership, on 3 September

2008 to receive comments on the Select Committee report. A copy of the Executive Summary and recommendations **is attached as Appendix 1**.

Conclusion

6. (1) I welcome the report and would like to congratulate the Select Committee on completing this piece of work. I would also like to thank all those witnesses who gave evidence to the Select Committee.

(2) Mrs C Angell, Chairman of the Select Committee, Mr D Brazier and Mr G Koowaree will present the report. The Executive Summary is attached. Please contact Angela Evans on 01622 221876 or email angela.evans@kent.gov.uk if you require a full copy of the report.

Recommendations

6. (1) The Select Committee be thanked for its work and for producing a relevant and a balanced document.

(2) The witnesses and others who provided evidence and made valuable contributions to the Select Committee be thanked.

(3) We recommend the report and its recommendations to Cabinet and welcome any observations Cabinet wish to make.

Mr P Carter
Leader of the Council and Cabinet
Member for Policy and Performance

Background Information: *None*

Appendix One

Executive Summary and Recommendations

1.0 In January 2008 an eight Member Select Committee was established to carry out a review on Accessing Democracy with the following terms of reference:

- To understand why many people do not participate in and influence decision making in Kent
- To discover what would/could encourage more people to participate in and influence decision making in Kent
- To discover what Kent County Council can do to increase participation

1.1 The Members of the Accessing Democracy Select Committee were:

Mrs Christine Angell (Chair)	Mrs Eileen Rowbotham
Mr Mike Snelling	Mr Roland Tolputt
Mr David Brazier	Mr George Koowaree
Mrs Ann Allen	Mr Bill Hayton

1.2 This report considers the steps needed to revive involvement in local decision making. It looks at the use of new technology and participation methods to facilitate two way communications with the public on local service policies and priorities, the localism agenda and structures and the role of elected members within a mix of representative and participative democracy. The review focuses on the themes of how to get people interested, how to encourage people to participate and improving knowledge and understanding of the opportunities to participate. The Select Committee used a number of evidence sources to inform the investigation, including hearings, discussion groups, insight gathering with local residents, written evidence, key documents and national research. This is written in the context of Kent County Council (KCC) and KCC elected members, with recognition that as a two- tier authority in Kent there is similar debate with District partners.

1.3 Our report contains a number of recommendations, which if agreed by Cabinet and the County Council will hopefully reinvigorate local democracy in Kent and result in people becoming more involved and influencing decision making, in both the short and longer term.

1.4 Key points are

- Empowering elected members to be as accessible and responsive as possible is key and needs the imaginative use of both traditional methods and new technology.

- Two–way communication is a key component if we are to sucessfully engage with local people in local democracy.

- Elected member roles are fundamental to the development of effective local involvement.

- There needs to be greater opportunity for the further development of the role of frontline elected members, empowering them to make locally evidenced based decisions.

- There needs to be an enabling of Local Forums to become increasingly targeted on local priorities and outcomes, through dialogue, action planning, joint commitment and the ability to respond.

- Need to use new technology and opportunities presented by e-democracy to broaden input into local decision making processes, making it easier for some and develop dialogue with local people, and support the development of a range of tools. These won't necessarily engage uninterested people and an outreach approach may still be needed – a combination of tools is essential.

- Need positive, adaptable and flexible approach.

- Whilst there are diverging views amongst members, it is clear that one key factor is that however challenging, representative and participative processes are both key components of a healthy local democracy.

- Also need to consider how local people would like to take this agenda forward - One size does not fit all – within the framework Kent County Council and elected members should use innovation and flexibility to achieve best outcomes.

Recommendations

R1: Raise profile of elected members and use other strategies to change public perception.

R2:

a) A 'menu of options' of how local people can get involved in local democracy in Kent should be promoted.

b) All proposals taken through County Council or Overview and Scrutiny should be required to state the degree of public involvement to date. This would improve accountability and demonstrate how information from consultations is used (especially the effect on decision making).

c) Existing good practice should be advertised and promoted, identifying future priority issues for local action/campaign with elected members and/or highlight possible areas for review.

R3: The Member Charter, and programme of member development to help ensure Kent has high calibre effective community leaders, should incorporate media training and public speaking skills.

R4: As part of the Communications Strategy KCC should actively promote the role of elected members as community leaders and advocates within their community using a range of communication tools.

R5:

a) **Embrace democracy in secondary schools and school councils should be encouraged to operate through age range - advocate school councils in primary school.**
b) **All elected members should be involved in schools democracy week.**
c) **Ensure all teaching staff are firmly encouraged to undertake Continuous Professional Development on democracy.**
d) **Linkage between School Councils, Kent County Council and District, Town and Parish Councils should be promoted.**

R6: Citizenship pack should include information on how to register to vote, the role of local elected members and how to contact local member at District, County and National level.

R7: Need to ensure that induction and information pack for new staff includes information on how to have your say and get involved in local decision making and how public involvement has made a difference.

R8: KCC should provide subtitles and British Sign Language option on all DVDs produced.

R9:

a) **Elected members should have a hard copy summary of all the planned KCC consultations.**
b) **Information regarding consultations and the need to inform and involve elected members needs to be highlighted and included within future plans to develop a discreet section of information for members on the web and clear commitments reflected within the Consultation and Engagement Strategy.**
c) **Information on consultations should include note on method of engagement to be used.**

R10:

a) **Facilities for video conferencing should be utilized, maximizing opportunities in Kent with KCC and partners.**
b) **Elected members should be supported in using this service through current resources, training and support mechanisms.**

R11:

a) **Need effective promotion of E-consultation and decision making to raise profile and encourage local people to have their say and voices heard.**
b) **All engagement activities and weblinks should be brought under easily recognisable umbrella and portal e.g. 'Ask Kent' , to ensure two way interactive communication.**
c) **Facilities for blogs, emails, online surgeries, plus training and support should be available for elected members.**

R12: In promoting the role of elected members and interaction with communities KCC should embrace e-democracy/ technological solutions to make elected members activities more visible and to open up dialogue and

debate, for example e-petition, e-campaigns generated by Local Boards and local people, and e-debate.

R13: Raising interest in both the opportunity and how to become an elected member needs to be clear and transparent. Agree more diversity in elected members is seen to be beneficial but is complex and worthy of separate study.

R14: 'Top tips' and contact details on making contact with seldom heard/ perceived hard to reach communities should be included in all new ward packs.

R15:

- **a) The introduction of role descriptions for all elected members needs to be supported.**
- **b) The IDEA Councillors guide should be actively promoted and need to ensure all elected members have a copy.**
- **c) Training for elected members in ways of local government and ongoing training to help elected members carry out their role effectively should be actively supported.**

R16: To effectively strengthen local structures for community engagement and encourage involvement in local decision making need

- **a) Localism to be more outcome focussed.**
- **b) mechanism for prompt feedback to the public on specific issues.**
- **c) to explore further with District, Town and Parish Councils and other local partners what they believe would improve community engagement.**
- **d) to devolve power and resources to support local priorities and action, from discretionary funds being delegated to local forums for decision making.**
- **e) Chief Officers and Cabinet should identify which services can be delegated to local level and be influenced by members in their representative capacity based on views of community priorities and preferences.**

R17: The opportunity for participatory budgeting from devolved discretionary funds should be provided within the next budget year, with delivery mechanism to be determined, and a sum of underpinning monies to enable local people to determine how the resource should be spent.

By: Graham Badman, Managing Director, Children, Families, Health and Education

Mark Dance, Cabinet Member for Operations, Resources and Skills, CFHE

Leyland Ridings, Cabinet Member for Children, Families and Educational Standards, CFHE

To: Cabinet – 15 September 2008

Subject: **REVIEW OF SPECIALIST UNIT AND DESIGNATED PROVISION IN MAINSTREAM SCHOOLS – UPDATE. LEAD SCHOOL IMPLEMENTATION**

Classification: Unrestricted

Summary: This report updates Cabinet Members on the progress of the implementation of Lead School provision, seeks approval to proceed to consultation on the delegated funding proposals and asks Cabinet to note capital implications for some provisions

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1. Background

1.1 Members have made a series of policy decision since 2004 to undertake and implement a review of Units and Designations. The implementation of Phase One of the Review will commence in September 2008 in the Local Children's Services Partnerships (LCSPs) in Ashford, Shepway, Dartford, Gravesham and Swanley.

2. Progress to Date

2.1 Phase One lead schools have been allocated a lump sum of £39,235 to begin the process of planning and developing their provision. Local multi-agency task groups were set up during the latter part of the last academic year to take this process forward. Whilst there is flexibility in how a lead school uses this funding, the LA provided advice and guidance on options for use, together with guidance to the LCSPs on overall provision planning and on referral and decision-making arrangements for supporting children and young people.

2.2 The guidance is underpinned by the understanding that lead schools do not operate in isolation but are a part of a continuum of provision that includes special schools and other specialist support services. The emphasis is on the multi-agency integration and co-ordination of services and provision for children and young people. It should be noted that for a school without an existing unit there is no expectation that it will admit children or young people with Statements of SEN in September 2008.

2.3 Work will now commence in supporting lead schools in Phase Two and officers will continue to meet with those identified to ensure implementation will take place smoothly. Additionally, the LCSP Managers will be supported in local discussions in the process to identify lead schools in the very small number of localities where none exist. Lead Schools currently identified in the Phase Two areas are attached at Appendix I.

2.4 Lead schools in Phase One have completed a self-assessment of their current state of readiness. This assessment was used as the basis for preparing an implementation plan for the development of their provision over the next 3/5 years. It will act as a baseline for evaluation and enable identification of strengths and areas for development to inform their development needs and assess progress over the period of this school year. The Phase One self-assessment and further developments will inform the proposed implementation of Phase Two in September 2009. Phase Two will comprise all other LCSPs. A summary of the Phase One aggregated self-assessment is attached at Appendix 2.

2.5 In addition to the evaluation of Phase One, an on-going process to evaluate all lead schools and inform development plans will be put in place.

3. Funding – Revenue

3.1 On 20 July 2007, the Schools Funding Forum agreed the method of funding distribution proposed by the Units and Designations Steering Group. However, it was subsequently decided to postpone consultation on the proposals from the Autumn of 2007 to the Autumn of 2008. As the consultation did not go ahead, the Schools Funding Forum will be asked to consider the matter again at a later date. A copy of the proposals for funding the lead school provision is attached at Appendix 3. It is intended that the new formula will be put in place in September 2009 when Phase Two is implemented.

3.2 Lead schools will be funded by formula through the distribution of the combined budgets from the current units and designations and the Very Severe and Complex Needs (VSCN) funding. VSCN funding will be released when a child for whom it was allocated leaves school. Additionally, funding will be released from units and designations budgets as some reduce their intake to accommodate a smaller catchment area. These two processes, of necessity, would involve a phased release of funding over a number of years. This issue will be addressed through the Medium Term Plan.

3.3

4. Funding – Capital

4.1 Some lead schools have identified accommodation costs associated with developing their provision. For several schools these are considerable. Cabinet noted in February 2008 capital costs of £500k associated with West Malling Primary School (lead school for language) and of £1.1m for Cage Green (lead school for Autism). A summary of identified capital costs for Phase One and Phase Two lead schools are attached at Appendix 4.

5. Revised Timetable

Phase One Self-Assessment of readiness state	May/June 2008
Review of Funding Formula proposal made in 2007	June 2008
Presentation of Funding Formula to Schools Funding Forum	September 2008
Start-up funding for Phase One Pilot	September 2008
Consideration and agreement by KCC Cabinet on provision for implementation in September 2009	September 2009
Consultation on Funding Formula	Autumn 2008
Countywide implementation of Unit review	Commencing September 2009

6. Recommendations

Cabinet Members are asked to:

(a) NOTE the progress of the Unit Review and the timetable detailed at paragraph 5.

(b) NOTE the schools identified as lead schools in Phase Two.

(c) NOTE the outcome of the Phase One lead schools self-assessment of state of readiness.

(d) NOTE the additional revenue and capital implications for Phase One and Phase Two to be addressed through the Medium Term Plan.

(e) AGREE to proceed to consultation on the funding formula in the Autumn term.

(f) AGREE implementation of Phase Two subject to further review as part of the Medium Term Plan process.

7. Background Papers:

Cabinet Report – Unit Review – 6 February 2008
Cabinet Report – Unit Review – 17 September 2007
Cabinet Report – Unit Review – 12 March 2007
Cabinet Report – Unit review – 16 October 2006

Marlene Morrissey
County AEN Manager, Commissioning Division (Specialist Services) CFE
01622 696668

Appendix 1

CABINET – 15 SEPTEMBER 2008

PHASE 2
LEAD SCHOOL PROPOSALS

Phase 2 Lead School Proposals – Autism				
Name of Lead school	**Phase**	**Cluster**	**Detail of Proposal**	**Clusters Lead school will serve**
West Borough	Pri	Maidstone	No existing designation taking on Lead role for Autism	Two Maidstone Clusters
Astor of Hever	Sec	Maidstone	No existing designation taking on Lead role for Autism	Two Maidstone Clsuters
Minster on Sheppey	Pri	Swale Urban	No existing designation taking on Lead role for Autism	Swale Urban
Joy Lane	Pri	Canterbury Coastal	School with existing unit for Autism taking on Lead role for Autism	Swale Rural Canterbury Coastal Canterbury C&C
The Abbey	Sec	Swale Rural	School with existing unit for Autism taking on lead role for Autism	Swale and Canterbury Clusters
Hereson & Ellington	Sec	Thanet	School with existing unit for SpLD taking on Lead role for Autism	Thanet 1&2
Aylesham	Pri	Dover	No existing designation taking on lead role for ASD	Dover and Deal & Sandwich
Archer’s Court	Sec	Dover	Existing unit for ASD taking on lead role for Autism	Dover and Deal & Sandwich
Cage Green	Pri	Tonbridge	Existing unit for ASD taking on lead role for Autism	Tonbridge Malling Cranbrook Sevenoaks
St Mathew’s High Broom	Pri	Tunbridge Wells	No existing designation taking on lead role for ASD	Tunbridge Wells
The Malling School	Sec	Malling	Existing designation for SLCN and SpLD taking on lead role for ASD	Malling

Phase 2 Lead School Proposals – Hearing Impairment

Name of Lead school	Phase	Cluster	Detail of Proposal	Clusters Lead school will serve
Molehill Copse	Pri	Maidstone	School with existing unit for HI taking on lead role for HI	Maidstone Malling
Maplesden Noakes	Sec	Maidstone	School with existing unit for HI taking on lead role for HI	Maidstone Malling
Slade	Pri	Tonbridge	School with existing unit for HI taking on lead role for HI	Tonbridge T Wells Cranbrook Sevenoaks
St Gregory's	Sec	T Wells	Currently has HI designation and lead school role still to be confirmed	Tonbridge T Wells Cranbrook Sevenoaks
Briary	Pri	Canterbury Coastal	School with no existing designation taking on lead role for HI	Swale Canterbury
Sittingbourne Community College	Sec	Swale Urban	School with existing unit for HI taking on lead role for HI	Swale Canterbury
Hartsdown	Sec	Thanet	School with existing designation for HI taking on lead role for HI	Thanet 1 & 2 Deal

-

Phase 2 Lead School Proposals – Physical Disability				
Name of Lead school	**Phase**	**Cluster**	**Detail of Proposal**	**Clusters Lead school will serve**
Loose Junior	Pri	Maidstone	School with no existing designation taking on lead role for PD	Maidstone Malling
New Line Learning Academy – Senacre	Sec	Maidstone	School with existing designation for PD taking on lead role for PD	Maidstone Malling
Bishops Down	Pri	T Wells	School with existing designation for PD taking on lead role for PD	T Wells Cranbrook Sevenoaks
East Peckham	Pri	Tonbridge	School with no designation taking on lead role for PD	Tonbridge
Hugh Christie	Sec	Tonbridge	School with no existing designation taking on lead role for PD	Tonbridge; T Wells Cranbrook; Sevenoaks
Westminster Primary School – Isle of Sheppey	Pri	Swale Urban	School with no existing designation taking on lead role for PD	Swale Urban
Ethelbert Road	Pri	Swale Rural	School with no existing designation taking on lead role for PD	Swale Rural
Westlands	Sec	Swale Urban	School with existing designation for PD taking on lead role for PD	Swale Urban Swale Rural
Hampton	Pri	Canterbury Coastal	School with existing designation for PD taking on lead role for PD	Canterbury Coastal
Pilgrim's Way	Pri	Canterbury C&C	School with existing designation for PD taking on lead role for PD	Canterbury C&C
St. Anselm's	Sec	Canterbury C&C	School with existing designation for PD taking on lead role for PD	Canterbury Coastal Canterbury C&C
Garlinge	Pri	Thanet	School with existing designation for PD taking on lead role for PD	Thanet 1 & 2
Hartsdown	Sec	Thanet	School with existing designation for HI taking on lead role for PD	Thanet 1 & 2
Whitfield and Aspen School	Pri	Dover	School with existing units for Autism and PSC needs taking on lead role for PD	Dover Deal & Sandwich
Castle Community	Sec	Dover	School with existing designation for PD taking on lead role for PD	Dover Deal & Sandwich

