



AGENDA

CABINET

Monday, 20th June, 2011, at 10.00 am Ask for: **Karen Mannering /
Geoff Mills**

Darent Room, Sessions House, County Telephone: **(01622) 694367/
Hall, Maidstone** **694289**

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

Webcasting Notice

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UNRESTRICTED ITEMS

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

1. Introduction/Webcasting
2. Declaration of Interests by Member in Items on the Agenda for this meeting
3. Minutes of the Meeting held on 23 May 2011 (1 - 6)
4. Revenue & Capital Budget Outturn 2010-11, Roll Forward and Key Activity (7 - 72)
5. Approval of the Annual Governance Statement (73 - 92)
6. KCC's Performance Management Framework (93 - 98)
7. Core Monitoring Report (99 - 160)
8. Children's Services Improvement Plan (161 - 166)
9. Proposal for the alignment of PCT public health staff to KCC and associated Memorandum of Understanding (167 - 190)
10. Proposals to Change the Discretionary Elements of Home to School Transport Provision (191 - 202)
11. Draft Apprenticeships Strategy and Action Plan 2011-2014 (203 - 224)
12. Follow up Items and Decisions from Cabinet Scrutiny Committee - 1 June 2011 (To follow)

13. 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)

14. Knole Academy (225 - 232)

15. Wilmington Academy (233 - 238)

**Katherine Kerswell
Group Managing Director
Friday, 10 June 2011**

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

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 23 May 2011.

PRESENT: Mr P B Carter (Chairman), Mr A J King, MBE, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mrs S V Hohler, Mr K G Lynes, Mr J D Simmonds, Mr B J Sweetland Mrs J Whittle

IN ATTENDANCE: Ms K Kerswell (Managing Director), Mr M Austerberry (Executive Director, Environment, Highways and Waste), Mr D Cockburn (Corporate Director of Business and Support), Ms A Honey (Corporate Director, Customer and Communities), Mr M Newsam (Interim Corporate Director of Families and Social Care), Ms M Peachey (Kent Director Of Public Health), Mr A Roberts (Interim Corporate Director Education Learning and Skills), Mr G Wild (Director of Governance and Law) Mr A Wood (Acting Director of Finance)

UNRESTRICTED ITEMS**28. Minutes of the Meeting held on 4 April 2011**

(Item 3)

Resolved that the Minutes of the meeting held on 4 April 2011 be agreed and signed by the Chairman as a true record.

29. Revenue & Capital Budget Monitoring Exception Report 2010-11

(Item 4– report by Mr John Simmonds – cabinet member for Finance and Mr Andy Wood, Acting Corporate Director, Finance and Procurement)

(1) Mr Simmonds highlighted the main areas of pressure within individual portfolios and said despite these pressures each Directorate was reporting a small under spend which reflected well on their good management. Mr Simmonds also reported on the current position with the Capital budget and the re phasing of some projects. Mrs Whittle referred to Paragraph 2.6.4 of the report and said the rise in legal costs associated with children's support services was indicative of an increase in the number of Looked after Children court cases and the courts dealing with a back log of cases.

(2) Mr Carter said that good progress continued to be made on securing payment from Government of the Council's Asylum costs and the forecast now reflected this. The Council would now be writing to the UK Border Agency stating that it would be monitoring the number of All Rights Exhausted clients to ensure the associated costs did not fall on the Council.

(3) Following discussion Cabinet **Resolved that:**

- (i) the latest forecast revenue and capital budget monitoring position for 2010-11 be noted.

(ii) the creation of two new earmarked reserves within KASS be agreed , as detailed in paragraph 2.7.5 of the Cabinet report. A contribution of £0.2m to each of these reserves was reflected in the outturn projection reported in table 1 of the Cabinet report.

(iii) the creation of a new earmarked reserve from the under spending in the Youth Centres be agreed and used to pilot some commissioned services in advance of the project plan profile included in the MTFP for the creation of a predominately commissioned model of service delivery for the Youth Service. A contribution to that reserve of just under £0.500m was already reflected in the outturn projection reported in table 1 of the Cabinet report.

(iii) a virement of £0.4m be agreed from the under spending on the debt charges budget within the Finance portfolio to the Highways budget in the Environment, Highways & Waste portfolio, to contribute towards the costs of the snow emergencies in order to preserve the balance in the Emergency Conditions reserve for future emergencies.

(iv) the changes to the capital programme be noted; and,

(v) that £20.703m of re-phasing on the capital programme be moved from 2010-11 capital cash limits to future years.

30. Annual Public Health Report

(Item 5– report by Mr Graham Gibbens, Cabinet Member for Adult Social Care and Public Health and Ms M Peachey (Director of Public Health)) Mr B Sweetland made a personal declaration of interest in that he is a non executive Director of Kent Community Health NHS Trust).

(1) Mr Gibbens said the Annual Public Health report was an opportunity for the Director of Public Health to report on the health of the Kent population. The 2009/10 report had focussed on two issues, Dementia and Excess Winter Deaths and its findings showed where significant changes needed to be made to improve health and the quality of health services.

(2) During the course of discussion members spoke of the importance of having robust public health policies and the need to continue working in partnership with other agencies to tackle public health issues such as those identified in the report.

(3) Cabinet resolved to note the report and the actions that needed to be taken.

31. KCC's Workforce Strategy for Children's Social Services (To follow)

(Item 6– report by Mrs J Whittle, Cabinet Member for Children's Specialist Services and Mr Malcolm Newsam, Interim Corporate Director for Families and Social Care) (Amanda Beer the Corporate Director for Human Resources was present for this item) (this report was taken at the same time as item 9 on the agenda)

The Chairman declared consideration of this item to be urgent on the grounds that decisions related to the important matters detailed in the report needed to be taken at this meeting and could not reasonably be delayed as the County Council needed to have in place as soon as possible a robust recruitment and retention package as part of the Improvement Plan for Children's Social Services. Additional information was circulated at the meeting related to the recruitment campaign and the proposals for Social Worker Pay.

(1) As part of the County Council's response to the Improvement Notice issued by the Secretary of State in respect of Children's Social Care Services this report provided an analysis of current staffing levels, a recruitment plan for the next three years, an update on actions taken so far in achieving this priority and recommendations for the components needed to ensure a compelling offer was made to attract new and retain existing high quality social care staff. Mrs Whittle said that the Improvement Plan had now been approved by the Improvement Board and the Children Services Improvement Panel had now met with the minutes of those meetings in future being reported to meetings of the Cabinet for information. The Workforce Strategy was therefore an important plank in the Council's commitment to addressing that part of the Improvement Plan aimed at ensuring there is sufficient capacity and capability within children's social care and action is taken to improve retention and stability of the workforce. Mrs Whittle also placed on record her thanks to all of KCC's social workers involved in this work for their ongoing commitment and professionalism. Mr Newsam said the peripatetic team was now beginning to undertake its duties and he also placed on record his thanks to KCC social services staff for their dedication and commitment.

(2) Following further discussion Cabinet resolved:

(i) to note the content of the report and endorsed the steps being taken to make KCC the Employer of Choice for children's social workers; and,

(ii) delegated the approval of the final changes to the remuneration of children's social workers to the Cabinet Member for Specialist Children's Services following engagement with staff and managers in the service.

32. Involving the Whole Community: The Kent Approach to Literacy and Reading

(Item 7 - report by Mr Michael Hill, Cabinet Member for Customer and Communities and Ms Amanda Honey, Corporate Director, Customer and Communities) (Mrs G Bromley, Strategic Manager for Libraries and Archives was present for this item)

(1) Mr Hill said the Kent Approach to Literacy and Reading did not seek to advise on how literacy should be taught but to support those whose role it was to develop literacy skills and promote the enjoyment of reading. Mrs Bromley said the ultimate twin goals of the strategy were to improve standards of literacy and to engender a love of reading. In addition Literacy was essential to the achievement of all three ambitions of Bold Steps for Kent.

(2) Cabinet **Resolved** to note the report and also noted that further investment opportunities would be explored including sponsorship for high profile promotional

events and seed corn funding to test different approaches to engage audiences and attract new partners.

33. Appointment of 'Preferred Bidder' on new Kent Highway Services Contract

(Item 8 - report by , Mr Bryan Sweetland Cabinet member for Environment, Highways and Waste and Mr Mike Austerberry Corporate Director for Enterprise and Environment) (Mr J Burr Director of Kent Highway Services was present for this item)

See Record of Decision on page 5.

34. Putting Children First: Kent's Safeguarding and Looked After Children Improvement Plan

(Item 9– report by Mrs Jenny Whittle, Cabinet Member for Specialist Children's Services and Mr Malcolm Newsam Interim Director of Families and Social Care)

(this report was taken at the same time as item 6 on the agenda)

(1) The governance arrangements for children's social care improvement were approved by the County Council at its meeting on 6 April 2011. The Kent Improvement Board, which has an independent chair signed off the Improvement Plan at its April meeting and the Plan was subsequently sent to all Members of the County Council. The County Council has also agreed to establish a Children's Services Improvement Panel which is an informal Member group that will support the Families & Social Care Policy Overview & Scrutiny Committee by offering challenge and overseeing the monitoring of progress. The Panel would in turn be supported by the Corporate Parenting Panel and the Staff Advisory Group.

(2) Following discussion and further to the endorsement of the Kent Safeguarding and Looked After Children Improvement Plan, Cabinet Resolved to note the progress that has been made.

35. Follow up Items and Decisions from Cabinet Scrutiny Committee - 28 March 2011

(Item 10 – report Alex King – Deputy Leader and Mr Peter Sass - Head of Democratic Services) (Mr Peter Sass was present for this item)

Resolved that the comments and actions detailed in the report be noted.

36. Record of Decisions

KENT COUNTY COUNCIL

| | |
|---|-------------------------------------|
| DECISION TAKEN BY Cabinet 23 May 2011 | DECISION NO. 10/01586 |
| Unrestricted | |
| Subject: Appointment of Preferred Bidder on new Kent Highway Services Contract | |
| Summary: (1) This report provided an overview of the extensive and robust procurement process that had been undertaken over the past 13 months and sought the support of Cabinet support in approving Enterprise as Kent Highway Services 'Preferred Bidder' and that the Corporate Director of Enterprise and Environment and the Director of Governance & Law be authorised on behalf of the County Council to enter into the contract with the 'Preferred Bidder'. (2) Mr J Burr Director of Kent Highway Services explained the procurement process and the key elements of the tender specification. The new contract would provide the County Council with more flexibility and value for money than the previous contract and the new contractor would be taking more responsibility and risk for meeting targets and standards. The new contractor and would also be paying the County Council a commercial rate for the use of its Highways Depots and be playing an important part in supporting the Council's Apprenticeship Scheme. Mr Carter said this contract marked a new approach to providing highway services to improved standards and he welcomed the fact the preferred bidder would be working with the Council on matters related to staff development and training. Decision : Cabinet resolved (i) that for the reasons described in the Cabinet report Enterprise should be appointed the 'Preferred Bidder' for the provision of the new Kent Highway Services Contract to Kent County Council; and, (ii) Subject to them being satisfied as to the detailed terms and conditions, the Corporate Director for Enterprise and Environment and the Director of Governance & Law be authorised on behalf of the County Council to enter into a contract with the Enterprise as the Preferred Bidder on the new Kent Highway Services contract. | |
| Any Interest Declared when the Decision was Taken Mr Sweetland made a declaration of personal interest as a distant relative was an employee of Talent – a traffic light contractor. | |
| Reason(s) for decision, including alternatives considered and any additional information As set above and in the Cabinet report | |
| Background Documents: none | |

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To: CABINET – 20 June 2011

By: John Simmonds, Cabinet Member – Finance
 Andy Wood, Acting Corporate Director of Finance & Procurement

- (1) **REVENUE AND CAPITAL BUDGET OUTTURN 2010-11**
 - (2) **REVENUE BUDGET ROLL FORWARD**
 - (3) **CAPITAL BUDGET ROLL FORWARD**
 - (4) **2010-11 FINAL MONITORING OF KEY ACTIVITY INDICATORS**
 - (5) **2010-11 FINAL FINANCIAL HEALTH INDICATORS**
 - (6) **2010-11 FINAL MONITORING OF PRUDENTIAL INDICATORS**
 - (7) **IMPACT OF 2010-11 REVENUE BUDGET OUTTURN ON RESERVES**
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1. Summary

- 1.1 This report sets out the provisional revenue and capital budget outturn for 2010-11. It details:
 - where revenue projects have been rescheduled and/or are committed
 - where there is under or overspending.
 The provisional outturn on the revenue budget shows an underspend of £11.349m (excluding schools). This is only £0.052m higher than the projected underspend reported in May.
- 1.2 Details of the proposals for the use of £8.721m of the revenue budget underspending are provided in Appendix 2. This identifies those projects where there is already a commitment to spend in 2011-12. In addition, there are two initiatives that Cabinet have already been asked to consider funding from the roll forward at £0.250m each. Details are also provided in Appendix 2 of this report. Assuming these initiatives are funded, this would leave an uncommitted balance of £2.128m. It is recommended that, in light of the emerging pressures in the 2011-12 budget, this balance is set aside in the earmarked Economic Downturn reserve.
- 1.3 The report refers to a number of contributions to reserves which Cabinet is asked to approve.
- 1.4 Details of the capital roll forwards are provided in Appendix 3.
- 1.5 Final monitoring of key activity indicators for 2010-11 is detailed in Appendix 4.
- 1.6 The report also provides the year-end financial health indicators in Appendix 5, prudential indicators in Appendix 6 and impact on reserves in section 3.6.

2. Recommendations

Cabinet is asked to:

- 2.1 **Note** the provisional outturn position for 2010-11.
- 2.2 **Agree** that £8.721m of the 2010-11 revenue underspending is rolled forward to fund existing commitments, as detailed in sections 1 to 4 of Appendix 2.
- 2.3 **Agree** that £0.250m of the 2010-11 roll forward is used to contribute towards the Bold Steps for Health Agenda, as detailed in section 6a of Appendix 2.
- 2.4 **Agree** that £0.250m of the 2010-11 roll forward is used to contribute towards the Elections Reserve, as detailed in section 6b of Appendix 2.
- 2.5 **Agree** that the £2.128m remainder of the 2010-11 revenue underspending is set aside in the Economic Downturn reserve.

- 2.6 **Agree** the contributions to reserves as set out in the following paragraphs of this report (all of which are reflected in the outturn position presented in this report):
- i) Kent Adult Social Services portfolio paragraph 3.2.5.6, transfer of £1.128m to the Social Care Supported Living costs reserve reflecting a delay in legal opinion regarding responsibility for a number of clients in supporting living arrangements in Kent who are currently funded by other authorities.
 - ii) Corporate Support & Performance Management portfolio paragraph 3.2.9.1, transfer of £2.270m to a new Libraries IT PFI grant reserve to reflect a change in the treatment of this grant by Government from quarterly payments until 2016-17 to a final lump sum settlement;
 - iii) Corporate Support & Performance Management portfolio paragraph 3.2.9.2, transfer of £1.042m to a new KPSN development reserve to fund the re-phased upgrades to core IT infrastructure and
 - iv) Finance portfolio paragraph 3.2.10.1, transfer of £6.8m to the Economic Downturn reserve for potential aborted capital costs.
- 2.7 **Note** that £3.346m of capital re-phasing from 2010-11 will be added into 2011-12 and later years, as detailed in Appendix 3 and the 2011-12 Capital Programme will also be adjusted to reflect other 2010-11 variances as reported in the outturn.
- 2.8 **Note** the final monitoring of the key activity indicators for 2010-11 as detailed in Appendix 4.
- 2.9 **Note** the final financial health indicators for 2010-11 as detailed in Appendix 5.
- 2.10 **Note** the final monitoring of the prudential indicators for 2010-11 as detailed in Appendix 6.
- 2.11 **Note** the impact of the 2010-11 provisional revenue budget outturn on reserves as detailed in section 3.6.
- 2.12 **Note** that the schools' revenue and capital reserves have reduced by some £3.417m. Details are provided in this report.

3. BUDGET OUTTURN 2010-11

3.1 INTRODUCTION

- 3.1.1 This report sets out the provisional revenue and capital budget outturn for 2010-11. There may be minor variations in figures during the final stage of the closing of accounts process and the accounts are also still subject to external audit.
- 3.1.2 For the 11th consecutive year the Council is able to demonstrate sound financial management, by containing its revenue expenditure within the budgeted level (excluding schools).

3.2 REVENUE BUDGET OUTTURN 2010-11

- 3.2.1 The provisional outturn is a net underspend of £11.349m against portfolio budgets and a £3.437m increase in school reserves, giving a total underspend of £14.786m.
- 3.2.2 This -£11.349m outturn compares with the net variance of -£11.297m last reported to Cabinet at its meeting on 23 May, which represents a movement since the last report of only -£0.052m. The net provisional outturn by portfolio and the movement since the last report are shown below in table 1.

TABLE 1: PROVISIONAL FINAL REVENUE OUTTURN BY PORTFOLIO

| Portfolio | Budget | Provisional Outturn | Variance | Variance per last report | Movement |
|--------------------------------------|-----------------|---------------------|----------------|--------------------------|---------------|
| | £k | £k | £k | £k | £k |
| Children, Families & Education | -760,870 | -761,135 | -265 | -200 | -65 |
| Kent Adult Social Services | +337,637 | +337,154 | -483 | -268 | -215 |
| Environment, Highways & Waste | +151,723 | +151,121 | -602 | -573 | -29 |
| Communities | +90,485 | +89,034 | -1,451 | -1,461 | +10 |
| Localism & Partnerships | +7,057 | +6,698 | -359 | -231 | -128 |
| Corporate Support & Performance Mgmt | +9,719 | +8,050 | -1,669 | -1,507 | -162 |
| Finance | +145,942 | +139,525 | -6,417 | -6,923 | +506 |
| Public Health & Innovation | +567 | +567 | 0 | -35 | +35 |
| Regeneration & Economic Development | +7,236 | +7,133 | -103 | -99 | -4 |
| TOTAL (excl Schools) | -10,504 | -21,853 | -11,349 | -11,297 | -52 |
| Schools ^{note 1} | +954,474 | +951,037 | -3,437 | +5,634 | -9,071 |
| TOTAL | +943,970 | +929,184 | -14,786 | -5,663 | -9,123 |

Note 1. Although schools reserves have increased by £3.437m, this is made up of £2.765m drawdown of reserves by schools against schools delegated budgets (£4.448m drawdown as a result of 21 schools converting to new style academy status and taking their reserves with them and a £1.683m underspend for the remaining Kent schools), offset by an underspend on the unallocated schools budget of £5.034m and £1.168m higher than expected special school recoupment income.

3.2.3 Although the forecast has moved by only -£0.052m (excluding Schools) since the last monitoring report to Cabinet, there are some compensating movements within this, some of which are rather technical in nature. Detailed below are the main reasons for the movement in the portfolio forecasts since the last monitoring report to Cabinet on 23 May, as shown in Table 1:

3.2.4 Children, Families & Education:

The overall position for the portfolio has moved by -£0.065m since the last report to Cabinet. The main changes are:

- 3.2.4.1 +£0.150m 14-19 Entitlement – a reduction in the underspend from £1.251m to £1.101m largely because the amount of eligible expenditure that may be charged to the DSG reserve reduced by £330k. This was offset by an underspend on the T2010 projects of Preparing for Employment and Expanding Vocational Training of £0.096m and a net underspend against the Thanet Works project of £0.074m.
- 3.2.4.2 +£0.199k Residential Care – an increase in the pressure from £1.391m to £1.590m which is partly due to continued demand for high cost placements of £0.110m. In addition there was the expectation that rates for the Windchimes Centre of £0.120m would be refunded as it is a centre for disabled children, however this is still in dispute and recent legal advice suggests that a full refund will not be received
- 3.2.4.3 +£0.232m Fostering Service – an increase in the pressure from £3.337m to £3.569m largely due to additional in-house foster placements of £0.153m.
- 3.2.4.4 -£0.193m Other Preventative Services – a reduction in the pressure from £0.615m to £0.422m, which is largely due to the re-badge of a further £0.176m of eligible expenditure to the Sure Start grant.
- 3.2.4.5 -£0.119m 16+ Service – a reduction in the pressure from £1.156m to £1.037m due to an underspend on the 16+ team of £0.106m.
- 3.2.4.6 +£0.564m Assessment & Related – an increase in the position from -£0.266m to +£0.298m. This was mainly due to an additional £1.082m of spend on staffing, including agency costs, due to a reduction in the number of vacancies following an effective recruitment strategy and agency staff being retained for longer than expected. This was partially offset by additional income from the Children's Workforce Development Council for the safeguarding improvement plan of £0.363m and a reduction of £0.197m in the position of the Occupational Therapy budget, which did not overspend as previously forecast.

- 3.2.4.7 +£0.024m Special Educational Needs – an increase in the pressure from £0.059m to £0.083m, however within this small movement there is an increased overspend on special school recoupment of £0.076m with additional special school recoupment income of -£0.754m. The transfer of surplus recoupment income to the schools DSG reserve increased by £0.621m. In addition there was £0.130m additional spend on SEN management and administration.
- 3.2.4.8 +£0.122m Preventative Services Managers – an increase in the position from -£0.099m to +£0.023m mainly due to an increase in spend on nurseries of £0.135m.
- 3.2.4.9 -£0.169m Personnel & Development – an increase in the underspend from £1.645m to £1.814m mainly due to further underspending on CRB costs of £0.175m.
- 3.2.4.10 -£0.199m Capital & Infrastructure Support – an increase in the underspend from £0.206m to £0.405m mainly due to further underspending on the accommodation budget partially offset by additional spend on feasibility costs recharged from capital as the projects have been aborted and revenue maintenance.
- 3.2.4.11 -£0.688m Grant income & contingency – an increase in the underspend from £0.200m to £0.888m. The main movements are an underspend of £0.350m on school nurses and a further underspend of £0.285m on the CFE restructure budget, offset by an increase in the bad debt provision of £0.157m. Additional spend of £0.350m on academy staff was fully recharged to academies. There was also some additional grant income and other more minor variances.
- 3.2.5 **Kent Adult Social Services Portfolio:**
The overall position for the portfolio has moved by -£0.215m since the last report to Cabinet. The main movements are:
- 3.2.5.1 +£0.582m Older People Nursing Care – a reduction in the underspend from £1.991m to £1.409m for a number of reasons. In independent sector nursing care, changes in activity and price have increased the gross cost by £0.106m. A small reduction in activity reduces income by £0.092m and the average income per client week has also reduced by £2.31 from the previous estimate which adds £0.181m to the forecast. The net position for Preserved Rights clients has also increased by £0.086m. The remaining increase of £0.117m relates to changes in other income, the movement in the bad debt position, and a contribution of £0.077m to a provision in respect of a potential obligation.
- 3.2.5.2 -£0.249m Older People Domiciliary Care – an increase in the underspend from £0.486m to £0.735m primarily because the amount of client income is £0.156m higher than previously expected. The forecast is based on year to date income and this can fluctuate between months. The remaining -£0.093m relates to a reduction in expenditure across in-house provision, extra care and enablement.
- 3.2.5.3 -£0.167m Older People Other Services – an increase in the underspend from £0.538m to £0.706m due to small movements against a number of budgets including a £0.050m reduction in the Integrated Community Equipment Store whose under-spend is now £0.097m. As this is a pooled budget with Health this, together with a further £0.031m within Physical Disability Other Services, a total of £0.128m, is requested to roll forward to 2011-12 to fund our obligation to the partnership. This is reflected in the roll forward proposals in Appendix 2. Similarly a proportion of the contribution from Health has also been rolled to 2011-12 as a receipt in advance.
- 3.2.5.4 +£0.141m Learning Disability Residential Care – an increase in the pressure from £3.011m to £3.152m which relates to £0.064m for small movements across independent sector care, preserved rights and in-house provision as well as £0.077m for an Ordinary Residence client who was forecast in supported accommodation but has since transferred back to residential care.
- 3.2.5.5 -£0.279m Learning Disability Domiciliary Care – an increase in the underspend from £0.621m to £0.900m as a result of reductions in activity and price since the last forecast which was primarily based on activity to the end of January. Actual activity has reduced by approximately 8,600 hours which reduces the variance by £0.090m, and the unit price has dropped from £11.05 to £10.52 which reduced the variance by a further £0.182m. Small movements in other lines account for the balance of the decrease in variance.

3.2.5.6 -£0.346m Learning Disability Supported Accommodation – a reduction in the pressure from £0.381m to £0.035m. £0.193m of this relates to Ordinary Residence clients who were previously forecast against the Supported Accommodation budget but whose costs are now reflected against other lines. The £0.193m is split across four budget lines (Learning Disability Residential as referred to above, Learning Disability Direct Payments, Learning Disability Other Services and Physical Disability Domiciliary). A further £0.082m of the reduction follows the release of a proportion of the Social Care Supported Living costs reserve created in 2009-10 for a number of clients whose costs were previously funded by other authorities but were expected to become our responsibility and we would be charged backdated costs to 2009-10. These clients have either become our responsibility from a later date or the costs have come in below the level expected. The remaining reduction of £0.071m relates to small movements in other clients and costs.

In addition, the outturn position includes a contribution of £1.128m to the Social Care Supported Living costs reserve to reflect the potential backdated costs in relation to a number of service users in supported living in Kent who are currently funded by other authorities. These costs may arise following legal negotiations. The potential costs of these clients were included in our previous forecasts as we expected the legal negotiations to have been concluded by the end of the financial year, however negotiations continue and therefore we have transferred the funding to reserves pending the outcome. **Cabinet is asked to approve this transfer to reserves** (which is already reflected in the outturn position presented in this report).

3.2.5.7 -£0.073m Strategic Business Support – an increase in the underspend from £1.298m to £1.371m. Within this is £0.080m that is required to roll forward to cover costs to be incurred in respect of the review of domiciliary procurement, which is a saving in the MTP. This roll-forward will fund a project manager and associated costs relating to the review. This is reflected in the roll forward proposals in Appendix 2.

3.2.5.8 -£0.113m Specific Grant Income – a reduction in the pressure from £1.414m to £1.301m because the amount of Social Care Reform Grant income that is being rolled forward (as a receipt in advance) to cover costs that have re-phased to 2011-12 has reduced by £0.113m to £1.301m. This relates to small movements across a number of schemes.

3.2.5.9 There are a number of smaller movements across the other budget lines within this portfolio, all below £0.1m.

3.2.6 **Environment, Highways & Waste Portfolio:**

The overall underspend for the portfolio has increased by a further £0.029m, to £0.573m since the last report to Cabinet, however within this small overall movement there are some compensating changes:

3.2.6.1 There was a spike in waste tonnage in March, as illustrated in section 3.1 of Appendix 4, which reduced the tonnage element of the waste underspend by £0.4m. This was offset by much better than forecast recycling income which increased by a further £0.23m and an underspend on the Clean Kent campaign of £0.2m.

3.2.6.2 The final pressure relating to snow emergencies, once all farmer claims had been settled and salt stock adjustments were made, increased by £0.27m to £2.3m and the final revenue spend on find and fix in the year increased by £0.18m to £1.3m. These increases were offset by a £0.18m improvement in the energy saving programme and developer contributions of £0.23m. (£0.4m of the snow emergency costs have been offset by a virement from the Finance portfolio instead of drawing down the emergency conditions reserve as agreed by Cabinet in May, leaving a £1.9m overspend within the portfolio on this budget).

3.2.6.3 In March 2009, Cabinet approved a reserve to smooth fluctuations in costs arising from planning inquiries. The planning budget lines achieved an underspend of £0.29m in 2010-11, from holding vacancies (-£0.169m), reducing consultancy costs on developing the minerals and waste framework (-£0.104m) and reducing spend on landscape advice (-£0.021m). This underspend has been transferred to the smoothing reserve to help towards future liabilities. **Cabinet is asked to approve this transfer to the planning inquiries reserve** (which is already reflected in the outturn position presented in this report).

- 3.2.7 **Communities Portfolio:**
The underspend on this portfolio has reduced slightly by £0.010m to £1.451m since the last report.
- 3.2.8 **Localism & Partnerships Portfolio:**
The underspend on this portfolio has increased by £0.128m to £0.359m since the last report, which is partly due to re-phasing of Local Scheme spending recommended by Local Boards and Member Community Grants. This is purely a timing issue and therefore is included in the committed roll forward requests in appendix 2.
- 3.2.9 **Corporate Support & External Affairs Portfolio:**
The underspend for the portfolio has increased by £0.162m since the last report to Cabinet. This is due to a number of small movements across most units. However, this position does include two transfers to reserves, which Cabinet is asked to approve:
- 3.2.9.1 £2.270m has been transferred to a new Libraries IT PFI grant reserve. This is due to a change in treatment by Government in the way this grant is paid. We have received a final lump sum payment rather than receiving quarterly payments until 2016-17. As this grant income is assumed in our annual budget, we have paid this grant into reserves to be drawdown to match the budget profile in future years. **Cabinet is asked to approve this transfer to reserves** (which is already reflected in the outturn position presented in this report).
- 3.2.9.2 £1.042m has been transferred to a new KPSN development reserve to cover the costs of this re-phased project & to smooth the cost of large upgrades to the core IT infrastructure. **Cabinet is asked to approve this transfer to reserves** (which is already reflected in the outturn position presented in this report).
- 3.2.10 **Finance Portfolio:**
The underspend for the portfolio has reduced by £0.506m to £6.417m since the last report to Cabinet. This is mainly due to the virement of £0.4m to Kent Highways Services to contribute towards the emergency costs of the snow in December and January, as agreed by Cabinet in May.
- 3.2.10.1 Within this reported position is a transfer to the Economic Downturn reserve of £6.8m in respect of the potential write-off of aborted capital costs following the in-year reduction in funding for BSF projects. It has yet to be confirmed that these projects will definitely not go ahead and therefore it is necessary to transfer this funding to reserves pending the final outcome, rather than writing back the expenditure to revenue in 2010-11, as was previously assumed. **Cabinet is asked to approve this transfer to reserves** (which is already reflected in the outturn position presented in this report).
- 3.2.10.2 This position also reflects an overspend on the Insurance Fund of £1.269m which has been met by a drawdown from the Insurance Reserve. This overspend was higher than previously forecast due to an increase in outstanding liabilities as a result of a higher number of liability claims than normal recorded for 2010 and an increase in reserves for some claims.
- 3.3 A reconciliation of the revenue gross and income cash limits to the last full monitoring report, as reported to Cabinet on 4 April, is provided in Appendix 1.

3.4 REVENUE BUDGET ROLL FORWARD PROPOSALS

- 3.4.1 The 2011-12 approved budget assumes rolled forward underspending from 2010-11 of £6.098m. In addition, Cabinet and County Council have agreed a further £1.741m of commitments in 2011-12 to be funded from this underspending. Also, within directorates there are a number of projects, totalling £0.882m, which have been rescheduled and/or are committed and require funding to roll forward to 2011-12 to fund their completion. Details of all of these commitments are provided in Appendix 2. **Cabinet is asked to approve these roll forward proposals.**
- 3.4.2 Table 2 below provides a summary of the revenue outturn position and shows that of the £11.349m underspend, £8.721m is required to roll forward to 2011-12 to fund these commitments, leaving £2.628m of uncommitted underspending. It is recommended that this be used as follows:

- £0.250m towards the Bold Steps for Health Agenda - to work with GP's and the new Commissioning Consortia to address local health inequalities. This will use the local knowledge of GP's and colleagues at a district level to identify their priorities for reducing health inequalities in their areas and provide funding to deliver the interventions that will make the most difference. **Cabinet is asked to approve this contribution.**
- £0.250m contribution to the Elections Reserve – in recent times the County Council election and the General Election have been held on the same day, which has considerably reduced the cost to KCC as we share the cost 50:50. However this will not be the case for the next County Council election and therefore we need to provide for this additional cost. £250k is suggested as our initial contribution to these additional costs with a review of the position as part of the next budget process. Further details, including a forecast profile of the reserve from 2010-11 to 2013-14, when the next County Council election will take place, are provided in Appendix 2. **Cabinet is asked to approve this contribution.**
- in view of the emerging pressures in the 2011-12 budget, the balance of £2.128m is set aside in the earmarked Economic Downturn reserve. **Cabinet is asked to approve this contribution of the remaining 2010-11 underspend to reserves.**

Table 2: SUMMARY OF REVENUE ROLL FORWARD PROPOSALS

| | | £000s | £000s |
|----------|---|-------|----------------|
| 1 | 2010-11 provisional underspend | | -11,349 |
| 2 | Roll forward underspending assumed in the 2011-12 approved budget: | | |
| a | underspending as reported to Cabinet in November | 4,500 | |
| b | savings from moratorium on discretionary spend | 1,000 | |
| c | underspending within Communities for the Youth Service | 387 | |
| d | amendment to the 2011-12 budget approved at County Council on 17 February to change the savings proposals for subsidised bus routes | 211 | |
| | | | 6,098 |
| 3 | Subsequent Cabinet/County Council decisions: | | |
| a | funding for the 5p increase in the casual user mileage rate, in line with the HMRC increase in the tax exempt rate, as approved at County Council on 12 May | 551 | |
| b | funding for "Becoming the Employer of Choice – KCC's Workforce Strategy for Children's Social Services" as agreed by Cabinet on 23 May | 1,190 | |
| | | | 1,741 |
| 4 | Rescheduled/committed projects: | | |
| a | KASS portfolio – Integrated Community Equipment Store | 128 | |
| b | KASS portfolio – Domiciliary Procurement | 80 | |
| c | EHW portfolio – MIDAS financial system replacement | 364 | |
| d | Community Safety – Independent Domestic Violence Advocates (IDVAs) | 95 | |
| e | CSS&PM portfolio – Personnel & Development Kent Leadership & Coaching Programme | 56 | |
| f | CSS&PM portfolio – Personnel & Development TCP Schools | 87 | |
| g | CSS&PM portfolio – Kent Connect Project | 24 | |
| h | Localism & Partnerships portfolio - Member Community Grants. | 6 | |
| i | Localism & Partnerships portfolio – Local Scheme Grants | 42 | |
| | | | 882 |
| 5 | Uncommitted balance of underspending | | 2,628 |
| 6 | Initiatives Cabinet is asked to consider funding: | | |
| a | Contribution to Bold Steps for Health Agenda | 250 | |
| b | Contribution to Elections Reserve | 250 | |
| | | | 500 |
| 7 | Uncommitted balance if items 6 a & b are approved | | 2,128 |

3.5 DELEGATED SCHOOLS BUDGET

3.5.1 The previously forecast draw down from reserves of £5.634m, which was made up of a drawdown of £4.634m as a result of 27 schools converting to academies and £1m for other Kent schools, was based on the schools half yearly monitoring returns. The actual movement in schools reserves in 2010-11 was an increase of £3.437m, a movement of -£9.071m, which is largely due to previously unforecast savings against the schools unallocated budget and a shift of £2.7m in the remaining Kent schools position.

3.5.2 The £3.437m increase in schools reserves in 2010-11 is made up of:

- a £4.448m drawdown of reserves as a result of 21 schools converting to new style academy status and taking their reserves with them, *(in addition, five schools converted to old style academy status during 2010-11 but they do not get to transfer their reserve balance, instead these balances have been transferred to the schools unallocated reserve pending Schools Forum agreement on how this will be utilised)*
- an underspend of £1.683m for the remaining Kent schools,
- higher than expected special school recoupment income of £1.168m which has been transferred to the unallocated schools budget,
- in addition, there is an underspend on the unallocated schools budget of £5.034m, which is largely due to a £1.178m underspend as a result of there being fewer school reorganisations than expected; £1.090m savings on rising school roll contingency; £1.7m following agreement with the Schools Funding Forum to allow the LEA to retain a greater share of DSG for one year only, which represents the full year effect of school budget changes; and £1.3m underspend due to dual registered pupil referral unit pupils which has been retained by the LEA following agreement with the Schools Funding Forum, as dual funding ceases in 2010-11. This has increased total school revenue reserves to £55.190m of which £20.3m relates to unallocated schools budget. Of the remaining £34.9m, the schools returns show that of this balance, £7.6m is committed for specific revenue projects, Standards Fund phasing and contributing towards larger capital projects.