Phase 2 Lead School Proposals – Speech, Language & Communication

Name of Lead school	Phase	Cluster	Detail of Proposal	Clusters Lead school will serve
West Malling	Pri	Malling	School with existing designation for SLCN taking on lead role for SLCN	Malling Maidstone 1 Maidstone 2 Tonbridge
The Malling School	Sec	Malling	School with existing designations for SLCN and SpLD taking on lead role for SLCN	Malling Maidstone 1 Maidstone 2 Tonbridge
St Mathew's High Broom	Pri	Tunbridge Wells	School with no existing designation taking on lead role for SLCN	T Wells Cranbrook Sevenoaks
Bysing Wood	Pri	Swale Rural	School with no existing designation taking on lead role for SLCN	Swale Rural
The Oaks Minterne	Infant Junior	Swale Urban	Both schools with existing designation for SLCN taking on lead role for SLCN	Swale Urban
Sittingbourne Community College	Sec	Swale Urban	School with existing designation for HI taking on lead role for SLCN	Swale Urban
Canterbury High School	Sec	Canterbury City and Country	School with existing unit for SLCN taking on lead role for SLCN	Canterbury C&C Canterbury Coastal Swale Rural
Wincheap	Pri	Canterbury C&C	School with existing designation for SLCN and ASDn taking on lead role for SLCN	Canterbury C&C
Hereson & Ellington	Sec	Thanet	Hereson School with existing designation for SpLD taking on lead role for primary and secondary SLCN	Thanet 1 & 2
Priory Fields	Pri	Dover	School with no existing designation taking on dual lead role for SLCN	Dover Deal & Sandwich
The Downs	Pri	Deal & Sandwich	School with no existing designation taking on dual lead role for SLCN	Dover Deal & Sandwich
Walmer	Sec	Deal	School with existing designation for SpLD taking on lead role for SLCN	Dover Deal & Sandwich
Southborough	Pri	Tunbridge Wells	School with existing designation for SLCN not taking on the lead role for SLCN	

Phase 2 Lead School Proposals – Specific Learning Difficulties				
Name of Lead school	**Phase**	**Cluster**	**Detail of Proposal**	**Clusters Lead school will serve**
The Malling School	Sec	Malling	School with existing designation for SpLD taking on lead role for SpLD	Maidstone Malling Tonbridge
Sevenoaks Primary	Pri	Sevenoaks	School with no existing designation proposing to hold funding for SpLD	Sevenoaks
Bradbourne	Sec	Sevenoaks	School with no existing designation proposing to hold funding for SpLD	SEvenoaks
Westlands	Sec	Swale Urban	School with existing designation for SpLD taking on lead role for primary and secondary SpLD	Swale Urban Swale Rural
Archbishops	Sec	Canterbury Coastal	School with existing designation for SpLD taking on lead role for SpLD	Canterbury C&C Canterbury Coastal
Hereson & Ellington	Sec	Thanet	School with existing designation for SpLD taking on lead role for primary and secondary SpLD	Thanet 1&2
Walmer	Sec	Deal	School with existing designation for SpLD taking on lead role for SpLD	Dover Deal & Sandwich
Aycliffe	Pri	Dover	School with no existing designation taking on lead role SpLD	Dover Deal & Sandwich

Phase 2 Lead School Proposals – Visual Impairment				
Name of Lead school	**Phase**	**Cluster**	**Detail of Proposal**	**Clusters Lead school will serve**
Sevenoaks Primary	Pri	Sevenoaks	School with no existing designation taking on fund holding role for VI	Sevenoaks
Bradbourne	Sec	Sevenoaks	School with no existing designation taking on fund holding role for VI	Sevenoaks
Cornwallis Academy	Sec	Maidstone	School with existing designation for VI taking on lead role for primary and secondary VI	Maidstone 1 & 2 Malling Tonbridge
Reculver	Pri	Canterbury Coastal	School with existing designation for VI taking on lead role for VI	Swale Canterbury
Archbishops	Sec	Canterbury Coastal	School with existing designation for VI taking on lead role for VI	Swale Canterbury
Charles Dickens	Sec	Thanet	School with existing designation for VI taking on lead role for VI	Thanet Deal & Sandwich

Changes to existing provision

Bromstone	Pri	Thanet	School with existing designation for VI not taking on lead role for VI	
Dane Court	Sec	Thanet	School with existing designation for VI not taking on lead role for VI	

Appendix 2

Self-Assessment Survey by each Lead School of its State of Readiness for Phase One Implementation
Abridged Report

The survey provides a 'baseline' for all Phase One lead schools that will enable trends to be identified within and beyond one year. The results are aggregated and are not intended to be a measure of progress within any one individual school, since there will be an opportunity for a more in-depth self-review using a tool specifically designed for this purpose. The survey does however, reflect key aspects of the longer self-review and this allows schools to plan action with their Local Children's Services Partnerships (LCSP).

When reviewing the results, and in particular comparing the outcome of the survey with subsequent surveys, it should be borne in mind that many areas of expertise covered are new to lead schools. Key aspects of the role of lead schools in supporting other schools within their own and other local partnerships will take time to establish. It is unlikely that all of these activities will be established over the coming year but the survey format will detect movement towards them. All lead schools are being advised to use the outcome of the survey to plan for activity in the coming year.

A full version of the report can be found on KentTrustWeb under AEN and Resources, Information and Guidance.

Survey response

25 schools replied, out of a possible 30, 24 supplying their name and designation, one returning anonymously.

Reliability and integrity

The 83% return provides a very good baseline for the development and operation of Phase One Lead Schools, from which to judge progress towards the aims of the review. The under-representation of SLCN and PD provision does not undermine the validity of the result, although this will need to be taken into account when revisiting the issues sampled. A careful analysis of each return shows a high degree of internal consistency when the answers are placed against the known practice within the school, or placed alongside each other. The responses appear to have been well considered and honestly reported. This provides the overall 'aggregate' baseline with a high degree of reliability.

General Comment

Only a small number of schools are involved in providing other schools with advice and training or support for individual pupils, either in the pupil's own school or at the lead school. This is an area of activity that should expand over time, as LCSPs begin to plan more flexibly the use of lead school provision to support a wider range of activity.

There would appear to be a strong culture of staff training and expertise in around a half of the schools, although this is not expected to be a feature at this point of new provision. All schools, however, will need to work towards key staff within the provision attaining advanced qualifications and all staff within the provision having attended training at the level of ‘understanding’. Similarly, all schools will need to ensure that a large proportion of staff across the school receive ‘awareness’ training.

As might be expected, a large number of schools are supporting pupils within their ‘base’ provision and across their school as a whole, with just three schools providing support for pupils on the roll of other schools. If the review is successful in meeting its aim of supporting more children locally, then it could reasonably be expected that the balance between children attending a lead school and the numbers of children supported in the wider cluster of schools, will change markedly.

Responses

For the purposes of the current short-term evaluation, schools were asked to provide an ‘estimate’ of where they were on a scale of 1 – 4 for each of a number of ‘standards’ set out below, <u>1 being the most developed and 4 the least</u>.

The following is a summary of the findings:

Standard	**Weighted score** (a lower score denotes greater confidence)	Ranking against schools’ confidence levels
Working with Parents	45	1
Pastoral Support	47	2
Care Practice	48	3
Learning Opportunities	52	4
Staff Expertise	54	5
Partnership Working	56	6
Transfer and transition	56	6

Standard	Weighted score (a lower score denotes greater confidence)	Ranking against schools' confidence levels
Leadership	56	6
Resource Deployment	62	7
Accommodation	64	8
Working with Other Schools in the cluster(s)	81	9
Working within the Cluster Provision Plan	81	9
Policy	82	10
Flexible Placements	83	11
Provision of Training	83	11
Working with Special Schools	86	12

As can be seen from the above, the responses to the survey suggest that schools are most confident in working with parents and least confident about working with special schools. Pastoral Support, care practice and learning opportunities figure amongst the highest levels of confidence, whilst provision of training, flexible placements and working with other schools are quite low. As stated earlier and taking into account the concerns expressed above, this reflects the better known and least known of the role functions. As lead schools develop it might be expected that, even if the ranking does not alter, the gap between the items with the least and most confidence should decrease.

Priorities identified for development within the coming year

Response

14 schools responded to this aspect of the survey. The responses are listed in order of the number schools identifying the priority.

Priority	Number of schools
Produce audit and development plan for staff training	8
Write/develop policy for development and operation of provision	4
Complete specialist training	4
Prepare overall plan	4
Develop closer working relationship with special schools	3
Appoint staff	3
Develop working relationships within cluster	3
Support Cluster Provision Plan	3
Review and develop accommodation	2
Link up with other outreach providers	1
Develop closer working relationship with specialist services	1
Set up cluster working party	1
Review staffing	1
Provision of training for staff in cluster	1
Gather information on pupils across the cluster	1
Identify individual pupil learning and resource needs	1

Conclusion

The survey outcomes provide a very good base from which to establish and evaluate future progress in the development of lead schools in both Phases 1 & 2. It will also enable individual schools to plan for the development of their provision.

This is an abridged version of a report by John Moore, Consultant to Units Review, prepared by Marlene Morrissey.

July 2008

Appendix 3

LEAD SCHOOLS: PROPOSALS FOR FUNDING ARRANGEMENTS

1. Background

In 2007 a sub-group of the Units and Designations Review Steering Group made recommendations on a formula for funding lead schools. This sub-group comprised:

- Keith Hargrave, Chair of Funding Forum and HT of a school with a SLCN unit
- Andy Blundell, Chair of DFFG and previous HT of a school with a HI unit
- Vivienne Resch, HT of a school with a HI unit
- Andy Taylor, teacher in charge of a VI unit
- Joanne Howcroft-Scott, HT of a school with a VI and PD unit
- Sue Wollett, bursar of a school with a HI and PD unit
- Nuala Ryder, Unit and designations review project manager
- Colin Feltham, Head of AEN and Resources Unit
- Vic West, Advisory Service and former HT of a school with a unit
- John Moore, specialist SEN consultant advisor
- Laura Froude, Local Education Officer
- Richard Hallett, finance manager
- Tristan Booth, Principal Officer, schools finance

2. Proposals

The sub-group's proposals were as follows:

(a) Principles and recommendations

The following principles were agreed:

- The formula should be as simple as possible and transparent in delegation and operation.
- The outcome should establish/rebalance equity of funding across the County.
- There should be stability and predictability of finance for the Lead School, allowing reasonable time for adjustment year on year.
- Need type weightings should reflect curriculum, organisational and other support arrangements appropriate for the type and level of SEN covered.
- The formula should be flexible enough to support children where they are currently being educated, but also to develop and operate 'services' to other schools, as required by the cluster development plan.
- There should be an element that reflects the organisational arrangements required to be a Lead School.

- The formula should try to break the link with the perverse incentives of both 'statementing' and assessing children as having very severe and complex needs.
- Lead Schools should be free to use their funding in the most effective way to meet the needs of all children within the commissioning guidelines provided.
- Peripatetic support provided by STS should be factored into the funding distribution. The support should be re-targeted and linked to lead schools.
- Transition arrangements should allow for current 'units' to operate with children presently on roll, tapering funding (both lump sum and place numbers) accordingly.
- The final funding solution should enable greater levels of participation / inclusion as well as increased rates of progress for children with SEN.

(b) Specific recommendations

- The formula funding for PD, ASD, SpLD and SLCN should be based on percentage of population rather than incidence of "Action Plus" and statements. These are higher level incidence need-types and as such are not expected to vary much from Cluster to Cluster. It was felt that the "action +" data was not fully reliable as an indicator and therefore the wider population data should be used. This use of the widest data set encourages more stability of funding.
- The formula funding for HI and VI should be based on data held by the Specialist Teaching Service to reflect the funding difficulties that may occur because of the lower level incidence. Funding will not be weighted for the different levels of impairment.
- Funding for children with PD medical needs and VI & HI high-end support will be removed from the formula and funded on a separate basis, as these very expensive cases cannot be expected to be met from the normal formula (see 3 below).
- Funding for children with a learning difficulty (e.g. Downs Syndrome) currently supported through VSCN funding, will be removed from the SpLD formula and alternative options will be developed to ensure funding to support this group is allocated appropriately.
- All lead schools will receive a lump sum to reflect their organisational arrangements. This will be based on a set amount per lead school (current recommendation is £15k), plus a top-up based on the total population that the lead school will be covering.
- The overall funding pot for each individual need type will be based upon weightings worked out by STS and the Advisory Service.
- Protection will be provided for all children in Units or with VSCN funding until they reach the end of their current phase of schooling. This funding will be paid directly to the school the child is attending.
- Weightings and distribution of funding will be reviewed after the first year to ensure that the formulas are working correctly.

3. Distribution of Retained Funding

The proposals outlined above refer to the need to keep back funding in order to support the smaller cohort of children and young people in mainstream schools with very high level low-incidence needs associated with VI, HI and PD/medical difficulties. Arrangements will be put in place to allow the allocation of funding where and when local need arises. This will require a process similar to the one currently used to allocate VSCN funding but it will include a much smaller group of children and young people. Schools will be the decision-makers but they will have access to expert and specialist advice and guidance from a multi-agency panel.

July 2008

Appendix 4

Capital Implications by Phase
Lead School Implementation

PHASE 1			
Need Type	**School**	**Sec/Pri**	**Capital Implications**
Autism	Ashford Oaks	Pri	£150k agreed by Cabinet already
SpLD	Wilmington Enterprise, Dartford	Sec	£25k for full refurbishment, £15k would be adequate to make a start this year.
VI	Dartford Grammar	Sec	£9k for refurbishment of existing space in the school agreed by Cabinet already
PD	Thamesview, Gravesend	Sec	Care suite needs enhancement but not yet costed

PHASE 2			
Need Type	**School**	**Sec/Pri**	**Capital Implications**
Autism	Joy Lane, Whitstable	Pri	£1.1m
Autism	Cage Green, Tonbridge	Pri	£1.1m Noted by Cabinet 6 February 2008
HI	Briary, Herne Bay	Pri	£35k alterations to existing classrooms.
PD	Hugh Christie, Tonbridge	Sec	£20k to bring care suite up to spec
SLCN	West Malling	Pri	£500k Noted by Cabinet 6 February 2008
SLCN	Sittingbourne Community College	Sec	£80k for extension to existing building to provide space pending BSF build (18 months' time)

Phase 1

Total identified costs £25k

Phase 2

Total identified costs £2,835k

Total both Phases £2,860k

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By: Graham Badman, Managing Director for Children Families and Education Directorate

Mark Dance Cabinet Member for Operations, Resources and Skills

Leyland Ridings, Cabinet Member for Children, Families and Educational Standards

To: Cabinet – 15 September 2008

Subject: KCC STRATEGY FOR EARLY EDUCATION AND CHILDCARE (0-5 years)

Classification: Unrestricted

Summary: This paper presents to Members of the Cabinet the draft Strategy for Early Education and Childcare (0 – 5 years), reports on the very positive outcomes of the consultation on the strategy and seeks formal approval.

Introduction

1. (1) KCC's Towards 2010 'Learning for everyone – Getting it right from the Start' recognises the importance of providing our youngest children with the very best start in life and that early years provision has an enormous impact on improving outcomes.

(2) The Government confirms the vital role that the Local Authority plays in improving the outcomes of all young children from birth up to the August following their fifth birthday and reducing inequalities between them through legislation set out in the Childcare Act 2006.

(3) The draft strategy (attached at appendix 1) is intended to reflect the path KCC will take in order to achieve its aspirations. It is part of a suite of strategies developed by the Directorate to improve the outcomes of children and young people. <u>This strategy is included in the Forward Plan as a key decision.</u>

(4) This strategy has been subject to widespread consultation, including all party Members and the full range of early years providers (of which there are around 2,600*). Further information about the consultation arrangements and its outcomes are set out in paragraph four and appendix 3 of this report. * includes registered childminders

Policy Framework

2. (1) This strategy is not a Policy Framework document and therefore does not require ratification by the Council. However, this strategy falls under the umbrella of the Kent Children and Young People's Plan.

Implications

3. (1) These are set out as follows:

(a) Budget/Financial

Resources to implement the strategy are identified in appendix 2. All action identified falls within existing budgets and staffing allocations, and assumes the current level of funding is continuing. It will also need to be borne in mind that the delivery of the strategy will need to be balanced against emerging national and local priorities, and that we may need to vary what we do over time.

(b) Equality and Diversity

This is a broad-based strategy, intended to benefit all young children in Kent. The strategy has undergone widespread consultation and a full equality impact assessment in May 2008 following consultation.

(c) Customer Service and Delivery

The strategy is intended to ensure that all young children thrive in their early years and that families, are supported and have access to flexible and quality provision.

(d) Towards 2010 Targets

KCC's Towards 2010 sets out its commitment to improving the quality of early years education by strengthening the links between pre-schools/nurseries and primary schools, thereby improving children's ability to learn when they enter primary school.

The Development of the draft strategy and consultation arrangements

4. (1) The draft strategy has been developed in consultation with the Kent Early Years, Childcare and Extended Schools Board (EYCESB) and its four working groups. It was subject to widespread consultation between January and April 2008 with the aim of seeking views from the full range of stakeholders to inform the final draft. This included:

- The Kent Children's Trust
- CFE Policy Overview Committee (and all Members through the Member Information Briefing)
- The Kent EYCESB and its working groups
- Health Professionals and JobCentre Plus
- PVI Providers and Children's Centres (through the Early Years Conferences and by writing to all early years providers, of which there are around 2,600)
- The Primary Forum (and through the e-bulletin to all schools)
- Parent Networking Groups
- Church Representatives Group
- The Race Equality Forum, Race Equality Council, KCC Staff Groups and various 'equality' groups (or those where representation includes the equality perspective such as the Kent Standing Advisory Council for Religious Education (SACRE)).
- KCC officers.
- Staff Union Groups.

(2) The draft strategy has received a very positive response and has been updated to reflect a broad and balanced representation of the comments arising from the consultation being mindful of the remit of the strategy and the context within which we work. A summary of the findings of the consultation is attached at appendix 3.

Local Members

5. (1) The strategy has a Kent wide focus. All KCC Members have been consulted on an individual basis through the Member Information Briefing. Members have also been consulted through cross party representation at CFE Policy Overview Committee and strategic groups such as the Kent Children's Trust.

Next Steps

6. (1) Once adopted by KCC, the strategy will be produced in a summary version similar to that produced for the Kent Primary Strategy 2006 for dissemination with stakeholders.

(2) Arrangements for taking forward the strategy are set out in appendix 2. The action plan will be monitored and reviewed bi-annually.

Conclusion

7. (1) The Local Authority has a key role to play in supporting young children to be nurtured and, develop effectively both educationally and emotionally. The development of this strategy puts in place a framework for the County Council to achieve this.

Recommendations

Members of the Cabinet are asked to:

(a) note the development of the draft strategy; and,
(b) approve the strategy.

Lynne Miller:
Policy Officer
01622 694995
lynne.miller@kent.gov.uk

Background Documents:

None

Other Useful Information:

None

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Children, Families & Education Directorate

Kent County Council

The Strategy for Early Education and Childcare (0-5 years)
2008 – 2013

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Contents

Equality and Diversity

Kent County Council is committed to promoting equality, valuing diversity and combating unfair treatment. We believe that access to services should be open to all regardless of social circumstances or background, gender, race, colour, ethnic origin, age, disability, sexuality, or religion. We recognise the importance of valuing the diversity of the workforce and that employees must be free from discrimination. We will strive to ensure that our principles of valuing equality and diversity are reflected in taking forward this strategy, whether this is on work that we undertake directly or through working with others. We are also very mindful of the need to meet particular legal responsibilities and for others to do so and we will work with schools, providers, agencies and others so that these are discharged.

<u>For clarification purposes the use of the term 'we' and 'our' through this strategy refer to Kent County Council (KCC)</u>

Executive Summary

We want all our children to thrive and lead fulfilled, healthy and independent lives. With the early years being seen as crucial to influencing later life chances we must be clear about how we will support young children and their families. This strategy sets out the overall direction for the development of early education for 3 and 4 year olds, and childcare for children between 0 and 5 years.

While the Local Authority has a key role to play in supporting young children to be nurtured and, develop effectively both educationally and emotionally we cannot be seen in isolation:

- The early education and childcare providers in the maintained, private, voluntary and independent sector are key to the delivery of appropriate and quality services;
- Parents and carers are important contributors to the development and life chances of the children they care for; and
- What is also important is the success of services working in a multi-agency framework through the Kent Children's Trust and the Local Children Services Partnerships to improve the outcomes of our children.

In setting out this strategy we are very mindful that while many children do well at school and go on to achieve economic well-being and make a positive contribution there remains a cohort of children who do not. Poverty and disadvantage blights the lives of too many of our children and this must not be ignored. This means that a key part of our strategy must be to take a targeted approach so that we can improve the life chances of this group of children. Of course, we are also mindful that there must be a balance between the provision of targeted services for particular groups of young children and the provision of universal services for all young children. This is why our strategy focuses on:

- Supporting those children most in need;
- Working with parents and families;
- Improving the quality of provision and support for the early years workforce; and
- Securing sufficient and accessible early education and childcare (0-5 years).

We have also set out particular areas of work to take forward, how we will work in a more joined up way with others in the delivery of services and the arrangements for the strategic overview of the strategy. Finally, we have included some contextual information for reference purposes.

Chapter 1: The purpose, vision and rationale of the development of early education and childcare in Kent

The background to the development of this strategy

The County Council has consulted extensively with those involved in designing, commissioning and delivering services for early education and childcare in order to develop this strategy.

The purpose of this strategy

This strategy sets out to provide the vision and rationale for the development of early education for 3 and 4 year olds and childcare for children between the ages of 0 and 5 years. It is intended to be used by those involved in designing, commissioning and delivering services for early education and childcare.

In developing this strategy we are mindful of:

- The important aims that Kent County Council shares with Government in relation to Every Child Matters. That is, all children should be healthy; stay safe; enjoy and achieve; make a positive contribution; and achieve economic well-being. At the heart of this are the principles of equality of access, meeting differing needs, and valuing and respecting difference.
- The development of the Children's Trust approach to working in a co-operative multi-agency framework to improve the outcomes for children, young people and their families, and integrated working arrangements through Local Children Services Partnerships (LCSPs). Appendix 1 sets out more information on the Children's Trust approach.
- The important role that early education and childcare providers in the maintained, private, voluntary and independent sector have to play in taking forward our vision.
- The statutory framework in relation to the provision of early education and childcare[1]. Appendix 2 sets out the national and statutory framework.

It is not intended to be a detailed action plan as this will be set out in local and operational plans by the appropriate LCSPs and services implementing this strategy.

This strategy is one of a suite of strategies that has been developed by Kent County Council to improve the outcomes of all children from birth to 19. It should be read in conjunction with KCC's strategy for the provision of services in and around schools and Kent Children's Trust Parenting Strategy. The former encompasses the provision of childcare which is principally for older children (5 – 14) offered as part of a range of services in and around schools, while the latter aims to support parents and carers so that all children fulfil their potential. The full suite of strategies falls under the umbrella of the Kent

[1] To meet the requirements of parents in order that they can work or undertake education or training leading to work. For children up to the age of 14 and up to the age of 16 for those with special educational needs and/or a disability.

Children and Young People's Plan (CYPP). This is the single, overarching plan for all services affecting children and young people in the county. Appendix 3 provides more information about the key strategies.

The Vision

Kent County Council has set out its overarching vision:

> "In Kent's successful communities, achievement exceeds aspiration, diversity is valued and every child and family is supported. Children and young people are positive about their future and are at the heart of joined up service planning. They are:
>
> - Nurtured and encouraged at home
> - Inspired and motivated by school
> - Safe and secure in the community
> - Living healthy and fulfilled lives"
>
> *Kent Children and Young Person's Plan 2008 – 2011: Positive About Our Future*

> "Providing our youngest children with the very best start in life is crucial. Early years/nursery education has an enormous impact in developing a child's willingness to learn from an early age, along with building essential social skills and good behaviour. With these key skills, a child's appetite for learning is considerably improved."
>
> *KCC's Towards 2010 'Learning for everyone – Getting it right from the start'*

What is clear is that <u>no child in Kent should be left to fail and that all children and young people should be supported to reach their full potential</u>. The provision of, and access to, appropriate good quality early education and flexible childcare for young children is essential if all children are to thrive and make optimum progress in their learning and development. This is crucial to developing the intellectual, cognitive, social and behavioural development of all the young children in Kent.

Every child is unique and we want all our young children to enjoy their experiences in the early years in settings where they are nurtured, their individual needs are met and their differences are valued. Play is central to the well-being of young children and we especially recognise the importance of creativity. The child who practices creative play becomes socially competent and can learn and thrive. It is essential that the early education and childcare workforce is supported and developed to facilitate provision of the highest quality.

We cannot achieve this in isolation. We need to work with and support our partners in schools who offer extended services and nursery provision and in the private, voluntary and independent sectors which provide early education and childcare, as well as parents and our partners in Health, other agencies and voluntary groups.

Rationale for change

<u>The national perspective</u>

The following narrative draws on a number of national research papers. Appendix 5 sets out the papers that have informed this section of the strategy.

While many children do well at school and go on to achieve economic well-being there remains a cohort of children who do not. Research shows that children who grow up in poverty are likely to be disadvantaged in terms of lifestyle, education, future employment prospects and health. While the cost to the individual is essentially around the damage and disadvantage they suffer there is also a cost to society; for example, community safety and the financial burden arising from youth and adult offending, teenage pregnancy, healthcare and the provision of government benefits.

National policy has taken some families out of poverty but there are still too many families remaining in poverty. What is more, poverty levels in the UK are higher and families stay in poverty longer than most other European countries. In addition, the income levels of families are increasing at different rates with the income of the most disadvantaged families showing the least growth. That is the gap between those who are more well off and those who are not is increasing.

Particular groups affected by poverty are:

- Families with adults outside of work
- Children from black and minority ethnic families (including children in asylum seeking families and Gypsy/Traveller children)
- Families in low wages
- Lone parent families, particularly teenage mothers
- Families affected by disability
- Large families
- Children in poor housing (e.g. temporary accommodation and housing unfit for human habitation)
- Young people living independently.

We must also bear in mind there will also be groups of children who may not be living in poverty but would be termed ‘vulnerable’. For example, those at risk[2] or in the care of the Local Authority[3] and those who are disabled or who have learning difficulties.

In terms of making a difference to disadvantaged children it is clear that:

- Early years are seen as crucial to influencing later life chances. Evidence shows that early experiences such as the quality of the home

[2] Of abuse or neglect but this would also include for example, children living in households where there is domestic abuse.
[3] And those who have recently been adopted.

environment, family structure, pre-school care and relationships with caring adults produce a pattern of development in later life that is hard to reverse even through schooling.

- Educational attainment continues to be a strong predictor of social mobility and experiences in the early years are seen as being key to educational attainment.
- Work is the best way out of poverty although it may only be part of the solution. High quality and flexible childcare is crucial. Research indicates no adverse effects of maternal employment on the cognitive development of 3 to 5 year olds.
- Interventions that provide high quality care and education to children are more effective in changing outcomes particularly in the cognitive domain, than interventions aimed at improving home environments and parental behaviour. High quality interventions can produce substantial cognitive gains particularly for families from lower socio-economic groups.
- Quality that is sensitive and responsive to individual needs matters. Conversely there are adverse emotional and behavioural effects of being in poor quality provision for long hours.
- There are doubts at national level about the effectiveness of SureStart, including their failure to reach the most disadvantaged groups, although it is acknowledged that the full impact of Children's Centres will not be apparent for some time.
- Ethnic minorities do not, generally, use nurseries as much as white families and children of manual workers participate less in early years provision.
- Families affected by disabilities are poorly served and mothers of large families are deterred from entering the labour market.
- Flexibility and appropriateness to meet needs in provision is key but is often an issue as is cost of provision.

<u>The County Perspective</u>

The County Council is committed to improving the quality of early education[4] and we have already been working to improve provision such as increasing the number of childcare places available and the numbers of young children taking-up their entitlement of early education. This is set out in more detail in appendix 6; this appendix also sets out information on levels of provision and the profile of the early years workforce. While what we are already doing will make a difference to the outcomes of the majority of the children of Kent, this is not sufficient if we are to realise our vision that <u>no child</u> in Kent should be left to fail and that all children and young people should be supported to reach their full potential. We need to ensure that we also take a targeted approach so that we make a difference to the life chances of disadvantaged and vulnerable children. For example, in terms of our priorities we should also be working towards:

[4] KCC's Towards 2010

- **Increasing the number of 3 and 4 year olds who are from disadvantaged backgrounds taking up their free entitlement to early education.**
- **Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest.**
- **Increasing the percentage of families who are from disadvantaged backgrounds using Children's Centres and that families of young children who are not accessing the centres are visited as part of outreach work.**
- **Ensuring that there is sufficient and appropriate early education and childcare provision in the most disadvantaged areas of Kent and to specific groups such as children with learning difficulties and disabilities, and teenage mothers.**
- **Ensuring parents of disadvantaged families have access to information via the Kent Children's Information Service on early education and childcare provision and that information on funding available for childcare is provided to this group of families.**
- **Increasing the number of appropriately qualified staff at level two and level three in early years settings, particularly in settings serving the most disadvantaged families.**

It is these priorities that will make a difference to the most disadvantaged and vulnerable young children and shape their lives for the better but we must bear in mind that we need to reach all disadvantaged children and not just those in disadvantaged locations. Equally, there must be a balance between universal and targeted services or we will not be able to achieve the aspirations of this strategy.

The following chapters (2 – 5) of this strategy look at how we can make a difference to the outcomes of our young children while chapter 6 looks at how we will take the strategy forward.

Chapter 2: Support for young children including those most in need

This chapter looks at arrangements to support:

- vulnerable early years learners (identification through the Leuven Model);
- children with LDD (learning difficulties and/or disabilities) and those with complex health needs;
- children at risk of abuse or who are in the care of a local authority;
- young carers; and
- teenage parents.

It also looks at:

- transition to primary school;
- the important role that health visitors and others have to play in improving the health and well-being of pre-school children and their families and how by working with them we can improve outcomes for children; and
- promoting healthy lifestyles in the early years.

The Leuven Model

The Local Authority has developed links with Professor Ferre Laevers of Leuven University, Belgium to use the ‘Leuven Model’ to improve children’s outcomes. This model applies to all children but it is particularly helpful in identifying vulnerable learners. The Leuven Involvement Scale for Young Children is a process-oriented monitoring system, which provides professionals with a tool for quality assessment. It looks at how ‘involved’ the child is in their work and their ‘emotional well-being’ allowing professionals to highlight children who may need extra support in the classroom to help each child reach their full potential in terms of learning. In Kent, the Leuven Involvement Scale is being used on a trial basis and is targeted at specific areas with training provided to Local Authority staff and staff in early years settings. Appendix 4 includes more information about the Leuven Model.

2.1 We will evaluate and review the Leuven Project with a view for wider implementation across early education settings.

Children with LDD (learning difficulties and/or disabilities)

About one child out of every five, may at some stage during their education, require differentiated support in school or early years setting because of a special educational need. A very small percentage of these may need longer-term support and some with severe and complex needs may require a statement of special educational need. Within the Local Authority and school clusters, there are a number of specialist staff in post to support the education of pre-school children who have been identified as having special educational needs. These are:

- Pre-school Special Educational Needs teachers
- Early Years Special Educational Needs Co-ordinators

- Specialist teachers (physical and sensory)
- Home visitors (Portage)

Across Kent there is specialist expertise available to support meeting the needs of children under statutory school age with profound, severe and complex special educational needs. Where specialist provision is needed, this is available within the early years settings managed by the PSC District Special Schools. Children do not need a statement to access this expertise and local teams consider individual needs and ensure appropriate support is provided. This work complements the County Council's rollout of Early Support. This approach is based on joint working with the Health Services, where at a local level professionals across all agencies work collaboratively to co-ordinate support for the child and their parents to achieve the best outcomes for children between 0 – 5 years who have profound, severe and complex needs.

2.2 We will ensure that there is:
- **(i) co-ordinated and consistent training across all early years provision differentiated to reflect a range of skill and understanding;**
- **(ii) co-ordinated working between all early years providers and public and voluntary agencies involved in caring for vulnerable children. This may involve the use of the Common Assessment Framework (CAF)[5]; and**
- **(iii) consistent and accountable quality assurance across provision.**

Safeguarding Children

It's estimated that at least one child dies each week in England and Wales as a result of physical abuse[6]. Babies are particularly vulnerable, being much more likely to be killed than all other ages. Early education and childcare providers have a crucial role to play in the early identification of young children at risk.

2.3 We will work with all the agencies involved to:
- **(i) alert early education and childcare providers and their staff to the issues of child protection and provide training and advice;**
- **(ii) support early education and childcare providers and staff to make referrals and to contribute to the individual care plans of children identified as being at risk of abuse (the latter may involve the use of tools such as the CAF); and**
- **(iii) support and advise early education and childcare providers where an allegation is made against a member of staff or volunteer.**

Looked After Children

[5] The mechanism to assess and plan support to vulnerable children or children with complex needs - 'The team around the child'.
[6] From NSPCC Key Facts and Figures.