3.6 IMPACT ON RESERVES

These are provisional figures and are subject to change during the final stages of the closing of accounts process.

| Account | Balance at 31/3/11 £m | Balance at 31/3/10 £m |
|----------------------|-----------------------------|-----------------------------|
| Earmarked Reserves | 118.1 | 115.9 |
| General Fund balance | 26.7 | 25.8 |
| Schools Reserves | 55.2 | 51.8 |

3.6.1 The general reserves position at 31 March 2011 is estimated at £26.7m, this is an increase of £0.9m from the position as at 31 March 2009 due to the transfer of the remaining balance in the Asylum reserve, which has now been closed. £26.7m amounts to 2.94% of the 2011-12 net revenue budget (excluding schools). This is reviewed formally as part of the annual budget process – see Appendix H of the 2011-13 Medium Term Financial Plan for further details.

3.6.2 The provisional movement of +£2.2m in earmarked reserves since 31 March 2010 is mainly due to:

| | | |
|--|--------|---|
| • Increase in Rolling Budget Reserve | +£2.5m | |
| • Increase in the Economic Downturn Reserve | +£4.4m | reflects decisions taken during 2010-11 |
| • New Corporate Restructuring Reserve | +£2.7m | Reflects decisions taken during 2010-11 |
| • Increase in the PFI Reserves | +£5.9m | to equalise costs |
| • New reserve due to change in treatment by Government of Libraries IT PFI grant (final up front settlement rather than quarterly payments through to 2016-17) | +£2.3m | |
| • Increase in Landfill Allowance Taxation Scheme reserve | +£1.2m | reflects value of unsold landfill allowance permits – this reserve is only realised when and if these permits are actually sold |
| • Increase in Social Care – Supported Living Costs reserve | +£1.0m | to fund potential back dated costs for clients currently funded by OLAs following legal negotiations |
| • New KPSN Development reserve | +£1.0m | to cover the costs of this re-phased project & to smooth the cost of large upgrades to the core IT infrastructure |
| • Reduction in the Supporting People Reserve | -£3.7m | |
| • Reduction in Insurance reserve | -£2.8m | £1.5m budgeted reduction & £1.3m to cover deficit on Insurance Fund |
| • Reduction in the Prudential Equalisation Reserve | -£2.3m | to cover PEF 2 costs |
| • Reduction in the Kingshill Smoothing Reserve | -£2.0m | |
| • Reduction in the Performance Reward Grant Reserve | -£1.8m | |
| • Reduction in the Asylum Reserve | -£1.7m | |
| • Reduction in the reserve to support next year's budget | -£1.6m | |
| • Reduction in the reserve for projects previously classified as capital but now considered revenue | -£1.3m | includes Member Highway Fund |
| • Reduction in DSG reserve | -£1.2m | |
| • Reduction in IT Asset Maintenance Reserve | -£0.7m | |
| | <hr/> | |
| | +£1.9m | |

3.7 CAPITAL BUDGET OUTTURN 2010-11

3.7.1 The following changes have been made to the capital programme since the last report to Cabinet:

| | £000s 2010-11 | £000s 2011-12 |
|---|------------------|------------------|
| 1 Cash Limits as reported to Cabinet on 23rd May | 407,872 | 332,648 |
| 2 Re-phasing agreed at Cabinet on 23rd May | | |
| Children, Families & Education | -13,501 | 4,452 |
| Kent Adult Social Services | -1,493 | 1,205 |
| Environment, Highways & Waste | -2,317 | 2,167 |
| Communities | -1,652 | 1,784 |
| Regeneration & Economic Development | -971 | 184 |
| Corporate Support Services & Performance Management | -342 | 342 |
| 3 Schools Devolved Capital – following the consolidation of the schools accounts it is apparent that the capital resources available to schools have decreased: | | |
| - reduction in grant funding from the DFE | -8,146 | |
| - additional external funding contributions | 4,095 | |
| - additional revenue contributions from the schools delegated budgets | 647 | |
| 4 Major Schemes - Preliminary Design Fees - additional grant funding - EHW portfolio | 2 | |
| 5 Highways Major Maintenance - additional external funding - EHW portfolio | 14 | |
| 6 Integrated Transport Schemes - reduction in external funding - EHW portfolio | -134 | |
| 7 Safety Camera Partnership - additional external funding - EHW portfolio | -10 | 40 |
| 8 Victoria Way Phase 1 - additional grant funding - EHW portfolio | | 242 |
| 9 Small Community Grants virement from Localism and Partnership - EHW portfolio | 4 | |
| 10 Virement of Fastrack funding from Regen - EHW portfolio | 78 | |
| 11 Kent Thameside Major Works Delivery Board - reduction in grant funding - Regen portfolio | | -480 |
| 12 Dover Sea Change - reduction in external funding - Regen portfolio | -62 | |
| 13 Virement of Fastrack funding to EHW - Regen portfolio | -78 | |
| 14 Small Community Grants virement to EHW - Localism and Partnership portfolio | -4 | |
| | 384,002 | 342,584 |
| 15 PFI | 27,101 | 22,000 |
| | 411,103 | 364,584 |

3.7.2 The provisional outturn for the capital budget, excluding schools devolved capital and the Property Enterprise Fund is £340.2m, a variance of +£0.107m. This outturn compares with the variance (after re-phasing) of £0.579m last reported to Cabinet at its meeting on 23 May. In addition, the Schools' have underspent their available capital resources by some £7.3m, having previously forecast a balanced position. The provisional outturn by portfolio and the movement since the last report are shown below in table 3.

TABLE 3: PROVISIONAL FINAL CAPITAL OUTTURN BY PORTFOLIO

| Portfolio | Budget | Provisional Outturn | Variance | Variance per last report exc re-phasing | Movement |
|-----------------------------|-----------------|---------------------|---------------|---|---------------|
| | £k | £k | £k | £k | £k |
| CFE | +154,533 | +156,361 | +1,828 | +1,498 | +330 |
| KASS | +4,109 | +3,721 | -388 | -136 | -252 |
| E,H&W | +138,177 | +137,690 | -487 | -638 | +151 |
| Community Services | +25,230 | +24,890 | -340 | +164 | -504 |
| Regen & ED | +5,653 | +5,733 | +80 | -32 | +112 |
| Corporate Support & PM | +11,915 | +11,272 | -643 | -277 | -366 |
| Localism & Partnerships | +499 | +556 | +57 | 0 | +57 |
| TOTAL (excl Schools) | +340,116 | +340,223 | +107 | +579 | -472 |
| Schools | +43,886 | +36,632 | -7,254 | 0 | -7,254 |
| TOTAL | +384,002 | +376,855 | -7,147 | +579 | -7,726 |

| | | | | | |
|----------------------------|-----------------|-----------------|---------------|-------------|---------------|
| Property Enterprise Fund 1 | | +169 | +169 | | +169 |
| Property Enterprise Fund 2 | | +123 | +123 | | +123 |
| TOTAL incl PEF | +384,002 | +377,147 | -6,855 | +579 | -7,434 |

3.7.3 Table 4 shows how the capital spend of £377.147m, including Schools and Property Enterprise Fund has been funded.

TABLE 4: PROVISIONAL FUNDING OF CAPITAL OUTTURN

| Funding Source | Capital Cash Limit | | | Capital Variance | | | |
|--|--------------------|------------------|----------------|------------------|------------------|--------------------------------|---------------|
| | KCC portfolios | Schools Devolved | TOTAL | KCC portfolios | Schools Devolved | Property Enterprise Fund (1&2) | TOTAL |
| | £m | £m | £m | £m | £m | £m | £m |
| Supported Borrowing | 42,120 | | 42,120 | 1,277 | | | 1,277 |
| Prudential | 41,336 | | 41,336 | -5,208 | | | -5,208 |
| Prudential/Revenue (directorate funded) | 12,206 | | 12,206 | 1,150 | | | 1,150 |
| PEF2 | 8,731 | | 8,731 | -8,731 | | | -8,731 |
| Grant | 206,553 | 28,904 | 235,457 | 5,656 | -6,149 | | -493 |
| External Funding - Other | 12,054 | 4,335 | 16,389 | -689 | -1,105 | | -1,794 |
| External Funding - Developer contributions | 2,783 | | 2,783 | -379 | | | -379 |
| Revenue & Renewals | 4,778 | 10,647 | 15,425 | 1,448 | | | 1,448 |
| Capital Receipts | 8,246 | | 8,246 | -4,327 | | | -4,327 |
| General Capital Receipts (generated by Property Enterprise Fund 1) | 1,309 | | 1,309 | -1,155 | | 169 | -986 |
| PEF2 Capital Receipts | 0 | | 0 | 11,065 | | 123 | 11,188 |
| TOTAL | 340,116 | 43,886 | 384,002 | 107 | -7,254 | 292 | -6,855 |

3.7.4 The main reasons for the movement in the forecast since the last monitoring report to Cabinet on 23 May, as shown in table 3, are as follows:

3.7.5 **Children, Families and Education Portfolio:**

The overall capital position for the portfolio (excluding capital devolved to schools) has moved by +£0.330m since the last report. The main movements are:

- Primary Improvement Programme (-£0.089m): the main reason for the movement is an increase of +£0.144m on the project at Park Way Primary School to provide a three classroom extension. The increased costs are met by a revenue contribution from the school.

The remaining movement of -£0.233m is made up of a number projects in the Primary Improvement Programme where the individual movement is below £0.100m.

- BSF Wave 3/Swanscombe/6 Schools lifecycle costs (PFI) (+£0.251m): capitalisation of unitary costs.

Overall this leaves a residual balance of +£0.168m on a number of minor projects.

3.7.6 **Kent Adult Social Services Portfolio:**

The capital outturn for the portfolio has moved by -£0.252m since the previous reported position. This main changes being:-

- Flexible and Mobile Engagement (-£0.268m): two projects have re-phased following advice from ISG not to procure a third party on ground of affordability and new emerging corporate KCC ICT strategy requirements. An affordable alternative FaME solution could not be built in the time available.
- Modernisation of Assets (-£0.173m): -£0.131m relates to the TDM enhancements and client billing projects which have been re-phased as detailed above for the FaME project. The remaining movement of -£0.032m relates to the Coldharbour Gypsy Site project where funding was secured late in the financial year delaying progress on the project until 2011-12.
- Westview/Westbrook/Better Homes (PFI) (+£0.266m): capitalisation of unitary costs.

Overall this leaves a residual balance of -£0.077m on minor projects.

3.7.7 **Environment, Highways and Waste Portfolio:**

The overall capital position for the portfolio has moved by +£0.151m since the last report. This is mainly due to:

- Drivers Roundabout, Junction 9 and Footbridge (+£0.273m): the movement against this scheme relates the contractors claim for delay costs on the footbridge.

Overall this leaves a residual balance of -£0.122m on minor projects.

3.7.8 **Communities Portfolio:**

The overall capital position for the portfolio has moved by -£0.504m since the last report. The main movement is:

- Library Modernisation Programme (-£0.402m): the main reason for the movement is due to re-phasing of the £0.360m Communities contribution towards the Sheerness and Swanley Gateway projects. The re-phasing is due to delays in the build programme at Sheerness and unresolved building ownership issues at Swanley. These reasons were included in the full monitoring report submitted to Cabinet on 4 April.

The remaining movement of -£0.42m is made up of a number projects in the Library Modernisation Programme where the individual movement is below £0.100m.

Overall this leaves a residual balance of -£0.102m on minor projects.

3.7.9 **Corporate Support Services and Performance Management Portfolio:**

The capital outturn for the portfolio has moved by -£0.366m since the previous reported position. This main changes are:-

- Disposal Costs (-£0.195m): the current economic climate has meant that the properties expected to be disposed of in the last two months of 2010-11 were not achieved. This has resulted in lower Property Group charges being made against capital receipts.
- Modernisation of Assets (-£0.137m): planned feasibility studies have been delayed due to the uncertainty of the long term viability of some of the office estate. Viability is pending an investigation by Workplace Transformation and Corporate Landlord.

- Oracle Release 12 (-£0.083m): the purchasing of additional disk storage has meant the contract signing has been re-phased to May 2011,

Overall this leaves a residual balance of +£0.049m on a number of more minor projects

3.7.10 **Regeneration & Economic Development Portfolio:**

The capital outturn for the portfolio has moved by +£0.112m since the previous reported position. All variances are on a number of minor projects.

3.7.11 **Localism & Partnership Portfolio:**

The capital outturn for the portfolio has moved by +£0.057m since the previous reported position. The overspend is met from external contributions.

3.8 **CAPITAL PROJECT ROLL FORWARDS:**

The 2011-12 Capital Programme will now be revised to reflect the re-phasing and other variations of the 2010-11 Capital Programme that resulted in the +£0.107m variance in 2010-11. The re-phasing details are included in appendix 3 and will be adjusted in the first monitoring report of the 2011-12 budget to be reported to Cabinet on 18 July 2011.

3.9 **CAPITAL RECEIPTS:**

Capital Receipts realised in 2010-11 were £3.425m from the sale of property and £0.764m from the repayment of loans. All of these receipts are required to fund existing capital programme commitments. This position excludes the receipts generated through the Property Enterprise Fund which are referred to in section 3.11 below.

3.10 **SCHOOLS DEVOLVED CAPITAL**

- 3.10.1 Capital expenditure incurred directly by schools in 2010-11 was £36.6m. Schools have in hand some £7.3m of capital funding which will be carried forward as part of the overall schools reserves position. This represents a decrease in schools capital reserves of £6.8m.

3.11 **PROPERTY ENTERPRISE FUND (PEF)**

3.11.1 **PEF1**

At the end of 2009-10 the fund was in deficit by £5.948m, and this was covered by temporary borrowing.

In 2010-11, the costs of disposal activity undertaken within PEF1 amounted to £0.169m, as shown in table 3 above. In addition, PEF1 was earmarked to fund £1.368m of capital spend in 2010-11 on Ashford Library and the Gateway programme. Therefore, total costs to be met from PEF1 were £1.537. Due to the slowdown in the property market, capital receipts realised through PEF1 from the sale of non-operational property were £0.323m, leaving a further £1.214m to be funded from the £10m temporary borrowing facility. When taken together with the deficit brought forward from 2009-10, the deficit on PEF1 at the end of 2010-11 was £7.162m.

Further details of the Property Enterprise Fund are provided in section 5.2 of Appendix 4.

3.11.2 **PEF2**

At the end of 2009-10 the fund was in deficit by £31.418m, and this was covered by temporary borrowing.

Costs associated with PEF2 in 2010-11 were £0.123m, as shown in table 3 above, and PEF2 funding support to the capital programme was £0.110m. This was offset by £11.188m of capital receipts realised through the Fund, therefore during 2010-11, there was a surplus of £10.955m on PEF2. When taken together with the surplus brought forward from 2010-11, the deficit on PEF2, against the £85m overdraft limit, at the end of 2010-11 was £20.463m.

Further details of the PEF2 are provided in section 5.3 of Appendix 4.

4. STAFFING LEVELS

4.1 The following table provides a snapshot of the staffing levels by directorate as at 31 March 2011 compared to the numbers as at 31 December, 30 September, 30 June and 31 March 2010, based on active assignments.

| | | Mar-10 | Jun-10 | Sep-10 | Dec-10 | Mar-11 | Movement in year | |
|--------------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|
| | | | | | | | Number | % |
| KCC | Assignment count | 52,131 | 52,036 | 51,640 | 50,968 | 49,960 | -2,171 | -4.16% |
| | Headcount (inc. CRSS) | 44,583 | 44,557 | 44,281 | 43,495 | 42,432 | -2,151 | -4.82% |
| | Headcount (exc. CRSS) | 39,402 | 39,435 | 39,232 | 38,571 | 37,644 | -1,758 | -4.46% |
| | FTE | 29,162.50 | 29,218.70 | 29,125.23 | 28,567.50 | 27,845.19 | -1,317.31 | -4.52% |
| KCC - Non Schools | Assignment count | 16,252 | 16,082 | 15,705 | 15,469 | 15,330 | -922 | -5.67% |
| | Headcount (inc. CRSS) | 14,719 | 14,570 | 14,221 | 13,979 | 13,850 | -869 | -5.90% |
| | Headcount (exc. CRSS) | 12,549 | 12,475 | 12,219 | 12,011 | 11,944 | -605 | -4.82% |
| | FTE | 10,530.87 | 10,477.39 | 10,259.14 | 10,094.08 | 10,060.87 | -436.79 | -4.15% |
| CED | Assignment count | 2,169 | 2,155 | 2,120 | 2,103 | 2,101 | -68 | -3.14% |
| | Headcount (inc. CRSS) | 2,160 | 2,148 | 2,109 | 2,083 | 2,080 | -80 | -3.70% |
| | Headcount (exc. CRSS) | 2,121 | 2,110 | 2,070 | 2,045 | 2,041 | -80 | -3.77% |
| | FTE | 2,003.23 | 1,993.37 | 1,954.71 | 1,925.93 | 1,921.50 | -77.30 | -3.86% |
| CFE | Assignment count | 4,617 | 4,573 | 4,342 | 4,298 | 4,339 | 33,027 | 715.33% |
| | Headcount (inc. CRSS) | 4,450 | 4,420 | 4,208 | 4,158 | 4,200 | -250 | -5.62% |
| | Headcount (exc. CRSS) | 3,956 | 3,938 | 3,838 | 3,780 | 3,808 | -148 | -3.74% |
| | FTE | 3,345.26 | 3,331.53 | 3,251.09 | 3,204.53 | 3,238.71 | -106.55 | -3.19% |
| CMY | Assignment count | 4,345 | 4,207 | 4,131 | 4,060 | 3,939 | -406 | -9.34% |
| | Headcount (inc. CRSS) | 3,713 | 3,578 | 3,506 | 3,437 | 3,338 | -375 | -10.10% |
| | Headcount (exc. CRSS) | 2,392 | 2,330 | 2,235 | 2,205 | 2,168 | -224 | -9.36% |
| | FTE | 1,758.52 | 1,709.86 | 1,629.94 | 1,615.82 | 1,590.18 | -168.34 | -9.57% |
| EHW | Assignment count | 799 | 823 | 836 | 820 | 810 | 11 | 1.38% |
| | Headcount (inc. CRSS) | 782 | 803 | 808 | 793 | 783 | 1 | 0.13% |
| | Headcount (exc. CRSS) | 659 | 673 | 683 | 671 | 662 | 3 | 0.46% |
| | FTE | 606.19 | 616.48 | 617.05 | 605.93 | 599.92 | -6.27 | -1.03% |
| KASS | Assignment count | 4,322 | 4,324 | 4,276 | 4,188 | 4,141 | -181 | -4.19% |
| | Headcount (inc. CRSS) | 3,722 | 3,731 | 3,690 | 3,611 | 3,562 | -160 | -4.30% |
| | Headcount (exc. CRSS) | 3,456 | 3,464 | 3,434 | 3,353 | 3,311 | -145 | -4.20% |
| | FTE | 2,817.67 | 2,826.15 | 2,806.35 | 2,741.87 | 2,710.56 | -107.11 | -3.80% |
| Schools | Assignment count | 35,879 | 35,954 | 35,935 | 35,499 | 34,630 | -1,249 | -3.48% |
| | Headcount (inc. CRSS) | 30,180 | 30,288 | 30,312 | 29,765 | 28,816 | -1,364 | -4.52% |
| | Headcount (exc. CRSS) | 26,954 | 27,060 | 27,107 | 26,657 | 25,799 | -1,155 | -4.29% |
| | FTE | 18,631.63 | 18,741.31 | 18,866.09 | 18,473.42 | 17,784.32 | -847.31 | -4.55% |

CRSS = Staff on Casual Relief, Sessional or Supply contracts

Notes:

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

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

5. 2010-11 FINAL MONITORING OF KEY ACTIVITY INDICATORS

5.1 Details of the final monitoring of key activity indicators for 2010-11 are detailed in Appendix 4.

6. FINANCIAL HEALTH INDICATORS

6.1 The final financial health indicators for 2010-11 are detailed in Appendix 5.

7. PRUDENTIAL INDICATORS

7.1 The final monitoring of the 2010-11 prudential indicators is detailed in Appendix 6.

Reconciliation of Gross and Income Cash Limits to the 4 April 2011 Cabinet Report

| Portfolio | CASH LIMIT | | | VARIANCE | | |
|--------------------------------------|-------------------|-------------------|-----------------|---|---------------|----------------|
| | Gross | Income | Net | Gross | Income | Net |
| | £k | £k | £k | £k | £k | £k |
| Children, Families & Educ | +402,087 | -1,162,957 | -760,870 | +3,201 | -3,466 | -265 |
| Kent Adult Social Services | +476,389 | -138,752 | +337,637 | -3,513 | +3,030 | -483 |
| Environ, Highways & Waste | +175,194 | -23,471 | +151,723 | +518 | -1,120 | -602 |
| Communities | +147,647 | -57,162 | +90,485 | -2,414 | +963 | -1,451 |
| Localism & Partnerships | +7,143 | -86 | +7,057 | -323 | -36 | -359 |
| Corporate Support & Performance Mgmt | +55,427 | -45,708 | +9,719 | +4,509 | -6,178 | -1,669 |
| Finance | +160,031 | -14,089 | +145,942 | -5,080 | -1,337 | -6,417 |
| Public Health & Innovation | +794 | -227 | +567 | -23 | +23 | 0 |
| Regen & Economic Dev | +9,541 | -2,305 | +7,236 | +639 | -742 | -103 |
| SUB TOTAL (excl Schools) | +1,434,253 | -1,444,757 | -10,504 | -2,486 | -8,863 | -11,349 |
| Schools | +1,035,441 | -80,967 | +954,474 | -8,005 | +4,568 | -3,437 |
| TOTAL | +2,469,694 | -1,525,724 | +943,970 | -10,491 | -4,295 | -14,786 |
| | Gross | Income | Net | | | |
| | £k | £k | £k | | | |
| Reconciliation | | | | | | |
| Cash Limits per April report | +2,481,821 | -1,537,851 | +943,970 | | | |
| Subsequent changes: | | | | | | |
| | | | | Changes to grant/income allocations: | | |
| CFE | -955 | 955 | 0 | Kent Youth Community Action Pilot: DFE grant ceased | | |
| CFE | -6,236 | 6,236 | 0 | DSG Final Adjustments | | |
| CFE | 28 | -28 | 0 | Life Education Grant from Life Education Centres | | |
| CFE | -6,332 | 6,332 | 0 | YPLA : Academies adjustment | | |
| CFE | -1,522 | 1,522 | 0 | Diploma Grant Final adjustment | | |
| CFE | -119 | 119 | 0 | Standards Fund: Bid 1.7 Primary Targeted final adjustment | | |
| CFE | -27 | 27 | 0 | Schools Standards Grant final adjustment | | |
| CFE | -8,080 | 8,080 | 0 | Standards Fund final adjustment | | |
| CFE | -106 | 106 | 0 | Sure Start grant final adjustment | | |
| CFE | 206 | -206 | 0 | YPLA Kent Transport Partnership | | |
| CFE | -33 | 33 | 0 | YPLA Post 16 Access Fund | | |
| CFE | 9,475 | -9,475 | 0 | higher than budgeted PFI grant | | |
| KASS | 1,921 | -1,921 | 0 | OP Residential - additional health funding for Integrated Care Centres | | |
| KASS | 100 | -100 | 0 | OP Nursing - Increased RNCC contributions | | |
| KASS | -165 | 165 | 0 | OP Domiciliary - health funding in respect of Active Careforce | | |
| KASS | 113 | -113 | 0 | All Adults Assess & Related - additional S256 income | | |
| KASS | 105 | -105 | 0 | All Adults Assess & Related - additional CFE contributions to Kent Contact Assessment Service | | |
| KASS | -1,193 | 1,193 | 0 | Correction to Health Reablement funding | | |
| EHW | 409 | -409 | 0 | DfT Supporting Community Transport | | |
| EHW | -409 | 409 | 0 | DfT Supporting Community Transport receipt in advance | | |
| EHW | 6,545 | -6,545 | 0 | DfT Severe weather damage | | |
| EHW | -6,545 | 6,545 | 0 | DfT Severe weather damage receipt in advance | | |

| | Gross | Income | Net | |
|-----------------------|------------------|-------------------|----------------|---|
| | £k | £k | £k | |
| EHW | 300 | -300 | 0 | Funding for transport surveys from Ashford Futures & developer contributions |
| EHW | 100 | -100 | 0 | recharge of speed awareness training fees to course participants |
| EHW | 180 | -180 | 0 | Contributions from Kent District Councils for street light maintenance |
| EHW | 19 | -19 | 0 | DfT grant for London to Kent port study |
| EHW | 17 | -17 | 0 | DCLG Habitat grant |
| | | | | |
| | | | | Technical Adjustments: |
| CFE | 25 | -25 | 0 | Correction to expected income for Speakeasy project (internal income) |
| CFE | -11 | 11 | 0 | Correction to expected income for 14-19 unit:- ceased LSC grant not removed from budget |
| CFE | -112 | 112 | 0 | Correction of double counting in restructure budget of income for Commissioning Unit |
| CSPM | 175 | -175 | 0 | In year management action incorrectly budgeted as reduction in spend but is over recovery of income |
| | | | | |
| Revised Budget | 2,469,694 | -1,525,724 | 943,970 | |

2010-11 REVENUE BUDGET ROLL FORWARD PROPOSALS

| | | £000s | £000s |
|----------|---|-------|----------------|
| 1 | 2010-11 provisional underspend | | -11,349 |
| 2 | Roll forward underspending assumed in the 2011-12 approved budget: | | |
| a | underspending as reported to Cabinet in November | 4,500 | |
| b | savings from moratorium on discretionary spend | 1,000 | |
| c | underspending within Communities for the Youth Service | 387 | |
| d | amendment to the 2011-12 budget approved at County Council on 17 February to change the savings proposals for subsidised bus routes | 211 | |
| | | | 6,098 |
| 3 | Subsequent Cabinet/County Council decisions: | | |
| a | funding for the 5p increase in the casual user mileage rate, in line with the HMRC increase in the tax exempt rate, as approved at County Council on 12 May | 551 | |
| b | funding for "Becoming the Employer of Choice – KCC's Workforce Strategy for Children's Social Services" as agreed by Cabinet on 23 May | 1,190 | |
| | | | 1,741 |
| 4 | Rescheduled/committed projects: | | |
| a | KASS portfolio – Integrated Community Equipment Store This represents KCC's share of the underspend of the ICES Board. Under the terms of the S75 agreement, KCC has an obligation to provide this funding to the pooled budget. The underspending relating to partners contributions has been rolled forward as a receipt in advance. | 128 | |
| b | KASS portfolio – Domiciliary Procurement The Medium Term Plan has £3m savings in relation to the procurement of domiciliary care over 2011-12 & 2012-13. In order to achieve this saving it is necessary to re-let the domiciliary contract. Currently KASS contract with some 80+ providers. This funding is required to fund a project manager to draw up the new specification and lead on the tender process and subsequent negotiation with providers. The recruitment process is currently underway. | 80 | |
| c | EHW portfolio – MIDAS financial system replacement The replacement of the MIDAS financial system was only partially completed in 2010-11, with the Highways service yet to transfer (Waste and PROW are now on Oracle). This project will become part of the wider Oracle development that the County is about to undertake but these funds will be still needed to complete the highways transfer to Oracle. <i>(This funding will roll forward to F&BS portfolio as a result of the centralisation of support services).</i> | 364 | |
| d | Community Safety – Independent Domestic Violence Advocates (IDVAs) During 2010-11 there were discussions with partner agencies aimed at establishing county-wide support mechanisms for the high priority area of domestic abuse, based upon proven services delivered by IDVAs. It was envisaged that partnership support for commissioning this service would be achieved during 2010-11. Unfortunately the implementation of the service has been delayed. The majority of crucial IDVA services across the county are currently under serious threat and there is a clear commitment to partners in meeting our match funding obligations. | 95 | |

| | | £000s | £000s | | |
|----------|--|---------|---------------|---------|--------------|
| e | CSS&PM portfolio – Personnel & Development Kent Leadership & Coaching Programme This programme runs from March 2011 to November 2011. Due to the late start of the programme, the bulk of the costs will fall in 2011-12. Delegates had to commit to the full cost of the course in 2010-11 but Learning and Development have to wait until they have sufficient people to run the course before booking the sessions. | 56 | | | |
| f | CSS&PM portfolio – Personnel & Development TCP Schools One-off money provided for changes to TCP in 2010-11. The scope was extended to include Kent Scheme staff in Schools which has pushed delivery of some modules in to 2011-12. | 87 | | | |
| g | CSS&PM portfolio – Kent Connect Project Remaining 8 months of a fixed term contract for temporary staff member working on a Kent Connects Project. There was a delay in appointing to this role and there is no base budget for this in 2011-12. | 24 | | | |
| h | Localism & Partnerships portfolio - Member Community Grants Grants which have been committed in 2010-11 for projects internal to KCC, but the work was not completed by 31 March. | 6 | | | |
| i | Localism & Partnerships portfolio – Local Scheme Grants Grants which have been committed in 2010-11 for projects internal to KCC, but the work was not completed by 31 March. | 42 | | | |
| | | | 882 | | |
| 5 | Uncommitted balance of underspending | | -2,628 | | |
| 6 | Initiatives Cabinet is asked to consider: | | | | |
| a | Contribution towards the Bold Steps for Health Agenda To work with GP's and the new Commissioning Consortia to address local health inequalities. This will use the local knowledge of GP's and colleagues at a district level to identify their priorities for reducing health inequalities in their areas and provide funding to deliver the interventions that will make the most difference. | 250 | | | |
| b | Contribution to the Elections Reserve In recent times the County Council election and the General Election have been held on the same day, which has considerably reduced the cost to KCC as we share the cost 50:50. However this will not be the case for the next County Council election and therefore we need to provide for this additional cost. £250k is suggested as our initial contribution to these additional costs with a review of the position as part of the next budget process, but currently there is an assumption that the annual contribution will increase to £570k in 2012-13 and 2013-14 and thereafter. On current forecasts this would just fund the expected costs as shown below in the projected profile of the elections reserve from 2010-11 to 2013-14, (this assumes one by-election per year prior to election year). | 250 | | | |
| | | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| | | £k | £k | £k | £k |
| | Balance brought forward | 209 | 422 | 894 | 1,431 |
| | Budgeted contributions | 255 | 255 | 255 | 255 |
| | Proposed contributions | | 250 | 315 | 315 |
| | Drawdowns | -42 | -33 | -33 | -2,000 |
| | Balance carried forward | 422 | 894 | 1,431 | 1 |
| | | | | | |
| | | | | | 500 |
| 7 | Uncommitted balance of underspending if items 6 a & b are approved | | | | 2,128 |

CAPITAL RE-PHASING

The 2011-12 Capital Programme will be adjusted to reflect the total re-phasing of -£3.346m as follows:-

| CFE | 2010-11 | 2011-12 | 2012-13 | Future Years | Total |
|---|----------------|----------------|----------------|---------------------|---------------|
| | £k | £k | £k | £k | |
| Vocational Programme - Swan Valley | | | | | |
| Amended total cash limits | +134 | 0 | 0 | 0 | +134 |
| re-phasing | -133 | +133 | 0 | 0 | 0 |
| Revised project phasing | +1 | +133 | 0 | 0 | +134 |
| Total re-phasing >£100k | -133 | +133 | 0 | 0 | 0 |
| Other re-phased Projects below £100k | | | | | |
| | -1,079 | +1,124 | -45 | | 0 |
| TOTAL RE-PHASING | -1,212 | +1,257 | -45 | 0 | 0 |
| KASS | | | | | |
| | £k | £k | £k | £k | Total |
| Modernisation of Assets | | | | | |
| Amended total cash limits | +310 | +474 | +100 | +200 | +1,084 |
| re-phasing | -174 | +174 | | | 0 |
| Revised project phasing | +136 | +648 | +100 | +200 | +1,084 |
| Flexible and Mobile Engagement | | | | | |
| Amended total cash limits | +312 | +220 | | | +532 |
| re-phasing | -268 | +268 | | | 0 |
| Revised project phasing | +44 | +488 | 0 | 0 | +532 |
| Broadmeadow Extension | | | | | |
| Amended total cash limits | +1,410 | +58 | +288 | | +1,756 |
| re-phasing | +11 | +277 | -288 | | 0 |
| Revised project phasing | +1,421 | +335 | 0 | 0 | +1,756 |
| Total re-phasing >£100k | -431 | +719 | -288 | 0 | 0 |
| Other re-phased Projects below £100k | | | | | |
| | -223 | +223 | | | 0 |
| TOTAL RE-PHASING | -654 | +942 | -288 | 0 | 0 |

| EHW | 2010-11 | 2011-12 | 2012-13 | Future Years | Total |
|---|----------------|----------------|----------------|---------------------|---------------|
| | £k | £k | £k | £k | £k |
| Total re-phasing >£100k | 0 | 0 | 0 | 0 | 0 |
| Other re-phased Projects below £100k | -448 | +449 | -1 | | 0 |
| TOTAL RE-PHASING | -448 | +449 | -1 | 0 | 0 |
| CMY | 2010-11 | 2011-12 | 2012-13 | Future Years | Total |
| | £k | £k | £k | £k | |
| Library Modernisation | | | | | |
| Amended total cash limits | +1,051 | +657 | +460 | +920 | +3,088 |
| re-phasing | -525 | +525 | | | 0 |
| Revised project phasing | +526 | +1,182 | +460 | +920 | +3,088 |
| Total re-phasing >£100k | -525 | +525 | 0 | 0 | 0 |
| Other re-phased Projects below £100k | -187 | +187 | | | 0 |
| TOTAL RE-PHASING | -712 | +712 | 0 | 0 | 0 |
| CED | 2010-11 | 2011-12 | 2012-13 | Future Years | Total |
| | £k | £k | £k | £k | |
| Modernisation of Assets - (CSS&PM) | | | | | |
| Amended total cash limits | +622 | +1,550 | +1,250 | +3,000 | +6,422 |
| re-phasing | -139 | +139 | 0 | | 0 |
| Revised project phasing | +483 | +1,689 | +1,250 | +3,000 | +6,422 |
| Total re-phasing >£100k | -139 | +139 | 0 | 0 | 0 |
| Other re-phased Projects below £100k | -181 | +181 | | | 0 |
| TOTAL RE-PHASING | -320 | +320 | 0 | 0 | 0 |

Total re-phasing by portfolio:

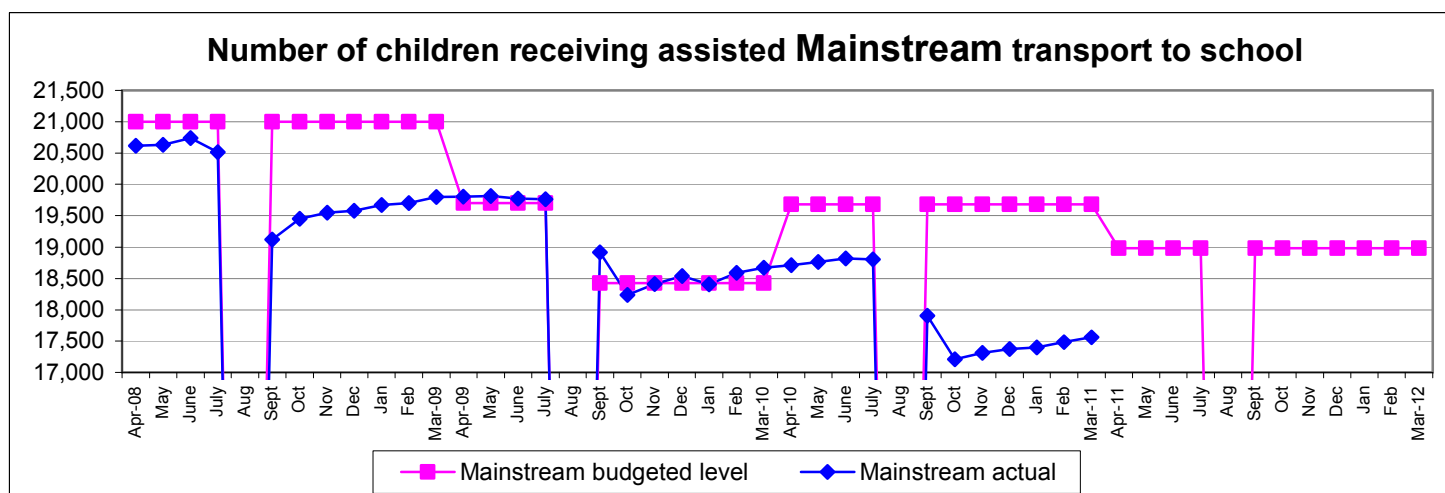
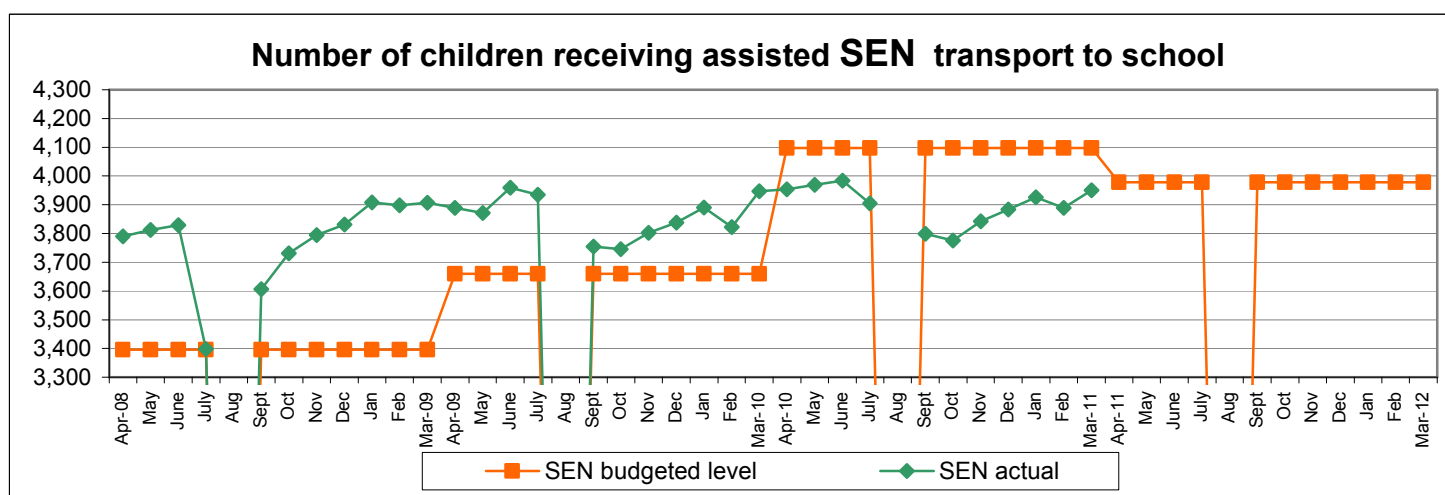
| Portfolio | 2010-11 | 2011-12 | 2012-13 | Future Years | Total |
|---|----------------|----------------|----------------|----------------|----------------|
| | £k | £k | £k | £k | £k |
| CFE | | | | | |
| Amended total cash limits | 154,533 | 171,925 | 147,602 | 166,238 | 640,298 |
| Re-phasing | -133 | 133 | 0 | 0 | 0 |
| Revised cash limits | 154,400 | 172,058 | 147,602 | 166,238 | 640,298 |
| KASS | | | | | |
| Amended total cash limits | 4,109 | 15,404 | 6,156 | 6,045 | 31,714 |
| Re-phasing | -431 | 719 | -288 | 0 | 0 |
| Revised cash limits | 3,678 | 16,123 | 5,868 | 6,045 | 31,714 |
| E,H&W | | | | | |
| Amended total cash limits | 138,177 | 96,387 | 77,211 | 314,331 | 626,106 |
| Re-phasing | 0 | 0 | 0 | 0 | 0 |
| Revised cash limits | 138,177 | 96,387 | 77,211 | 314,331 | 626,106 |
| Communities | | | | | |
| Amended total cash limits | 25,230 | 15,428 | 3,260 | 6,038 | 49,956 |
| Re-phasing | -525 | 525 | 0 | 0 | 0 |
| Revised cash limits | 24,705 | 15,953 | 3,260 | 6,038 | 49,956 |
| Regen & ED | | | | | |
| Amended total cash limits | 5,653 | 14,179 | 8,549 | 5,000 | 33,381 |
| Re-phasing | 0 | 0 | 0 | 0 | 0 |
| Revised cash limits | 5,653 | 14,179 | 8,549 | 5,000 | 33,381 |
| Corporate Support & PM | | | | | |
| Amended total cash limits | 11,915 | 14,850 | 7,253 | 5,613 | 39,631 |
| Re-phasing | -139 | 139 | 0 | 0 | 0 |
| Revised cash limits | 11,776 | 14,989 | 7,253 | 5,613 | 39,631 |
| Localism & Partnerships | | | | | |
| Amended total cash limits | 499 | 500 | 500 | 1,500 | 2,999 |
| Re-phasing | 0 | 0 | 0 | 0 | 0 |
| Revised cash limits | 499 | 500 | 500 | 1,500 | 2,999 |
| TOTAL RE-PHASING >£100k | -1,228 | 1,516 | -288 | 0 | 0 |
| Other re-phased Projects below £100k | -2,118 | +2,164 | -46 | 0 | 0 |
| TOTAL RE-PHASING | -3,346 | +3,680 | -334 | 0 | 0 |

2010-11 FINAL MONITORING OF KEY ACTIVITY INDICATORS

1. CHILDREN, FAMILIES & EDUCATION DIRECTORATE

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

| | 2008-09 | | | | 2009-10 | | | | 2010-11 | | | | 2011-12 | |
|-------|--------------|--------|--------------|--------|--------------|--------|--------------|--------|--------------|--------|--------------|--------|--------------|--------------|
| | SEN | | Mainstream | | SEN | | Mainstream | | SEN | | Mainstream | | SEN | Mainstream |
| | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget Level | Budget Level |
| April | 3,396 | 3,790 | 21,000 | 20,618 | 3,660 | 3,889 | 19,700 | 19,805 | 4,098 | 3,953 | 19,679 | 18,711 | 3,978 | 18,982 |
| May | 3,396 | 3,812 | 21,000 | 20,635 | 3,660 | 3,871 | 19,700 | 19,813 | 4,098 | 3,969 | 19,679 | 18,763 | 3,978 | 18,982 |
| June | 3,396 | 3,829 | 21,000 | 20,741 | 3,660 | 3,959 | 19,700 | 19,773 | 4,098 | 3,983 | 19,679 | 18,821 | 3,978 | 18,982 |
| July | 3,396 | 3,398 | 21,000 | 20,516 | 3,660 | 3,935 | 19,700 | 19,761 | 4,098 | 3,904 | 19,679 | 18,804 | 3,978 | 18,982 |
| Aug | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sept | 3,396 | 3,607 | 21,000 | 19,118 | 3,660 | 3,755 | 18,425 | 18,914 | 4,098 | 3,799 | 19,679 | 17,906 | 3,978 | 18,982 |
| Oct | 3,396 | 3,731 | 21,000 | 19,450 | 3,660 | 3,746 | 18,425 | 18,239 | 4,098 | 3,776 | 19,679 | 17,211 | 3,978 | 18,982 |
| Nov | 3,396 | 3,795 | 21,000 | 19,548 | 3,660 | 3,802 | 18,425 | 18,410 | 4,098 | 3,842 | 19,679 | 17,309 | 3,978 | 18,982 |
| Dec | 3,396 | 3,831 | 21,000 | 19,579 | 3,660 | 3,838 | 18,425 | 18,540 | 4,098 | 3,883 | 19,679 | 17,373 | 3,978 | 18,982 |
| Jan | 3,396 | 3,908 | 21,000 | 19,670 | 3,660 | 3,890 | 18,425 | 18,407 | 4,098 | 3,926 | 19,679 | 17,396 | 3,978 | 18,982 |
| Feb | 3,396 | 3,898 | 21,000 | 19,701 | 3,660 | 3,822 | 18,425 | 18,591 | 4,098 | 3,889 | 19,679 | 17,485 | 3,978 | 18,982 |
| Mar | 3,396 | 3,907 | 21,000 | 19,797 | 3,660 | 3,947 | 18,425 | 18,674 | 4,098 | 3,950 | 19,679 | 17,559 | 3,978 | 18,982 |

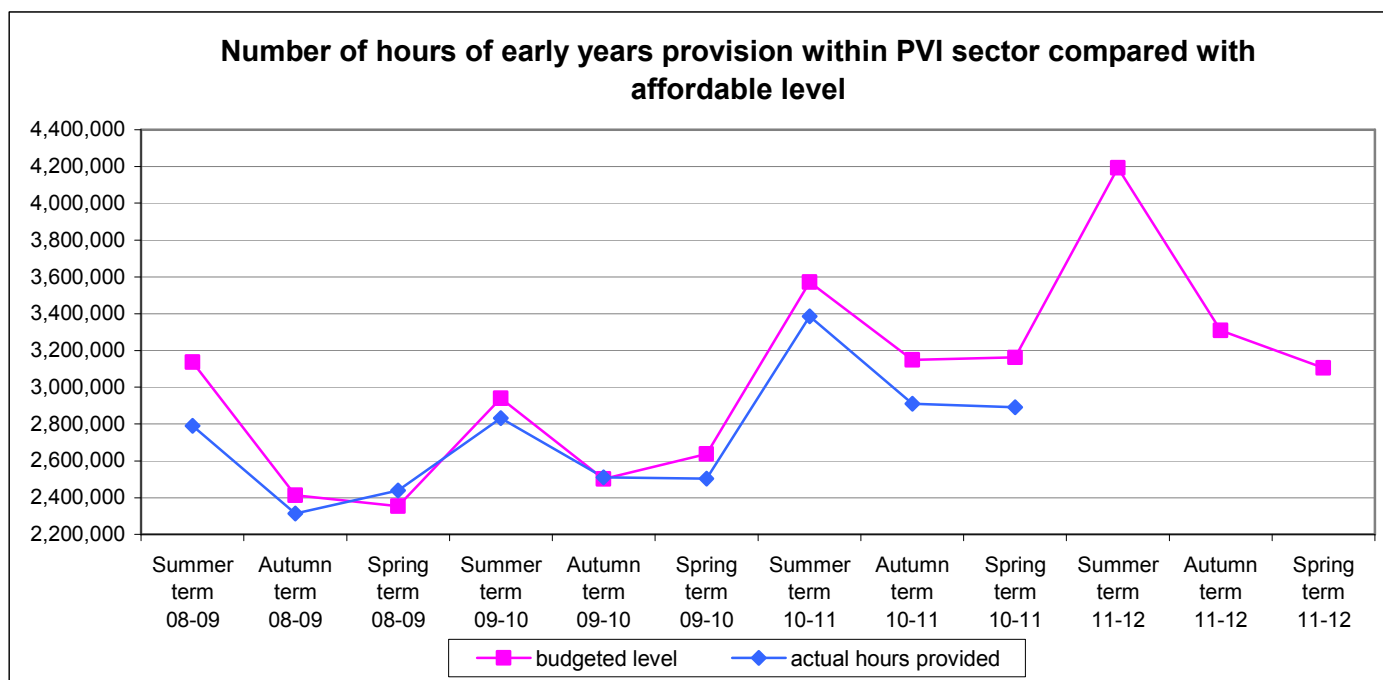


Comments:

- **SEN HTST** – The number of children travelling is lower than the budgeted level contributing to an underspend of -£2,686k.
- **Mainstream HTST** – The number of children travelling is lower than the budgeted level resulting in a corresponding underspend of -£2,545k.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|--------|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|
| Term | Budgeted number of hours | Actual hours provided | Budgeted number of hours | Actual hours provided | Budgeted number of hours | Actual hours provided | Budgeted number of hours |
| Summer | 3,136,344 | 2,790,446 | 2,939,695 | 2,832,550 | 3,572,444 | 3,385,199 | 4,193,230 |
| Autumn | 2,413,489 | 2,313,819 | 2,502,314 | 2,510,826 | 3,147,387 | 2,910,935 | 3,309,733 |
| Spring | 2,354,750 | 2,438,957 | 2,637,646 | 2,504,512 | 3,161,965 | 2,890,423 | 3,103,947 |
| | 7,904,583 | 7,543,222 | 8,079,655 | 7,847,888 | 9,881,796 | 9,186,557 | 10,606,910 |



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 phased roll-out of the increase in the number of free entitlement hours from 12.5hrs to 15 hrs per week began from September 2009 and was rolled out across the County in September 2010. The increase in the number of hours has been factored into the budgeted number of hours for 2009-10 and 2010-11. For 2011-12 the increase in hours is funded by Dedicated Schools Grant in the same way as the 12.5 hours per week. In 2010-11 and previous years the increase in hours has been funded by a specific DFE Standards Fund grant.
- The 2010-11 activity has resulted in an underspend of £1,137m on this budget. As this budget is funded entirely from DSG/standards fund, any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere in the directorate budget. As this underspend relates entirely to standards funding, it has been rolled forward as a receipt in advance.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.
- The actual number of hours for the 2011-12 Autumn term has increased by 1,622 since the previous report to Cabinet in April due to late return of information from PVI providers.

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

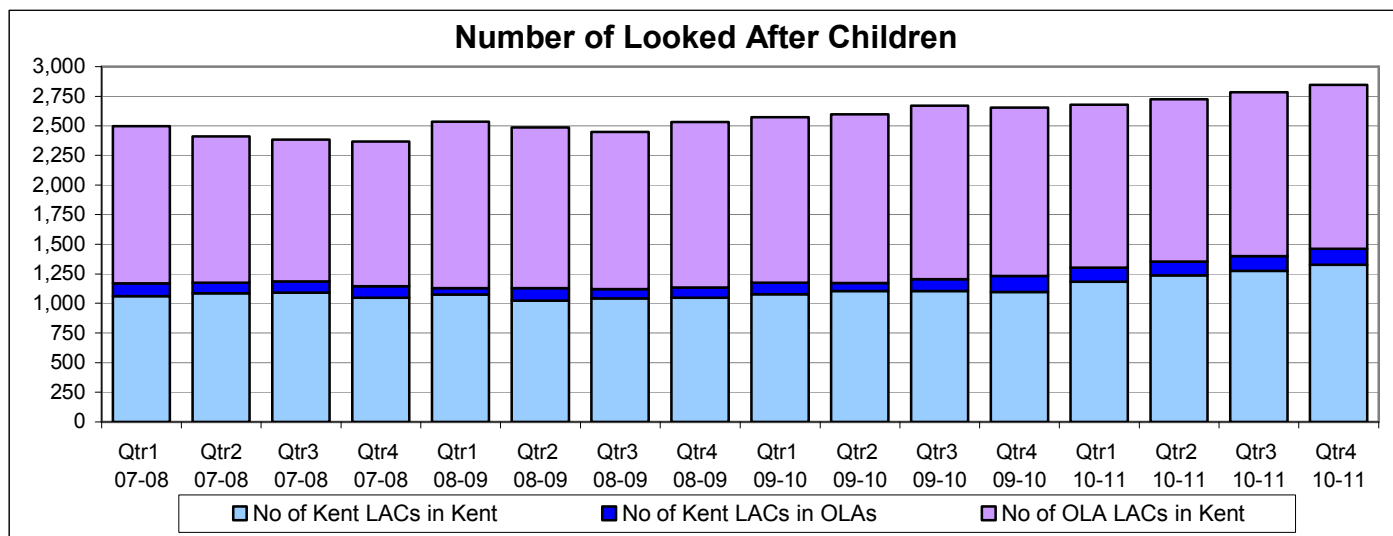
| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------|
| | as at 31-3-06 | as at 31-3-07 | as at 31-3-08 | as at 31-3-09 | as at 31-3-10 | as at 31-3-11 | projection |
| Total number of schools | 600 | 596 | 575 | 570 | 564 | 538 | 500 |
| Total value of school reserves | £70,657k | £74,376k | £79,360k | £63,184k | £51,753k | £55,190k | £51,123k |
| Number of deficit schools | 9 | 15 | 15 | 13 | 23 | 17 | 15 |
| Total value of deficits | £947k | £1,426k | £1,068k | £1,775k | £2,409k | £2,002k | £1,500k |

Comments:

- The CFE Statutory team are working with all schools currently reporting a deficit with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.
- KCC now has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority.
- The overall movement on school reserves is an increase of £3,437k. This is made up of a drawdown from schools reserves of £2,765k offset by an increase in the schools unallocated reserve of £6,202k. The £2,765k drawdown from schools reserves in 2010-11 reflects -£4,448k as a result of 21 schools converting to new style academy status during the year and taking their reserves with them. The balance of +£1,683k relates to other Kent schools increasing their reserves. (There were also five schools which converted to old style academies during 2010-11 but they do not get to take their reserves with them. As a result there has been a transfer of £112k from the delegated schools uncommitted reserves to the schools unallocated reserve).
- Of the 17 schools which ended the 2010-11 financial year in deficit, two of these transferred to academy status on 1 April 2011 and their deficit balances transferred with them.
- There are a number of schools in the process of converting to academy status during 2011-12 and others that have expressed an interest to convert with target dates prior to the end of March 2012. This suggests that the number of schools will reduce to 500 by the end of 2011-12 and the total value of school reserves will also reduce to reflect those schools transferring to new style academy status and taking their reserves with them.

1.4 Numbers of Looked After Children (LAC):

| | No of Kent LAC placed in Kent | No of Kent LAC placed in OLAs | TOTAL NO OF KENT LAC | No of OLA LAC placed in Kent | TOTAL No of LAC in Kent |
|----------------|-------------------------------|-------------------------------|----------------------|------------------------------|-------------------------|
| 2007-08 | | | | | |
| Apr – Jun | 1,060 | 112 | 1,172 | 1,325 | 2,497 |
| Jul – Sep | 1,084 | 91 | 1,175 | 1,236 | 2,411 |
| Oct – Dec | 1,090 | 97 | 1,187 | 1,197 | 2,384 |
| Jan – Mar | 1,047 | 97 | 1,144 | 1,226 | 2,370 |
| 2008-09 | | | | | |
| Apr – Jun | 1,075 | 52 | 1,127 | 1,408 | 2,535 |
| Jul – Sep | 1,022 | 105 | 1,127 | 1,360 | 2,487 |
| Oct – Dec | 1,042 | 77 | 1,119 | 1,331 | 2,450 |
| Jan – Mar | 1,048 | 84 | 1,132 | 1,402 | 2,534 |
| 2009-10 | | | | | |
| Apr – Jun | 1,076 | 100 | 1,176 | 1,399 | 2,575 |
| Jul – Sep | 1,104 | 70 | 1,174 | 1,423 | 2,597 |
| Oct – Dec | 1,104 | 102 | 1,206 | 1,465 | 2,671 |
| Jan – Mar | 1,094 | 139 | 1,233 | 1,421 | 2,654 |
| 2010-11 | | | | | |
| Apr – Jun | 1,184 | 119 | 1,303 | 1,377 | 2,680 |
| Jul – Sep | 1,237 | 116 | 1,353 | 1,372 | 2,725 |
| Oct – Dec | 1,277 | 123 | 1,400 | 1,383 | 2,783 |
| Jan – Mar | 1,326 | 135 | 1,461 | 1,385 | 2,846 |

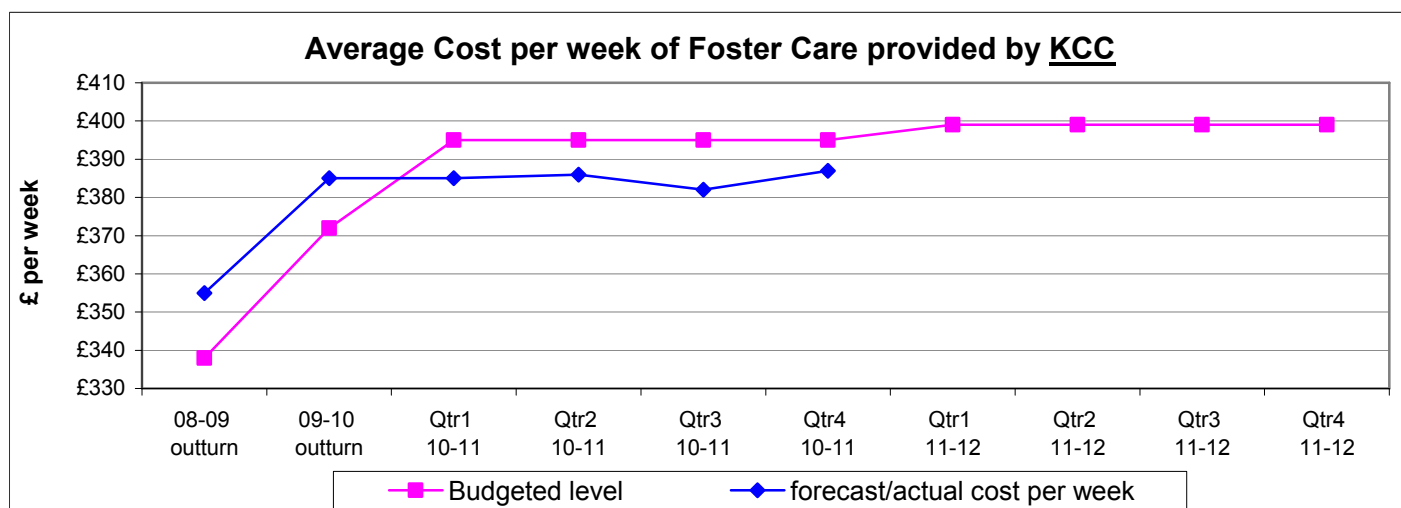
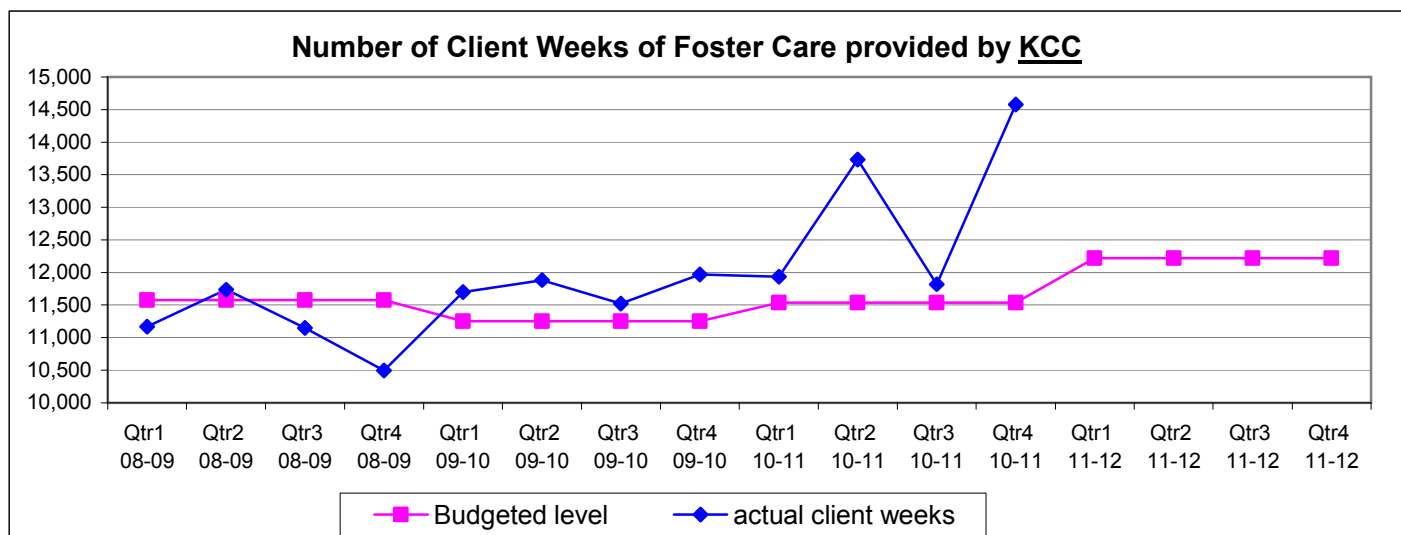


Comments:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken. The majority (over 99%) of Looked After Children placed out of the Authority are either in adoptive placements, placed with a relative, specialist residential provision not available in Kent or living with KCC foster carers based in Medway.
- Please note, the number of looked after children for each quarter represents a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore although the number of Kent looked after children has increased by 47 this quarter, there could have been more during the period.
- The increase in the number of looked after children has placed additional pressure on the fostering service and 16+ services budgets with overspends of £3,569k and £1,037k respectively on these budgets in 2010-11.

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

| | 2008-09 | | | | 2009-10 | | | | 2010-11 | | | | 2011-12 | |
|----------|---------------|---------------|------------------------------|-------------|---------------|---------------|------------------------------|-------------|---------------|---------------|------------------------------|-------------|---------------|------------------------------|
| | No of weeks | | Average cost per client week | | No of weeks | | Average cost per client week | | No of weeks | | Average cost per client week | | No of weeks | Average cost per client week |
| | Budget Level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | Budget level |
| Apr-June | 11,576 | 11,166 | | | 11,249 | 11,695 | | | 11,532 | 11,937 | £395 | £386 | 12,219 | £399 |
| July-Sep | 11,576 | 11,735 | | | 11,249 | 11,880 | | | 11,532 | 13,732 | £395 | £386 | 12,219 | £399 |
| Oct-Dec | 11,576 | 11,147 | | | 11,249 | 11,518 | | | 11,532 | 11,818 | £395 | £382 | 12,219 | £399 |
| Jan-Mar | 11,576 | 10,493 | | | 11,249 | 11,969 | | | 11,532 | 14,580 | £395 | £387 | 12,219 | £399 |
| | 46,303 | 44,451 | £338 | £355 | 44,997 | 47,062 | £372 | £385 | 46,128 | 52,067 | £395 | £387 | 48,876 | £399 |



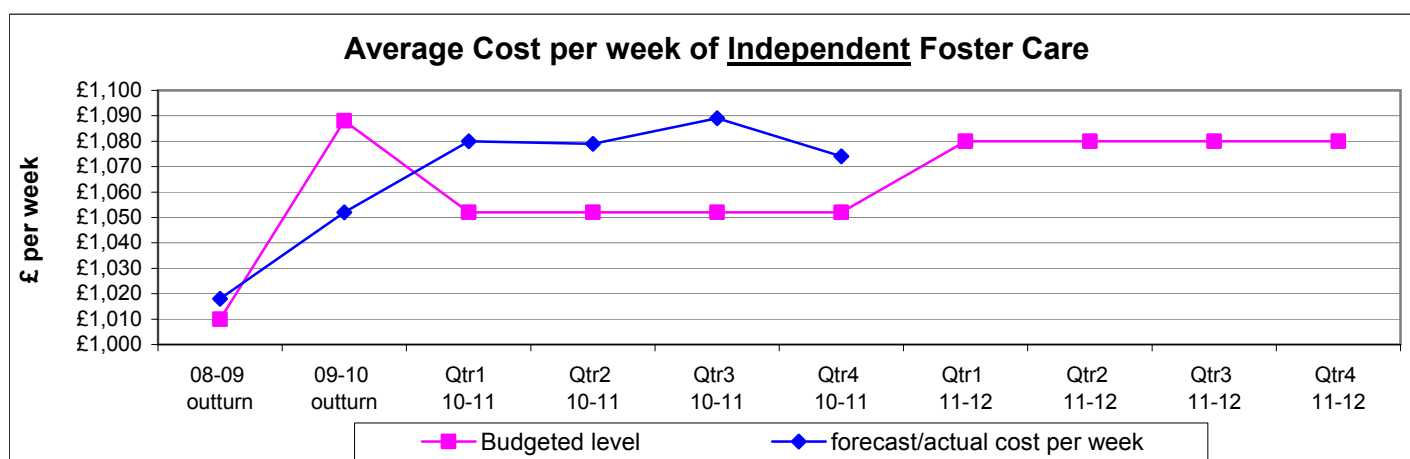
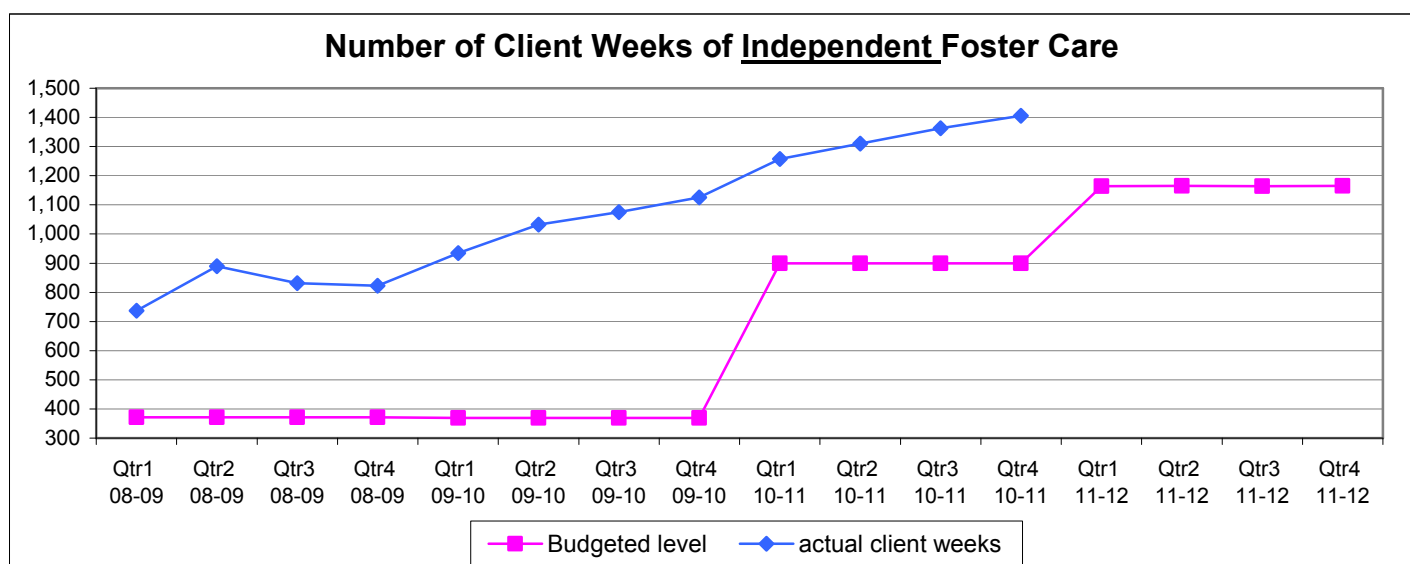
Comments:

- 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 which may be subject to change.
- In addition, the 2011-12 budgeted level represents the level of demand as at the 3rd quarter's full monitoring report, which is the time at which the 2011-12 budget was set and approved. However, since that time, the service has experienced continued demand on this service.
- During 2010-11 the service experienced high demand for in-house foster placements in both the fostering service (under 16s and those with a disability) and the 16+ service. In total they provided 5,939 more weeks than budgeted at a unit cost of £387, leading to a pressure of £2,298k. This was partially offset by achieving a lower average weekly cost than budgeted, saving £8 per week

which, when multiplied by the budgeted number of weeks, gives a saving of £369k. The net pressure reported on in-house fostering is £1,993k, of which approximately £64k relates to costs that are not directly linked to client weeks, after allowing for this, the remaining net pressure corresponds with the higher than budgeted activity levels.

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

| | 2008-09 | | | | 2009-10 | | | | 2010-11 | | | | 2011-12 | |
|----------|--------------|--------------|------------------------------|---------------|--------------|--------------|------------------------------|---------------|--------------|--------------|------------------------------|---------------|--------------|------------------------------|
| | No of weeks | | Average cost per client week | | No of weeks | | Average cost per client week | | No of weeks | | Average cost per client week | | No of weeks | Average cost per client week |
| | Budget Level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | Budget level |
| Apr-June | 372 | 737 | | | 369 | 935 | | | 900 | 1,257 | £1,052 | £1,080 | 1,164 | £1,080 |
| July-Sep | 372 | 890 | | | 369 | 1,032 | | | 900 | 1,310 | £1,052 | £1,079 | 1,165 | £1,080 |
| Oct-Dec | 372 | 831 | | | 369 | 1,075 | | | 900 | 1,363 | £1,052 | £1,089 | 1,164 | £1,080 |
| Jan-Mar | 372 | 823 | | | 369 | 1,126 | | | 900 | 1,406 | £1,052 | £1,074 | 1,165 | £1,080 |
| | 1,488 | 3,281 | £1,010 | £1,018 | 1,476 | 4,168 | £1,088 | £1,052 | 3,600 | 5,336 | £1,052 | £1,074 | 4,658 | £1,080 |



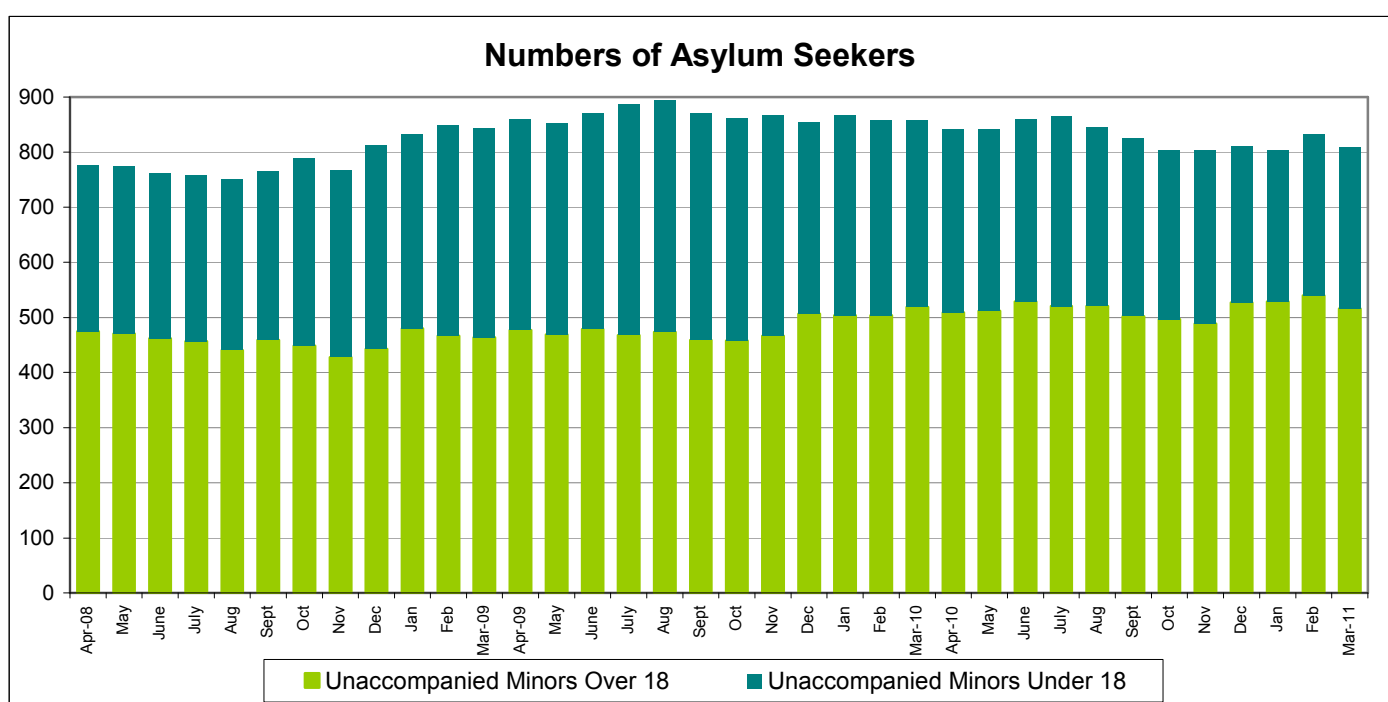
Comments:

- 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 which may be subject to change.

- The budgeted levels for 2010-11 were below the 2009-10 activity because although significant funding was made available as part of the 2010-13 MTP, this was insufficient to cover the demands for this service.
- For the 2011-12 budget further significant funding has been made available based on the actual level of demand at the 3rd quarter's monitoring position for 2010-11, the time at which the 2011-12 budget was set and approved. However, since that date the service has experienced continued demand on this service.
- During 2010-11 the service experienced high demand for independent fostering placements. In total the service provided 1,736 more weeks than budgeted at a unit cost of £1,074, giving a pressure of £1,864k. In addition, the unit cost was £22 per week above the budgeted level, which when multiplied by the budgeted number of weeks resulted in a pressure of £79k. This corresponds with the overall net pressure reported for Independent Fostering within the fostering and 16+ services of £1.94m.