There is a significant gap between the outcomes of looked after children and other children and evidence suggests that they are less likely to access their entitlement to early education[7]. As a corporate parent, the Local Authority must not accept any less for them than parents would for their own children and we are committed to ensuring that all 3 and 4 year olds in our care take up their entitlement to early years education[8].

2.4 We will:

(i) work with early education and early years childcare providers to raise awareness of particular issues, such as the effect of early trauma and encourage them to use early years personal education plans;

(ii) work with foster carers who care for children in the care of KCC to raise awareness of the importance of early education and play as a secure foundation for more formal learning;

(iii) identify, collect and share data for all looked after 3-5 year olds in the care of KCC as appropriate to improve access and take-up of pre-school education; and

(iv) track and monitor attainment and achievement of looked after children in the care of KCC, aged 0-5.

While we are fully signed up to national and local policies to improve the outcomes for looked after children there are a significant number of these children who, while placed in care in Kent, come under the control of other local authorities[9]. This means that not all of what we have set out to do will apply to all looked after children in Kent. Some of it will apply to only those who are in the care of KCC. Clearly we would want to improve the outcomes of all children who are looked after in Kent regardless of who the corporate parent is and where this is appropriate and realistic we will do so.

Young carers

Young carers are identified as a group of young people in need of support and that being a young carer may adversely affect their physical, or emotional well-being and can limit their social or educational opportunities. Research[10] shows that siblings cared for by young carers are much more likely to have learning difficulties. The Local Authority has developed a Young Carer Strategy in order to set out a clear framework as to how we will support young carers and enable them to fulfil their potential. A key strand of this strategy will be how we will work to ensure that the children of the parents of young carers are not disadvantaged.

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[7] The Government's Green Paper Care Matters: Transforming the Lives of Children and Young People in Care – October 2006.

[8] This is part of KCC's pledge to looked after children in our care - adopted in 2008.

[9] These children would have been taken into care by other Local Authorities and the legal responsibility for the child's care remains with that Local Authority regardless of where they place them.

[10] By Loughborough University in 2004.

2.5 We will work with agencies and providers to ensure that the parents of young carers have accessible and comprehensive information so that their children are able to take up their early education entitlement and are able to access childcare that meets their needs.

Teenage Parents

The incidence of early parenthood is considerably higher in lower social economic groups. Similarly the long term health and economic outcomes for young parents and their children are influenced by family history and experience. Kent County Council is working as part of the Kent Teenage Pregnancy Partnership[11] to help young parents to realise their social, academic and employment potential. The first stage of the support offered to young people concentrates on the well-being of the parent and the child whereas the second stage is to help the young person prepare and plan for the future. Short courses provided through this initiative are supported by good quality childcare provision at Children's Centres, with childcare funded through the Care2Learn scheme. This type of work is being piloted in Folkestone, Canterbury, Thanet, Maidstone and Ashford.

2.6 We will build on this work and extend the services offered so that all young parents can access the Care2Learn scheme.

Transition

If we are to maximise the benefits of the early education experience then this strategy also needs to include a focus on successful transition. The beginning of primary school represents the true beginning of formal education for all children and their families. It is a time of excitement and curiosity but this event can bring many uncertainties and worries for both children and adults involved, especially if the child has more complex needs. Building relationships between schools and early years settings is crucial to bringing about successful transition.

2.7 We will work with schools and early education and childcare providers to facilitate effective transition and, where children have more complex needs we will identify and involve key people to support this[12].

Working with health professionals

Health services play a vital role in the earliest months and years of a child's life. Health Visitors and midwives in particular have a high credibility with families and are the earliest point of contact with parents. They are in the unique position of being able to have universal access (without stigmatisation of families) to homes where there are babies and children under four years of age. National policy sets out that the focus of the Health Visitor's work is on

[11] A key role of this Partnership is to reduce the number of teenage pregnancies.
[12] For the latter this may involve the use of the Common Assessment Framework.

pre-school children and that their primary role is to lead and deliver the Child Health Promotion Programme, using a family focused public health approach and to deliver intensive programmes for the most vulnerable children and families. They and their teams will take the lead in working with the whole family and early intervention, promoting infant, child and family health, and supporting the capacity for better parenting, including safeguarding children and addressing domestic violence. As highly trained professionals they will be responsible for more challenging areas such as building therapeutic relationships and addressing difficult issues in families with more complex needs, identifying existing and future vulnerability and engaging with hard to reach groups and individuals.

It is crucial that if we are to support the most disadvantaged families that we work with Health Visitors, midwives and school nursing teams so that we can identify those in need at the earliest stage of a child's life and support them to access appropriate childcare and early education.

2.8 We will work with health visitors, midwives, school nursing teams and other health professionals as appropriate so that the most disadvantaged families are able to access appropriate childcare and early education.[13]

Promoting healthy lifestyles in the early years

The first five years of a child's life is a critical time for establishing a healthy start to ensure positive health outcomes throughout adulthood. It also provides many opportunities to work with parents and carers in a fun and positive way on their own health and well-being. Evidence suggests that parents and families are at their most receptive to external advice and support following the birth of their first child and this provides a unique time to work with the whole family. The recent Supporting Parents in Kent Strategy consultation found that:

"While parents felt confident in their ability to support their children, this did not preclude them from seeking advice, information or guidance to support them in making decisions. 72% had sought information or advice at some point. Health and well-being of their child was the most likely area."

The National Institute for Health and Clinical Excellence (NICE) Obesity Guidance (2006) identified Early Years settings as having a key role to play in tackling overweight and obesity making a series of recommendations including:

- Minimise sedentary activities during playtime, and provide regular opportunities for active play and structured physical activity sessions;

[13] The Local Authority has, under the umbrella, of the Kent Children's Trust developed a Parenting Strategy. This strategy sets out in more detail the work that the Local Authority is undertaking with health professionals and others to improve the outcomes of families and young children.

- Implement guidance on food procurement and healthy catering from DCSF, the Food Standards Agency and the Caroline Walker Trust;
- Make sure that children eat regular, healthy meals in a supervised, pleasant, sociable environment, free from distractions such as television. Children should be supervised at mealtimes and, if possible, staff should eat with them;
- Involve parents and carers in activities aimed at preventing excess weight gain and improving children's diet and activity levels;
- Interactive cookery and physical activity demonstrations; and
- Opportunities for active play.

2.9 We will run a pilot Healthy Early Years Programme in the later part of 2008/early part of 2009.

Chapter 3: Working with parents and families

Appropriate quality provision which is accessible to parents is key but we must not under estimate the important influence and impact that parents and carers have on the emotional, social and intellectual development of their children. We need to empower them so that they[14]:

- are active contributors to the learning and development of their child;
- can inform and shape services for their young children, and they can form strong relationships with providers; and
- are able to make informed decisions about their child's early education and childcare.

At a more operational level we have already embarked on work to promote early education and childcare provision to parents and carers across the County, by providing a range of information to them through our promotional campaigns and the Kent Children's Information Service, and this work will continue. However, we must be mindful that Kent is made up of diverse communities and for some groups of parents/carers language, culture, disability, disadvantage, differing family circumstances and lifestyles or location may be a barrier and we will need to provide additional support. For example this would include:

- raising awareness with particular groups of parents and carers who may be hard to hear;
- helping parents and carers who are having difficulty finding appropriate childcare such as those who have a child with a disability or live in a rural area;
- raising awareness with early education and childcare settings so that all families feel included and valued; and
- helping parents and carers with the paperwork and processes to be worked through to access their child's free entitlement.

3. We will:
(i) involve parents in the planning and review of services;
(ii) ensure that our campaign to promote early education and childcare across the county also focuses on disadvantaged families and where there is low take-up, including providing information in community languages and alternative formats where this is appropriate to do so;
(iii) work to recognise and understand differing needs through outreach work and raise awareness of the free entitlement through this work with disadvantaged groups and those where take-up is low;

[14] The Local Authority has, under the umbrella, of the Kent Children's Trust developed a Parent Support Strategy. Work to engage with parents and carers to shape services and support their child's learning and development is a key strand of this strategy.

(iv)	**provide a "brokerage" service for those parents who are finding it difficult to get appropriate provision or finding it hard to access help; and**
(v)	**raise awareness with early education and childcare providers to help them support the specific needs of disadvantaged groups and hard to reach groups.**

Chapter 4: Quality of provision and supporting the early years workforce

Quality of provision for young children (0-5 years)

We have a vision for learners. It is that they will be self–confident and enjoy high levels of self–esteem. They will be able to organise themselves and demonstrate a strong drive for exploration, leading to entrepreneurship. As effective communicators, they will have the capacity to understand, react and represent their communication in a variety of forms, including artistic, numeric and linguistic. They will be socially competent with well developed interaction skills, acting on knowledge of consequences. They will make optimum progress in their learning and development.

Practitioners must be able to observe and respond appropriately to children, informed by knowledge of how children develop and learn possible next steps in their development and a clear understanding of learning. Individual pupil progress will be central to children developing skills and attitudes for further learning. Young children learn best through active, engaged, meaningful leaning with play being the way most children will do most of their learning for most of the time. Learning for young children should not be formalised and should incorporate children's natural styles of learning. It needs to be a rewarding and enjoyable experience in which they explore, investigate, discover, create, practice, rehearse, repeat, revise and consolidate their developing knowledge, skills, understanding and attitudes. Practitioners will need to provide an environment that allows a wide range of choices and opportunities for self initiated activity for children to be confident to try new activities and initiate new ideas.

Our aspirations are that there will be powerful learning environments with:

- early education and childcare settings that are well planned and provide effective learning and play environments both inside and outside, and that these are evaluated and reviewed on a regular basis;
- children being observed to discover what fascinates them and finding activities to meet these interests;
- activities which help children to explore the world of behaviour, feelings and values, and the relationships between children being explored to improve them;
- staff in settings being able to identify children with emotional and developmental problems and apply interventions to support them; and
- high quality care where children are nurtured, with effective relationships between staff, children and parents/carers.

As a strategic leader it is critical that we bring about change so that in terms of high-level outcomes there is an increasing proportion of settings judged to be good or outstanding and an improvement in the quality of teaching, leadership and management. Equally important, is the need to ensure that we close gaps in attainment at the Early Years Foundation Stage between those children who are from disadvantaged backgrounds and those children who are not. In view of this, the Local Authority has developed a Strategy for the

Quality Assurance of the Early Years Foundation Stage. This strategy is intended to guide leaders, managers and staff in all early years settings as well as Local Authority staff and those involved in the delivery of children's services. This strategy sets out that we will work in partnership with settings, practitioners and agencies to improve outcomes for all children.

4.1 We will:

(i) monitor provision and children's outcomes throughout the early years, and across settings and school using performance indicators that are capable of measurement and can demonstrate value-added;

(ii) support settings through audit and self-evaluation processes and recognise quality provision through accreditation of a Kent Quality Mark;

(iii) set up an improvement partner programme and a recovery programme to support those settings that are deemed inadequate; and

(iv) develop closer link with health and other agencies, and build on localised partnerships to improve delivery of services for settings including supporting joint working between maintained nurseries and the PVI sector.

Supporting the early years workforce

Our vision for our early years and childcare leaders is that they will be ambitious for their learners and nurture the children they care for. They will be appropriately qualified and committed to the professional development of themselves and their staff, and operate effective recruitment and retention policies. They will also have good business acumen and managerial skills, and have a good knowledge of the principles and practices of the National Day Care Standards and for early years leaders, the Early Years Foundation Stage.

Our vision for our early years and childcare practitioners is that they will have a sound knowledge of child development and form strong relationships with children and their parents/carers. They will have excellent communication skills, high levels of self-confidence and organisational ability, and the ability to work collaboratively. They will also understand what makes for good leadership and management, and set out a professional development path for themselves to improve what they do and increase their knowledge about children's needs and learning. Overall, they will be clear about their role and the contribution they can make towards creating a strong and positive environment for learning and play; they will feel supported, trusted and know that their views are valued.

In summary, practitioners should develop their abilities across the Key Elements of Effective Practice (KEEP). They should improve their relationships with both children and adults and develop an understanding of the individual and diverse ways that children develop and learn. They should actively support and extend children's learning in and across all areas and aspects of learning and play, taking account of all children's needs, learning styles and interests. They should also work with parents/carers and the wider community.

Clearly we cannot under estimate the importance of supporting the retention, training and professional development of leaders, managers and staff in early years settings and we need to work in partnership with them so that our vision becomes reality. We have set out how we will do this in the Kent Strategy for the Quality Assurance of the Early Years Foundation Stage (as mentioned earlier in this chapter).

4.2 We will:

(i) **ensure that training and support offered to settings is inclusive of all children's needs and will support settings in meeting effectively the needs of all and improving the outcomes of children with learning difficulties and disabilities, vulnerable groups and those at risk of underachievement;**

(ii) **develop and implement an overarching workforce development plan that links all forms of professional development with training and covers all aspects of a setting's needs in line with both education and care standards;**

(iii) **develop and implement a leadership strategy;**

(iv) **commission appropriate levels of training by analysing the needs of settings by cluster, allocating resources, both internal and external training against prioritised needs, monitoring delivery of training, evaluating impact and adjusting training in the light of outcomes;**

(v) **maximise the impact of the Government's funding streams to improve qualification levels of those working in early years settings, particularly those serving the most disadvantaged families;**

(vi) **support the retention of the early years workforce through the Early Years Professional Status and improve the skills of the workforce to meet the needs of children with learning difficulties and disabilities; and**

(vii) **work with Higher Education and Further Education colleges to identify training and career development opportunities.**

Childminders

This chapter has tended to focus on the quality of provision and supporting the early years workforce in nursery and centre type settings. However, we must not forget that accredited childminders make up a significant part of childcare market and are an important contributor in young children's learning and development. For many parents they would be their preferred choice of provider; for example, this may be because of their locality or because the parent or carer has a child with particular needs. Clearly, our aspirations must also apply to those childminders who are caring for young children and we must take account of them in developing the quality of provision and supporting the early years workforce.

Chapter 5: Securing sufficient and accessible early education and childcare (0-5 years) in Kent

Sufficient and accessible early education and childcare

A key area of the Local Authority's work is to ensure that there is sufficient and accessible early education and childcare. We have embarked on the four practical steps to develop the early education and childcare market. These are to analyse demand, map supply, map demand to supply and secure sufficiency. We have already undertaken extensive research through a survey conducted across Kent during 2005-06 and through the Kent Parents Consultation Project. The latter has been highlighted, nationally, as a model of good practice[15].

Our analysis has helped the County Council to understand the early education and childcare market, the needs of families and how to develop sustainable provision that meets local needs and increase the take-up of the free entitlement. What we have found is that:

- the main factors influencing parents' choice in using childcare are access to information, employment status and size of family;
- income was found to correlate most closely with take-up of childcare in Kent, i.e. more affluent families were more likely to take-up childcare; and
- there is scope for expansion in existing settings[16].

In developing the market it is also important that we take account of particular issues and needs. For example:

- families living in rural areas of Kent;
- children who have a learning difficulty or disability;
- young parents;
- families where English is not their first language; and
- the expected decline in number of Kent children over the next decade by some 9,500 pupils (about 4.5%).

In summary, we must ensure that provision is flexible to meet parents and carers needs and that they have choice.

5.1 We will:

(i) **work with providers and potential providers to support capacity building so that gaps in provision are filled, including ensuring that there is sufficient and appropriate provision for disadvantaged groups of children;**

(ii) **aim to ensure a mixed economy of private, public, voluntary and independent providers so that there is vibrant provision but where**

[15] As part of a case study in the Government's document - Choice for parents, the best start for children: Making it happen.

[16] 21% of settings have scope to expand the number of places offered and 34% of settings have scope to expand the number of hours offered.

we identify specific gaps in provision e.g. to disabled children we will need to take direct action so that these children are not disadvantaged; and

(iii) **where appropriate, necessary and possible give priority to using excess space which becomes available in our primary schools due to falling rolls for the provision of early education and childcare facilities alongside other community provision[17].**

Free early education for 3 and 4 years olds

From April 2007 the Government is gradually extending the core offer of free early education and care for all 3 and 4 year olds to 15 hours a week so that by 2010 all children across the country will receive this entitlement[18]. These changes have been introduced in a small number of 'pathfinder' areas in 2007. The aim of the pathfinders is to inform best practice models by looking at:

- expanding the range of hours when the free provision is available;
- increasing the length of session times beyond the current period of 2.5 hours; and
- supporting partnerships between different providers so that parents can access the free entitlement between 8am and 6pm.

While the work of the pathfinders will help to inform the development of provision in Kent a key part of our work has been to increase the numbers of 3 and 4 year olds taking up their entitlement to early education. However, take-up varies across the County so we need to build on this work and develop more collaborative working with others such as health professionals, schools and voluntary organisations to increase levels of take-up by all groups of young children, including the most disadvantaged.

Finally, we must be mindful that there will be some parents and carers who do not wish to take up their child's early education entitlement and we fully respect their wishes[19]. However, we must ensure that all parents and carers are aware of the entitlement and understand the benefits so that they are able to make the best choices for their child. This is mentioned in more detail in chapter 3.

5.2 We will:

(i) **increase the entitlement of free early education in Kent in April 2010;**

(ii) **learn from the best practice models and work with providers to extend the flexibility of free provision that is available; and**

(iii) **increase levels of take-up, particularly where there is low take-up by disadvantaged families.**

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[17] Recommendation 30 of Kent Primary Strategy.

[18] The Government is also intending to extend this entitlement to 2 year olds in disadvantaged areas. This may take effect at the end of 2009.

[19] This may be more relevant for particular groups, e.g. some ethinic minority groups or where the child has a disability.

Children's Centres

The development of Children's Centres is a key priority for the Local Authority and are crucial for improving services to children and families. They bring together a range of services for childcare, early education, health and family support in convenient community settings for use by families, parents and carers of children under five. Public, private and voluntary organisations are intended to work together in the centres to provide services to all young families but with a particular emphasis on improving the life chances of the most disadvantaged children.

What is important is that these centres should be seen as belonging to and serving the needs of their local community and their needs must inform provision. They are not intended to compete with early education and childcare provision in the private, voluntary and independent (PVI) sector. Indeed for some centres this type of provision may be provided by the PVI sector on nearby sites. This is an opportunity for providers and the centres to work in a collaborative and integrated way as part of an overall package of care for children and families.

Appendix 7 sets out more information on Children's Centres including the timetable for their development and the range of services provided.

5.3 We will:

- **(i) take account of the views of children and parents/carers as part of planning and evaluating service provision in Children's Centres;**
- **(ii) develop a robust framework for improved partnering arrangements between KCC, our statutory partners, children's centres, childcare settings and the PVI providers to achieve improved outcomes for children and their families through collaborative multi-agency working; and**
- **(iii) work with health professionals and our schools to increase the numbers of families who are from disadvantaged backgrounds accessing the Children's Centres.**

Chapter 6: Taking the Strategy Forward

Next Steps

We need to put in place a framework for taking the aspirations of this strategy forward and those key areas of work which appear throughout this document in boxed emboldened text.

Working with partners

Kent County Council will work with partners in schools, the statutory agencies and voluntary organisations, parents and early years providers from the private, voluntary and independent sector to implement this strategy. The aspirations of this strategy will inform our own action planning, within the delivery of our services through Local Children Services Partnerships (LCSP).

It will be for the LCSPs to:

- build up an overall picture of children's needs within an area;
- define priorities and choices, and determine how they are best delivered;
- develop provision through public, private, voluntary and community providers to respond to those needs; and
- monitor implementation, evaluate impact and learn from the process.

In summary, working as part of the LCSPs will be key to implementing this strategy. The local partnerships fall under the umbrella of the Kent Children's Trust and appendix 1 sets out more information on both the Children's Trust and the LCSPs.

Implementation and the strategic overview

KCC has established the multi-agency Kent Early Years, Childcare and Extended Services Board (EYCESB). The Board will take the strategic lead to achieve the aspirations of this strategy. It will also take the lead role in meeting our statutory requirements in relation to the provision of early education and childcare (see appendix 2). As part of the new arrangements for working in the Children's Trust approach, this Board reports to the county level Children's Trust (see appendix 1).

The EYCESB has set up four working groups to take forward specific areas of work in relation to the provision of early education and childcare. The Board will oversee the monitoring and review process of this strategy and as part of the monitoring process we will be measured at a national level by the following indicators[20] which relate to early years provision:

- Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development (PSED) and — NI 72

[20] NI 72 and NI 92 are also subsumed as targets within the Kent Agreement 2.

Communication, Language and Literacy (CLL).

- Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest. NI 92
- Number of Sure Start Centres. NI 109
- Take up of formal childcare by low income working families. NI 118

Appendix 8 sets out the terms of reference of the Board, its membership and the responsibilities of the working groups.

Finally, while this strategy sets out our vision and rationale for the development of early education and childcare for young children we are mindful that its delivery will need to be balanced against emerging national and local priorities, and that we may need to vary what we do over time.

Appendix 1

The new arrangements for working
The Children's Trust approach and LCSPs

The Children Act 2004 requires local authorities who have responsibility for Education and Social Services to make arrangements for co-operative working between themselves and relevant partners. The vision is built on integrated service delivery to children, young people and their families supported by integrated strategy, planning, commissioning, resourcing and governance. The strategic and operational framework for all agencies to work together to improve outcomes for children is brought together under the umbrella of a Children's Trust. The Children's Trust is a sub-group of the Kent Partnership and takes ownership of the associated Local Area Agreement outcomes and Vision for Kent priorities.

The three guiding principles of the Kent Children's Trust are:

- Streamlined and highly strategic county arrangements with a key focus on commissioning improved outcomes for children and young people.

- Presumption in favour of decision making at the most local level that is consistent with excellent performance (outcomes for children) and value for money (quality and infrastructure).

- A focus on early intervention and preventative services for children, young people and families.

These principles will underpin all commissioning decisions at individual, operational and strategic levels across children's services in Kent.

Agencies within Kent have initially focused work to develop the Children's Trust approach on four pathfinders in Maidstone, Shepway[21] and Tunbridge Wells. The pathfinders are managed at a local level by multi-agency Local Children Services Boards and they have informed the development of Local Children Services Partnerships (LCSPs) across the whole of Kent. The role of the partnerships is to identify priorities relating to their own locality, develop plans[22] and take differentiated approaches to improve outcomes according to the differing needs of children in their localities. The LCSPs will have a key role to play in the delivery of the aspirations of this strategy in localities.

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[21] There are two pathfinders in Shepway.
[22] Through a Local Children and Young People's Plan.

Appendix 2

The National and Statutory Framework

In 2005, the Government produced its *Ten Year Strategy for Childcare*, followed by the Childcare Bill (published 8 November 2005) as the statutory underpinning to this. It confirms the vital role of local authorities as strategic leaders, and enshrines in the law a parent's expectation that high quality childcare will be available for all those who wish to work.

Before that the *Every Child Matters* green paper, later to become the basis for the *2004 Children Act*, identified the five outcomes that the Government considers most important to children and young people. These are:

- Be healthy;
- Stay safe;
- Enjoy and achieve;
- Make a positive contribution; and
- Achieve economic well-being.

The outcomes are universal, and should benefit every young child and person, regardless of their background or circumstances. The outcomes are also concerned with narrowing the gap between disadvantaged children and their peers. There is a necessary focus on improving outcomes for looked after children and those with special educational needs and disabilities. Government also wishes to reduce the incidence of teenage pregnancy and the number of people not in education, employment or training. Kent shares these important aims.

Government has also published an Action Plan, '*Choice for parents, the best start for children: making it happen'* to provide the framework and advise on implementation. This framework sets out two key national objectives:

- All children up to five will have high-quality early learning and care and better access to early childhood services – giving them the best start in life.
- All working parents will have access to a wide range of childcare where they can be confident that their children will thrive and be well cared for, enabling them to have greater choice about balancing work and family life.

The Government's vision is that by 2010, in every area, parents and children should find the following available to them:

- high quality integrated, accessible and flexible early education and childcare[23] services that meet parents' individual needs;

[23] To meet the requirements of parents in order that they can work or undertake education or training leading to work. For children up to the age of 14 and up to 16 for those with special educational needs and/or a disability.

- a children's centre accessible by all children in most disadvantaged areas by March 2008, and in every community by 2010;
- access to information and advice about locally available childcare and other services in accordance to local need;
- the free early-education entitlement of 15 hours per week for 38 weeks per year is in place for all 3 and 4 years olds[24] (with a longer term goal of 20 hours a week for 38 weeks), integrated with childcare for 0-5 year olds;
- all schools offering access to extended services that will enable parents to access an out-of-school childcare place for all children aged 3-14;
- increased involvement of local parents and partner organisations in the planning and delivery of local early years and childcare services; and
- a raise in quality standards, whilst ensuring childcare remains affordable and sustainable.

The Childcare Act 2006 has introduced a new regulatory and quality regime for early years provision which will support the delivery of quality integrated education and care for children from birth until the point when they begin Key Stage 1. The new requirement, which incorporates the Guidance Birth to Three Matters; Curriculum Guidance for the Foundation Stage; and Care Standards for under 8's into the Early Years Foundation Stage (EYFS) will be statutory from September 2008. This requirement tracks development from birth across six areas of learning and development:

- Personal, social and emotional development;
- Communication, language and literacy;
- Problem solving, reasoning and numeracy;
- Knowledge and understanding of the world;
- Physical development; and
- Creative development.

All childcare for school age children from the beginning of Key Stage 1 to age 8 will have to comply with streamlined standards that ensure provision is safe and secure and that providers are suitably qualified and adhere to child:adult ratios. These criteria will be the requirements for entry on to a new Ofsted Childcare Register (OCR).

The Act has also introduced a reformed and simplified childcare and early years regulation framework which focuses on quality, ensures children are safe and simplifies the existing bureaucratic regime. This means that all early years settings will be required to deliver and be inspected against the EYFS.

The Act also places a duty to secure, as far as reasonably practicable, sufficient childcare to meet the requirement of working parents (particularly parents on low incomes or who have a disabled child). **In particular, local authorities will need to:**

[24] From April 2006 the free early education of 12.5 hours a week was extended from 33 to 38 weeks for all 3 and 4 year olds and from April 2007 the Government is gradually introducing the new entitlement of 15 hours per week for 38 weeks.

i.) **Carry out an initial assessment[25] to determine how much, what types and in what patterns childcare is needed, having regard to:**

- **the views of parents;**
- **current childcare provision; and**
- **socio-economic data and labour marketing patterns, including working hours.**

The assessment must be kept under review and a full assessment should be repeated at least every three years in line with regulations and guidance.

ii.) **Work with local partners to fill gaps in the market as far as is reasonably practicable, by continuing to shape and support the market using a range of mechanisms such as:**

- **business and financial planning advice and support and training;**
- **start up funding (capital and revenue); and**
- **other subsidies including sustainability training.**

iii.) **Provide an information and advice service for parents and prospective parents on the range of support services available to them in caring for children and young people aged up to 20.**

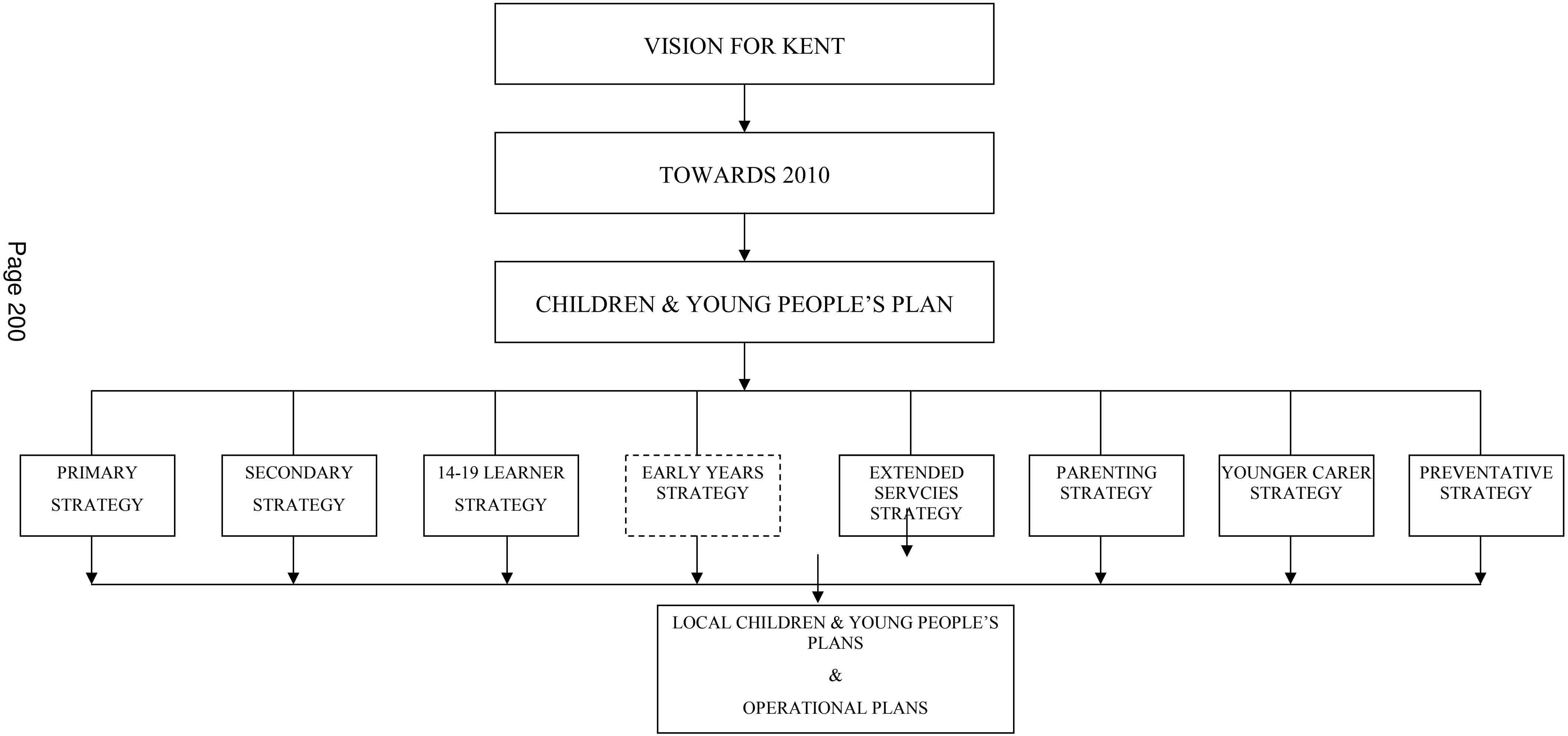
In autumn 2007, the Government published its ten year Children's Plan: Building brighter futures. This is the first ever national Children's Plan and it is intended to build on a decade of reform and strengthen support for all families during the formative early years and beyond. In relation to the early years the plan commits to:

- extending the offer of up to 15 hours of free early education and childcare to 20,000 2 year olds in the most disadvantaged areas;
- investing funding in the early years workforce so that staff can take up CPD and for every full daycare setting to be led by a graduate by 2015, with 2 graduates per setting in disadvantaged areas; and
- easing the transition from play-based learning in the early years into primary school.

[25] This comes into force in April 2007 and authorities are required to complete their first assessment during 2007-08.

Appendix 3

KEY STRATEGIC PLANS AND STRATEGIES



Appendix 4

The Leuven Model

The Leuven Involvement Scale is a methodology that is used to assess children on the level of their well-being and involvement in relation to learning. Professor Laevers bases his theories on the premise that the most productive learning occurs when we are so involved with something that we lose ourselves in it.

The methodology utilises observations of a child when he or she is in *The High/Scope Curriculum (active learning through key experiences)* setting, with the observer looking for a list of signals that are recorded on a five-point scale. These signals range from level one “where a child may seem absent and display no energy, activity is simple, repetitive and passive”, to level five “where a child is concentrated, creative, energetic and persistent with intense activity revealing the greatest involvement”.

When a child exhibits low levels of well-being and/or involvement, staff plan interventions to improve the situation. No blame is attributed to the child, with the staff taking responsibility for adjusting the situation in order to enable the child to achieve higher levels of engagement. By using the Leuven scales again staff can judge the efficacy of their interventions. In many cases by putting the ten action points in place higher levels of well-being and involvement are achieved. If the child is still exhibiting low levels of well-being and/or involvement the support of other agencies would be sought.

The methodology and processes of this work are similar in conception to that operated by the national strategies in both mainstream and special schools. That is, by staff having the skills, knowledge and understanding to provide:

- quality teaching and learning opportunities – Wave One;
- adjust teaching and learning for identified group needs – Wave Two; and
- provide individual support and intervention - Wave Three.

This approach is one which is inclusive of needs but also targeted and specific to individual needs. The project that has been developed in Kent has been targeted at specific areas with training provided to Local Authority staff and staff in early years settings.