1.6 Numbers of Unaccompanied Asylum Seeking Children (UASC):

| | 2008-09 | | | 2009-10 | | | 2010-11 | | |
|-----------|----------|---------|---------------|----------|---------|---------------|----------|---------|---------------|
| | Under 18 | Over 18 | Total Clients | Under 18 | Over 18 | Total Clients | Under 18 | Over 18 | Total Clients |
| April | 302 | 475 | 777 | 383 | 477 | 860 | 333 | 509 | 842 |
| May | 304 | 471 | 775 | 384 | 469 | 853 | 329 | 512 | 841 |
| June | 301 | 462 | 763 | 391 | 479 | 870 | 331 | 529 | 860 |
| July | 302 | 457 | 759 | 418 | 468 | 886 | 345 | 521 | 866 |
| August | 310 | 441 | 751 | 419 | 474 | 893 | 324 | 521 | 845 |
| September | 306 | 459 | 765 | 411 | 459 | 870 | 323 | 502 | 825 |
| October | 340 | 449 | 789 | 403 | 458 | 861 | 307 | 497 | 804 |
| November | 339 | 428 | 767 | 400 | 467 | 867 | 315 | 489 | 804 |
| December | 370 | 443 | 813 | 347 | 507 | 854 | 285 | 527 | 812 |
| January | 354 | 480 | 834 | 364 | 504 | 868 | 274 | 529 | 803 |
| February | 382 | 467 | 849 | 355 | 504 | 859 | 292 | 540 | 832 |
| March | 379 | 464 | 843 | 338 | 519 | 857 | 293 | 516 | 809 |

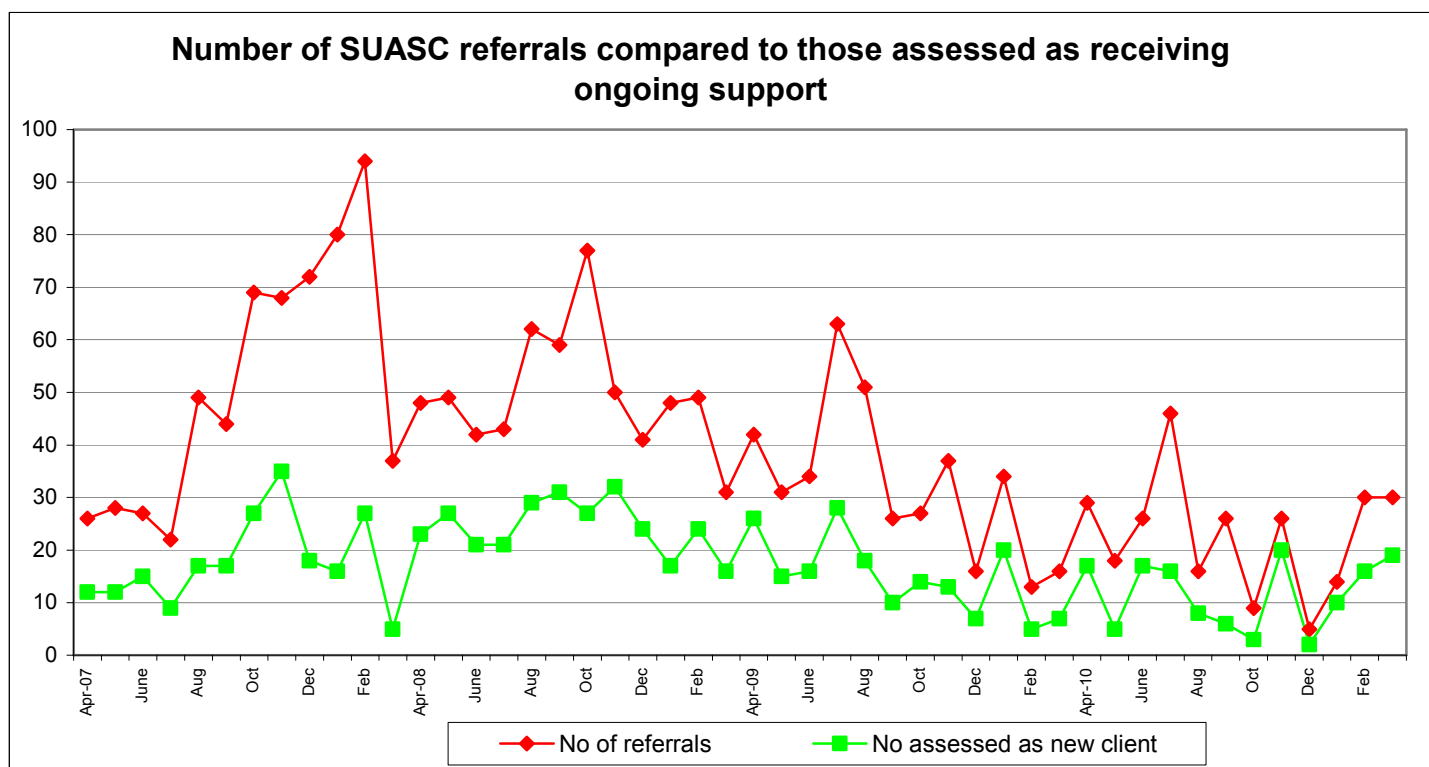


Comment:

- The fall in the number of over 18's in March is largely the result of improved partnership working with the UKBA, which saw a significant rise in the rate of All Rights of appeal Exhausted (ARE) removals.
- In general, the age profile suggests the number of over 18s is increasing compared to last year, and it is this service which is experiencing the shortfall of funding. In addition, the age profile of the under 18 children has reduced, with significantly higher numbers being placed in foster care.
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim but once their assessment has been completed, or when successfully appealed, their category may change.

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

| | 2007-08 | | | 2008-09 | | | 2009-10 | | | 2010-11 | | |
|--------|------------------|----------------------------|------------|------------------|----------------------------|------------|------------------|----------------------------|------------|------------------|----------------------------|------------|
| | No. of referrals | No. assessed as new client | % | No. of referrals | No. assessed as new client | % | No. of referrals | No. assessed as new client | % | No. of referrals | No. assessed as new client | % |
| April | 26 | 12 | 46% | 48 | 23 | 48% | 42 | 26 | 62% | 29 | 17 | 59% |
| May | 28 | 12 | 43% | 49 | 27 | 55% | 31 | 15 | 48% | 18 | 5 | 28% |
| June | 27 | 15 | 56% | 42 | 21 | 50% | 34 | 16 | 47% | 26 | 17 | 65% |
| July | 22 | 9 | 41% | 43 | 21 | 49% | 63 | 28 | 44% | 46 | 16 | 35% |
| August | 49 | 17 | 35% | 62 | 29 | 47% | 51 | 18 | 35% | 16 | 8 | 50% |
| Sept | 44 | 17 | 39% | 59 | 31 | 53% | 26 | 10 | 38% | 26 | 6 | 23% |
| Oct | 69 | 27 | 39% | 77 | 27 | 35% | 27 | 14 | 52% | 9 | 3 | 33% |
| Nov | 68 | 35 | 51% | 50 | 32 | 64% | 37 | 13 | 35% | 26 | 20 | 77% |
| Dec | 72 | 18 | 25% | 41 | 24 | 59% | 16 | 7 | 44% | 5 | 2 | 40% |
| Jan | 80 | 16 | 20% | 48 | 17 | 35% | 34 | 20 | 59% | 14 | 10 | 71% |
| Feb | 94 | 27 | 29% | 49 | 24 | 49% | 13 | 5 | 38% | 30 | 16 | 53% |
| March | 37 | 5 | 14% | 31 | 16 | 52% | 16 | 7 | 44% | 30 | 19 | 63% |
| | 616 | 210 | 34% | 599 | 292 | 49% | 390 | 179 | 46% | 275 | 139 | 51% |

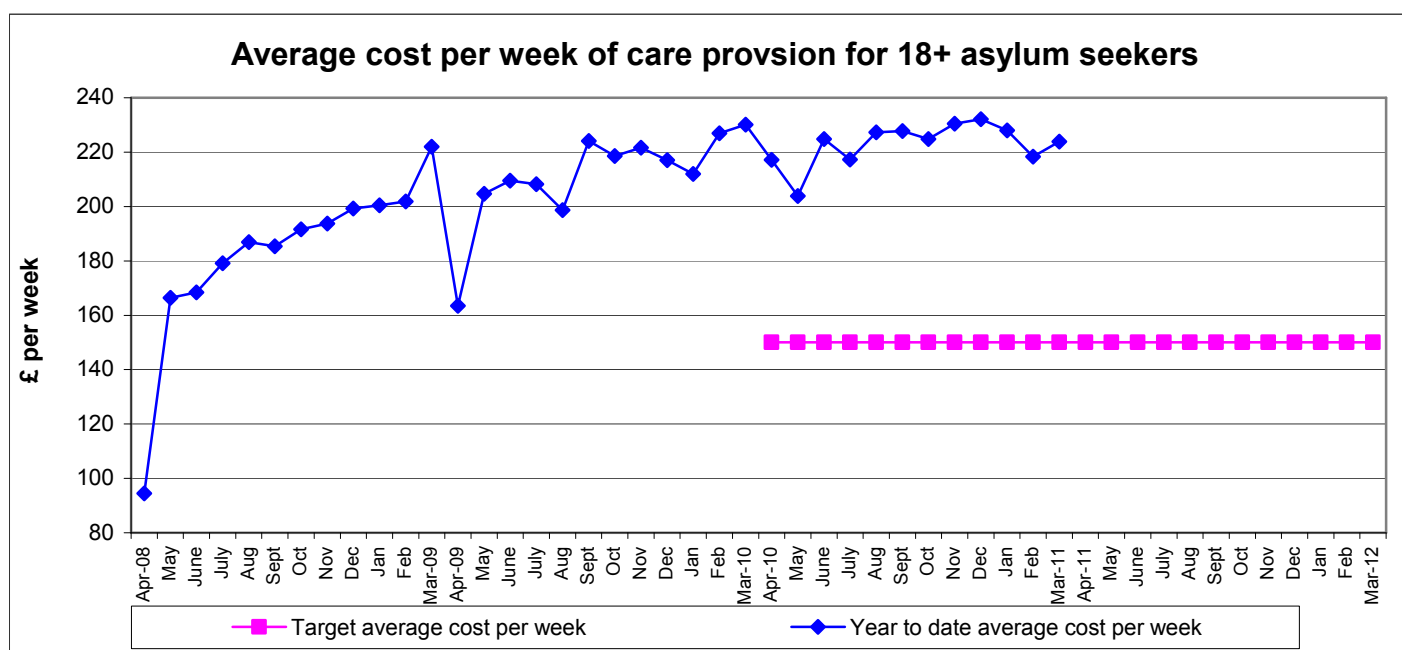


Comments:

- The number of referrals in the 4th quarter was significantly higher than in the previous quarter. Overall referral rates have been lower since September 2009 which coincides with the French Government's action to clear asylum seeker camps around Calais. The average number of referrals per month is now 23 which is still below the budgeted number of 30 referrals per month.
- The number of referrals assessed as new clients in the 4th quarter was the highest in 2010-11. The budgeted level is based on the assumption that 50% of the referrals will be assessed as a new client. The average number assess as new clients is now 11.6, which is 23% lower than the original forecast of 15 new clients a month.
- There is no known reason for the increase in referrals in quarter 4.

1.8 Average weekly cost of Asylum Seekers Care Provision for 18+ Care Leavers:

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|-----------|----------------------------------|--|----------------------------------|--|----------------------------------|--|----------------------------------|
| | Target average weekly cost £p | Year to date average weekly cost £p | Target average weekly cost £p | Year to date average weekly cost £p | Target average weekly cost £p | Year to date average weekly cost £p | Target average weekly cost £p |
| April | | 94.48 | | 163.50 | 150.00 | 217.14 | 150.00 |
| May | | 166.44 | | 204.63 | 150.00 | 203.90 | 150.00 |
| June | | 168.38 | | 209.50 | 150.00 | 224.86 | 150.00 |
| July | | 179.17 | | 208.17 | 150.00 | 217.22 | 150.00 |
| August | | 186.90 | | 198.69 | 150.00 | 227.24 | 150.00 |
| September | | 185.35 | | 224.06 | 150.00 | 227.79 | 150.00 |
| October | | 191.67 | | 218.53 | 150.00 | 224.83 | 150.00 |
| November | | 193.71 | | 221.64 | 150.00 | 230.47 | 150.00 |
| December | | 199.22 | | 217.10 | 150.00 | 232.17 | 150.00 |
| January | | 200.46 | | 211.99 | 150.00 | 227.96 | 150.00 |
| February | | 201.83 | | 226.96 | 150.00 | 218.30 | 150.00 |
| March | | 221.97 | | 230.11 | 150.00 | 223.87 | 150.00 |



Comments:

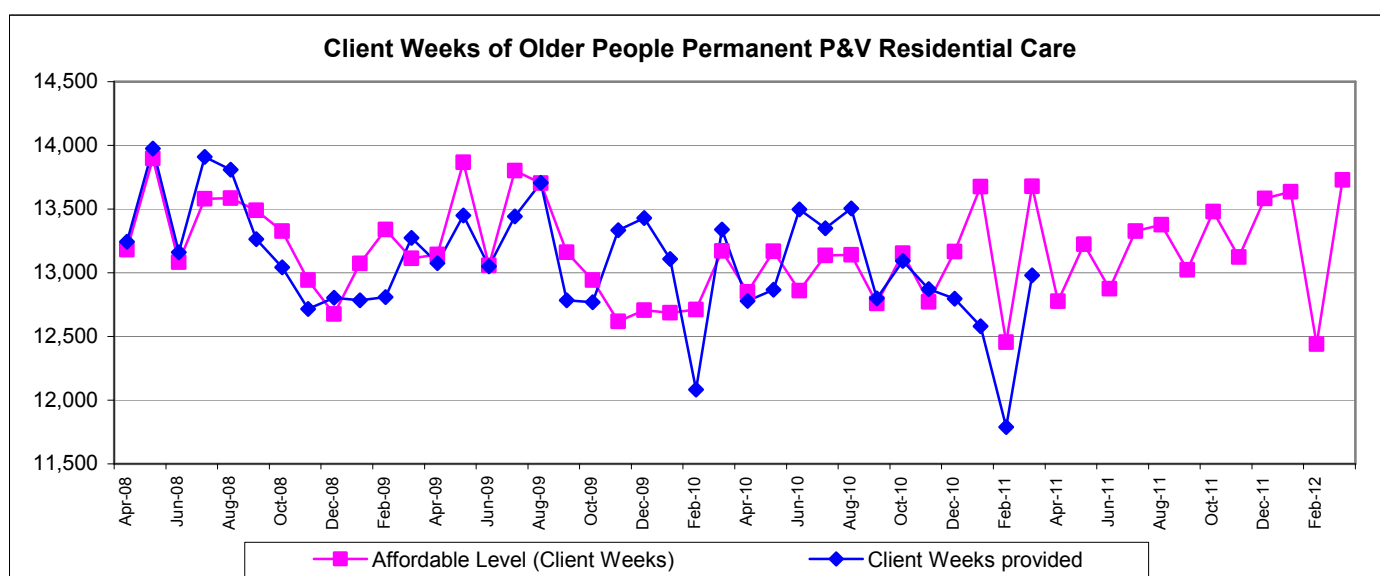
- The funding levels for the Asylum Service agreed with the Government rely on us achieving an average cost per week of £150, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the removal process. The UKBA will fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process, but the LA remains responsible for costs under the Leaving Care Act until the point of removal. While our partnership working has resulted in an increase in the number of AREs being removed, the average number of days supported as an ARE continues to increase. As a result our ability to achieve a balanced position on the Asylum Service becomes more difficult.
- Moving clients on to the pilot housing scheme has been slower than originally anticipated, however all our young people, who it was planned to move to lower cost accommodation, have now been moved. The final average weekly cost remained higher than originally forecast due to a longer than anticipated transition period to lower cost properties, higher damages claims for vacated properties and short term voids during the transfer period.
- Whilst the average weekly cost for the whole 2010-11 financial year is £223.87, the average cost for the fourth quarter was only £200. Adjusting the actual spend for the fourth quarter to remove one off costs for damages and high cost placements, which have now been replaced with lower costs placements, gives an average weekly cost of £157, much closer to the target average weekly cost of £150.

2. KENT ADULT SOCIAL SERVICES DIRECTORATE

The affordable levels included for 2011-12 are based on the approved budget, however Families & Social Care will be reviewing the split of their budget across service groups in light of the outturn and any changes will be requested in the first full monitoring report for 2011-12, to be reported to Cabinet in September. The affordable levels of activity will therefore change as a result of this exercise.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|--------------|---------------------------------|--|---------------------------------|--|---------------------------------|--|---------------------------------|
| | 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 | Affordable Level (Client Weeks) |
| April | 13,181 | 13,244 | 13,142 | 13,076 | 12,848 | 12,778 | 12,777 |
| May | 13,897 | 13,974 | 13,867 | 13,451 | 13,168 | 12,867 | 13,224 |
| June | 13,084 | 13,160 | 13,059 | 13,050 | 12,860 | 13,497 | 12,875 |
| July | 13,581 | 13,909 | 13,802 | 13,443 | 13,135 | 13,349 | 13,327 |
| August | 13,585 | 13,809 | 13,703 | 13,707 | 13,141 | 13,505 | 13,378 |
| September | 13,491 | 13,264 | 13,162 | 12,784 | 12,758 | 12,799 | 13,022 |
| October | 13,326 | 13,043 | 12,943 | 12,768 | 13,154 | 13,094 | 13,479 |
| November | 12,941 | 12,716 | 12,618 | 13,333 | 12,771 | 12,873 | 13,122 |
| December | 12,676 | 12,805 | 12,707 | 13,429 | 13,167 | 12,796 | 13,584 |
| January | 13,073 | 12,784 | 12,685 | 13,107 | 13,677 | 12,581 | 13,636 |
| February | 13,338 | 12,810 | 12,712 | 12,082 | 12,455 | 11,790 | 12,440 |
| March | 13,114 | 13,275 | 13,172 | 13,338 | 13,678 | 12,980 | 13,729 |
| TOTAL | 159,287 | 158,793 | 157,572 | 157,568 | 156,812 | 154,909 | 158,593 |

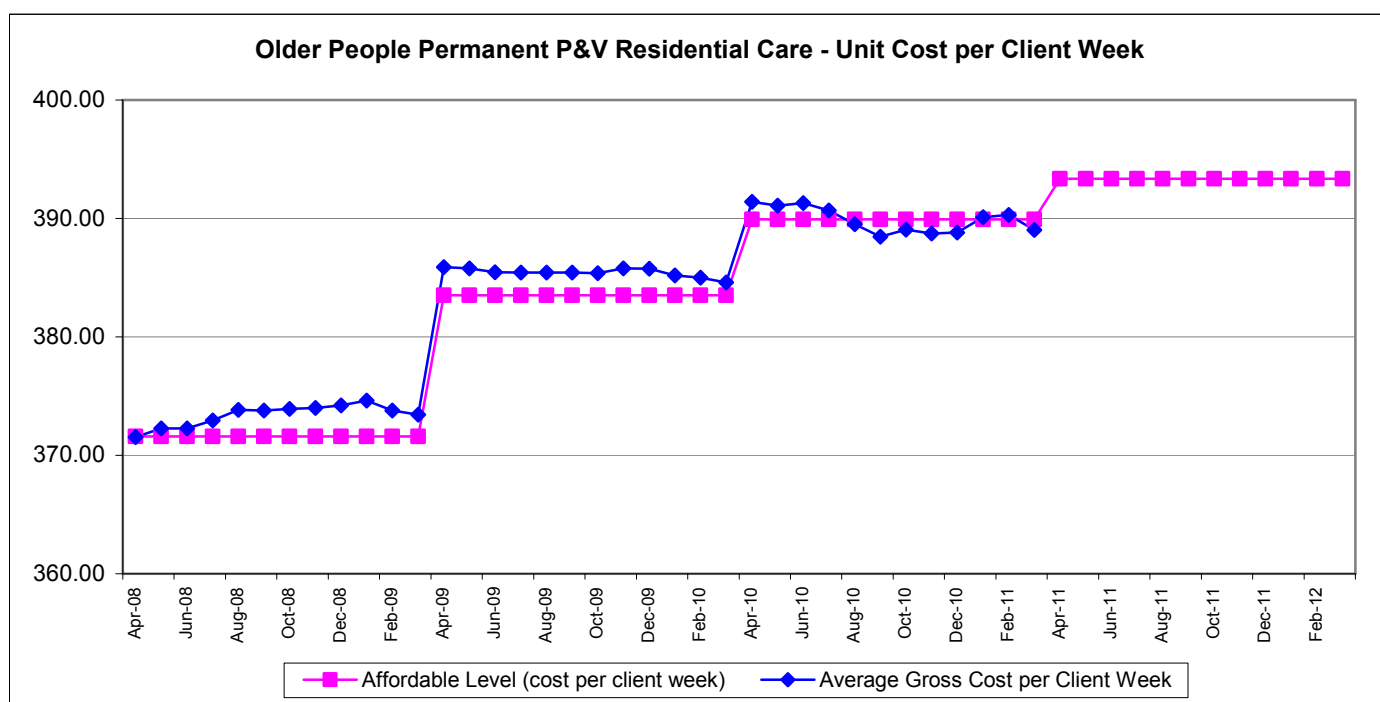


Comments:

- 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 2008-09 was 2,832, at the end of 2009-10 it was 2,751 and at the end of 2010-11 it was 2,787; however client numbers were higher than this during the period September to November 2010.
- The outturn position is 154,909 weeks of care against an affordable level of 156,812, a difference of -1,903 weeks. Using the actual unit cost of £389.02, this reduced level of activity generated a saving of £740k.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | 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 | Affordable Level (Cost per Week) |
| April | 371.60 | 371.54 | 383.52 | 385.90 | 389.91 | 391.40 | 393.34 |
| May | 371.60 | 372.28 | 383.52 | 385.78 | 389.91 | 391.07 | 393.34 |
| June | 371.60 | 372.27 | 383.52 | 385.47 | 389.91 | 391.29 | 393.34 |
| July | 371.60 | 372.94 | 383.52 | 385.43 | 389.91 | 390.68 | 393.34 |
| August | 371.60 | 373.84 | 383.52 | 385.44 | 389.91 | 389.51 | 393.34 |
| September | 371.60 | 373.78 | 383.52 | 385.42 | 389.91 | 388.46 | 393.34 |
| October | 371.60 | 373.91 | 383.52 | 385.39 | 389.91 | 389.06 | 393.34 |
| November | 371.60 | 374.01 | 383.52 | 385.79 | 389.91 | 388.72 | 393.34 |
| December | 371.60 | 374.22 | 383.52 | 385.76 | 389.91 | 388.80 | 393.34 |
| January | 371.60 | 374.61 | 383.52 | 385.20 | 389.91 | 390.12 | 393.34 |
| February | 371.60 | 373.78 | 383.52 | 385.01 | 389.91 | 390.31 | 393.34 |
| March | 371.60 | 373.42 | 383.52 | 384.59 | 389.91 | 389.02 | 393.34 |

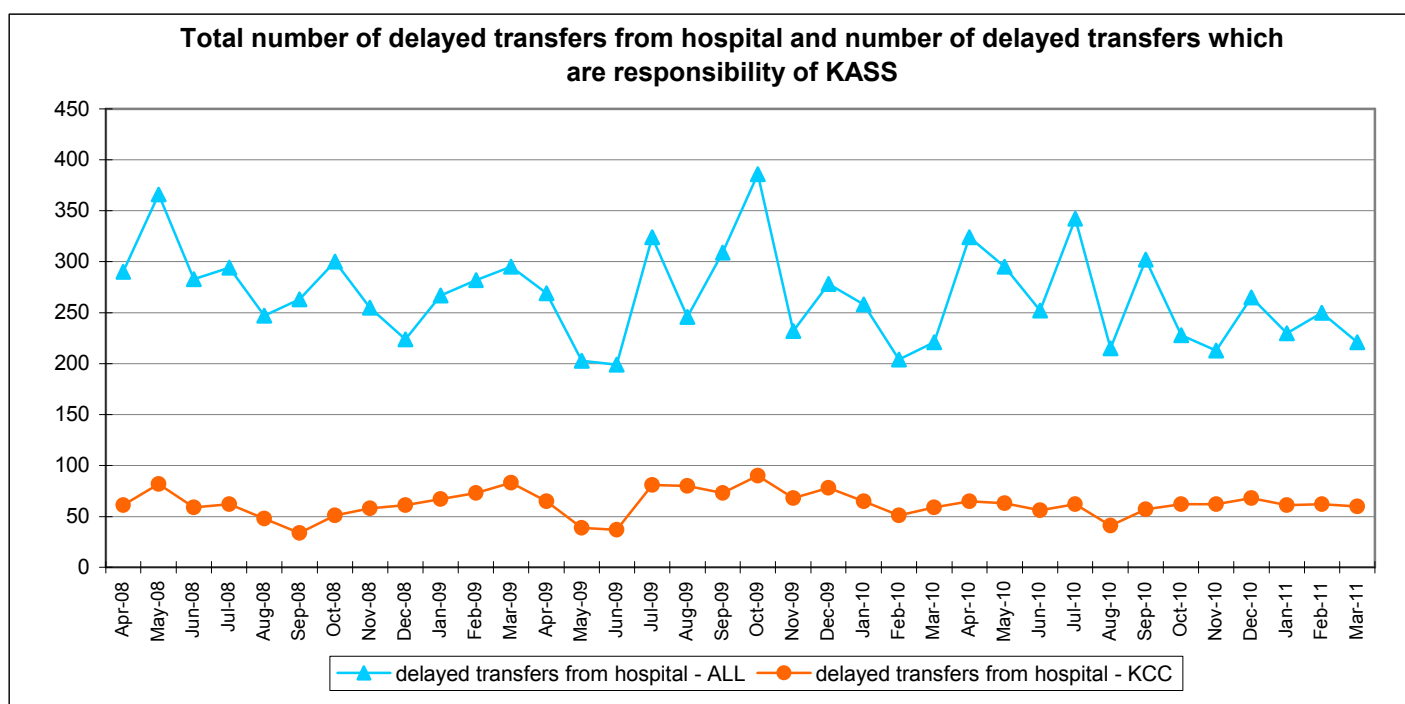


Comments:

- The unit cost of £389.02 is marginally lower than the affordable cost of £389.91 and this difference of -£0.89 produced a saving of £141k when multiplied by the affordable weeks.

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

| | 2008-09 | | 2009-10 | | 2010-11 | |
|-----------|---------|---------------------|---------|---------------------|---------|---------------------|
| | ALL | KASS responsibility | ALL | KASS responsibility | ALL | KASS responsibility |
| April | 290 | 61 | 269 | 65 | 324 | 65 |
| May | 366 | 82 | 203 | 39 | 295 | 63 |
| June | 283 | 59 | 199 | 37 | 252 | 56 |
| July | 294 | 62 | 324 | 81 | 342 | 62 |
| August | 247 | 48 | 246 | 80 | 215 | 41 |
| September | 263 | 34 | 309 | 73 | 302 | 57 |
| October | 300 | 51 | 386 | 90 | 228 | 62 |
| November | 255 | 58 | 232 | 68 | 213 | 62 |
| December | 224 | 61 | 278 | 78 | 265 | 68 |
| January | 267 | 67 | 258 | 65 | 230 | 61 |
| February | 282 | 73 | 204 | 51 | 250 | 62 |
| March | 295 | 83 | 221 | 59 | 221 | 60 |

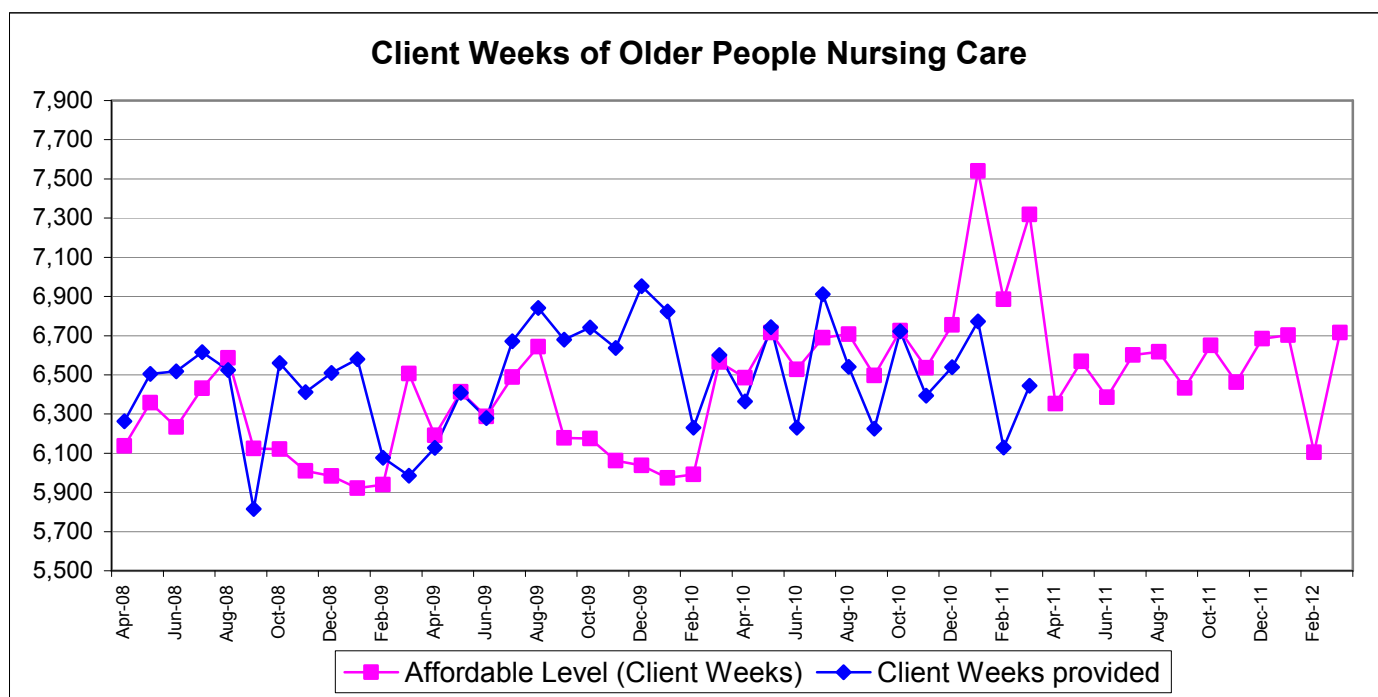


Comments:

- The Delayed Transfers of Care (DTCs) show the numbers of people whose movement from an acute hospital has been delayed. Generally, the main reasons for delay are 'Patient Choice' (just over 28%), with the reasons 'Awaiting non-acute NHS care' and 'Awaiting assessment' being the next highest (approx. 24% and 15% respectively). 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.
- This activity information is obtained from the KASS hospital teams who monitor delayed discharges on a weekly basis and validate the figures with the Hospital Trust.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|--------------|---------------------------------|--|---------------------------------|--|---------------------------------|--|---------------------------------|
| | 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 | Affordable Level (Client Weeks) |
| April | 6,137 | 6,263 | 6,191 | 6,127 | 6,485 | 6,365 | 6,353 |
| May | 6,357 | 6,505 | 6,413 | 6,408 | 6,715 | 6,743 | 6,569 |
| June | 6,233 | 6,518 | 6,288 | 6,279 | 6,527 | 6,231 | 6,385 |
| July | 6,432 | 6,616 | 6,489 | 6,671 | 6,689 | 6,911 | 6,601 |
| August | 6,586 | 6,525 | 6,644 | 6,841 | 6,708 | 6,541 | 6,618 |
| September | 6,124 | 5,816 | 6,178 | 6,680 | 6,497 | 6,225 | 6,433 |
| October | 6,121 | 6,561 | 6,175 | 6,741 | 6,726 | 6,722 | 6,650 |
| November | 6,009 | 6,412 | 6,062 | 6,637 | 6,535 | 6,393 | 6,463 |
| December | 5,984 | 6,509 | 6,037 | 6,952 | 6,755 | 6,539 | 6,684 |
| January | 5,921 | 6,580 | 5,973 | 6,824 | 7,541 | 6,772 | 6,702 |
| February | 5,940 | 6,077 | 5,992 | 6,231 | 6,885 | 6,129 | 6,104 |
| March | 6,507 | 5,985 | 6,566 | 6,601 | 7,319 | 6,445 | 6,715 |
| TOTAL | 74,351 | 76,367 | 75,008 | 78,992 | 81,382 | 78,016 | 78,277 |

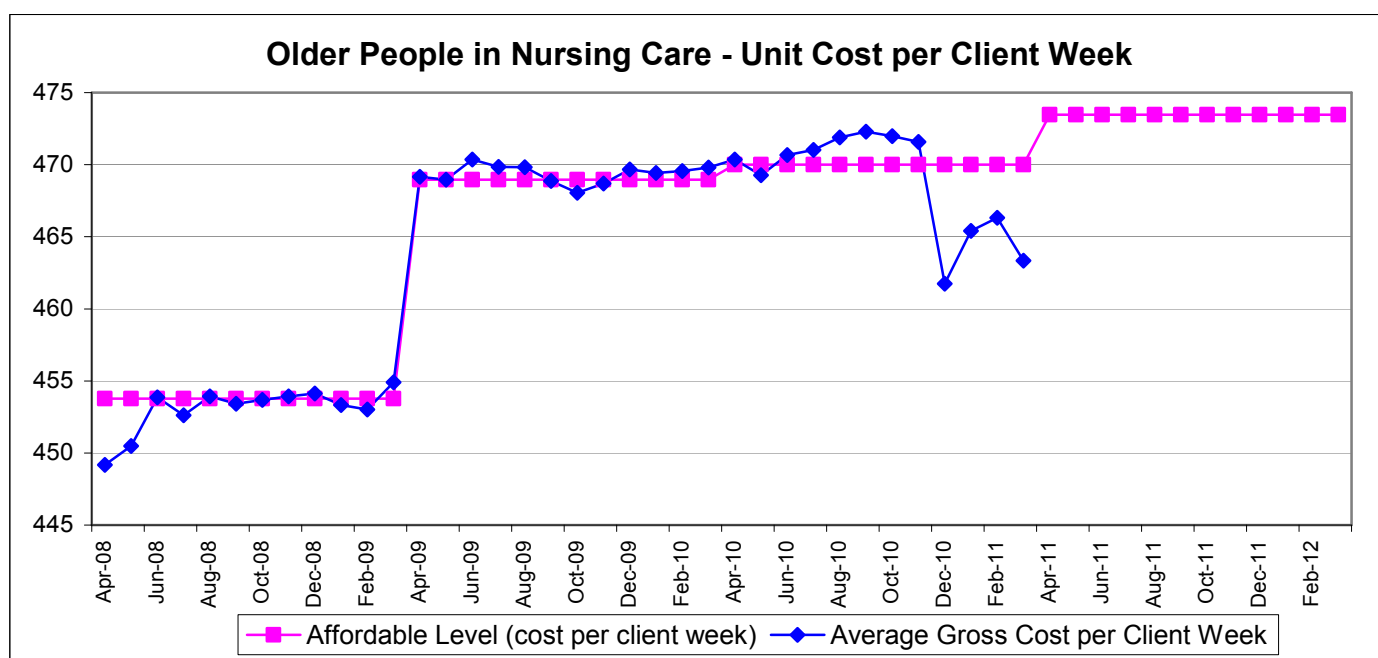


Comment:

- 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 2008-09 was 1,332, at the end of 2009-10 it was 1,374 and at the end of 2010-11 it was 1,379, although this was a decrease on the position a couple of months earlier.
- The outturn position is 78,016 weeks of care against an affordable level of 81,382, a difference of -3,366 weeks. Using the actual unit cost of £463.34, this lower level of activity produced a saving of £1,560k.
- There are always pressures in permanent nursing care which may occur for many reasons. Increasingly, older people are entering nursing care only when other ways of support have been explored. This means that the most dependent are those that enter nursing care and consequently are more likely to have dementia. In addition, there will always be pressures which the directorate face, for example the knock on effect of minimising delayed transfers of 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 nursing care.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | 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 | Affordable Level (Cost per Week) |
| April | 453.77 | 449.18 | 468.95 | 469.15 | 470.01 | 470.36 | 473.47 |
| May | 453.77 | 450.49 | 468.95 | 468.95 | 470.01 | 469.27 | 473.47 |
| June | 453.77 | 453.86 | 468.95 | 470.37 | 470.01 | 470.67 | 473.47 |
| July | 453.77 | 452.61 | 468.95 | 469.84 | 470.01 | 471.03 | 473.47 |
| August | 453.77 | 453.93 | 468.95 | 469.82 | 470.01 | 471.90 | 473.47 |
| September | 453.77 | 453.42 | 468.95 | 468.88 | 470.01 | 472.28 | 473.47 |
| October | 453.77 | 453.68 | 468.95 | 468.04 | 470.01 | 471.97 | 473.47 |
| November | 453.77 | 453.92 | 468.95 | 468.69 | 470.01 | 471.58 | 473.47 |
| December | 453.77 | 454.13 | 468.95 | 469.67 | 470.01 | 461.75 | 473.47 |
| January | 453.77 | 453.33 | 468.95 | 469.42 | 470.01 | 465.40 | 473.47 |
| February | 453.77 | 453.02 | 468.95 | 469.55 | 470.01 | 466.32 | 473.47 |
| March | 453.77 | 454.90 | 468.95 | 469.80 | 470.01 | 463.34 | 473.47 |

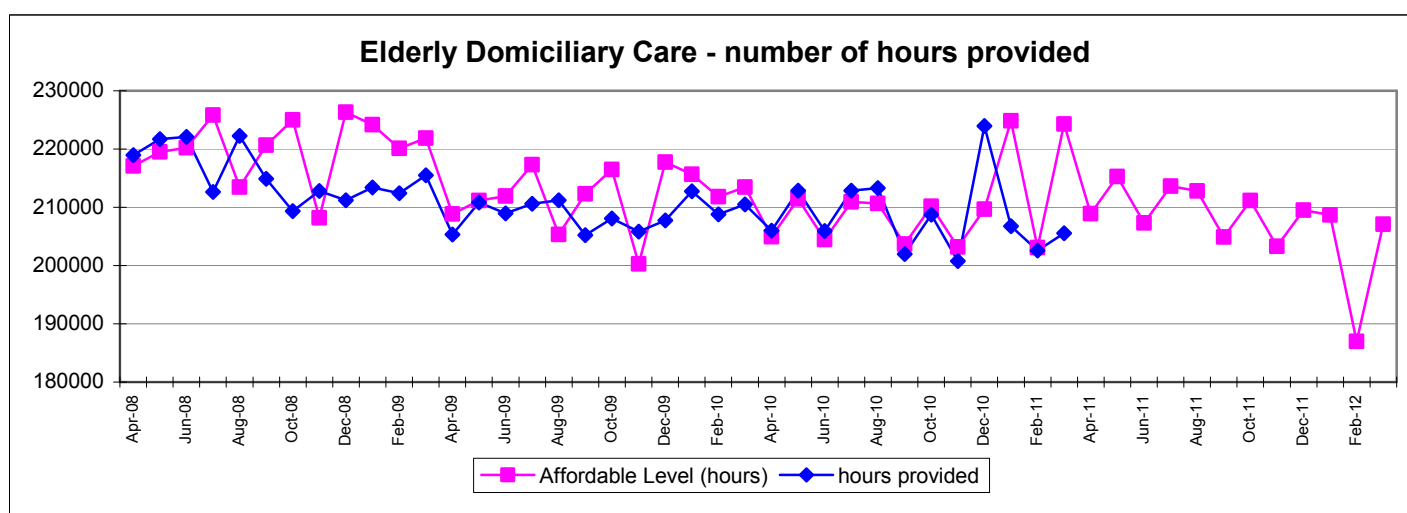
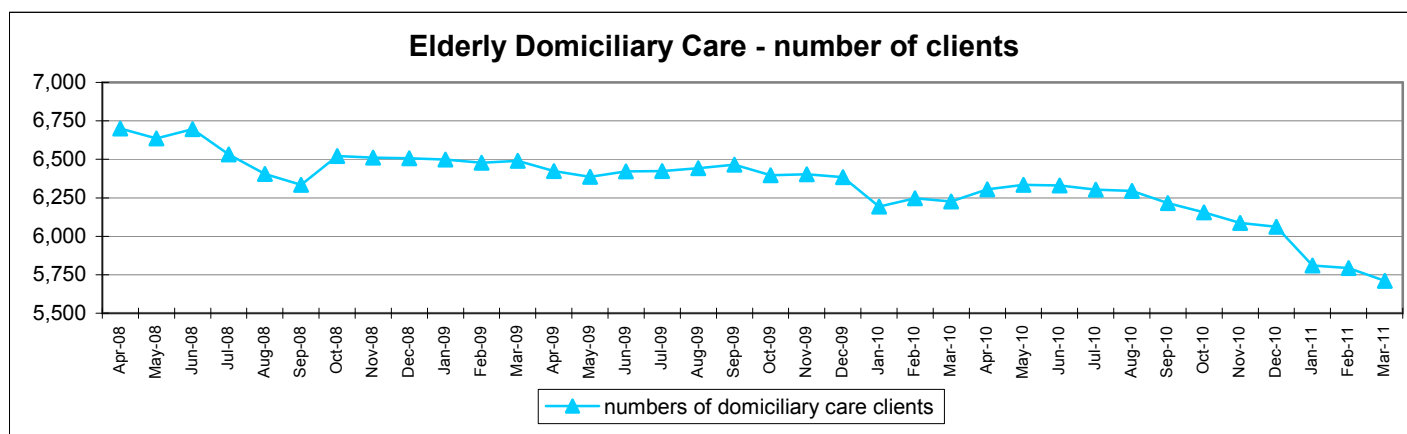


Comments:

- The unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care.
- The unit cost of £463.34 is below the affordable cost of £470.01 but does fluctuate with the differing placements within it (non OPMH, OPMH and non permanent). The difference in unit cost of -£6.67 produced a saving of £542k when multiplied by the affordable weeks.

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

| | 2008-09 | | | 2009-10 | | | 2010-11 | | | 2011-12 |
|--------------|--------------------------|------------------|-------------------|--------------------------|------------------|-------------------|--------------------------|------------------|-------------------|--------------------------|
| | Affordable level (hours) | hours provided | number of clients | Affordable level (hours) | hours provided | number of clients | Affordable level (hours) | hours provided | number of clients | Affordable level (hours) |
| April | 217,090 | 218,929 | 6,700 | 208,869 | 205,312 | 6,423 | 204,948 | 205,989 | 6,305 | 208,879 |
| May | 219,480 | 221,725 | 6,635 | 211,169 | 210,844 | 6,386 | 211,437 | 212,877 | 6,335 | 215,285 |
| June | 220,237 | 222,088 | 6,696 | 211,897 | 208,945 | 6,422 | 204,452 | 205,937 | 6,331 | 207,287 |
| July | 225,841 | 212,610 | 6,531 | 217,289 | 210,591 | 6,424 | 210,924 | 212,866 | 6,303 | 213,639 |
| August | 213,436 | 222,273 | 6,404 | 205,354 | 211,214 | 6,443 | 210,668 | 213,294 | 6,294 | 212,817 |
| Sept | 220,644 | 214,904 | 6,335 | 212,289 | 205,238 | 6,465 | 203,708 | 201,951 | 6,216 | 204,898 |
| Oct | 225,012 | 209,336 | 6,522 | 216,491 | 208,051 | 6,396 | 210,155 | 208,735 | 6,156 | 211,172 |
| Nov | 208,175 | 212,778 | 6,512 | 200,292 | 205,806 | 6,403 | 203,212 | 200,789 | 6,087 | 203,306 |
| Dec | 226,319 | 211,189 | 6,506 | 217,749 | 207,771 | 6,385 | 209,643 | 223,961 | 6,061 | 209,526 |
| Jan | 224,175 | 213,424 | 6,499 | 215,686 | 212,754 | 6,192 | 224,841 | 206,772 | 5,810 | 208,704 |
| Feb | 220,135 | 212,395 | 6,478 | 211,799 | 208,805 | 6,246 | 203,103 | 202,568 | 5,794 | 186,991 |
| March | 221,875 | 215,488 | 6,490 | 213,474 | 210,507 | 6,227 | 224,285 | 205,535 | 5,711 | 207,063 |
| TOTAL | 2,642,419 | 2,587,139 | | 2,542,358 | 2,505,838 | | 2,521,376 | 2,501,274 | | 2,489,567 |

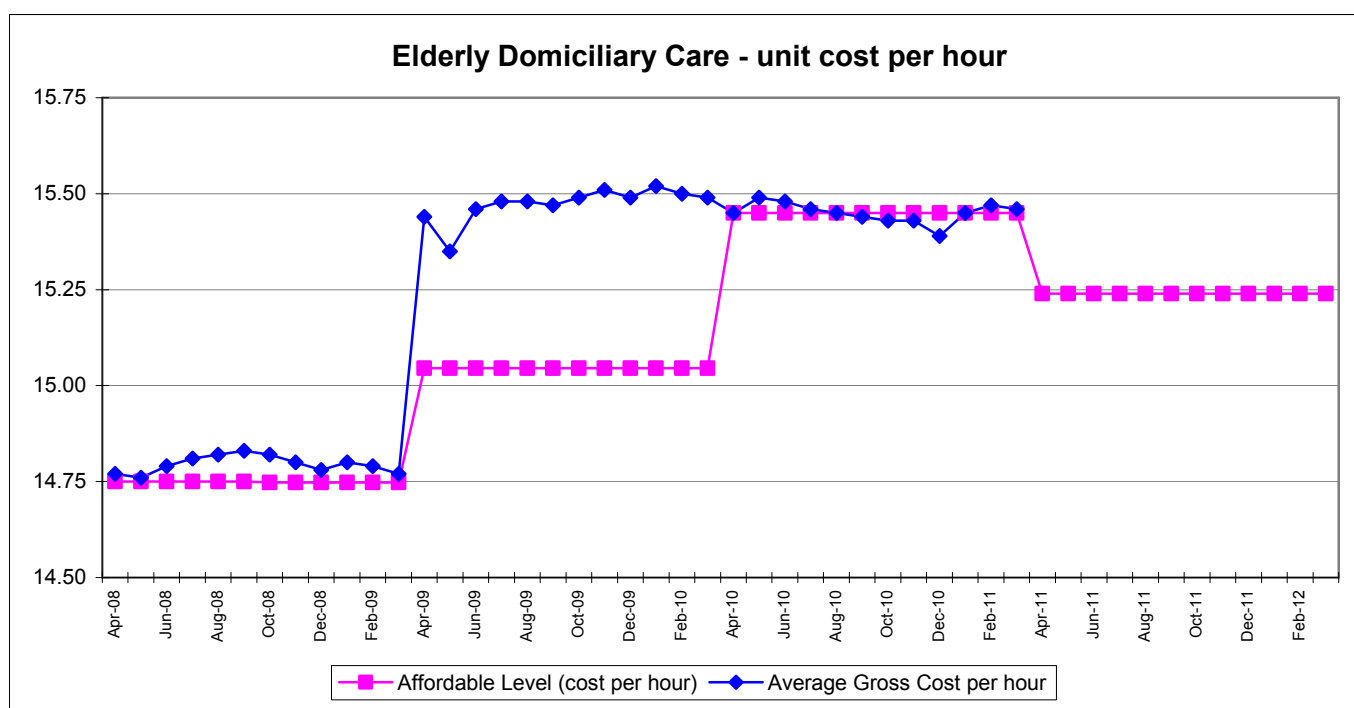


Comments:

- Figures exclude services commissioned from the Kent Enablement At Home Service.
- At outturn, 2,501,274 hours of care had been delivered against an affordable level of 2,521,376, a difference of -20,102 hours. Using the actual unit cost of £15.463 this reduction in activity generated an underspend of £311k.
- The number of clients receiving domiciliary care has been decreasing over the past two years. In addition, the intensity of care appears to have increased such that clients are receiving more hours per week on average than in previous years as a result of the implementation of Self Directed Support (SDS) within the Directorate.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|-----------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|----------------------------------|
| | 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 | Affordable Level (Cost per Hour) |
| April | 14.75 | 14.77 | 15.045 | 15.44 | 15.45 | 15.45 | 15.24 |
| May | 14.75 | 14.76 | 15.045 | 15.35 | 15.45 | 15.49 | 15.24 |
| June | 14.75 | 14.79 | 15.045 | 15.46 | 15.45 | 15.48 | 15.24 |
| July | 14.75 | 14.81 | 15.045 | 15.48 | 15.45 | 15.46 | 15.24 |
| August | 14.75 | 14.82 | 15.045 | 15.48 | 15.45 | 15.45 | 15.24 |
| September | 14.75 | 14.83 | 15.045 | 15.47 | 15.45 | 15.44 | 15.24 |
| October | 14.75 | 14.82 | 15.045 | 15.49 | 15.45 | 15.43 | 15.24 |
| November | 14.75 | 14.80 | 15.045 | 15.51 | 15.45 | 15.43 | 15.24 |
| December | 14.75 | 14.78 | 15.045 | 15.49 | 15.45 | 15.39 | 15.24 |
| January | 14.75 | 14.80 | 15.045 | 15.52 | 15.45 | 15.45 | 15.24 |
| February | 14.75 | 14.79 | 15.045 | 15.50 | 15.45 | 15.47 | 15.24 |
| March | 14.75 | 14.77 | 15.045 | 15.49 | 15.45 | 15.46 | 15.24 |

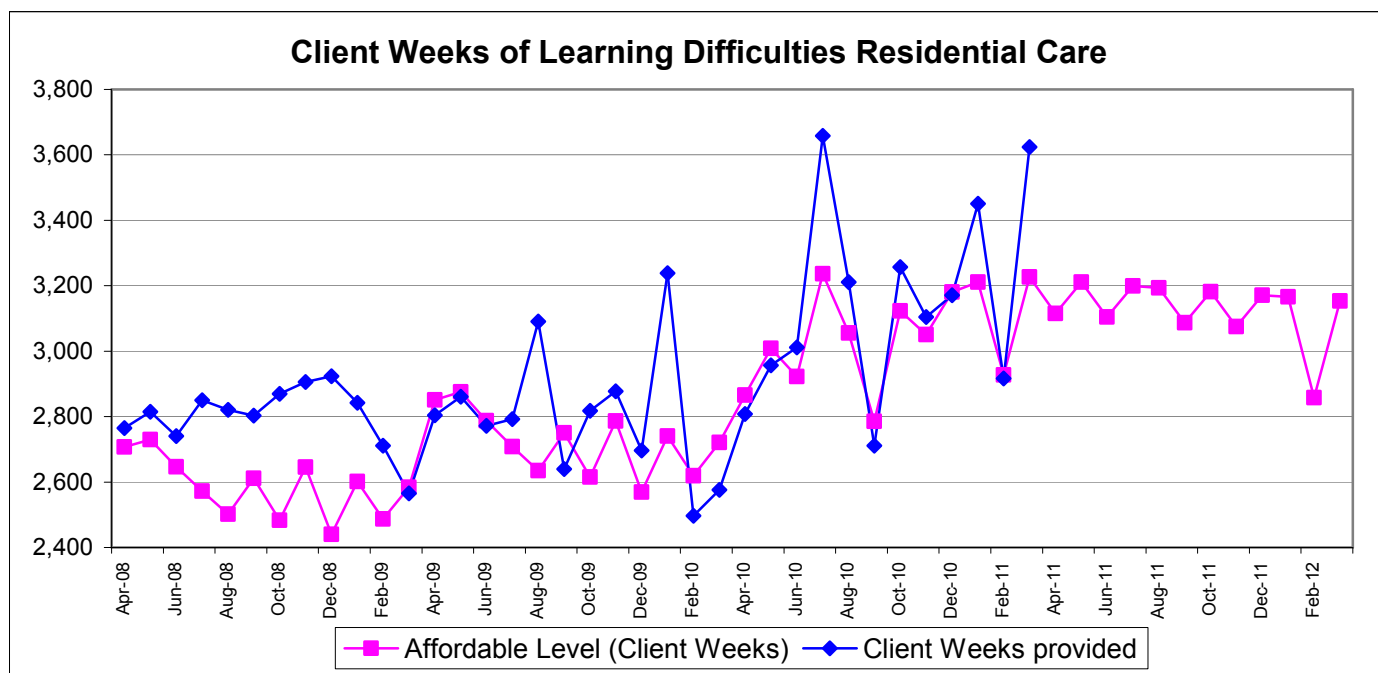


Comments:

- Average unit cost per week has increased more than inflation and is likely to reflect the same issues outlined above concerning more intense packages and higher levels of need.
- The actual unit cost of £15.463 is slightly higher than the affordable cost of £15.452 and this difference of £0.011 generated a pressure of £25k when multiplied by the affordable hours.
- The affordable unit cost in 2011-12 is lower than that for 2010-11 as it reflects the estimated reduction following the review of domiciliary procurement featured in the 2011-13 MTFP.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|--------------|---------------------------------|--|---------------------------------|--|---------------------------------|--|---------------------------------|
| | 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 | Affordable Level (Client Weeks) |
| April | 2,707 | 2,765 | 2,851 | 2,804 | 2,866 | 2,808 | 3,115 |
| May | 2,730 | 2,815 | 2,875 | 2,861 | 3,009 | 2,957 | 3,211 |
| June | 2,647 | 2,740 | 2,787 | 2,772 | 2,922 | 3,011 | 3,104 |
| July | 2,572 | 2,850 | 2,708 | 2,792 | 3,236 | 3,658 | 3,199 |
| August | 2,502 | 2,821 | 2,635 | 3,091 | 3,055 | 3,211 | 3,193 |
| September | 2,611 | 2,803 | 2,750 | 2,640 | 2,785 | 2,711 | 3,087 |
| October | 2,483 | 2,870 | 2,615 | 2,818 | 3,123 | 3,257 | 3,182 |
| November | 2,646 | 2,906 | 2,786 | 2,877 | 3,051 | 3,104 | 3,075 |
| December | 2,440 | 2,923 | 2,569 | 2,696 | 3,181 | 3,171 | 3,171 |
| January | 2,602 | 2,842 | 2,740 | 3,238 | 3,211 | 3,451 | 3,166 |
| February | 2,487 | 2,711 | 2,619 | 2,497 | 2,927 | 2,917 | 2,858 |
| March | 2,584 | 2,565 | 2,721 | 2,576 | 3,227 | 3,624 | 3,153 |
| TOTAL | 31,011 | 33,611 | 32,656 | 33,662 | 36,593 | 37,880 | 37,514 |

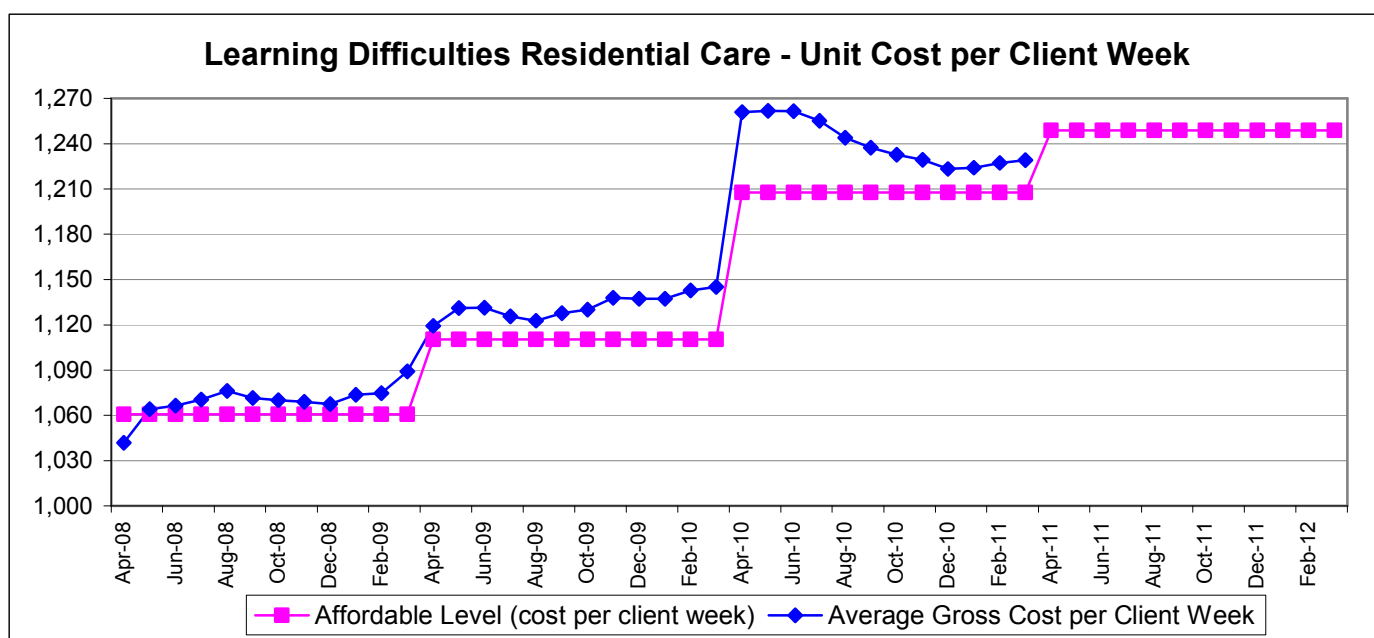


Comments:

- 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 2008-09 was 640, at the end of 2009-10 it was 632 and at the end of December 2010 it was 708. By the end of 2010-11 the number had increased to 713, of which 111 were S256 clients.
- The outturn is 37,880 weeks of care against an affordable level of 36,593, a difference of +1,287 weeks. Using the actual unit cost of £1,229.19 this additional activity added £1,582k to the outturn position.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | 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 | Affordable Level (Cost per Week) |
| April | 1,060.70 | 1,041.82 | 1,110.15 | 1,119.42 | 1,207.58 | 1,260.82 | 1,248.92 |
| May | 1,060.70 | 1,064.19 | 1,110.15 | 1,131.28 | 1,207.58 | 1,261.67 | 1,248.92 |
| June | 1,060.70 | 1,066.49 | 1,110.15 | 1,131.43 | 1,207.58 | 1,261.46 | 1,248.92 |
| July | 1,060.70 | 1,070.50 | 1,110.15 | 1,125.65 | 1,207.58 | 1,255.21 | 1,248.92 |
| August | 1,060.70 | 1,076.27 | 1,110.15 | 1,122.81 | 1,207.58 | 1,243.87 | 1,248.92 |
| September | 1,060.70 | 1,071.59 | 1,110.15 | 1,127.79 | 1,207.58 | 1,237.49 | 1,248.92 |
| October | 1,060.70 | 1,070.02 | 1,110.15 | 1,130.07 | 1,207.58 | 1,232.68 | 1,248.92 |
| November | 1,060.70 | 1,068.95 | 1,110.15 | 1,137.95 | 1,207.58 | 1,229.44 | 1,248.92 |
| December | 1,060.70 | 1,067.59 | 1,110.15 | 1,137.28 | 1,207.58 | 1,223.31 | 1,248.92 |
| January | 1,060.70 | 1,073.71 | 1,110.15 | 1,137.41 | 1,207.58 | 1,224.03 | 1,248.92 |
| February | 1,060.70 | 1,074.67 | 1,110.15 | 1,142.82 | 1,207.58 | 1,227.26 | 1,248.92 |
| March | 1,060.70 | 1,089.10 | 1,110.15 | 1,145.12 | 1,207.58 | 1,229.19 | 1,248.92 |

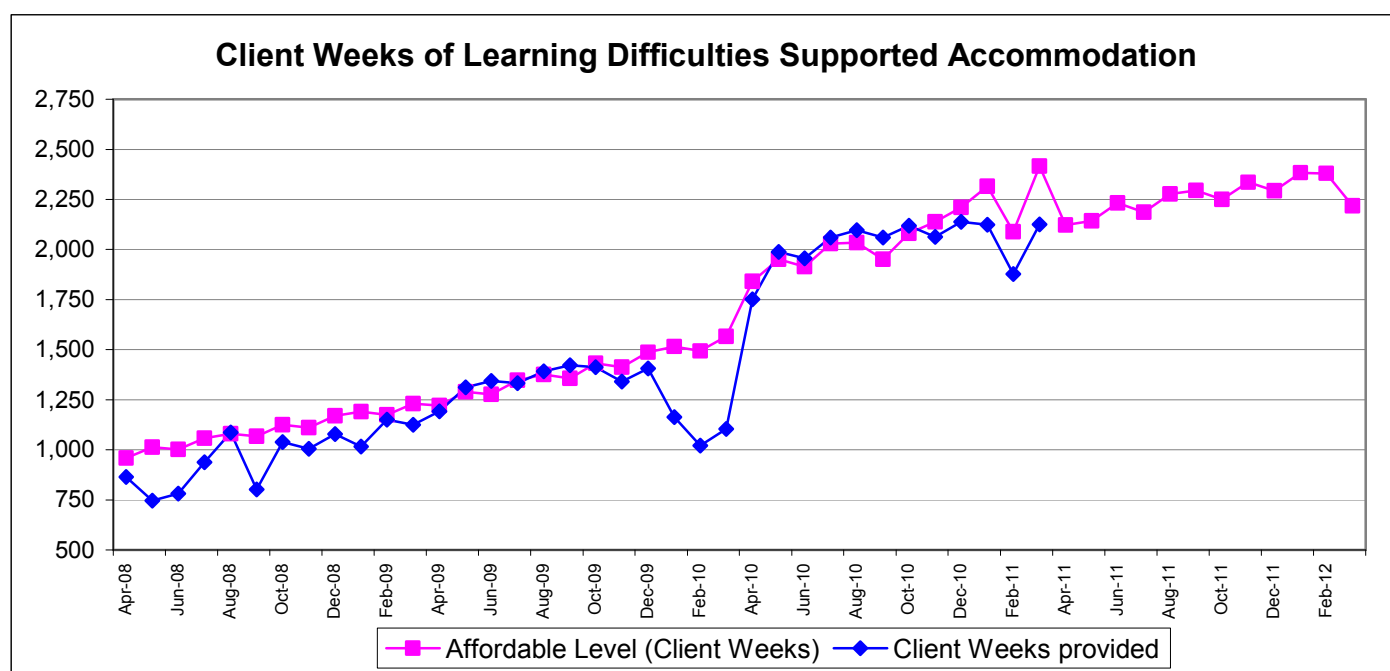


Comments:

- Clients being placed in residential care are those with very complex and individual 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 £1,200 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high costs – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases.
- The unit cost of £1,229.19 is higher than the affordable cost of £1,207.58 and this difference of +£21.61 added £791k to the outturn position when multiplied by the affordable weeks.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|--------------|---------------------------------|---|---------------------------------|---|---------------------------------|---|---------------------------------|
| | Affordable Level (Client Weeks) | Client Weeks of LD supported accommodation provided | Affordable Level (Client Weeks) | Client Weeks of LD supported accommodation provided | Affordable Level (Client Weeks) | Client Weeks of LD supported accommodation provided | Affordable Level (Client Weeks) |
| April | 960 | 865 | 1,221 | 1,192 | 1,841 | 1,752 | 2,121 |
| May | 1,014 | 747 | 1,290 | 1,311 | 1,951 | 1,988 | 2,143 |
| June | 1,003 | 782 | 1,276 | 1,344 | 1,914 | 1,956 | 2,232 |
| July | 1,058 | 939 | 1,346 | 1,333 | 2,029 | 2,060 | 2,186 |
| August | 1,081 | 1,087 | 1,375 | 1,391 | 2,034 | 2,096 | 2,277 |
| September | 1,067 | 803 | 1,357 | 1,421 | 1,951 | 2,059 | 2,294 |
| October | 1,125 | 1,039 | 1,431 | 1,412 | 2,080 | 2,119 | 2,250 |
| November | 1,110 | 1,006 | 1,412 | 1,340 | 2,138 | 2,063 | 2,336 |
| December | 1,169 | 1,079 | 1,487 | 1,405 | 2,210 | 2,137 | 2,293 |
| January | 1,191 | 1,016 | 1,515 | 1,163 | 2,314 | 2,123 | 2,384 |
| February | 1,174 | 1,151 | 1,493 | 1,021 | 2,088 | 1,878 | 2,380 |
| March | 1,231 | 1,125 | 1,567 | 1,105 | 2,417 | 2,125 | 2,218 |
| TOTAL | 13,183 | 11,639 | 16,770 | 15,438 | 24,967 | 24,356 | 27,114 |

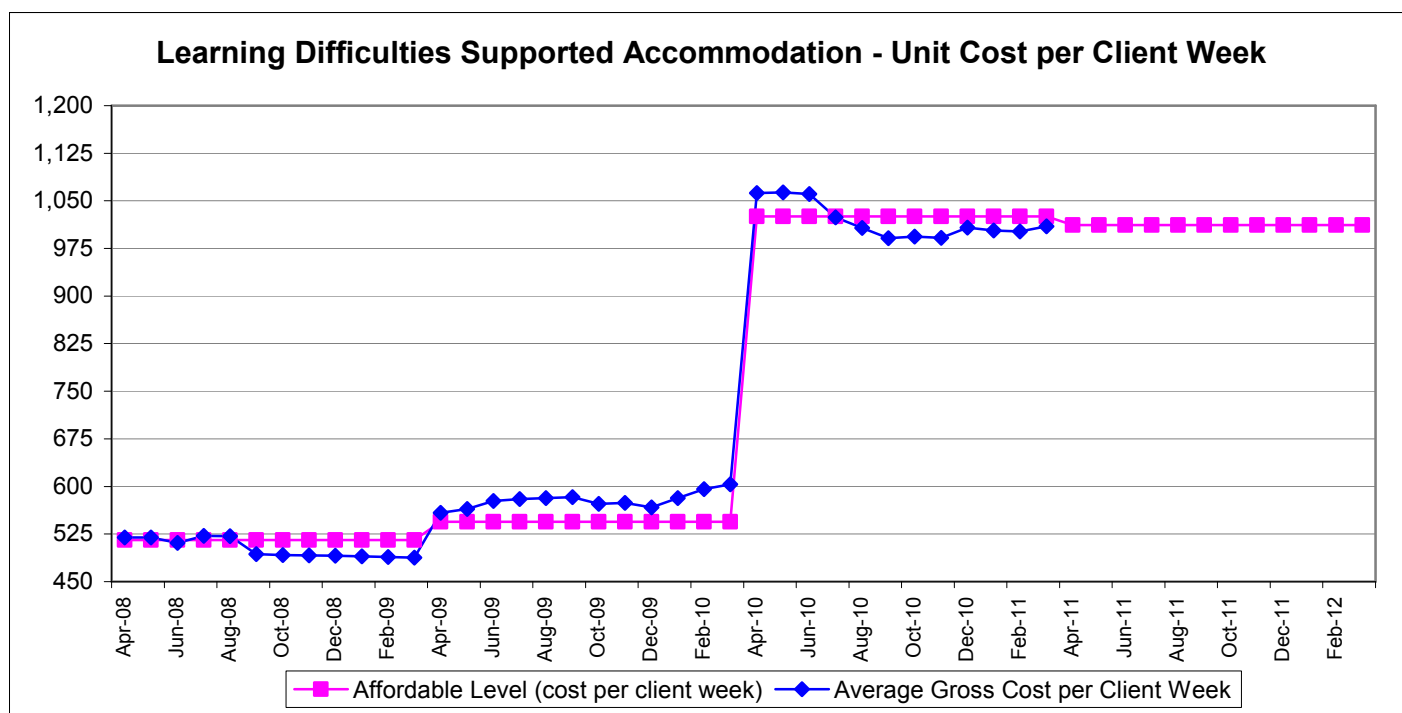


Comments:

- The above graph reflects the number of client weeks of service. The actual number of clients in LD supported accommodation at the end of 2008-09 was 233 and at the end of 2009-10 it was 309. As at the end of December there were 487 clients and by the end of 2010-11 the number had increased to 491, of which 131 were S256 clients.
- The outturn position is 24,356 weeks of care against an affordable level of 24,967, a difference of -611 weeks. Using the final unit cost of £1,009.82 this reduction in activity produced an underspend of £617k.
- Like residential care for people with a learning disability, every case is unique and varies in cost, depending on the individual circumstances. Although the quality of life will be better for these people, it is not always significantly cheaper. The focus to enable as many people as possible to move from residential care into supported accommodation means that increasingly complex and unique cases will be successfully supported to live independently.

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

| | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 |
|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | 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 | Affordable Level (Cost per Week) |
| April | 515.41 | 519.60 | 544.31 | 558.65 | 1,025.67 | 1,062.38 | 1,011.73 |
| May | 515.41 | 519.40 | 544.31 | 564.49 | 1,025.67 | 1,063.22 | 1,011.73 |
| June | 515.41 | 511.10 | 544.31 | 577.33 | 1,025.67 | 1,060.59 | 1,011.73 |
| July | 515.41 | 522.30 | 544.31 | 580.27 | 1,025.67 | 1,023.90 | 1,011.73 |
| August | 515.41 | 521.40 | 544.31 | 581.76 | 1,025.67 | 1,007.58 | 1,011.73 |
| September | 515.41 | 493.33 | 544.31 | 583.26 | 1,025.67 | 991.20 | 1,011.73 |
| October | 515.41 | 491.85 | 544.31 | 572.59 | 1,025.67 | 993.92 | 1,011.73 |
| November | 515.41 | 491.47 | 544.31 | 574.24 | 1,025.67 | 991.56 | 1,011.73 |
| December | 515.41 | 490.83 | 544.31 | 566.87 | 1,025.67 | 1,007.95 | 1,011.73 |
| January | 515.41 | 489.75 | 544.31 | 581.53 | 1,025.67 | 1,003.21 | 1,011.73 |
| February | 515.41 | 488.90 | 544.31 | 595.89 | 1,025.67 | 1,001.98 | 1,011.73 |
| March | 515.41 | 487.60 | 544.31 | 603.08 | 1,025.67 | 1,009.82 | 1,011.73 |

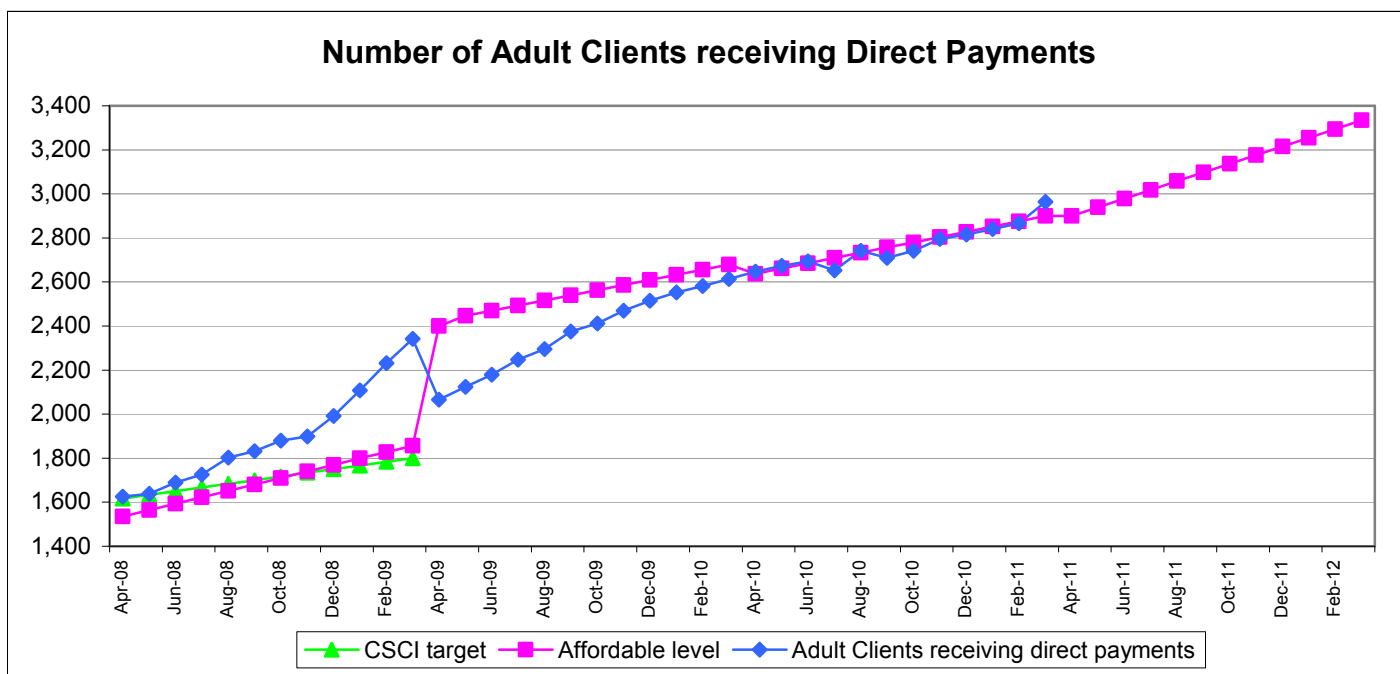


Comments:

- The actual unit cost of £1,009.82 is lower than the affordable cost of £1,025.67 and this difference of -£15.85 generated a saving of £396k when multiplied by the affordable weeks.
- There are three distinct groups of clients: Section 256 clients, Ordinary Residence clients and other clients. Each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report.