Appendix 5

National Research Papers which have informed this Strategy

It doesn't happen here – the reality of child poverty in the UK – Barnardos 2007

What will it take to end child poverty? Firing on all cylinders – Joseph Rowtree 2006

Unequal Choices: Voices of experience exposing challenges and suggesting solutions to ending child poverty in the UK – a report published by End Child Poverty 2006

Breakdown Britain – Interim Report on the state of the nation – Social Policy Justice Group, on behalf of the Conservative Party 2006

Social mobility, life chances and the early years – Jane Waldfogel from Maintaining Momentum IPPR 2005

Monitoring Poverty and Social Exclusion 2006 by the Rowntree Foundation

Factors influencing social mobility – a report by the Department of Work & Pensions 2007

Sure Start Children's Centres: Finding on Phase 1 – House of Commons Report 2007

Appendix 6

Baseline Information

Recent Achievements

The Local Authority has:

- exceeded Government targets by almost 40% to increase the number of childcare places available[26]. This has created an increase of 2,787 places;
- met Kent's target to double the number of Kent County Council maintained nursery units from 35 to 70 by September 2006; This has created an additional 1,820 places; *2002/06 Next 4 Years target*
- met our target[27] to increase the number of 3 and 4 year olds taking up early education a year early. This means we have 2,000 more 3 year olds taking up their free entitlement;
- developed a quality accreditation mark covering all aspects of provision to be offered all early years settings[28];
- delivered a full training programme and a range of conferences to early years and childcare professionals covering a range of areas including inclusion and equalities issues;
- promoted equality of access through outreach projects in Ashford, Dover and Gravesham;
- implemented a procurement framework for training to be delivered by other providers to the private, voluntary and independent sector;
- a Children's Information Service which has achieved the Matrix Quality Award for its internal and external services to customers;
- been successful to date in our implementation of the children's centre agenda. Specifically, in Round One (2004-2006) there are 20 centres and from our target of 52 additional centres in Round Two (2006-2008), 52 sites are identified of which 50[29] have already designated;
- increased provision for 3-5 year old children with profound and severe learning difficulties to ensure equity of access across the County. Nine of the eleven PSC District Special Schools now manage an early years provision (increased from six) and proposals are being developed to include this provision in the remaining two PSC schools; and
- committed to improving the quality of early years education by strengthening the links between pre-schools/nurseries and primary schools, thereby improving children's ability to learn when they enter primary school (KCC's Towards 2010).

Early Years Provision in Kent

[26] This relates to targets set for the period April 2004 to March 2006 and they do not take account of any subsequent closures of provision.
[27] The Kent Area Agreement (outcome 1) – target delivery date March 2008.
[28] The accreditation will be piloted in September 2007.
[29] The DCSF has agreed that the designation of the remaining two centres should be deferred until Round 3.

In Kent there are around 2,600 registrations on the OfSTED Early Years Register[30]. Childcare and early education provision around the county includes:

- private, voluntary and independent providers of early education and/or early years childcare
- children's centres
- maintained nursery classes/nursery school
- maintained schools with reception classes
- childminders, some of whom are accredited to offer early education
- settings offering all year round provision
- holiday schemes
- early years provisions managed by the PSC District Special Schools.

Take-up of the early education offer

There are around 30,000 3 and 4 year olds in receipt of early education with 90% of 3 year olds and 95% of 4 year olds taking up at least three sessions per week of funded education. However, take-up varies widely across the county. When provision is mapped against estimated numbers of children up to 4 years old, penetration[31] ranges from 29% in Tunbridge Wells to 59% in Dartford. This is an aggregated district figure so there are some wards where penetration exceeds 100%. There are, however, a minority of wards where penetration is as low as 0%.

The quality of early years provision

Standards in childcare in Kent from OfSTED inspections for the period April 06 - March 07 showed that 93.8% of settings were satisfactory or better. The national comparison is 96%.

The Early Years Workforce Profile

Our research on the Kent workforce profile[32] shows that:

- 91% of leaders are educated to level 3 or above and leaders are more likely to undertake training than other paid staff;
- 68% of paid staff excluding leaders are educated to level 2 or above;
- 70% of staff have undertaken first aid training, 48% of staff have undertaken child protection training and 23% of staff have attended equality and diversity training;
- part time staff make up 31% of the workforce;
- both men and people with disabilities are underrepresented in the workforce;

[30] For care related to children under eight years old.
[31] The penetration rate is defined as the number of places divided by the number of children multiplied by 100. Where penetration exceeds 100%, this means that there are more places available then there are children and for a penetration rate of 0% there are no childcare places available.
[32] From KCC's annual analysis of pre-school (early education and childcare) providers 2005 – 06 and is based on a response rate of 67%.

- 65% of staff are aged 35 or above; and
- staff who are from ethnic minority groups[33] are slightly underrepresented.

Appendix 7

Children's Centres

In the context of the Every Child Matters agenda it is a requirement to provide services for children and families in a more seamless and "joined up" way. Children's Centres are a key part of this way of working for professionals developing children's services. The development of these centres is a key priority for the County Council and the aim is to ensure that all children will have access to a children's centre by 2010. Alongside our partnership working with the early education and childcare providers we will be working with the Health Services and Jobcentre Plus so that early childhood services are delivered in an integrated way as part of an overall package of care and services provided through Children's Centres. In Kent the timetable for the development of Children's Centres is as follows:

- Round One (2004-2006): Twenty Centres of which nine were originally Sure Start Local Programmes, reaching at least 39 of the 48 wards in the top 20% most disadvantaged nationally.
- Round Two (2006-2008): An additional 52 Centres, reaching as a minimum the top 30% disadvantaged areas based on (now) Lower Super Output Area data.
- Round Three (2008-2010): A further 30 more Centres, leading to a total of up to 102, providing countywide coverage.

Children's centre will offer:

- Integrated early learning and childcare[34] (early years provision) for a minimum of 10 hours a day, five days a week, 48 weeks a year; and support for a childminder network[35];
- drop-in activity sessions for children, such as stay and play sessions;
- family support, including support and advice on parenting, information about services available in the area, access to specialist targeted services and parental outreach;
- child and family health services, such as antenatal and postnatal support, information and guidance on breastfeeding, health and nutrition, smoking cessation support, speech and language therapy and other specialist support;
- links with Jobcentre Plus to encourage and support parents and carers who wish to consider training and employment; and
- quick and easy access to wider services.

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[33] Within the KCC Area about 3.1% classify themselves as non-white (the Kent cencus 2001).
[34] Early years provision may be located in or around the centre.
[35] This provision, as part of the core offer, applies only to the centres in the 30% most disadvantaged areas.

Appendix 8

The Kent Early Years, Childcare and Extended Services Board

The terms of reference of the Kent EYCESB are:

- Developing and sustaining accessible inclusive early education for all 3 and 4 year olds (integrated where appropriate and possible with pre-school childcare).
- Developing and sustaining accessible inclusive pre-school childcare for children under 5.
- Developing and sustaining accessible inclusive Children's Centres ensuring congruency with resource centres, family centres, other agency centres and the Extended Schools programme.
- In liaison with the extended schools programme, developing and sustaining accessible and inclusive out of school childcare for children and young people aged 3-14 years and up to 16 years for those with special educational needs and/or with a disability and Looked After Children[36].
- Developing and sustaining the delivery of, on an accessible and inclusive basis, the extended schools core services, in particular liaison with the development of out of school childcare.
- Having strategic oversight over the development and delivery of Kent's national piloting of Parent Support Advisers[37].
- Developing the early years, childcare and extended schools workforce through the provision of high quality training.
- Co-ordinating the provision of family support / social care and health support for families with children from conception to entry into school.
- The provision of information to parents/carers, settings, schools and all professionals, in line with legislation, government guidance and local initiatives, including contributing to the Kent Resource Directory.
- Monitoring and evaluating improvements in the quality of <u>all</u> provision and services integral to the terms of reference set out above.
- The monitoring of outputs in relation to the terms of reference set out above, and the evaluation of the impact of the Strategy in Kent as a whole.

Membership of the Board includes:

- Representatives from Kent County Council (A KCC Member and officers from Children, Families, Health & Education; Communities; and Environment and Regeneration Directorates)
- The Health Services
- The Learning and Skills Council
- National Childminding Association
- Jobcentre Plus
- Kent Schools (Cluster Chair)
- Pre-school Learning Alliance
- Kent Children's Centres

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[36] Central Government directs that childcare must include children from these groups.
[37] This initiative is around supporting families of children of statutory school age.

The four working-groups and their areas of responsibilities are:

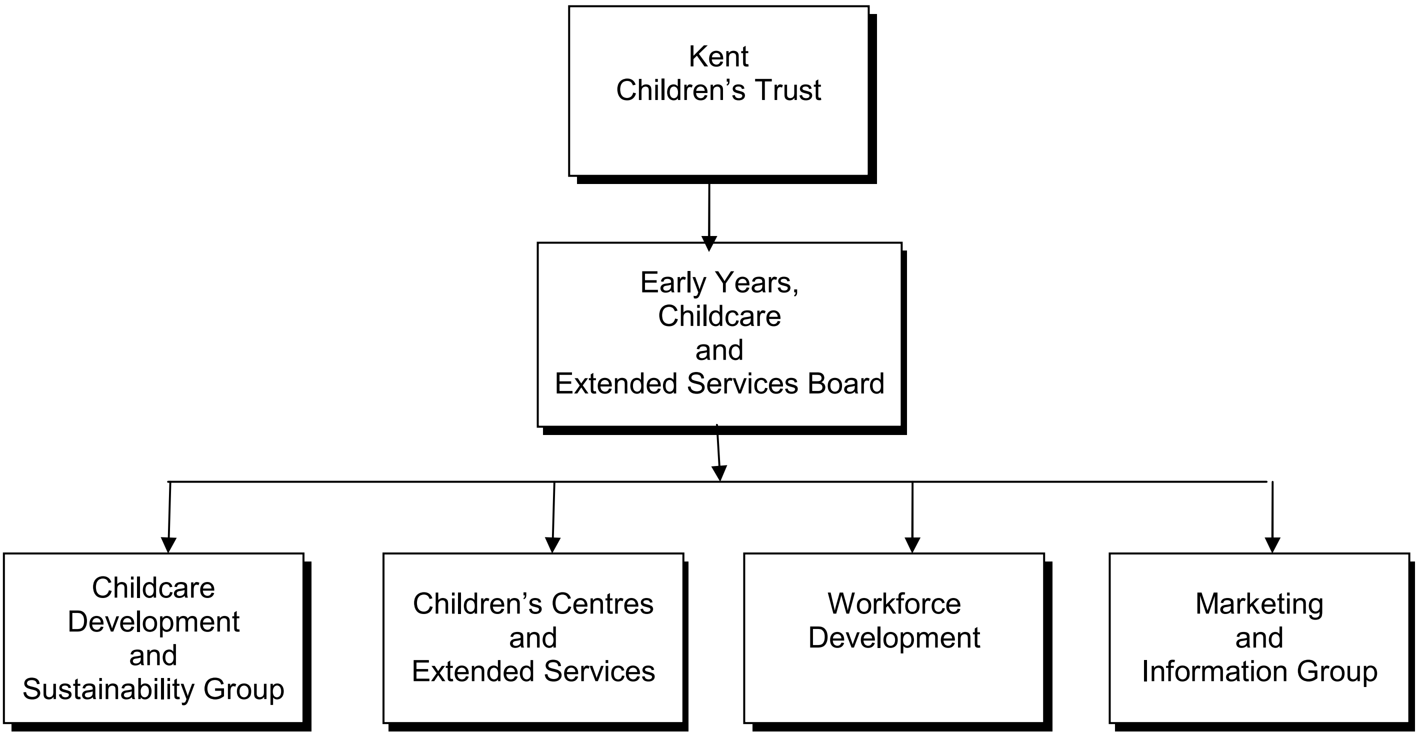
Childcare Development and Sustainability Group, responsible for steering the extension of the free entitlement to early learning and care for 3 and 4 year olds to 15 hours, and to make it more flexible and to steer the provision of "sustainable childcare markets"[38].

Children's Centres and Extended Services, (in liaison with the steering body for extended services in and around schools), responsible for working with a range of local partners to roll out Children's Centres and support the extended schools programme.

Workforce Development and Quality, responsible for setting clear expectations for children's development at 5 within the framework of the Early Years Foundation Stage, learning what works, particularly in relation to underachieving groups and improving management and leadership through training and development.

Marketing and Information Group, responsible for a detailed childcare sufficiency assessment, taking in the needs of families on low incomes and families with children with disabilities, and, providing parents with the information and advice they need to make choices for their families. This group will also look at how we communicate with the full range of stakeholders.

The structure for the EYCESB and its working group is set out in the diagram below:



[38] In order that there is sufficient and accessible childcare for children aged 0-14, and up to 16 where a child has a SEN and/or disability and/or is looked after.

Glossary of terms

Children's centre – a place where children under 5 years old and their families can receive seamless holistic integrated services and information.

Children, Families, Health and Education – a Directorate (department) of Kent County Council delivering education and welfare (social services) services to children and young people.

Children's Trust – the strategic and operational framework for all agencies to work together to improve the outcomes for children and young people.

Children and Young People's Plan (CYPP) – a single overarching plan for all services affecting children and young people in the county. The plan can be found at:

{link to be inserted}

CLL - part of the Early Years Foundation Profile. The assessment scales which fall within Communication, Language and Literacy are Language for Communication and Thinking; Linking Sounds and Letters, Reading and, Writing.

Cluster – a group of Kent schools (Kent is made up of 23 clusters of schools).

Common Assessment Framework (CAF) - the CAF is an assessment tool that can be used by any agency to promote early intervention. The process for the Kent CAF is based on solution-focused practice and enables practitioners and families to work in partnership to start to bring around change at the first sign of difficulty.

Department of Children, Schools and Families (DCSF) - the Government department with responsibility for children's services, families, schools, 14-19 education, and the Respect Taskforce (responsibility for these services was with the former Department for Education and Skills).

Early Support – a central government mechanism for achieving better co-ordinated, family focused services for young disabled children and their families.

Early Years Professional Status – a professional status for graduates working in early years settings.

Every Child Matters – the green paper that later became the Children Act 2004.

Extended Schools – schools who provide a range of services that go beyond the school day.

EYFS – Early Years Foundation Stage.

EYFE – Early Years Free Entitlement.

EY SENCO – Early Years Special Educational Needs Co-ordinator.

Free entitlement – all three year old children are guaranteed a free early education entitlement, based on the Foundation Stage Curriculum for 38 weeks during each academic year for two years from the 1st January, 1st April or 1st September following their third birthday.

Jobcentre Plus - provides help and advice on jobs and training for people who can work and financial help for those who cannot.

Kent Area Agreement/Kent Agreement 2 – An agreement between Kent Partners and the Government around increasing independence and raising personal fulfilment.

Kent Children's Information Service - this service provides free, confidential, impartial information and advice to parents, carers and members of the public about early education and childcare services in Kent through the Kent Children's Information Service (CIS). The service has information on all the registered childcare in Kent including early education and early years childcare provision.

Kent County Council (KCC) – the Local Authority which provides a range of services (statutory and non-statutory) to the community of Kent. This includes education and children's social services, which fall under the remit of the Children, Families and Education Directorate.

Kent Early Years, Childcare and Extended Services Board (KECESB) – a multi-agency board established to oversee KCC's commitments set out in this strategy.

Key Elements of Effective Practice (KEEP) – guidance by the former Department of Education and Skills (now known as the Department of Children, Schools and Families) on the Primary National Strategy: Curriculum & Standards.

Kent Early Support Programme – education and children's social services (these are services from the Children Families and Education Directorate of KCC) working with health services to achieve the best possible outcomes for young children between 0-5 years who have profound, severe or complex needs.

Kent Primary Strategy – Kent County Council's review and agreements made in relation to the way primary schools work.

Kent Quality Mark – an accreditation mark covering all aspects of quality provided in early years settings.

Key Stage 1 - key stage 1 covers children aged 5-7 years old in years 1 and 2 at school.

LDD – Children with learning difficulties and/or disabilities.

Local Authority – a unitary, county, metropolitan or district council which provides statutory (and non statutory) services to the local community. In Kent it is Kent County Council that has responsibility for the provision of early education and childcare.

Looked After Children – children who are in the care of the Local Authority or who are in the care of another local authority.

Lower Super Output Area - Super Output Areas (SOAs) are a geography designed for the collection and publication of small area statistics by the Office for National Statistics. They are made up of three layers: lower, middle and upper.

Maintained Nursery Unit – a school based premises for three year old children who are offered the place for either 5 morning or 5 afternoon sessions (regardless of take up), maintained by the Local Authority.

Next Four Years – the aspirations and targets set by KCC between 2002 – 2006.

Non-maintained sector – private, voluntary or independent providers or an accredited childminder, registered by their Local Authority to deliver the free entitlement. The premises of a non-maintained (PVI) provider may be on the site of a maintained school but is wholly independent of the maintained school.

OfSTED – Office for Standards in Education, the regulatory body and inspectorate for children and learners in England.

OfSTED Childcare Register (OCR) - a register of childcare providers. Childcare providers who care for children aged 5 and over will have to be registered on the OCR and those who care for children aged 8 and over will be able to apply voluntarily to be registered.

Parents and Carers – adults with significant caring responsibilities. This might be, for example, birth mothers and fathers, adoptive parents, foster carers, stepparents, members of the extended family and grandparents.