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

| | 2008-09 | | | 2009-10 | | 2010-11 | | 2011-12 |
|-------|-------------|------------------|---|------------------|---|------------------|---|------------------|
| | CSCI Target | Affordable Level | Adult Clients receiving Direct Payments | Affordable Level | Adult Clients receiving Direct Payments | Affordable Level | Adult Clients receiving Direct Payments | Affordable Level |
| April | 1,617 | 1,535 | 1,625 | 2,400 | 2,065 | 2,637 | 2,647 | 2,900 |
| May | 1,634 | 1,564 | 1,639 | 2,447 | 2,124 | 2,661 | 2,673 | 2,939 |
| June | 1,650 | 1,593 | 1,689 | 2,470 | 2,179 | 2,685 | 2,693 | 2,979 |
| July | 1,667 | 1,622 | 1,725 | 2,493 | 2,248 | 2,709 | 2,653 | 3,018 |
| Aug | 1,683 | 1,651 | 1,802 | 2,516 | 2,295 | 2,733 | 2,741 | 3,058 |
| Sept | 1,700 | 1,681 | 1,832 | 2,540 | 2,375 | 2,757 | 2,710 | 3,097 |
| Oct | 1,717 | 1,710 | 1,880 | 2,563 | 2,411 | 2,780 | 2,742 | 3,137 |
| Nov | 1,734 | 1,740 | 1,899 | 2,586 | 2,470 | 2,804 | 2,795 | 3,176 |
| Dec | 1,750 | 1,769 | 1,991 | 2,609 | 2,515 | 2,828 | 2,815 | 3,215 |
| Jan | 1,767 | 1,799 | 2,108 | 2,633 | 2,552 | 2,852 | 2,841 | 3,255 |
| Feb | 1,783 | 1,828 | 2,231 | 2,656 | 2,582 | 2,876 | 2,867 | 3,294 |
| March | 1,800 | 1,857 | 2,342 | 2,679 | 2,613 | 2,900 | 2,964 | 3,334 |



Comments:

- The activity being reported is the long term clients in receipt of direct payments in the year as at the end of the month. The drive to implement personalisation and allocate personal budgets has seen continued increases in direct payments, particularly at the end of the year.

2.7 KASS OUTSTANDING DEBT

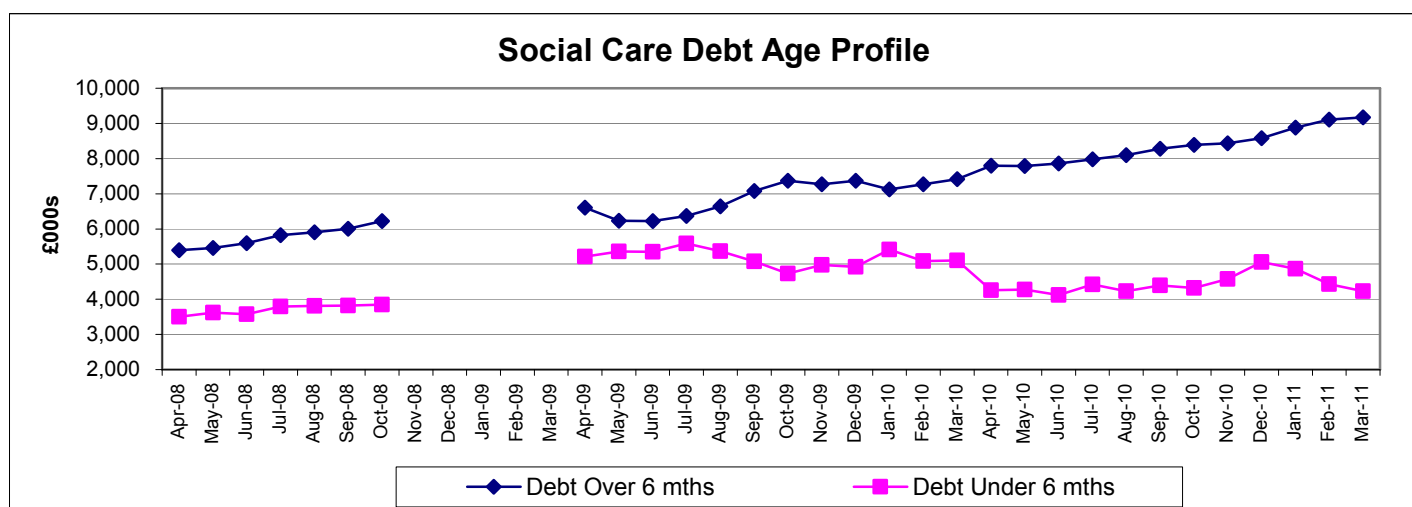
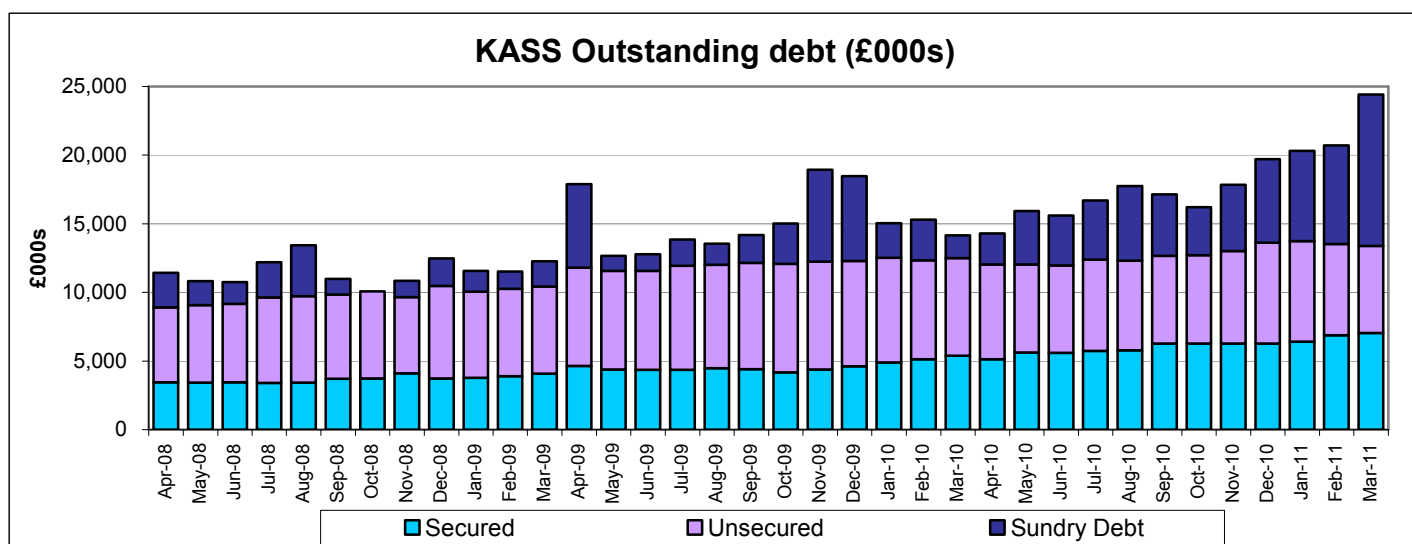
The outstanding due debt as at the March 2011 was £24.413m compared with January's figure of £20.313m (reported to Cabinet in April) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £11.011m of sundry debt compared to £6.560m at the end of January. The amount of sundry debt can fluctuate for large invoices to health. There is currently an outstanding invoice with health for £5.5m which is partially under dispute. We are currently in negotiations to get the majority of this debt paid, whilst discussions continue regarding the proportion which is under dispute. Also within the outstanding debt is £13.402m relating to Social Care (client) debt which is a reduction of £0.351m from the last reported position to Cabinet in April (January position). The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. It also means that as the Directorate moved onto the new Client Billing system in October 2008, the balance will differ from that reported by Corporate Exchequer who report on a calendar month basis, apart from the period November 2008 to March 2009, when the figures are based on calendar months, as provided by Corporate Exchequer, because reports at that time were not aligned with the four weekly billing runs. From April 2009 the debt figures revert back to being on a four weekly basis to coincide with invoice billing runs. The age of debt cannot be completed for the months between November 2008 and March 2009 as the switch to Client Billing meant that all debts transferring on to the new system became "new" for purposes of reporting therefore it was not possible to show ageing until April.

Now that the full client debt monitoring and recovery function has been fully integrated into KASS, we have been able to develop bespoke reports that accurately reflect the ageing of Social Care debt. This has therefore meant that since April there has been some slight changes to how debt is categorised between that which is over six months and that which is under six months and this has resulted in slightly more debt being classed as over six months.

| Debt Month | Social Care Debt | | | | | | |
|------------|--|-------------------|----------------------------------|------------------------|-------------------------|---------------|-----------------|
| | Total Due Debt (Social Care & Sundry Debt) £000s | Sundry Debt £000s | Total Social Care Due Debt £000s | Debt Over 6 mths £000s | Debt Under 6 mths £000s | Secured £000s | Unsecured £000s |
| Apr-08 | 11,436 | 2,531 | 8,905 | 5,399 | 3,506 | 3,468 | 5,437 |
| May-08 | 10,833 | 1,755 | 9,078 | 5,457 | 3,621 | 3,452 | 5,626 |
| Jun-08 | 10,757 | 1,586 | 9,171 | 5,593 | 3,578 | 3,464 | 5,707 |
| Jul-08 | 12,219 | 2,599 | 9,620 | 5,827 | 3,793 | 3,425 | 6,195 |
| Aug-08 | 13,445 | 3,732 | 9,713 | 5,902 | 3,811 | 3,449 | 6,264 |
| Sep-08 | 11,004 | 1,174 | 9,830 | 6,006 | 3,824 | 3,716 | 6,114 |
| Oct-08 | * | * | 10,071 | 6,223 | 3,848 | 3,737 | 6,334 |
| Nov-08 | 10,857 | 1,206 | 9,651 | | | 4,111 | 5,540 |
| Dec-08 | 12,486 | 2,004 | 10,482 | | | 3,742 | 6,740 |
| Jan-09 | 11,575 | 1,517 | 10,058 | | | 3,792 | 6,266 |
| Feb-09 | 11,542 | 1,283 | 10,259 | | | 3,914 | 6,345 |
| Mar-09 | 12,276 | 1,850 | 10,426 | | | 4,100 | 6,326 |
| Apr-09 | 17,874 | 6,056 | 11,818 | 6,609 | 5,209 | 4,657 | 7,161 |
| May-09 | 12,671 | 1,078 | 11,593 | 6,232 | 5,361 | 4,387 | 7,206 |
| Jun-09 | 12,799 | 1,221 | 11,578 | 6,226 | 5,352 | 4,369 | 7,209 |
| Jul-09 | 13,862 | 1,909 | 11,953 | 6,367 | 5,586 | 4,366 | 7,587 |
| Aug-09 | 13,559 | 1,545 | 12,014 | 6,643 | 5,371 | 4,481 | 7,533 |
| Sep-09 | 14,182 | 2,024 | 12,158 | 7,080 | 5,078 | 4,420 | 7,738 |
| Oct-09 | 15,017 | 2,922 | 12,095 | 7,367 | 4,728 | 4,185 | 7,910 |
| Nov-09 | 18,927 | 6,682 | 12,245 | 7,273 | 4,972 | 4,386 | 7,859 |
| Dec-09 | 18,470 | 6,175 | 12,295 | 7,373 | 4,922 | 4,618 | 7,677 |
| Jan-10 | 15,054 | 2,521 | 12,533 | 7,121 | 5,412 | 4,906 | 7,627 |
| Feb-10 | 15,305 | 2,956 | 12,349 | 7,266 | 5,083 | 5,128 | 7,221 |
| Mar-10 | 14,157 | 1,643 | 12,514 | 7,411 | 5,103 | 5,387 | 7,127 |

| Debt Month | Total Due Debt (Social Care & Sundry Debt) £000s | Sundry Debt £000s | Social Care Debt | | | | |
|------------|--|-------------------|----------------------------------|------------------------|-------------------------|---------------|-----------------|
| | | | Total Social Care Due Debt £000s | Debt Over 6 mths £000s | Debt Under 6 mths £000s | Secured £000s | Unsecured £000s |
| Apr-10 | 14,294 | 2,243 | 12,051 | 7,794 | 4,257 | 5,132 | 6,919 |
| May-10 | 15,930 | 3,873 | 12,057 | 7,784 | 4,273 | 5,619 | 6,438 |
| Jun-10 | 15,600 | 3,621 | 11,979 | 7,858 | 4,121 | 5,611 | 6,368 |
| Jul-10 | 16,689 | 4,285 | 12,404 | 7,982 | 4,422 | 5,752 | 6,652 |
| Aug-10 | 17,734 | 5,400 | 12,334 | 8,101 | 4,233 | 5,785 | 6,549 |
| Sep-10 | 17,128 | 4,450 | 12,678 | 8,284 | 4,394 | 6,289 | 6,389 |
| Oct-10 | 16,200 | 3,489 | 12,711 | 8,392 | 4,319 | 6,290 | 6,421 |
| Nov-10 | 17,828 | 4,813 | 13,015 | 8,438 | 4,577 | 6,273 | 6,742 |
| Dec-10 | 19,694 | 6,063 | 13,631 | 8,577 | 5,054 | 6,285 | 7,346 |
| Jan-11 | 20,313 | 6,560 | 13,753 | 8,883 | 4,870 | 6,410 | 7,343 |
| Feb-11 | 20,716 | 7,179 | 13,537 | 9,107 | 4,430 | 6,879 | 6,658 |
| Mar-11 | 24,413 | 11,011 | 13,402 | 9,168 | 4,234 | 7,045 | 6,357 |

* In October 2008, KASS Social Care debt transferred from the COLLECT system to Oracle. The new reports were not available at this point, hence there is no data available for this period. The October Social Care debt figures relate to the last four weekly billing run in the old COLLECT system.



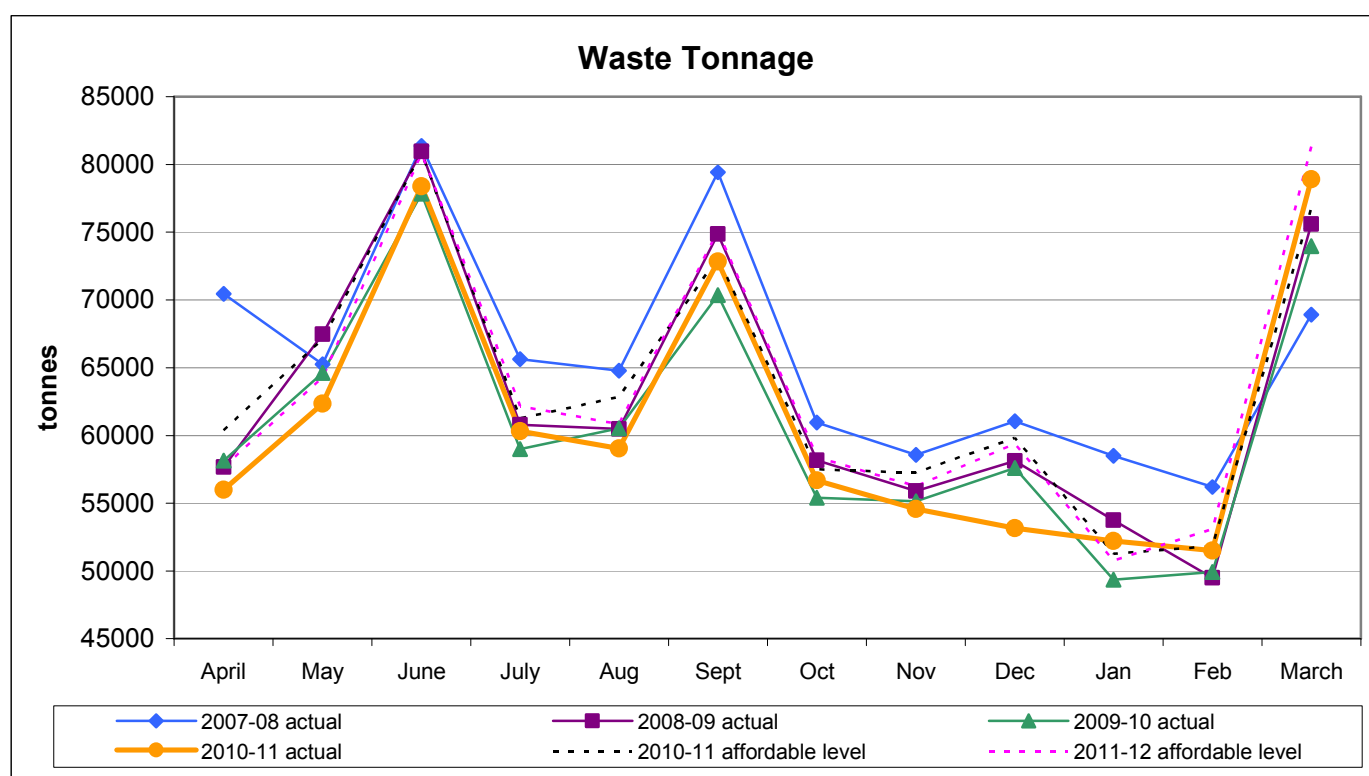
- The age of debt cannot be completed for the months between November 2008 and March 2009 as the switch to Client Billing meant that all debts transferring on to the new system became “new” for purposes of reporting therefore it was not possible to show ageing until April 2009 (i.e. once these debts became 6 months old in the new system).

3. ENVIRONMENT & REGENERATION DIRECTORATE

3.1 Waste Tonnage:

| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | | 2011-12 |
|--------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | Waste Tonnage | Waste Tonnage | Waste Tonnage | Waste Tonnage* | Affordable Level | Affordable Level |
| April | 70,458 | 57,688 | 58,164 | 55,975 | 60,394 | 57,687 |
| May | 65,256 | 67,452 | 64,618 | 62,354 | 67,096 | 64,261 |
| June | 81,377 | 80,970 | 77,842 | 78,375 | 80,826 | 80,772 |
| July | 65,618 | 60,802 | 59,012 | 60,310 | 61,274 | 62,154 |
| August | 64,779 | 60,575 | 60,522 | 59,042 | 62,842 | 60,847 |
| September | 79,418 | 74,642 | 70,367 | 72,831 | 73,065 | 75,058 |
| October | 60,949 | 58,060 | 55,401 | 56,690 | 57,526 | 58,423 |
| November | 58,574 | 55,789 | 55,138 | 54,576 | 57,252 | 56,246 |
| December | 61,041 | 58,012 | 57,615 | 53,151 | 59,825 | 59,378 |
| January | 58,515 | 53,628 | 49,368 | 52,211 | 51,260 | 50,766 |
| February | 56,194 | 49,376 | 49,930 | 51,517 | 51,845 | 53,093 |
| March | 68,936 | 76,551 | 73,959 | 78,902 | 76,795 | 81,315 |
| TOTAL | 791,115 | 753,545 | 731,936 | 735,934 | 760,000 | 760,000 |

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

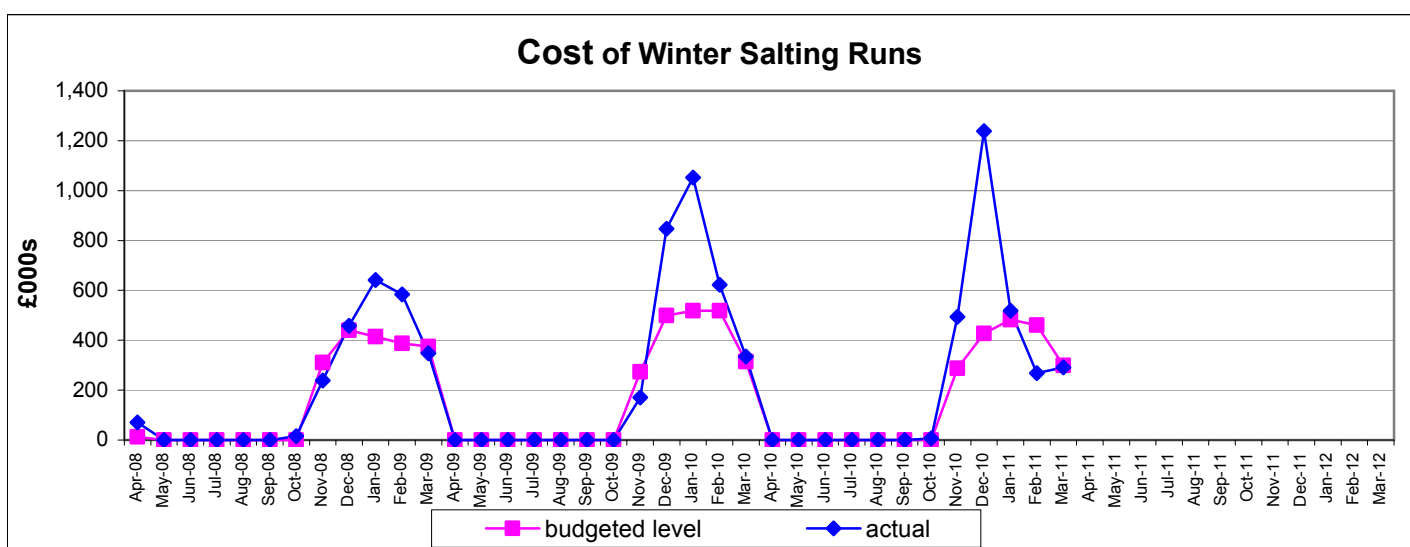
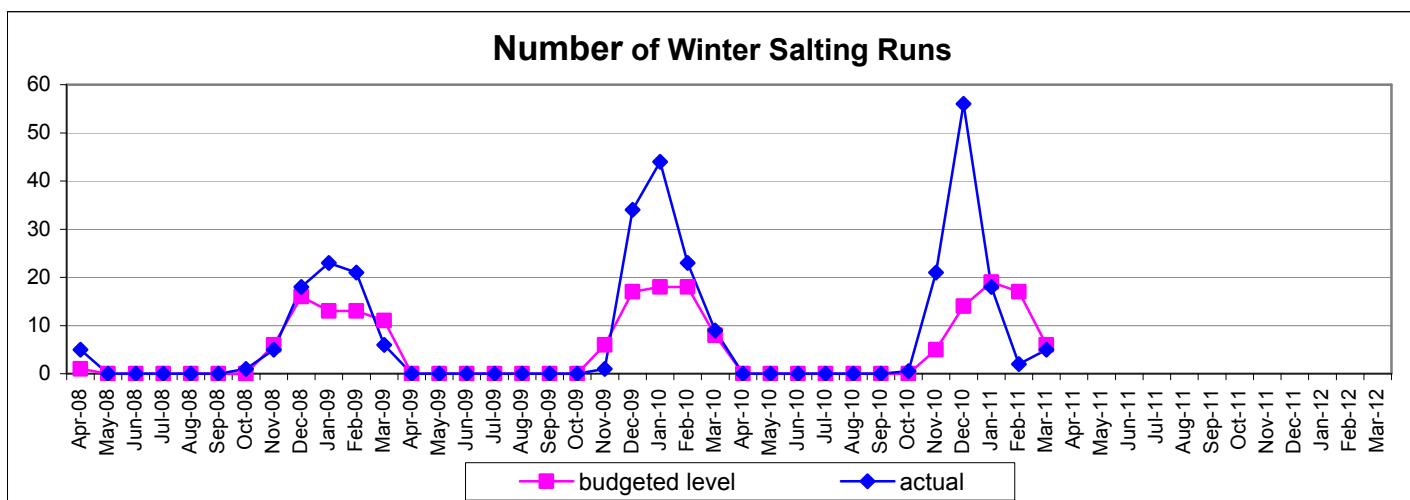


Comments:

- The final tonnage for the year is nearly 736,000 (still subject to change as data is checked), slightly up on the forecast of 730,000 tonnes. This has been caused by a spike in March of 5,000 tonnes over the previous year (2,000 tonnes above the affordable level). This increase, if it continues into April and May, could signify the start of a return to the higher levels of waste we experienced back in 2007-08. We will watch these figures carefully to see if an upward trend is returning but hopefully March was a one-off increase.
- The actual tonnage was 24,066 tonnes below the affordable level, which at approximately £70 per tonne, produced a saving of £1.685m

3.2 Number and Cost of winter salting runs:

| | 2008-09 | | | | 2009-10 | | | | 2010-11 | | | | 2011-12 | |
|--------------|------------------------|--------------|----------------------|--------------------|------------------------|--------------|----------------------|--------------------|------------------------|--------------|----------------------|--------------------|--------------------|----------------------|
| | Number of salting runs | | Cost of salting runs | | Number of salting runs | | Cost of salting runs | | Number of salting runs | | Cost of salting runs | | No of salting runs | Cost of salting runs |
| | Actual | Budget Level | Actual £000s | Budget Level £000s | Actual | Budget Level | Actual £000s | Budget Level £000s | Actual | Budget level | Actual £000s | Budget Level £000s | Budget Level | Budget Level £000s |
| April | 5 | 1 | 70 | 13 | - | - | - | - | - | - | - | - | - | - |
| May | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| June | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| July | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Aug | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sept | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Oct | 1 | - | 16 | - | - | - | - | - | 0.5 | - | 6 | - | - | - |
| Nov | 5 | 6 | 239 | 310 | 1 | 6 | 171 | 273 | 21 | 5 | 494 | 288 | See | |
| Dec | 18 | 16 | 458 | 440 | 34 | 17 | 847 | 499 | 56 | 14 | 1,238 | 427 | final | |
| Jan | 23 | 13 | 642 | 414 | 44 | 18 | 1,052 | 519 | 18 | 19 | 519 | 482 | comment | |
| Feb | 21 | 13 | 584 | 388 | 23 | 18 | 622 | 519 | 2 | 17 | 268 | 461 | below | |
| Mar | 6 | 11 | 348 | 375 | 9 | 8 | 335 | 315 | 5 | 6 | 291 | 299 | graph | |
| TOTAL | 79 | 60 | 2,357 | 1,940 | 111 | 67 | 3,027 | 2,125 | 102.5 | 61 | 2,816 | 1,957 | | |



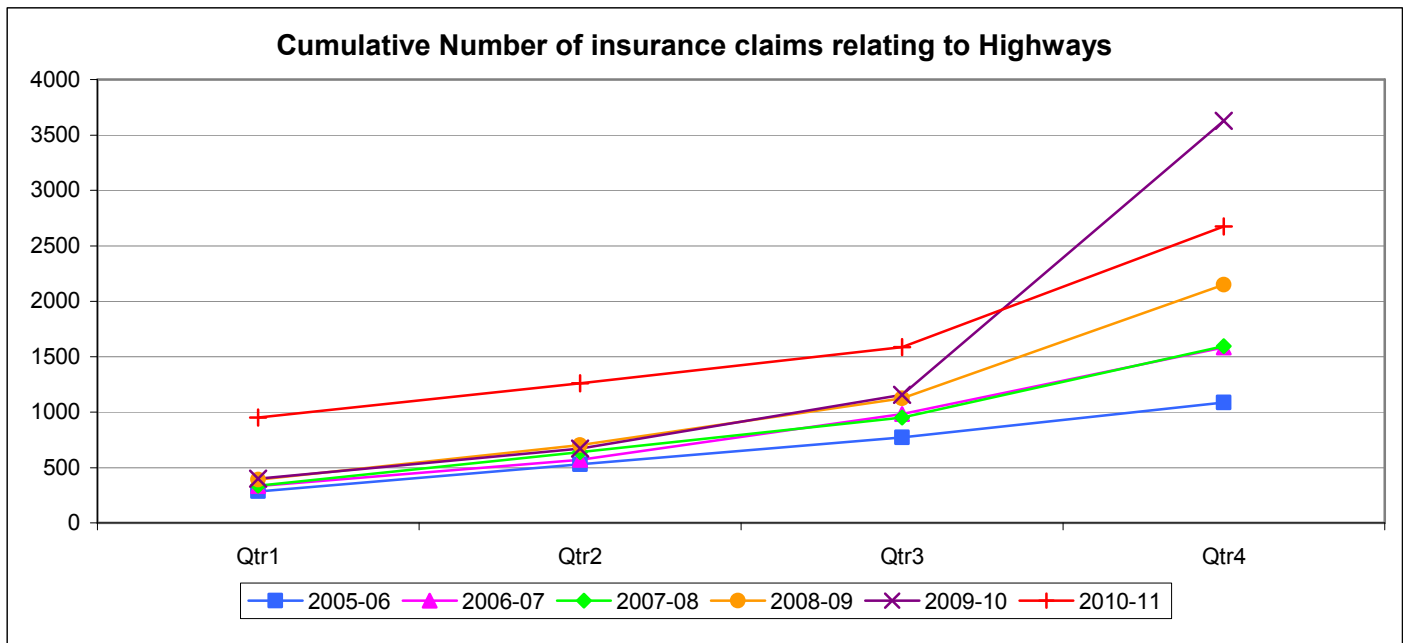
Comments:

- 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 normal salting period.

- The bad weather during December and January caused the number and cost of salting runs to go over budget. The table above shows outturn costs of £2.816k compared to a budgeted position of £1.957k i.e. an overspend of £0.859m. In addition we incurred £1.9m (£1.4m unbudgeted) of costs relating to snow clearance and other emergency conditions expenditure. After the £0.4m virement from the Finance portfolio towards this pressure agreed by Cabinet in May, it leaves the Directorate with an overspend of £1.9m on winter weather (which is offset by the waste underspend).
- The 2011-12 affordable levels have not been provided because these will be under the new highways contract and until the new contract has been awarded the prices and therefore the level of activity the budget will buy is not known.

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

| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Cumulative no. of claims | Cumulative no. of claims | Cumulative no. of claims | Cumulative no. of claims | Cumulative no. of claims | Cumulative no. of claims |
| April – June | 286 | 335 | 337 | 392 | 401 | 950 |
| July – Sept | 530 | 570 | 640 | 702 | 672 | 1,258 |
| Oct – Dec | 771 | 982 | 950 | 1,125 | 1,155 | 1,585 |
| Jan - Mar | 1,087 | 1,581 | 1,595 | 2,150 | 3,628 | 2,675 |



Comments:

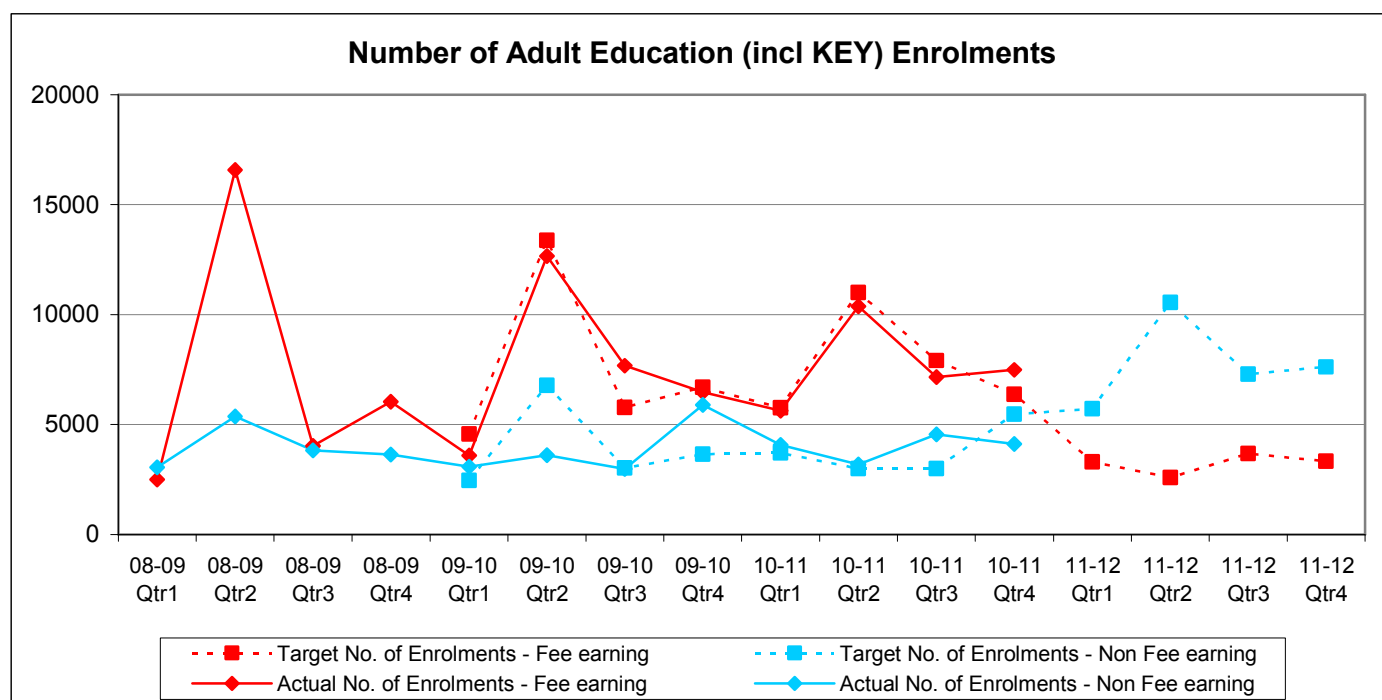
- Numbers of claims will continually change as new claims are received relating to accidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 5 May 2011.
- The number of claims rose sharply at the end of 2008-09 and more so in 2009-10. The particularly adverse weather conditions and the consequent damage to the highway seems a major factor with this along with some possible effect from the economic downturn. The claims for the last quarter of 2010-11 have also seen a significant increase for the same reason (and are likely to increase further as more claims for the bad weather period are received in subsequent months).
- The Insurance section continues to work closely with Highways to try to reduce the number of successful claims and currently the Authority is managing to achieve a rejection rate on 2010-11 claims where it is considered that we do not have any liability, of about 92%.

4. COMMUNITIES DIRECTORATE

4.1 Number of Adult Education & KEY Enrolments:

| | 2008-09 | | | 2009-10 | | | | | |
|--------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|
| | ACTUALS | | | TARGET | | | ACTUALS | | |
| | Fee earning | Non fee earning | TOTAL | Fee earning | Non fee earning | TOTAL | Fee earning | Non fee earning | TOTAL |
| Apr - Jun | 2,496 | 3,049 | 5,545 | 4,560 | 2,456 | 7,016 | 3,589 | 3,087 | 6,676 |
| Jul - Sept | 16,590 | 5,360 | 21,950 | 13,377 | 6,774 | 20,151 | 12,667 | 3,598 | 16,265 |
| Oct - Dec | 4,024 | 3,816 | 7,840 | 5,776 | 3,029 | 8,805 | 7,680 | 2,986 | 10,666 |
| Jan - Mar | 6,039 | 3,639 | 9,678 | 6,689 | 3,651 | 10,340 | 6,474 | 5,880 | 12,354 |
| TOTAL | 29,149 | 15,864 | 45,013 | 30,402 | 15,910 | 46,312 | 30,410 | 15,551 | 45,961 |

| | 2010-11 | | | | | | 2011-12 | | |
|--------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|
| | TARGET | | | ACTUALS | | | TARGET | | |
| | Fee earning | Non fee earning | TOTAL | Fee earning | Non fee earning | TOTAL | Fee earning | Non fee earning | TOTAL |
| Apr - Jun | 5,750 | 3,700 | 9,450 | 5,619 | 4,075 | 9,694 | 3,300 | 5,714 | 9,014 |
| Jul - Sept | 11,000 | 3,000 | 14,000 | 10,382 | 3,186 | 13,568 | 2,580 | 10,557 | 13,137 |
| Oct - Dec | 7,900 | 3,000 | 10,900 | 7,155 | 4,550 | 11,705 | 3,684 | 7,275 | 10,959 |
| Jan - Mar | 6,368 | 5,462 | 11,830 | 7,488 | 4,117 | 11,605 | 3,334 | 7,614 | 10,948 |
| TOTAL | 31,018 | 15,162 | 46,180 | 30,644 | 15,928 | 46,572 | 12,898 | 31,160 | 44,058 |



Comments:

- The Skills Funding Agency (SFA) grants depend partly on enrolments to courses and are subject to a contract agreement with SFA. 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. Student enrolments are gathered via a census at three points during the academic year. 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.
- Enrolments with fees have reduced by 1.2% against target, leading to a shortfall in fee income of £85k (2.3%) as a result of Train to Gain fees due from employers not being realised. Adult Learning provision fees are not affected by the downturn in learners, due to a change in profile of courses with higher fees, in line with government direction, which means there are more courses with higher fees.

The increase in enrolment for courses without fees is due to:

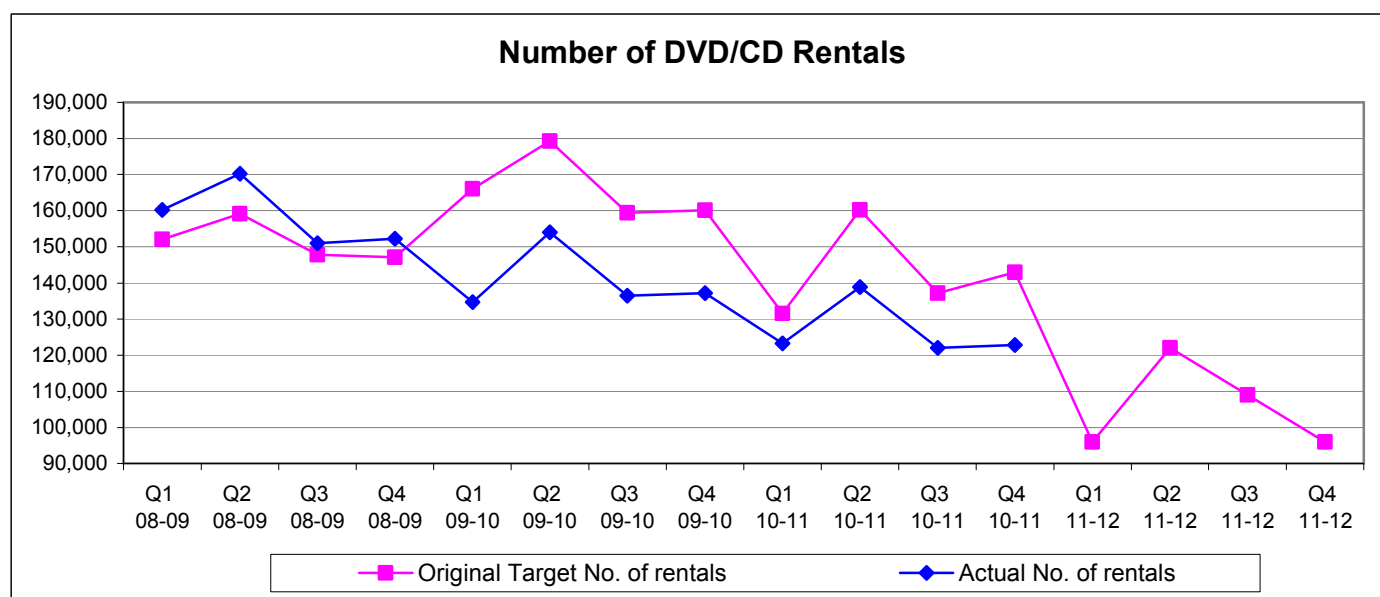
- increased enrolments on Family Learning courses whereby courses are being offered/delivered earlier in the academic year to secure grant funding,
- Train to Gain courses offered to employers, where fees were planned to test the market in readiness for Government changes, but market forces have meant this target has not been realised and a majority of employers continue to engage without contributing fees.
- Additionally a small project called "aiming high" has funded additional non paying fee learners.

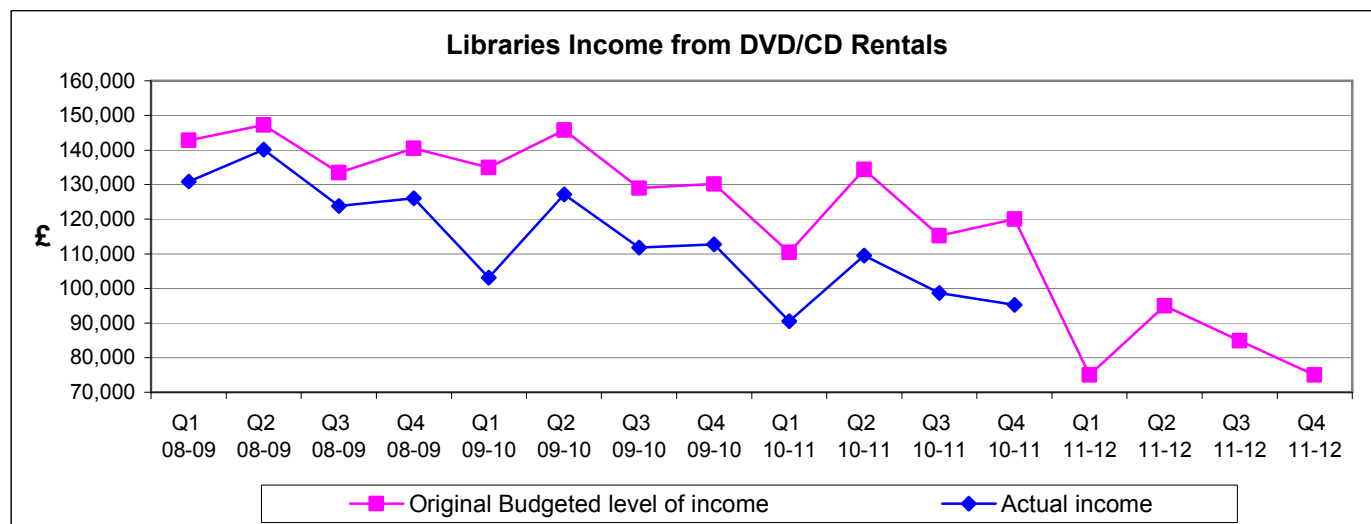
Grant income is down against target predominantly in the Train to Gain funding stream with a £291k shortfall. There has been a marginal reduction in learner numbers on this programme and this is due to uncertainties related to the Comprehensive Spending Review and the subsequent announcement of the cessation of the Train to Gain scheme. However, the significant impact on financial drawdown of the grant is as a result of changes to funding imposed by the Skills Funding Agency which has reduced the average financial drawdown per learner in many cases by as much as 50%.

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

| | 2008-09 | | | | 2009-10 | | | |
|--------------|-----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| | No of rentals | | Income (£) | | No of rentals | | Income (£) | |
| | Budgeted target | actual | budget | actual | Budgeted target | actual | Budget | actual |
| April – Jun | 152,059 | 160,162 | 142,865 | 130,920 | 166,000 | 134,781 | 135,000 | 103,135 |
| July – Sep | 159,149 | 170,180 | 147,232 | 140,163 | 179,300 | 154,044 | 145,800 | 127,156 |
| Oct – Dec | 147,859 | 150,968 | 133,505 | 123,812 | 159,400 | 136,516 | 129,000 | 111,827 |
| Jan – Mar | 147,156 | 152,249 | 140,533 | 126,058 | 160,100 | 137,172 | 130,200 | 112,775 |
| TOTAL | 606,223 | 633,559 | 564,135 | 520,953 | 664,800 | 562,513 | 540,000 | 454,893 |

| | 2010-11 | | | | 2011-12 | |
|--------------|-----------------|----------------|----------------|----------------|-----------------|----------------|
| | No of rentals | | Income (£) | | No of rentals | Income (£) |
| | Budgeted target | actual | Budget | actual | Budgeted target | Budget |
| April – Jun | 131,600 | 123,201 | 110,400 | 90,569 | 96,000 | 75,000 |
| July – Sep | 160,200 | 138,853 | 134,400 | 109,462 | 122,000 | 95,000 |
| Oct – Dec | 137,200 | 122,036 | 115,200 | 98,713 | 109,000 | 85,000 |
| Jan – Mar | 143,000 | 122,846 | 120,000 | 95,317 | 96,000 | 75,000 |
| TOTAL | 572,000 | 506,936 | 480,000 | 394,061 | 423,000 | 330,000 |





Comments:

- 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, which has resulted in a forecast reduction in AV income of £86k. Demand for spoken word materials and DVDs has remained reasonably stable despite the introduction of downloadable books.
- Research undertaken by the service in order to mitigate this actual and forecast decline, indicates issues can be increased if loans are offered for longer periods at a reduced fee. The service has also identified that it has a niche market for certain genres where demand can be sustained and there is little competition e.g. old TV shows.
- The service has reviewed its marketing strategy and set more realistic levels of rentals both in terms of volume and value. The service increased income budgets from other merchandising to offset the loss of income from AV issues, but is also now falling short on this.
- Issues and income achieved during 2010-2011 are significantly below target levels, partly due to adverse weather condition culminating in the closure of several Libraries. The snow closures had a significant impact on fines and charges; and a fines amnesty was offered to customers as a gesture of goodwill on the days libraries had to close due to weather conditions. Despite the adverse weather conditions and the impact of library closures, income from the sale of merchandise increased during the period, but was still below the planned target.
- The service is currently working on an exit strategy for the audio visual rental service, in acknowledgment of the continual decline in demand and that merchandising income is no longer sufficient to plug the gap. In the budget build for 2011-2012, the service has reduced planned expenditure on AV materials by £150k and also revised the expected income target as part of a strategy to move towards reducing reliance on this form of income.
- The service has set a similar target for 2011-12 as 2010-11 for merchandising income and is confident that the new merchandising arrangements set up with Kent Cultural Trading, including the introduction of the online shop, will ensure the merchandising target of £160k is achieved. The service is hoping that income derived from the sale of merchandise will exceed the target and thus make up some of the shortfall in AV income.
- The actual number of rentals includes those from visits to lending libraries, postal loans and reference materials.
- To enable better comparison of AV issues and income data, the actual income reported for the previous quarter is changed from the figure previously reported, to reflect the late banking of income which has taken place during the current quarter but relates to rentals issued within the previous quarter. The number of rentals reported previously remains unchanged. It is likely that this adjustment will be required in each report.

5. CHIEF EXECUTIVE DIRECTORATE

5.1 Capital Receipts – actual receipts compared to budget profile:

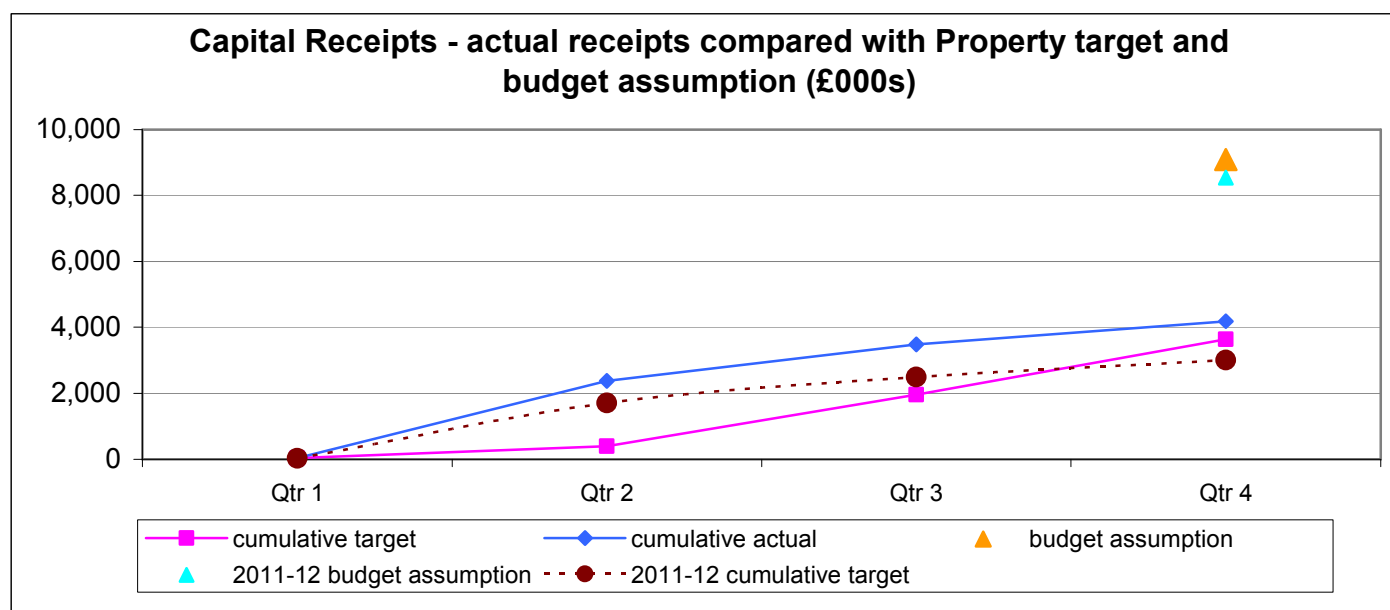
| | 2010-11 | | | 2011-12 | |
|--------------|---------------------------------|---------------------------------|----------------------------------|---------------------------------|---------------------------------|
| | Budget funding assumption £000s | Cumulative Target profile £000s | Cumulative Actual Receipts £000s | Budget funding assumption £000s | Cumulative Target profile £000s |
| April - June | | 36 | 38 | | 30 |
| July - Sept | | 399 | 2,373 | | 1,710 |
| Oct - Dec | | 1,960 | 3,481 | | 2,490 |
| Jan - March | | 3,630 | 4,189 | | 3,000 |
| TOTAL | 9,091 | 3,630 | 4,189 | 8,538 | 3,000 |

The budget funding assumption has figures reflect the 2011-14 budget.

The cumulative target profile for 2010-11 and 2011-12 show totals of £3.630m and £8.538m respectively. The difference between this and the budget funding assumption is mainly attributable to timing differences between when the receipts are anticipated to come in and when the spend in the capital programme will occur. There are banked receipts achieved in prior years which were not required to be used for funding until 2010-11.

Across the two years, we require £17.6m and expect to get £7.189m.

Due to a change to accounting requirements in 2009-10, capital receipt deposits cannot be treated as a capital receipts. The deposits received in 2009-10 were reflected in the 2009-10 Outturn Report; these deposits were transferred to capital receipts during 2011-1 following payment of the final balance increasing the profile of cumulative receipts that have been previously reported.



Comments:

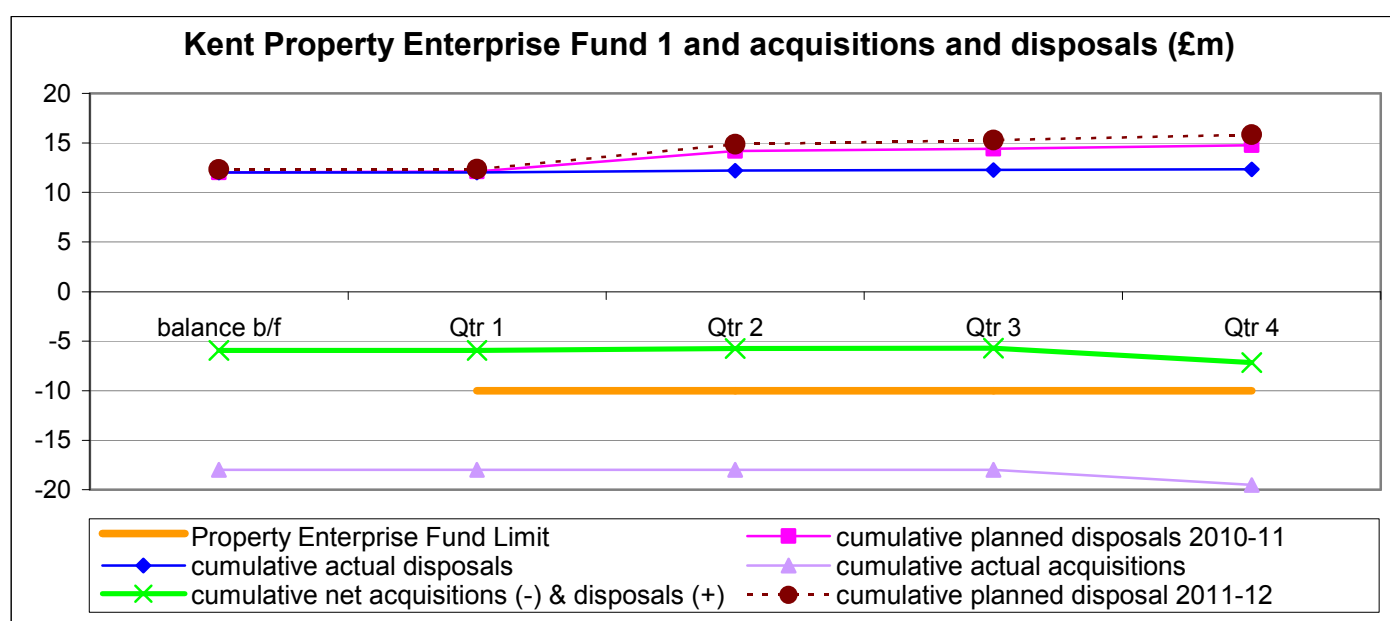
- The table shows a deficit of £0.7m in 2010-11. This is due to the target level of disposals not being achieved. This deficit has not impacted on the funding of the capital programme due to the re-phasing of a number of projects since the MTFP was agreed.
- The surplus forecast of £2.7m in 2011-12 is due to planned receipts being achieved during 2011-12 which are not required until future years. This is a timing issue rather than a real overall surplus.
- The budget assumption shows a surplus of £0.7m, this is not a real surplus as the level of receipts forecast to be achieved in 2011-12 are expected to cover the funding requirement in the capital programme.

| | 2010-11 £'000 | 2011-12 Budget Assumption £'000 | 2011-12 Current Forecast £'000 |
|---|------------------|--|---|
| Capital receipt funding per revised 2011-14 MTFP | 9,091 | 8,538 | 8,538 |
| Property Groups' actual (forecast for 10-11) receipts | 3,425 | 3,000 | 5,040 |
| Receipts banked in previous years for use | 1,788 | 5,269 | 5,269 |
| Capital receipts from other sources | 3,140 | 946 | 946 |
| (Potential for 09-10) surplus/(deficit) receipts | -738 | 677 | 2,717 |

5.2 Capital Receipts – Kent Property Enterprise Fund 1:

| | 2010-11 | | | | | 2011-12 |
|--|--|-------------------------------------|------------------------------------|---------------------------------------|--|-------------------------------------|
| | Kent Property Enterprise Fund Limit £m | Cumulative Planned Disposals (+) £m | Cumulative Actual Disposals (+) £m | Cumulative Actual Acquisitions (-) £m | Cumulative Net Acquisitions (-) & Disposals (+) £m | Cumulative Planned Disposals (+) £m |
| Balance b/f | | 12.019 | 12.019 | -17.967 | -5.948 | 12.342 |
| April - June | -10 | 12.102 | 12.019 | -17.967 | -5.948 | 12.377 |
| July – Sept | -10 | 14.199 | 12.209 | -17.967 | -5.758 | 14.862 |
| Oct – Dec | -10 | 14.420 | 12.253 | -17.967 | -5.714 | 15.282 |
| Jan – Mar | -10 | 14.778 | 12.342 | -18.136 | -5.794 | *15.638 |
| Other Commitments against Property Enterprise Fund 1 | | | | | -1.368 | |
| Revised Property Enterprise Fund balance after funding commitments | | | | | -7.162 | |

- The value of disposals for 2011-12 is £3,500k



Background:

- County Council approved the establishment of the Property Enterprise Fund 1 (PEF1), 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 the disposal of assets are realised. It is anticipated that the Fund will be in surplus at the end of the 10 year period.

Comments:

The deficit balance brought forward from 2009-10 on the Property Group Enterprise Fund No. 1 was **-£5.948m**.

A value of **£2.759m** was identified for disposal in 2010-11. This is the risk adjusted figure to take on board the potential difficulties in disposing some of the properties.

Actual disposals for 2010-11 total £0.323m from the disposal of 2 non-operational properties.

The fund has been earmarked to provide **£1m** for Ashford Library and **£0.309m** for Gateways in this financial year.

Acquisitions/Costs

There were no committed acquisitions to report. The cost of disposal was **£0.169m**. These costs include estate fees to prepare the properties for disposal in future years.

Forecast Outturn

Taking all the above into consideration, the Fund is expected to be in a deficit position of £7.162m at the end of 2010-11.

| | |
|-----------------------------------|-----------------|
| Opening Balance – 01-04-10 | -£5.948m |
| Planned Receipts (Risk adjusted) | £0.323m |
| Costs | -£0.169m |
| Acquisitions | - |
| Other Funding: | |
| - Ashford Library | -£1.000m |
| - Gateways | -£0.368m |
| | |
| Closing Balance – 31-03-11 | -£7.162m |

Other Fund Commitments

The fund provided **£1.0m** for Ashford Library and **£0.368m** for Gateways in 2010-11. It is expected to provide £0.197m for Gateways and £0.300m for Improvements to Maidstone High Street in 2011-12.

Revenue Implications

In 2010-11 the fund is currently generated £0.016m of low value revenue receipts but, with the need to fund both costs of borrowing (£0.519m) against the overdraft facility and the cost of managing properties held for disposal (net £0.166m), the PEF1 carried forward a £1.604m deficit on revenue which will be rolled forward to be met from future income streams.

5.3 Capital Receipts – Kent Property Enterprise Fund 2 (PEF2):

County Council approved the establishment of PEF2 in September 2008 with a maximum permitted overdraft limit of £85m, but with the anticipation of the fund broadly breaking even over a rolling five year cycle. However, due to the slower than expected recovery, breakeven, is likely to occur over a rolling seven to eight year cycle. The purpose of PEF2 is to enable Directorates to continue with their capital programmes as far as possible, despite the downturn in the property market. The fund will provide a prudent amount of funding up front (prudential borrowing), in return for properties which will be held corporately until the property market recovers.

Overall forecast position on the fund

| | 2010-11 Actual | 2011-12 Forecast |
|--------------------------------|-------------------|---------------------|
| | £m | £m |
| Capital: | | |
| Opening balance | -33.274 | -22.209 |
| Properties agreed into PEF2 | 0.000 | -22.121 |
| Actual sale of PEF2 properties | 11.188 | 23.815 |
| Disposal costs | -0.123 | -1.031 |
| Closing balance | -22.209 | -21.546 |
| | | |
| Revenue: | | |
| Opening balance | -2.153 | -3.417 |
| Interest on borrowing | -1.126 | -0.878 |
| Holding costs | -0.138 | -0.692 |
| Closing balance | -3.417 | -4.987 |
| | | |
| Overall closing balance | -25.626 | -26.533 |

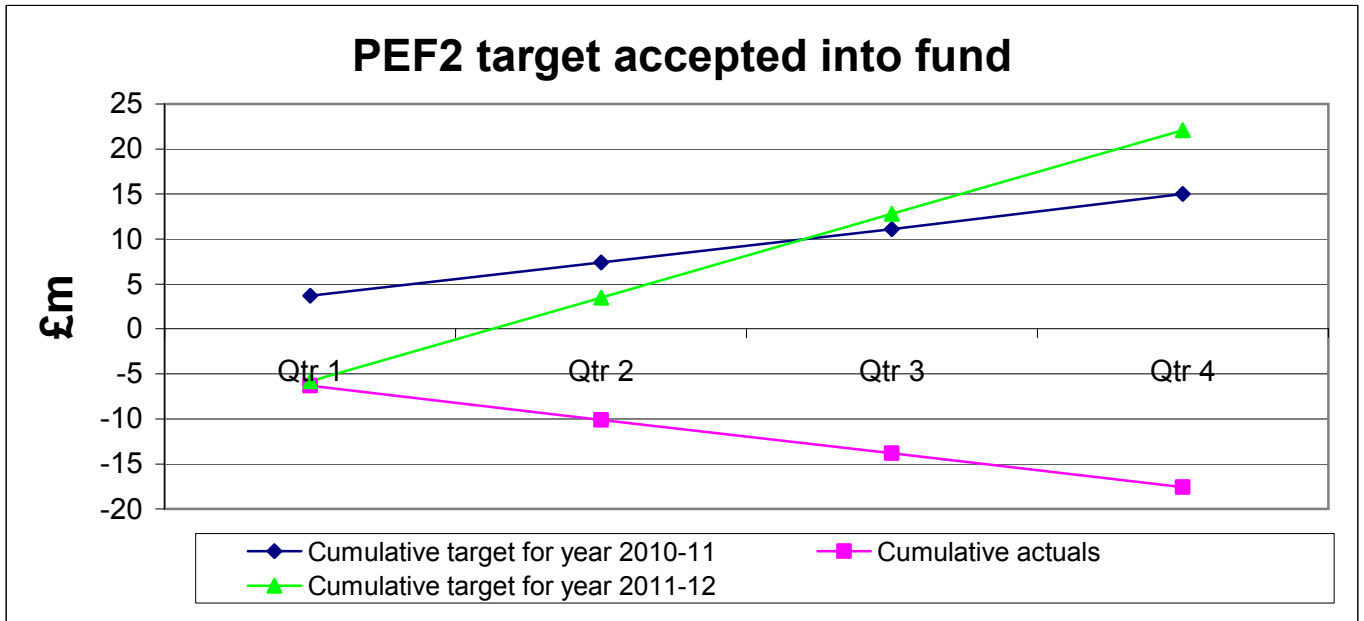
The 2010-11 closing balance for PEF2 is -£25.626m, this is within the overdraft limit of £85m. The revenue closing balance of -£3.417m has been temporarily funded by the Prudential Equalisation Reserve, until such time PEF2 receipts are available to pay this back.

The target receipts to be accepted into PEF2 during 2010-11 equate to the PEF2 funding requirement in the 2011-14 budget book, and achievement against this is shown below:

| | 2010-11 | | 2011-12 |
|---------------|------------------------------------|--------------------|------------------------------------|
| | Cumulative target for year 2010-11 | Cumulative actuals | Cumulative target for year 2011-12 |
| | £m | £m | £m |
| Balance b/fwd | -2.6 | -2.6 | -15.1 |
| Qtr 1 | 3.7 | -6.3 | -5.8 |
| Qtr 2 | 7.4 | -10.1 | 3.5 |
| Qtr 3 | 11.1 | -13.8 | 12.8 |
| Qtr 4 | 15.0 | -17.6 | 22.1 |

Comments:

- The above table shows that £15m was needed to be transferred into PEF2 during 2010-11. However, no properties were transferred into the fund, leaving a deficit of £17.6m. This deficit is reduced to £15.1m, after taking into consideration the balance of roll forwards of £2.5m.
- The £15.1m deficit is the net of a £17.6m deficit within CFE and £2.5m of PEF2 achieved in previous years by KASS and EHW that is not required until later years.
- The deficit in 2010-11 is purely timing and Corporate Finance, Corporate Property and CFE have agreed that sufficient asset values are held by CFE that can be transferred into PEF2 during 2011-12 to cover the shortfall in 2010-11 plus the amount required for 2011-12.



PEF2 Disposals

To date seven PEF2 properties have been sold and five are in the process of completing. The cumulative profit on disposal to date is £1.309M. Large profits or losses are not anticipated over the lifetime of the fund.

Interest costs

At the start of the year interest costs on the borrowing of the fund for 2010-11 were expected to total £1.56m.

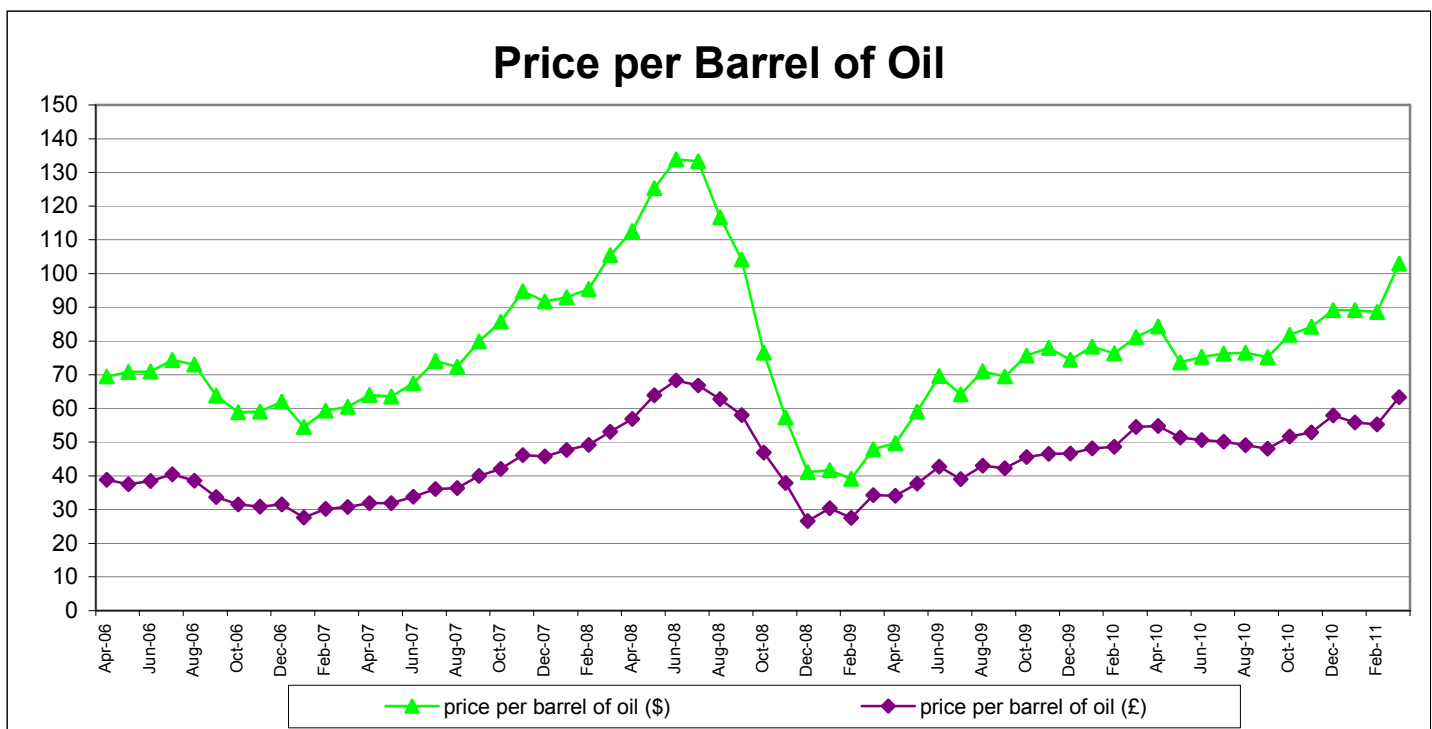
The actual interest costs for the year are £1.126m, a decrease of £0.434m. This is because there have been no properties transferred into PEF2 to fund the capital programme and a number of disposals during the year.

Interest costs on the fund are calculated at a rate of 4%.

6. FINANCING ITEMS

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

| | Price per Barrel of Oil | | | | |
|-----------|-------------------------|---------|---------|---------|---------|
| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
| | \$ | \$ | \$ | \$ | \$ |
| April | 69.44 | 63.98 | 112.58 | 49.65 | 84.29 |
| May | 70.84 | 63.45 | 125.40 | 59.03 | 73.74 |
| June | 70.95 | 67.49 | 133.88 | 69.64 | 75.34 |
| July | 74.41 | 74.12 | 133.37 | 64.15 | 76.32 |
| August | 73.04 | 72.36 | 116.67 | 71.05 | 76.60 |
| September | 63.80 | 79.91 | 104.11 | 69.41 | 75.24 |
| October | 58.89 | 85.80 | 76.61 | 75.72 | 81.89 |
| November | 59.08 | 94.77 | 57.31 | 77.99 | 84.25 |
| December | 61.96 | 91.69 | 41.12 | 74.47 | 89.15 |
| January | 54.51 | 92.97 | 41.71 | 78.33 | 89.17 |
| February | 59.28 | 95.39 | 39.09 | 76.39 | 88.58 |
| March | 60.44 | 105.45 | 47.94 | 81.20 | 102.86 |



Comments:

- The figures quoted are the West Texas Intermediate Spot Price in dollars per barrel, monthly average price.
- The dollar price has been converted to a sterling price using exchange rates obtained from the HMRC website.

FINANCIAL HEALTH INDICATORS

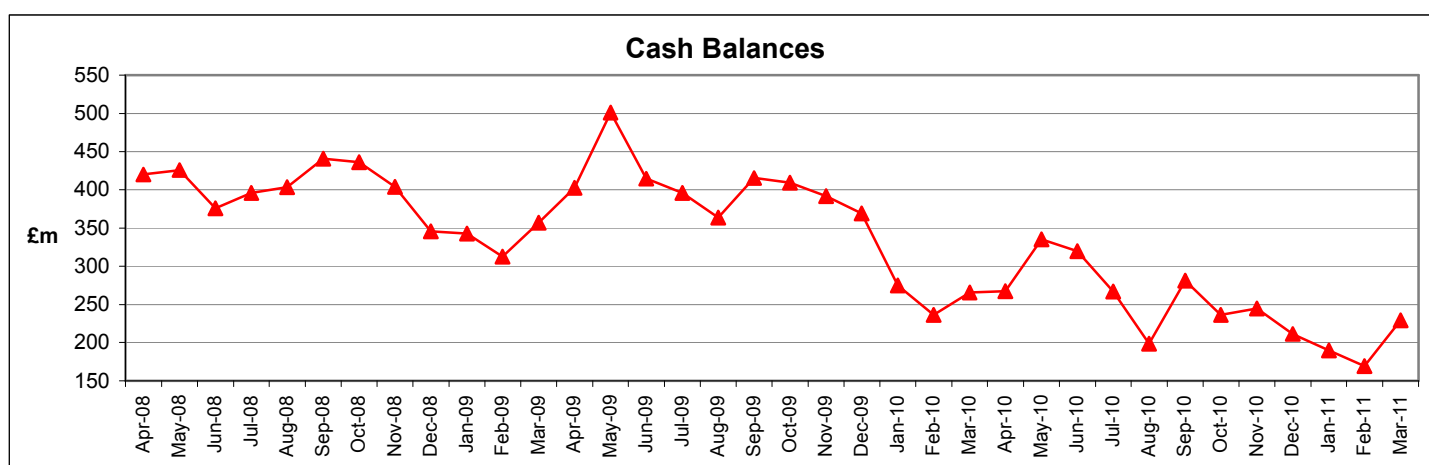
1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£41.155m), balances of schools in the corporate scheme (£51.6m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

Pension Fund cash balances were removed from KCC Funds on 1 July and are now being handled separately.

The overall downward trend in the cash balance since September 2009 reflects the Council's policy of deferring borrowing and using available cash balances whenever possible to fund new capital expenditure (i.e. internalising the debt).

| | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2008-09 | 419.9 | 425.7 | 375.7 | 395.8 | 403.5 | 441.1 | 436.3 | 403.9 | 345.5 | 342.8 | 312.6 | 357.0 |
| 2009-10 | 402.7 | 500.9 | 414.6 | 395.7 | 363.6 | 415.4 | 409.1 | 391.7 | 369.1 | 275.0 | 236.7 | 265.8 |
| 2010-11 | 267.4 | 335.2 | 319.8 | 267.2 | 198.7 | 281.3 | 236.4 | 244.9 | 211.5 | 189.5 | 169.1 | 229.5 |



2. LONG TERM DEBT MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £47.069m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£2.6m), Magistrates Courts (£1.4m) and the Probation Service (£0.24m). These bodies make regular payments of principal and interest to KCC to service this debt.