Portage – a home visiting service to support children with LDD.

PSC District Special School – A school serving those children with profound, severe and complex needs (these schools are based in different localities across Kent and also have pre-school provision for this group of children).

PSED – part of the Early Years Foundation Profile. The assessment scales which fall within Personal, Social and Emotional Development are Dispositions and Attitudes, Social Development; and Emotional Development.

PVI Provider – any private, voluntary, independent provider or accredited childminder. Sometimes referred to as non-maintained providers or the non-maintained sector.

SEN – Special Educational Needs.

SENCO – Special Educational Needs Co-ordinator.

Setting – any maintained or non-maintained provision that provides early education and childcare.

Special School – provision for children with a severe learning or physical disability maintained by the Local Authority.

Statement of Special Educational Need – a statement of special educational needs (SEN) may be issued following a statutory assessment. It details a child's special educational needs and the provision and resources required to meet these needs.

SureStart – the Government programme to deliver the best start in life for every child, bringing together, early education, childcare, health and family support.

Sure Start Unit – the Sure Start Unit is an integral part of the Department of Children, Schools and Families. The Unit works with local authorities, Primary Care Trusts, Jobcentre Plus, local communities and voluntary and private sector organisations.

Towards 2010 – Kent County Council's aspirations and targets for 2006-2010.

Vulnerable child – a child who is professionally identified as belonging to a group of children who are disadvantaged. For example, this **might** include:

- children with special educational needs, disabled children and children of disabled parents;
- children from some ethnic minority groups for example those from Gypsy, Roma, traveller heritage, Asylum Seekers and Refugees;
- children affected by domestic violence, temporary accommodation, offending parents and workless households;
- looked after children or those who are cared for by young carers;
- children of teenage parents; and

- children in disadvantaged areas and those living with families below the poverty line.

Young Carer - a child or young person (under the age of 18) who is carrying out significant caring tasks and assuming a level of responsibility, which would usually be undertaken by an adult. This could be caring for a parent(s) or sibling(s).

Acknowledgements

Many organisations and individuals have contributed to the development of this strategy. This list is not exhaustive but aims to give an indication of those taking part:

- Early education and childcare providers (including those from the maintained and PVI sectors)
- Kent schools and staff in Children's Centres
- The Kent Early Education, Childcare and Extended Schools Board and its working groups
- The Kent Children's Trust
- The Race Equality Forum
- KCC elected Members and officers
- Parents and community groups
- Health Professionals
- Staff Union Groups.

KCC, Children Families, and Education Directorate

If you would like this document in a different format please contact:

Lynne Miller
Policy Officer
Telephone: 01622 694995
e-mail: lynne.miller@kent.gov.uk

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(Draft) Strategy for Early Years and Childcare (0-5 years)

ACTION PLAN

N.B. All action identified falls within existing budgets and staffing allocations, and assumes the current level of funding is continuing.

Chapter 2: Support for young children including those most in need

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
2.1	Evaluate and review the Leuven Project with a view for wider implementation across early education settings.	Jennie Landsberg	September 08 onwards	S &A Business Plan 08/09	As identified in business plan - CSSG
2.2 (i)	Co-ordinated and consistent training across all early years provision differentiated to reflect a range of skill and understanding.	Barbara Hallam & Jennie Landsberg	Ongoing	STS & ASK Business Plans	CSSG
2.2 (ii)	Co-ordinated working between all early years providers and public and voluntary agencies involved in caring for vulnerable children. This may involve the use of the Common Assessment Framework (CAF).	Barbara Hallam & Jennie Landsberg	Ongoing	STS & ASK Business Plans	Existing staffing budget
2.2 (iii)	Consistent and accountable quality assurance across provision.	Barbara Hallam & Jennie Landsberg	Ongoing	STS & ASK Business Plans	Existing staffing budget & CSSG
2.3 (i)	Alert early education and childcare providers and their staff to the issues of child protection and provide training and advice.	Kel Arthur	Ongoing	Retained function as identified in CSU Business Plan	Part of 2 x Area Children's Officer Posts funded by EY grant via ASK

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
2.3 (ii)	Support early education and childcare providers and staff to make referrals and to contribute to the individual care plans of children identified as being at risk of abuse (the latter may involve the use of tools such as the CAF).	Kel Arthur	Ongoing	As 2.3 (i)	As 2.3 (i)
2.3 (iii)	Support and advise early education and childcare providers where an allegation is made against a member of staff or volunteer.	Kel Arthur	Ongoing	As 2.3 (i)	As 2.3 (i)
2.4 (i)	Work with early education and early years childcare providers to raise awareness of particular issues, such as the effect of early trauma and encourage them to use early years personal education plans.	Liz Totman but will move to the responsibility of LCSPs	Ongoing	As part of ILSS service specification	As part of the work of the ILSS.
2.4 (ii)	Work with foster carers who care for children in the care of KCC to raise awareness of the importance of early education and play as a secure foundation for more formal learning.	Liz Totman but will move to the responsibility of LCSPs	Ongoing	As part of ILSS service specification	As part of the work of the ILSS.
2.4 (iii)	Identify, collect and share data for all looked after 3-5 year olds in the care of KCC as appropriate to improve access and take-up of pre-school education.	Donna Shkalla/Liz Totman. LCSP may be involved in sharing data	Ongoing	MIU Business Plan	MU Budget
2.4 (iv)	Track and monitor attainment and achievement of looked after children in the care of KCC, aged 0-5.	Donna Shkalla	By 2009	MIU Business Plan	MU Budget

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
2.5	We will work with agencies and providers to ensure that the parents of young carers have accessible and comprehensive information so that their children are able to take up their early education entitlement and are able to access childcare that meets their needs.	Amanda Hornsby & Marisa White	By 2010	Young Carer's Action Plan	As part of existing staffing budgets
2.6	We will build on this work and extend the services offered so that all young parents can access the Care2Learn scheme.	Ruth Herron	Ongoing	Teenage Pregnancy AP	Parenting Strategy and Teenage Pregnancy Grant
2.7	We will work with schools and early education and childcare providers to facilitate effective transition and, where children have more complex needs we will identify and involve key people to support this.	Jennie Landsberg & Barbara Hallam	Ongoing	STS Business Plan & 2010	Existing staffing budget & CSSG
2.8	We will work with health visitors, midwives, school nursing teams and other health professionals as appropriate so that the most disadvantaged families are able to access appropriate childcare and early education.	Trish Dabrowski & Barbara Hallam	Ongoing	Through the Child Health Commissioning team working with PCT's and the Children Centre agenda STS Business Plan	Existing staffing budget

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
2.9	We will run a pilot Healthy Early Years Programme in the later part of 2008/early part of 2009 (subject to agreement by SMT).	Carol Healy	This activity is subject to agreement by SMT	To be advised	Funding through PCTs and part of the Extended Schools budget.

Chapter 3: Working with parents and families

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
3 (i)	Involve parents in the planning and review of services (childcare).	Alex Gamby	On-going - Childcare Sufficiency Assessment (tri annual). Last one completed March 2008.	Planning & Performance Business Plan	DSG – Children's Services Grant
3 (ii)	Ensure that our campaign to promote early education and childcare across the county also focuses on disadvantaged families and where there is low take-up, including providing information in community languages and alternative formats (where appropriate).	Alex Gamby & Chris Russ	March 2009	TERP Action Plan (Take up of Early Education Research Project) STS Business Plan	CSSG (Sufficiency and Access) CSSG (I&E)
3 (iii)	Work to recognise and understand differing needs through outreach work and raise awareness of the free entitlement through this work with disadvantaged groups and those where take-up is low.	Chris Russ	On-going	STS Business Plan (Inclusion & Equalities)	CSSG (I & E Budget)

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
3 (iv)	Provide a “brokerage” service for those parents who are finding it difficult to get appropriate provision or finding it hard to access help.	Alex Gamby	Already operating	Operations Business Plan 2008/9	CSSG (Sufficiency and Access)
3 (v)	Raise awareness with early education and childcare providers to help them support the specific needs of disadvantaged groups and hard to reach groups.	Chris Russ	On-going	STS Business (Plan Inclusion and Equalities)	CSSG (I & E Budget)

Chapter 4: Quality of provision and supporting the early years workforce

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
4.1 (i)	Monitor provision and children's outcomes throughout the early years, and across settings and school using performance indicators that are capable of measurement and can demonstrate value-added.	Jennie Landsberg	On going	ASK Business Plan	Existing resources in place
4.1 (ii)	Support settings through audit and self-evaluation processes and recognise quality provision through accreditation of a Kent Quality Mark.	Jennie Landsberg	September 2008 onwards	S& A Business Plan	Base funding and CSSG
4.1(iii)	Set up an improvement partner programme and a recovery programme to support those settings that are deemed inadequate.	Jennie Landsberg	Operational from September 2007	S & A Business Plan	Base funding and CSSG
4.1 (iv)	Develop closer link with health and other agencies, and build on localised partnerships to improve delivery of services for settings including supporting joint working between maintained nurseries and the PVI sector.	Trish Dabrowski	Ongoing	Through the Child Health Commissioning team working with PCT's, LCSPs and the Children Centre agenda	Existing staffing budgets

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
4.2 (i)	Ensure that training and support offered to settings is inclusive of all children's needs and will support settings in meeting effectively the needs of all and improving the outcomes of children with learning difficulties and disabilities, vulnerable groups and those at risk of underachievement.	Jennie Landsberg & Barbara Hallam	On going	S & A, and STS Business Plans	CSSG, existing staffing budget and Area Based Grant
4.2 (ii)	Develop and implement an overarching workforce development plan that links all forms of professional development with training and covers all aspects of a setting's needs in line with both education and care standards.	Jennie Landsberg	September 2008	S & A Business Plan	CSSG
4.2 (iii)	Develop and implement a leadership strategy.	Jennie Landsberg	Operational from September 2007	S & A Business Plan	Base funding and CSSG
4.2 (iv)	Commission appropriate levels of training by analysing the needs of settings by cluster, allocating resources, both internal and external training against prioritised needs, monitoring delivery of training, evaluating impact and adjusting training in the light of outcomes.	Jennie Landsberg & Barbara Hallam	Ongoing	ASK & STS Business Plans (Kent and National priorities)	Existing staffing budget + CSSG

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
4.2 (v)	Maximise the impact of the Government's funding streams to improve qualification levels of those working in early years settings, particularly those serving the most disadvantaged families.	Jennie Landsberg	Ongoing	S & A Business Plan	Base funding & CSSG
4.2 (vi)	Support the retention of the early years workforce through the Early Years Professional Status and improve the skills of the workforce to meet the needs of children with learning difficulties and disabilities.	Jennie Landsberg & Barbara Hallam	Ongoing	S & A & STS Business Plans	Existing staffing budget and CSSG
4.2 (vii)	Work with Higher Education and Further Education colleges to identify training and career development opportunities.	Jennie Landsberg	On going	S & A Business Plan	CSSG

Chapter 5: Securing sufficient and accessible early education and childcare (0-5 years) in Kent

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
5.1 (i)	Work with providers and potential providers to support capacity building so that gaps in childcare provision are filled, including ensuring that there is sufficient and appropriate provision for disadvantaged groups of children.	Alex Gamby	March 2011	Operations Business Plan 2008/9	CSSG (Sufficiency and Access)
5.1 (ii)	Aim to ensure a mixed economy of private, public, voluntary and independent providers so that there is vibrant provision but where we identify specific gaps in provision e.g. to disabled children we will need to take direct action so that these children are not disadvantaged.	Alex Gamby	Immediate and ongoing	Operations Business Plan 2008/9	CSSG (Sufficiency and Access)
5.1 (iii)	Where appropriate, necessary and possible give priority to using excess space which becomes available in our primary schools due to falling rolls for the provision of early education and childcare facilities alongside other community provision.	Marisa White	From 2006	Primary Strategy AP	As part of existing staffing budgets within Operations and SPP
5.2 (i)	Increase the entitlement of free early education in Kent in April 2010.	Alex Gamby	July 2010	Operations Business Plan 2008/9	DSG
5.2 (ii)	Learn from the best practice models and work with providers to extend the flexibility of free provision that is available.	Alex Gamby	July 2009	No	Part of existing staffing budgets

Ref.	Commitment	Who is leading	What is the timescale	Is this part of an existing action plan (which one)?	Resources
5.2 (iii)	Increase levels of take-up, particularly where there is low take-up by disadvantaged families.	Alex Gamby/Chris Russ	March 2010 (and ongoing)	TERP Action Plan (Take up of Early Education Research Project) STS Business Plan (I&E)	CSSG (Sufficiency and Access)
5.3 (i)	Take account of the views of children and parents/carers as part of planning and evaluating service provision in Children's Centres.	Alex Gamby	Immediate and ongoing	Individual Children's Centre Service Development Plans	CSSG (Children's Centre Revenue)
5.3 (ii)	Develop a robust framework for improved partnering arrangements between KCC, our statutory partners, children's centres, childcare settings and the PVI providers to achieve improved outcomes for children and their families through collaborative multi-agency working.	Alex Duncan	Developed in January 2008		As part of staffing budget in SPP
5.3 (iii)	Work with health professionals and our schools to increase the numbers of families who are from disadvantaged backgrounds accessing the Children's Centres.	Alex Gamby	Immediate and ongoing	Individual Children's Centre Service Development Plans	CSSG (Children's Centre Revenue)

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Appendix 3

KCC Draft Strategy for Early Education and Childcare (-0-5 years)
Summary of responses and comments arising from the consultation

Responses to the consultation questions (individual responses)

Question 1

Do you agree the right areas are included in the strategy?

Yes	55
No	3
Not sure	1

Question 2

Do you agree that part of what we must do is to take a targeted approach?

Yes	48
No	2
Not sure	1

Question 3

Chapter 6 (and appendix 8) set out how the Local Authority will be taking the strategy forward. Do you agree this is the right framework for implementation?

Yes	40
No	3
Not sure	12

Profile of individuals responding

Private, independent or voluntary provider of early education and childcare	19
PCT/Health professional	
Parent	9
KCC Member	2
Local Authority officer	7

School	24
Other government agency	
Community group	
Voluntary organisation	2
Other Including one from the Health Authority and one from a teacher in a Children's Centre.	4

Comments received (individuals and groups)

A number of comments were received resulting in the strategy being revised. For example, greater emphasis has been placed on:

- Engagement with parents and their needs.
- Integrated working through Local Children Services Partnerships.
- Flexibility of provision and meeting individual needs.
- The role of childminders.
- Healthy lifestyles.
- The balance between providing universal and targeted services.

By: Graham Gibbens, Cabinet Member for Adult Social Services
Oliver Mills, Managing Director, KASS

To: Cabinet – 15 September 2008

Subject: **EXCELLENT HOMES FOR ALL – KENT HOUSING PRIVATE FINANCE INITIATIVE (PFI)**

Classification: Unrestricted

Summary: This report updates Cabinet on the new Kent housing PFI project that KCC is leading in partnership with 5 District Councils. It requests that Cabinet approve the Outline Business Case and agrees to progress to the next project stage.

Introduction

1. (1) In February 2008 Kent County Council and 5 District Council Partners received initial approval for £45 million PFI grant from the Department of Communities and Local Government for the Excellent Homes for All project – Kent's new social housing PFI.

(2) The project is to develop up to 212 units of additional social housing across Kent including up to 160 extra care apartments for older people, up to 36 apartments for vulnerable homeless people, and 16 flats for people with mental health problems.

(3) This follows the Better Homes Active Lives Project which is another PFI scheme. This was procured in partnership with the District Councils, and through which 340 new apartments for vulnerable people are currently being constructed. The contract was signed in October 2007. The Better Homes Active Lives Project was affordable to the Authority with the £72 million of grants from central government fully covering the cost of the unitary charge, meaning that no additional contribution had to be made by the local authority partners.

(4) The new Excellent Homes for All PFI project is being structured in the same way as the Better Homes Active Lives project and will follow a similar procurement process in partnership with 5 District Councils.

(5) Appendix 1 shows how the accommodation will be distributed across the county.

Strategic Background to the project

2. (1) The 2006 Vision for Kent document envisages a County in which "*people lead healthier lives and have choice and control over high quality services that meet their needs for health, care and wellbeing and where people with disabilities are supported to lead independent lives within the community*." The Vision for Kent document notes that the provision of a good mix of accommodation including extra care housing is vital to achieving the County's objectives in this respect.

(2) The Vision for Kent also references the following short term priorities which this new PFI project will meet:

- Promoting the provision of supported housing for vulnerable adults/households
- Supporting older people and providing appropriate choices to encourage them to leave unsuitable accommodation and move to homes more suited to their needs.
- Increasing the number of sheltered housing developments with extra care facilities
- Securing funding to meet identified need for affordable housing

(3) All of the housing which is developed through the project will be what the Vision for Kent refers to as "homes for life" which help to maintain independence. The project also aligns with the Kent 2010 aims to ensure that more older people and disabled people enjoy a *"happier, healthier life in their own homes, contributing to community life and planning for a secure old age*". It also contributes to the aim to increase the number of people supported to live independently in their own homes, by encouraging the development of more housing for older people, disabled people and those with special needs.

(4) The project will be a key contributor to the modernisation of Adult Services and delivers against the Active Care Active Lives vision to ensure vulnerable people will have the support to live independently in their local communities with improved housing and infrastructure. It will encourage the provision of preventative social care, and assist people to take greater control of their lives and to live safely and independently in their own communities.

(5) The project also delivers Kent's Strategy for Later Life by creating more attractive housing options for older people that better meet their needs, reduce social isolation, and possibly also free up more 'family homes' for new families.

(6) These strategies are also in line with Central Government's objectives as outlined in the new joint CLG and DOH Strategy - *Lifetime Homes, Lifetime Neighbourhoods* which sets out the housing challenges for an ageing society and establishes a vision for ensuring that in future there is enough appropriate housing available.

Extra Care Housing for Older People – Up to 160 new apartments

3. (1) The Better Homes Active Lives Project will develop extra care housing in Ashford, Dover, Dartford and Tunbridge Wells.

(2) Policy based projections show that Kent has an ageing population (See Appendix 2). Older people also have rising aspirations and want to exercise greater choice in housing.

(3) At present many older people are supported at home through domiciliary care, home adaptations and housing related support. Sometimes there comes a point where this is no longer possible as homes are unsuited to further adaptation, or because it is difficult to provide the levels of domiciliary care that an individual needs. Consequently, people move into residential care because they or their relatives feel they are no longer safe at home.

(4) It has been acknowledged that there is a need to modernise services for older people in Kent and provide alternative options to residential care. Currently many of the County's own residential provision is also out of date and requires modernising to meet future standards and this project is a key element of the KASS Modernisation programme.

(5) Extra care housing is an alternative to residential care. It is a form of sheltered housing which has on site 24 hour care and support It also has additional communal facilities for tenants and the local community such as a restaurant. All of the apartments are self-contained flats which are accessible for disabled people, and the schemes make best use of assistive technology. The apartments will enable older people to live safely within their own homes, whilst knowing that help is at hand if they need it.

(6) There is a lack of adequate extra care housing across Kent, and in particular in the Districts which this project is focussed upon. Some sheltered accommodation is available, however of that some was built in the 1960's and is therefore inappropriate either because it includes a high number of bed-sits or lacks disability access.

(7) The additional choice of extra care housing will provide specially designed homes and support, enabling people to remain in local communities and is a good alternative to institutional care.

(8) The Excellent Homes for All project will provide 160 new apartments of extra care housing. The apartments will be designed and operated to cope with a range of dependencies including people with dementia. The schemes will include communal facilities such as a catering kitchen and meals service, gym and café with Internet facilities. The schemes will also contain space for a 24 hour dedicated care team, and will be equipped with assistive technology.

Housing for People with Mental Health Problems in Thanet and Ashford

4. (1) There is currently a real lack of appropriate accommodation for people with mental health problems in Kent, in particular in Thanet and Ashford

(2) Thanet District Council and Ashford Borough Council's Housing Strategies and the East Kent Homelessness strategy highlight the need for new accommodation to support vulnerable client groups.

(3) Adult Mental Health Services Kent Annual Business Unit Operational Plan highlights the need for additional appropriate housing solutions for people with mental health problems. There is a need for new provision for people with mental health problems that enables them to live independently in their own home with appropriate support. There is a particular requirement for 'move-on' accommodation which will bridge the gap between institutional care and independent living.

(4) Through the Excellent Homes for All project around 16 new apartments for people with mental health problems will be developed in Thanet and Ashford. The apartments will be self-contained purpose built flats and will have one flat which is dedicated for support staff.

Move On Accommodation – Other Vulnerable People

5. (1) The PFI will also develop some apartments which can be used as 'move on' accommodation for other vulnerable groups – such as young people coming out of care, or families who require social housing.

(2) The Vision for Kent notes that there is a need to promote the provision of supported housing for vulnerable households, and also a need to continue to support those who are homeless or at risk of homelessness. This element of move on accommodation provided through the Excellent Homes for All project will help to address this situation.

(3) The project will provide 24 units of this accommodation in Thanet and 12 units in Ashford.

Process

6. (1) The PFI process is a complex procurement to secure a private sector provider who will design, build, finance and operate the housing as well as provide the housing management services.

(2) The project will be tendered according to European procurement regulations, which due to the value of the contract, will be through the 'competitive dialogue' procedure.

(3) An estimated timetable for developing the project through this process is included in Appendix 3.

(4) The Project Team have successfully delivered one housing PFI, and are familiar with the procedure.

Financing

7. (1) The Department of Communities and Local Government (CLG) have announced the award of £45m PFI grant to Kent County Council for the initial expression of interest. This is based on initial estimates of the cost of the project submitted by KCC to the CLG in September 2007 and is based on building 182 apartments.

(2) The award of the grant is a commitment by the CLG to KCC to support the project but is subject to the submission and approval of the business case. The business case is a comprehensive document stating the case for the project to proceed to procurement. Before CLG will confirm the amount of the PFI grant it needs to be certain of the following:

- The value for money of the project supported by an options and investment appraisal
- The need for the new investment through the PFI route
- The services to be included
- Deliverability and affordability of the project
- The support of the Authority and its partners

(3) The business case consists of a detailed cost analysis of the project including all likely costs and the anticipated funding streams. It is reviewed by CLG and

Treasury and only once they are satisfied with the proposed project will they give the approval to proceed to procurement and confirm the grant allocation.

(4) It is currently planned that the project will be developed across 8 sites, of which 7 are owned by KCC.

(5) In PFI Projects there is a requirement from CLG that Councils must make a commitment to meet increased costs subject to the project being value for money and affordable. It is planned that in the "Excellent Homes for All" housing PFI as in the previous housing PFI that revenue costs will be covered by PFI Credits, rent and service charges and that there will be no additional revenue for the PFI costs required from KCC or our partners. The affordability position is a critical factor in the delivery of the project and will be reported to Cabinet alongside the benefits and risks prior to any contractual PFI agreements.

(6) The Development costs for the procurement of the project will be shared between the project partners proportionately and a development agreement between the partners has been drawn up to reflect this. The precise division may fluctuate as the numbers in units in each District are adjusted. It is also possible that some Districts are having difficulty funding their share of the development costs in the current climate and this may have an effect on the scope of the project. Appendix 4 shows the current proposed division of development costs negotiated between the partners.

Conclusion

8. (1) This project will deliver important benefits to vulnerable people and local communities and is another excellent example of partnership working. The £45m support given to the project by the Department of the Communities and Local Government is another example of the confidence it has in Kent partners to deliver complex projects.

Recommendations

9. (1) Cabinet is asked to APPROVE:

(a) the submission of an Outline Business Case for the project
(b) the recommendation to progress with the procurement of the project.
(c) the signing of a development agreement with the District Councils to undertake the procurement in partnership

Background Documents: None

Sara Naylor	David Weiss	Andrea Melvin
Project Manager	Head of Public Private	Project Accountant
Public Private Partnerships	Partnerships Team, Adult	Public Private Partnerships
Team, Adult Services	Services	Team, Adult Services
01622 694897	01622 694898	01622 696627
sara.naylor@kent.gov.uk	david.weiss@kent.gov.uk	andrea.melvin@kent.gov.uk

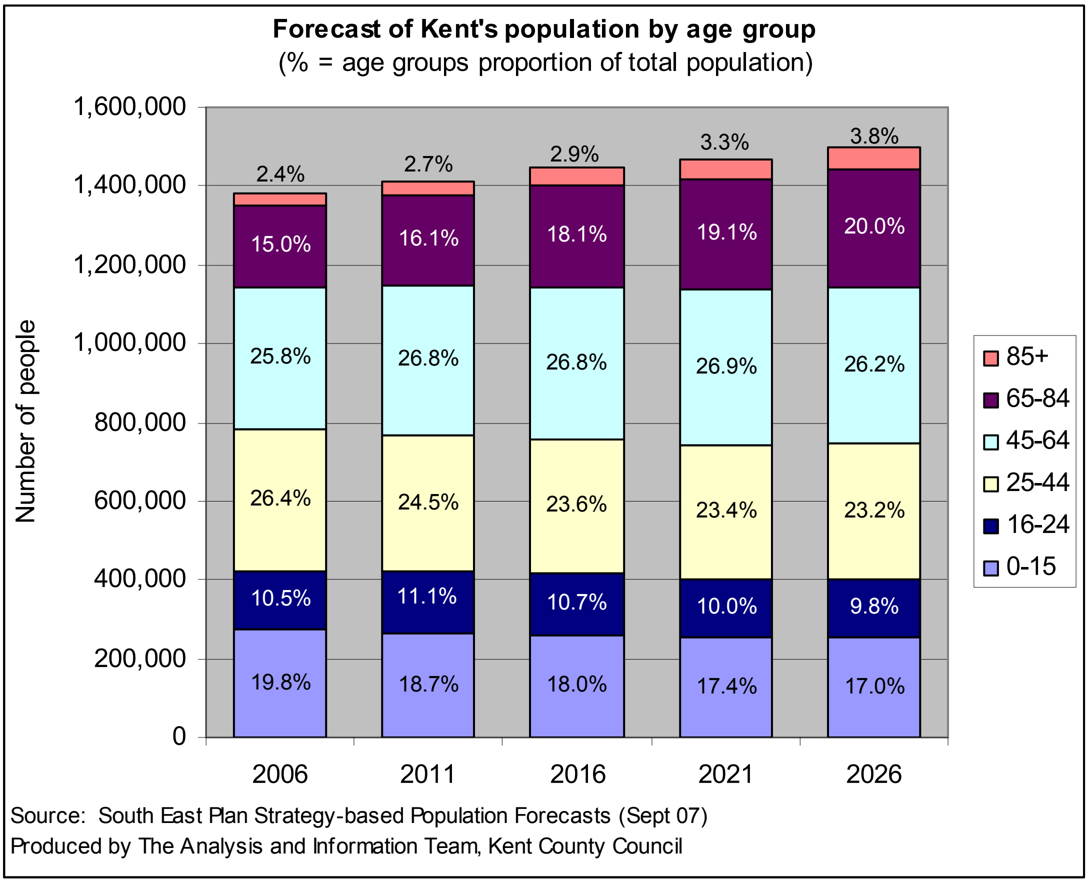
Appendix 1

Distribution of proposed provision across the County:

DISTRICT	NUMBER OF APARTMENTS	DESCRIPTION
Ashford	40	Extra care sheltered housing
Ashford	7	Mental health needs
Ashford	12	People who are vulnerable/homeless (move-on)
Dover	40	Extra care sheltered housing
Thanet	9	Mental health needs
Thanet	24	People who are vulnerable/homeless (move-on)
Tunbridge Wells	40	Extra care sheltered housing
Dartford	40	Extra care sheltered housing
Total	212	

Demographic Change in Kent

Kent has an ageing population. Policy based forecasts show that the retirement age population (65+) in the KCC area is forecast to increase by 44% over the period to 2006-2026. Kent's population aged 85+ is forecast to increase by 71%. These rates of growth are significantly higher than for the population as a whole (8%). The population of working age (16 – 64) is forecast to increase by 2% during the period 2006-2026 meaning that there will be less people to provide the natural family support to the growing older population.



These demographic changes will put increased pressure on existing health, social care and housing provision. The County therefore needs to develop preventative strategies for care that promote independence amongst people in these groups. Central to this is ensuring appropriate social housing and specialist supported housing which will enable more choice for individuals and the provision of preventative care strategies.

Appendix 3

Project Timetable

Project Timetables are subject to change due to a number of factors. The Project Timetable outlined above is one that KCC and our District Council Partners, having had experience of PFI, feel is realistic.

Milestones	Finish
Submission of Exp of Interest	Sept 2007
Announcement of Successful Schemes	Feb 2008
Submission of OBC to DCLG & Treasury	Sept 2008
Decision to Proceed from Treasury and the CLG	Jan 2009
Submit OJEU Notice and hold Bidder's Conference	Feb 2009
Issue Descriptive Document and PQQ and ISOS	March 2009
Receipt of PQQ and ISOS	April 2009
Evaluate PQQ and produce longlist	April 2009
Evaluate ISOS and Report to Board	May 2009
Issue Invitation to Submit Detailed Solutions (ISDS)	Aug 2009
(Dialogue on Detailed Solutions), Evaluation of Detailed Solutions and shortlisting.	Nov 2009
Close Competitive Dialogue	Dec 2009
Call for Final Tenders	Jan 2010
Receipt and evaluation of Final Tenders	Feb 2010
select Preferred Bidder	Feb 2010
PRG second stage review	March 2010
Appoint Preferred Bidder	April 2010
Final negotiations and Full Planning Process (including Judicial Review)	April -Oct 2010
Financial Close	Oct 2010

Appendix 4

Proposed Split of Development Costs

Proposed Development Budget

	£000
External costs	
Legal advice	300
Financial advice	170
Technical	170
Site costs	50
Insurance	14
Total external costs	**704**
Internal costs	
Project Director	36
Project Manager	104
Admin support	12
Financial	28
Legal	13
Meeting costs/other	10
Total internal costs	**203**
Total EHFA development budget	**907**

Potential cost share

The possible cost share based on KCC paying 20% of the development costs and the district partners sharing the remainder of the costs according to the number of units they gain from the project. This has not yet been agreed by the Project Board so may change.

	Basis	Share £000
Kent County Council	20%	181
District Partners	**Unit numbers**	
Ashford	59	202
Dover	40	137
Thanet	33	113
Tunbridge Wells	40	137
Dartford	40	137
Total	212	907

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By: Head of Democratic Services and Local Leadership

To: Cabinet – 15 September 2008

Subject: Decisions from Cabinet Scrutiny Committee – 23 July 2008

Classification: Unrestricted

Summary: This report sets out the decisions from the Cabinet Scrutiny Committee and invites a response from Cabinet.

Introduction

1. The Leader has agreed the decisions from Cabinet Scrutiny Committee will be reported to the following meeting of the Cabinet for a response. The responses will be reported back to the Cabinet Scrutiny Committee.

2. The decisions from the meeting of the Cabinet Scrutiny Committee on 23 July 2008 are set out in the Appendix to this paper.

Recommendation

3. That Cabinet agree responses to these decisions, which will be reported back to the Cabinet Scrutiny Committee.

Contact: Peter Sass
peter.sass@kent.gov.uk

01622 694002

Background Information: *Nil*

APPENDIX

Cabinet Scrutiny Committee – 23 July 2008

Title	Purpose of Consideration	Invitees	Decisions
Revenue and Capital Budget Monitoring Exception Report; impact of the current economic situation on the Council and roll forward of remaining 2007/08 underspend	To question the Cabinet Member for Finance, the Cabinet Member for Children, Families and Educational Achievement, the Director of Finance and the Director, Finance and Corporate Services (CFE) about the justification for the proposed virements in the recommendations to the report.	**Mr N J D Chard,** Cabinet Member for Finance; **Mr C T Wells**, Cabinet Member for Children, Families and Educational Achievement**, Ms L McMullan**, Director of Finance **and Mr K Abbott**, Director, Finance and Corporate Services (CFE).	1. The Committee endorsed the proposed virements and base budget adjustment within the Children, Families and Educational Achievement portfolio.
Working Neighbourhood Fund for Thanet	To discuss the proposals for the ongoing monitoring and impact of these important additional funds for Thanet.	**Mr P B Carter**, Leader of the Council, **Mr P Moore,** Strategic Director, Thanet District Council **and Mr C Maclean,** Head of Partnerships (interim).	1. The Committee welcomes the additional monies being invested in Thanet through the Working Neighbourhood Fund. 2. The Committee is of the view that the key to the delivery of a successful programme is having clear objectives that are closely monitored to ensure ultimate success and asks, therefore, that regular progress reports are prepared and submitted to the relevant Policy Overview Committees, commenting on the impact of the WNF strategy and partner contributions.
Contract involving KCC	To question the proposals,	**Mr K A Ferrin MBE,**	1. The Committee agreed that an Informal

Title	Purpose of Consideration	Invitees	Decisions
in the management of motorways and trunk roads in Kent, Surrey and Sussex	with particular reference to ensuring that the proposals have a positive impact on the maintenance of Kent's roads.	Cabinet Member for Environment, Highways and Waste **and Mr G Mee,** Director of Kent Highways Services.	Member Group (1:1:1) be formed to discuss the matter in greater detail, with a report back being submitted to the Committee's next meeting in September 2008. (Note: The Committee did not require any reconsideration of the Cabinet Member's decision to form a joint venture company with Jacobs and Ringway, should the joint tender submission be successful)

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