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

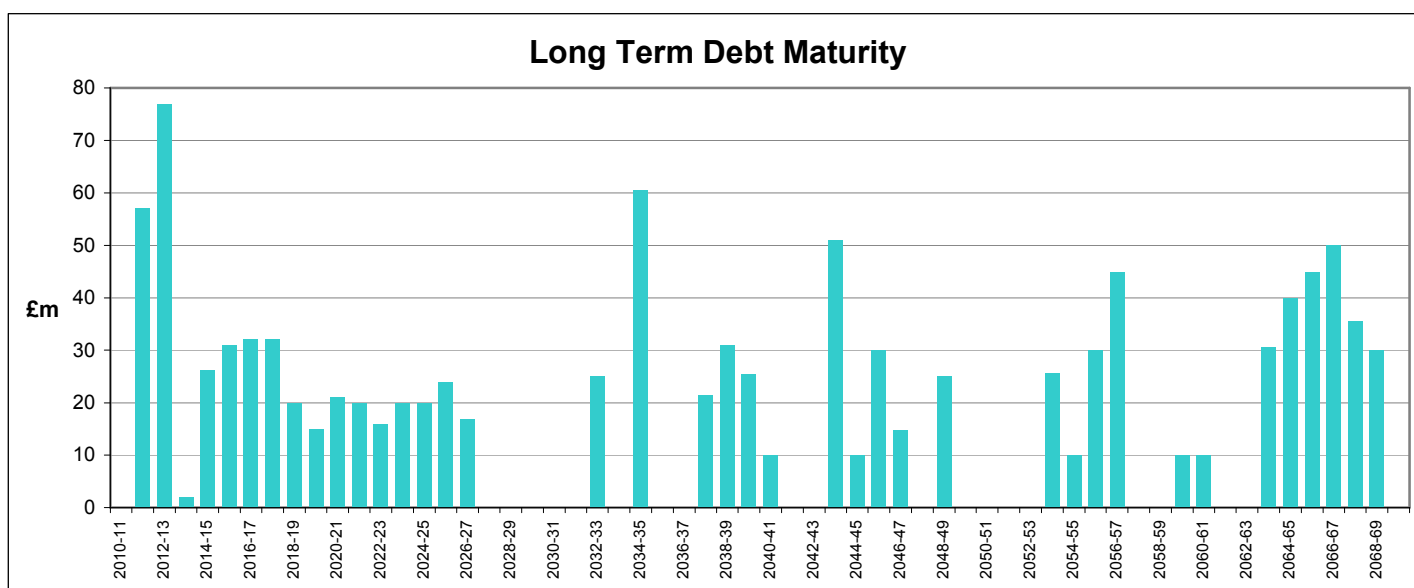
The total debt principal repaid in 2010-11 was £46.031m, £45m maturity loan and £1.031m relating to small annuity and equal instalment of principal loans.

Two new PWLB loans of £25m each were advanced to KCC on 27 May 2010. The first is to mature in 2032-33 and the second in 2048-49. These loans were taken as part of the new borrowing requirement to fund the programme of capital expenditure.

£40m of new PWLB borrowing was taken on 3 September in three loans: two fixed interest maturity loans for £10m each and one EIP loan for £20m. The EIP loan principal will be repaid in 20 six monthly repayments of £1m over 10 years whereas the total principal will be repaid at maturity, in 2059-60 and 2060-61, for the other two loans.

Also, a £10m market loan was advanced by RBS on 31 January at an interest rate of 4.2%, which is to mature in 2040-41.

| Year | £m | Year | £m | Year | £m | Year | £m | Year | £m |
|---------|--------|---------|--------|---------|--------|---------|--------|--------------|------------------|
| 2010-11 | 0.000 | 2023-24 | 20.001 | 2036-37 | 0.000 | 2049-50 | 0.000 | 2062-63 | 0.000 |
| 2011-12 | 57.024 | 2024-25 | 20.001 | 2037-38 | 21.500 | 2050-51 | 0.000 | 2063-64 | 30.600 |
| 2012-13 | 77.021 | 2025-26 | 24.001 | 2038-39 | 31.000 | 2051-52 | 0.000 | 2064-65 | 40.000 |
| 2013-14 | 2.015 | 2026-27 | 17.001 | 2039-40 | 25.500 | 2052-53 | 0.000 | 2065-66 | 45.000 |
| 2014-25 | 26.193 | 2027-28 | 0.001 | 2040-41 | 10.000 | 2053-54 | 25.700 | 2066-67 | 50.000 |
| 2015-16 | 31.001 | 2028-29 | 0.001 | 2041-42 | 0.000 | 2054-55 | 10.000 | 2067-68 | 35.500 |
| 2016-17 | 32.001 | 2029-30 | 0.001 | 2042-43 | 0.000 | 2055-56 | 30.000 | 2068-69 | 30.000 |
| 2017-18 | 32.001 | 2030-31 | 0.001 | 2043-44 | 51.000 | 2056-57 | 45.000 | 2069-70 | 0.000 |
| 2018-19 | 20.001 | 2031-32 | 0.000 | 2044-45 | 10.000 | 2057-58 | 0.000 | | |
| 2019-20 | 15.001 | 2032-33 | 25.000 | 2045-46 | 30.000 | 2058-59 | 0.000 | | |
| 2020-21 | 21.001 | 2033-34 | 0.000 | 2046-47 | 14.800 | 2059-60 | 10.000 | TOTAL | 1,096.333 |
| 2021-22 | 20.001 | 2034-35 | 60.470 | 2047-48 | 0.000 | 2060-61 | 10.000 | | |
| 2022-23 | 16.001 | 2035-36 | 0.000 | 2048-49 | 25.000 | 2061-62 | 0.000 | | |



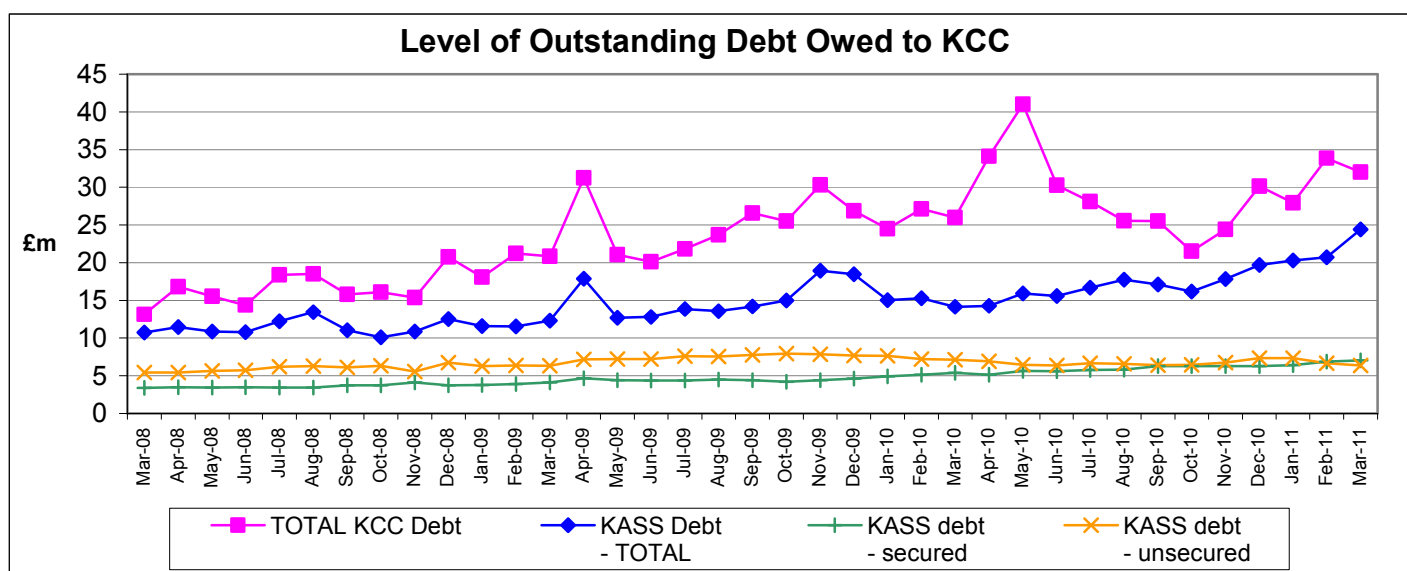
3. OUTSTANDING DEBT OWED TO KCC

The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 28 days. The main element of this relates to Adult Social Services and this is also identified separately, together with a split of how much of the Social Care debt is secured (i.e. by a legal charge on the clients' property) and how much is unsecured.

| | Social Care Secured Debt £m | Social Care Unsecured Debt £m | Total Social Care debt £m | KASS Sundry debt £m | TOTAL KASS debt £m | All Other Directorates Debt £m | TOTAL KCC Debt £m |
|----------|--------------------------------|----------------------------------|------------------------------|------------------------|-----------------------|-----------------------------------|----------------------|
| April 08 | 3.468 | 5.437 | 8.905 | 2.531 | 11.436 | 5.369 | 16.805 |
| May 08 | 3.452 | 5.626 | 9.078 | 1.755 | 10.833 | 4.736 | 15.569 |
| June 08 | 3.464 | 5.707 | 9.171 | 1.586 | 10.757 | 3.619 | 14.376 |
| July 08 | 3.425 | 6.195 | 9.620 | 2.599 | 12.219 | 6.174 | 18.393 |
| Aug 08 | 3.449 | 6.264 | 9.713 | 3.732 | 13.445 | 5.075 | 18.520 |
| Sept 08 | 3.716 | 6.114 | 9.830 | 1.174 | 11.004 | 4.800 | 15.804 |
| Oct 08 | 3.737 | 6.334 | 10.071 | * | * | 6.021 | * |
| Nov 08 | 4.111 | 5.540 | 9.651 | 1.206 | 10.857 | 4.504 | 15.361 |
| Dec 09 | 3.742 | 6.740 | 10.482 | 2.004 | 12.486 | 8.269 | 20.755 |
| Jan 09 | 3.792 | 6.266 | 10.058 | 1.517 | 11.575 | 6.519 | 18.094 |
| Feb 09 | 3.914 | 6.345 | 10.259 | 1.283 | 11.542 | 9.684 | 21.226 |
| March 09 | 4.100 | 6.326 | 10.426 | 1.850 | 12.276 | 8.578 | 20.854 |

| | Social Care Secured Debt | Social Care Unsecured Debt | Total Social Care debt | KASS Sundry debt | TOTAL KASS debt | All Other Directorates Debt | TOTAL KCC Debt |
|----------|--------------------------|----------------------------|------------------------|------------------|-----------------|-----------------------------|----------------|
| | £m | £m | £m | £m | £m | £m | £m |
| April 09 | 4.657 | 7.161 | 11.818 | 6.056 | 17.874 | 13.353 | 31.227 |
| May 09 | 4.387 | 7.206 | 11.593 | 1.078 | 12.671 | 8.383 | 21.054 |
| June 09 | 4.369 | 7.209 | 11.578 | 1.221 | 12.799 | 7.323 | 20.122 |
| July 09 | 4.366 | 7.587 | 11.953 | 1.909 | 13.862 | 7.951 | 21.813 |
| Aug 09 | 4.481 | 7.533 | 12.014 | 1.545 | 13.559 | 10.126 | 23.685 |
| Sept 09 | 4.420 | 7.738 | 12.158 | 2.024 | 14.182 | 12.391 | 26.573 |
| Oct 09 | 4.185 | 7.910 | 12.095 | 2.922 | 15.017 | 10.477 | 25.494 |
| Nov 09 | 4.386 | 7.859 | 12.245 | 6.682 | 18.927 | 11.382 | 30.309 |
| Dec 09 | 4.618 | 7.677 | 12.295 | 6.175 | 18.470 | 8.376 | 26.846 |
| Jan 10 | 4.906 | 7.627 | 12.533 | 2.521 | 15.054 | 9.445 | 24.499 |
| Feb 10 | 5.128 | 7.221 | 12.349 | 2.956 | 15.305 | 11.801 | 27.106 |
| March 10 | 5.387 | 7.127 | 12.514 | 1.643 | 14.157 | 11.818 | 25.975 |
| April 10 | 5.132 | 6.919 | 12.051 | 2.243 | 14.294 | 19.809 | 34.103 |
| May 10 | 5.619 | 6.438 | 12.057 | 3.873 | 15.930 | 25.088 | 41.018 |
| June 10 | 5.611 | 6.368 | 11.979 | 3.621 | 15.600 | 14.648 | 30.248 |
| July 10 | 5.752 | 6.652 | 12.404 | 4.285 | 16.689 | 11.388 | 28.077 |
| Aug 10 | 5.785 | 6.549 | 12.334 | 5.400 | 17.734 | 7.815 | 25.549 |
| Sept 10 | 6.289 | 6.389 | 12.678 | 4.450 | 17.128 | 8.388 | 25.516 |
| Oct 10 | 6.290 | 6.421 | 12.711 | 3.489 | 16.200 | 5.307 | 21.507 |
| Nov 10 | 6.273 | 6.742 | 13.015 | 4.813 | 17.828 | 6.569 | 24.397 |
| Dec 10 | 6.285 | 7.346 | 13.631 | 6.063 | 19.694 | 10.432 | 30.126 |
| Jan 11 | 6.410 | 7.343 | 13.753 | 6.560 | 20.313 | 7.624 | 27.937 |
| Feb 11 | 6.879 | 6.658 | 13.537 | 7.179 | 20.716 | 13.124 | 33.840 |
| March 11 | 7.045 | 6.357 | 13.402 | 11.011 | 24.413 | 7.586 | 31.999 |

* In October 2008, KASS Social Care debt transferred from the COLLECT system to Oracle. The new reports were not available at this point; hence there is no data available for this period. The October Social Care debt figures relate to the last four weekly billing run in the old COLLECT system

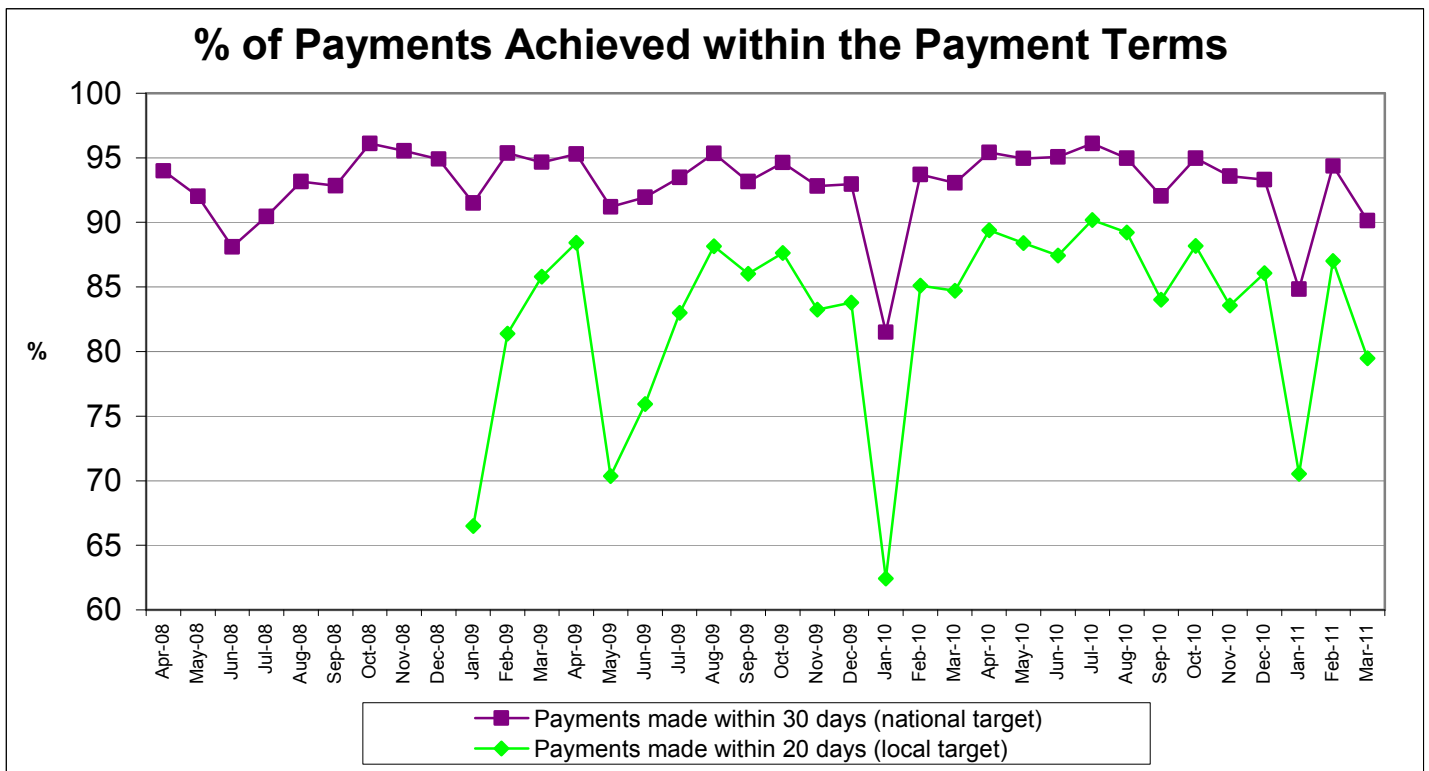


The overall KCC debt increased significantly in April and May 2010 due to two large invoices to Health raised within the Kent Drug Action Team and one large invoice raised within CFE to a youth charity, all of which have now been paid.

4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however from January 2009, we have set a local target of 20 days in order to help assist the cash flow of local businesses during the current tough economic conditions.

| | 2008-09 | | 2009-10 | | 2010-11 | |
|-----------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Paid within 30 days % | Paid within 20 days % | Paid within 30 days % | Paid within 20 days % | Paid within 30 days % | Paid within 20 days % |
| April | 94.0 | N/A | 95.3 | 88.4 | 95.4 | 89.4 |
| May | 92.0 | N/A | 91.2 | 70.4 | 95.0 | 88.4 |
| June | 88.1 | N/A | 91.9 | 75.9 | 95.1 | 87.4 |
| July | 90.5 | N/A | 93.5 | 83.0 | 96.1 | 90.2 |
| August | 93.1 | N/A | 95.3 | 88.2 | 95.0 | 89.2 |
| September | 92.8 | N/A | 93.1 | 86.0 | 92.0 | 84.0 |
| October | 96.1 | N/A | 94.6 | 87.6 | 95.0 | 88.2 |
| November | 95.5 | N/A | 92.8 | 83.3 | 93.6 | 83.6 |
| December | 94.9 | N/A | 92.9 | 83.8 | 93.3 | 86.1 |
| January | 91.5 | 66.5 | 81.5 | 62.4 | 84.8 | 70.6 |
| February | 95.4 | 81.4 | 93.7 | 85.1 | 94.3 | 87.0 |
| March | 94.7 | 85.8 | 93.0 | 84.7 | 90.1 | 79.5 |

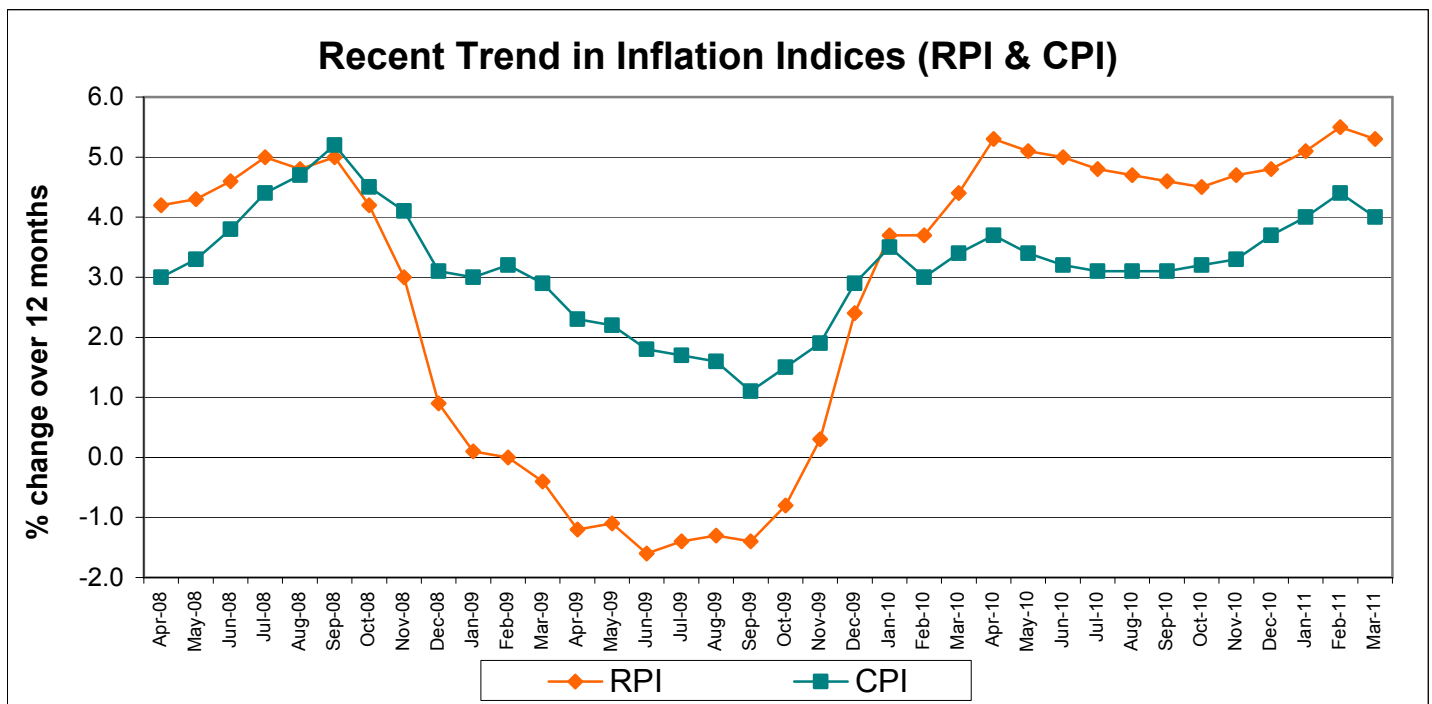


The percentages achieved for January were lower than other months due to the Christmas break. This is evident in all three years but this position was exacerbated in 2009-10 due to the snow. The 2010-11 overall performance for invoices paid within 20 days is 85.4%, and for 30 days is 93.4%. This compares with overall performance in 2009-10 of 81.9% and 92.6% respectively.

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

In the UK, there are two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government’s inflation target is based on the CPI. The RPI is the more familiar measure of inflation, which includes mortgage interest payments. The CPI and RPI measure a wide range of prices. The indices represent the average change in prices across a wide range of consumer purchases. This is achieved by carefully recording the prices of a typical selection of products from month to month using a large sample of shops and other outlets throughout the UK. The recent trend in inflation indices is shown in the table and graph below.

| | 2008-09 | | 2009-10 | | 2010-11 | |
|-----------|----------------------------------|-------|---------|-------|---------|-------|
| | Percentage Change over 12 months | | | | | |
| | RPI % | CPI % | RPI % | CPI % | RPI % | CPI % |
| April | 4.2 | 3.0 | -1.2 | 2.3 | 5.3 | 3.7 |
| May | 4.3 | 3.3 | -1.1 | 2.2 | 5.1 | 3.4 |
| June | 4.6 | 3.8 | -1.6 | 1.8 | 5.0 | 3.2 |
| July | 5.0 | 4.4 | -1.4 | 1.7 | 4.8 | 3.1 |
| August | 4.8 | 4.7 | -1.3 | 1.6 | 4.7 | 3.1 |
| September | 5.0 | 5.2 | -1.4 | 1.1 | 4.6 | 3.1 |
| October | 4.2 | 4.5 | -0.8 | 1.5 | 4.5 | 3.2 |
| November | 3.0 | 4.1 | 0.3 | 1.9 | 4.7 | 3.3 |
| December | 0.9 | 3.1 | 2.4 | 2.9 | 4.8 | 3.7 |
| January | 0.1 | 3.0 | 3.7 | 3.5 | 5.1 | 4.0 |
| February | 0.0 | 3.2 | 3.7 | 3.0 | 5.5 | 4.4 |
| March | -0.4 | 2.9 | 4.4 | 3.4 | 5.3 | 4.0 |



2010-11 Final Monitoring of Prudential Indicators

1. Estimate of capital expenditure (excluding PFI)

| | |
|---------------------------|-------------------------|
| Actual 2009-10 | £344.065m |
| Original estimate 2010-11 | £460.330m |
| Actual 2010-11 | £377.147m (schools inc) |

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

| | 2009-10 Actual | 2010-11 Original Estimate | 2010-11 Revised Estimate in 2011-14 MTFP | 2010-11 Actual |
|---|-------------------|---------------------------------|---|-------------------|
| | £m | £m | £m | £m |
| Capital Financing Requirement | 1,236.211 | 1,333.075 | 1,309.517 | 1,273.113 |
| Annual increase in underlying need to borrow | 69.002 | 82.779 | 73.306 | 36.902 |

In the light of actual capital expenditure incurred, net borrowing by the Council did not exceed the Capital Financing Requirement.

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

| | |
|---------------------------|--------|
| Actual 2009-10 | 12.36% |
| Original estimate 2010-11 | 11.85% |
| Actual 2010-11 | 12.85% |

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management.

The operational boundary for debt was not exceeded in 2010-11.

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

| | Prudential Indicator 2010-11 £m | Actual 2010-11 £m |
|-----------------------------|---------------------------------------|-------------------------|
| Borrowing | 1,301.0 | 1,049.1 |
| Other Long Term Liabilities | 0.0 | 0.0 |
| | 1,301.0 | 1,049.1 |

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

| | Prudential Indicator 2010-11 £m | Actual 2010-11 £m |
|-----------------------------|---------------------------------------|-------------------------|
| Borrowing | 1,349.0 | 1,096.3 |
| Other Long Term Liabilities | 0.0 | 0.0 |
| | 1,349.0 | 1,096.3 |

5. **Authorised Limit for external debt**

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the County Council. The limits for 2010-11 were:

(a) Authorised limit for debt relating to KCC assets and activities

| | £m |
|-----------------------------|-------|
| Borrowing | 1,341 |
| Other long term liabilities | 0 |
| | <hr/> |
| | 1,341 |
| | <hr/> |

(b) Authorised limit for total debt managed by KCC including that relating to Medway Council etc

| | £m |
|-----------------------------|-------|
| Borrowing | 1,389 |
| Other long term liabilities | 0 |
| | <hr/> |
| | 1,389 |
| | <hr/> |

The additional allowance over and above the operational boundary was not utilised in 2009-10 and external debt, was maintained well within the authorised limit.

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

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

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

The Council determined the following upper limits for 2010-11

(a) Borrowing

| | |
|------------------------------|------|
| Fixed interest rate exposure | 100% |
| Variable rate exposure | 50% |

(b) Investments

| | |
|------------------------------|------|
| Fixed interest rate exposure | 100% |
| Variable rate exposure | 50% |

These limits have been complied with in 2010-11. Total external debt is currently held at fixed interest rates.

8. Upper limits for maturity structure of borrowings

| | Upper limit | Lower limit | Actual |
|--------------------------------|-------------|-------------|--------|
| | % | % | % |
| Under 12 months | 25 | 0 | 0 |
| 12 months and within 24 months | 40 | 0 | 5.2 |
| 24 months and within 5 years | 60 | 0 | 9.6 |
| 5 years and within 10 years | 80 | 0 | 11.86 |
| 10 years and within 20 years | 20 | 10 | 12.59 |
| 20 years and within 30 years | 15 | 5 | 14.91 |
| 30 years and within 40 years | 15 | 5 | 12.84 |
| 40 years and within 50 years | 20 | 10 | 11.01 |
| 50 years and within 60 years | 20 | 10 | 21.99 |

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

| Indicator | Actual |
|-------------|-------------|
| £50m | £10m |

There has been some movement in the position since the last monitoring as call options have been exercised by borrowing banks and some deals have been replaced with deals with differing maturity.

By: John Simmonds, Cabinet Member for Finance & Procurement
 Andy Wood, Acting Corporate Director of Finance and Procurement
 David Tonks, Head of Audit and Risk

To: Cabinet– 20th June 2011

Subject: Approval of the Annual Governance Statement

Classification: Unrestricted

Summary

The Annual Governance Statement, presented here for approval, explains how the Council has complied with its Code of Corporate Governance and identifies any gaps in control or significant weaknesses that have arisen in year. The completed statement is included within the Council's Annual Accounts that are subject to external audit.

The statement is required by regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

The 2010/2011 Statement

1. (1) A draft statement is attached at annex 1, which has been prepared in line with the requirements of CIPFA's *Application Note to Delivering Good Governance in Local Government*. The format of the Statement has been changed from last year's, so that the description of the governance framework follows the headings of our Code of Corporate Governance, as well as including the required sections set out in the application note.
- (2) The annual review of effectiveness has been co-ordinated by Internal Audit and supported by evidence from:
 - Reports to Cabinet / Council / POSC.
 - A review of the work of the main Committees of the Council.
 - Signed statements on Internal Controls, Governance and Risk Management Processes and supporting evidence.
 - The output of Internal Audit.
 - The output of External Audit and Other regulators.

- Cumulative knowledge of the Council.

Outcome of the annual review of effectiveness

2. (1) There were two identified failures of the Governance framework during 2010/11; one in Children's Social Services and one in the Enterprise and Environment Directorate. These are disclosed within the Annual Governance Statement in the appropriate sections. The review also identified a number of areas for improvement that whilst not actual failures of Governance could be disclosed. These have been considered and deemed not significant in the context of the Council-wide control environment.

(2) The statement also includes disclosure of compliance against the CIPFA statements on the Role of the Chief Finance Officer and the Role of the Head of Internal Audit in Local Government. Both these statements intend that the Council publishes its level of compliance, and explains how its own arrangements meet the intent of the code where there is non-compliance. As with the improvement areas identified by the directorates, it is considered that no disclosure is required for the areas of non-compliance in the Annual Governance Statement.

Future role of the Annual Governance Statement

3. (1) The compilation of the statement and review of the effectiveness of the governance framework was largely performed and co-ordinated by the Head of Audit and Risk. This activity is precluded by the CIPFA statement on the Role of the Head of Internal Audit in Local Government, and it has been agreed by CMT that the responsibility for the AGS be passed over to the Director of Governance and Law for 2011/12.

(2) CMT also agreed that as part of the Council's aim to strengthen governance, in the future the AGS will be used as one of KCC's primary statements of integrity, reflecting how well KCC is managed and governed. The style will be frank, covering all difficult issues in an open manner and really clarifying any governance issues arising in year. The statement will also become a more dynamic document, revisited in year, audited, and used to really drive improvements.

Consultation and Communication

4. The statement has been reviewed and amended by CMT. After approval by Cabinet the final draft statement will be approved by the Governance and Audit Committee as part of the Annual Accounts.

Risk and Business Continuity Management

5. Failure to produce an Annual Governance Statement would result in adverse comment or a qualified opinion from the External Auditors. Producing a governance statement that is inaccurate or misleading would also attract adverse comment.

Conclusion

6. The Annual Governance Statement is made on behalf of the Council, and developed and owned by the most senior levels of the organisation, i.e. CMT and Cabinet. The Statement is a key aspect of the Council's accountability to its stakeholders and should fully disclose the proper extent of effective governance in the Council.

Background Documents

7. None

Recommendations

8. Cabinet are asked to:
- (1) Review and agree the overall wording of the Annual Governance Statement, including the description of the Governance Framework and the significant weaknesses disclosed.
 - (2) Agree that the statement can be approved by the Leader on behalf of the Council.

David Tonks
Head of Audit and Risk
Ext 4614

Annual Governance Statement



Scope of Responsibility

Kent County Council (“the Council”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. The code is contained within the Council's constitution, a copy of which is available on our website, or can be obtained from the Director of Governance and Law.

This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2011 and up to the date of approval of the annual report and Statement of Accounts.

The Governance Framework

The key elements of the systems and processes that comprise the Council's governance arrangements are described below:

The Council's vision of its purpose.

Good governance means focusing on the organisation's purpose and on outcomes for citizens and service users.

Fundamental to the success of the Council is engagement with citizens and service users in the development of the Council's vision, priorities and intended outcomes. *Vision for Kent*, launched in 2006, is the county wide Sustainable Community Strategy. It was agreed by the Local Strategic Partnership (the Kent Partnership) and was developed in consultation with over 40 partners, including district councils, health, police, voluntary and community sector and local businesses.

In support of the delivery of a *Vision for Kent* was the Council's four year plan *Towards 2010*. This document set out 63 targets requiring cross-directorate and partnership working aimed to achieve an improvement in the quality of life for Kent's residents.

Vision for Kent comprises eight themes, each with its own vision and monitored through a number of targets which links the vision to corporate and directorate plans and strategies, including the Local Area Agreement, Kent Agreement 2 (KA2). Kent Agreement 2, for the period April 2008 to March 2011, was agreed between the Kent Partnership (with KCC acting as the Responsible Authority) and Government in 2008 and comprised 35 targets selected from Government's National Indicator Set. Six monthly progress reports on each of these targets have been brought to the Kent Public Service Board so that management action can be taken to ensure targets are met.

In October 2010 the Secretary of State for Communities and Local Government wrote to all authorities revoking all designations of targets in Local Area Agreements along with the associated performance reward grant. In response the Kent Public Service Board, on behalf of the Kent Partnership, reviewed all 35 targets in KA2 and determined that 12 of them were fundamentally important and were supported by robust and meaningful measures and should therefore continue to be monitored. Performance management of these 12 targets continues and a final report will on them will be considered at Joint Kent Chiefs in July 2011.

With all of the changes to the political, administrative and financial context the 2006 version of the *Vision for Kent* has looked increasingly dated. In the later half of 2010 work to refresh the Vision commenced. After significant consultation across partner bodies three countywide ambitions have been agreed. These will bind together partners across Kent to identify and focus on priorities. These three ambitions are the same as those in *Bold Steps for Kent* (see below).

The recent changes to the context also indicated that the previous partnership arrangements were dated. Consequently changes have been made to the strategic level partnerships in Kent. The county level Local Strategic Partnership (the Kent Partnership) has been dissolved and replaced by the Kent Forum. The Kent Forum is the high-level strategic group bringing together the family of local government in Kent. It was formed in 2010 following the development of the Kent Recommitment between Kent's 13 District and County councils. It comprises the democratic leaders of Kent's local authorities and has overall responsibility for co-ordinating and agreeing shared priorities and progress, encouraging community leadership and supporting new initiatives. The Kent Forum is chaired by the Leader of the Council. These responsibilities include overseeing Kent's Sustainable Community Strategy (*Vision for Kent*) and supporting the development of Locality Boards across the county. The creation of Locality Boards emphasises a new way for County and District Councils to work together. Locality Boards aim to inject much more democratic accountability into locality partnerships and stimulate effective joint working by local partners to deliver locality and county priorities.

Following public and partner consultation in October – November 2010, our new medium term plan, *Bold Steps for Kent*, was approved by County Council on 16 December 2010 and sets out our ambitions over the next four years, centred on three core priorities. These are:

- To help the Kent economy to grow.
- To put the citizen in control.
- To tackle disadvantage.

Bold Steps for Kent not only sets out our ambitions and priorities for the next four years, but also our determination to transform how Kent County Council works and engages with the communities it serves and our partners in the public, private and voluntary sector, in order to continue to deliver high quality services in what is expected to be a tight financial settlement over the medium to long term as the Government seek to reduce the structural deficit. At the heart of *Bold Steps for Kent* is an ambition to see a greater variety of providers from the public, private and the social and voluntary sector play an increasing role in service delivery for the County Council. Over the course of Summer 2011, the Council will finalise the delivery framework for *Bold Steps for Kent* and report progress on this annually.

Engaging with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

Good governance means engaging stakeholders and making accountability real.

All service plans declare what consultation, communication and marketing activity is to be done in order that this activity can be better planned, costed and corporately co-ordinated as a major campaign if appropriate

In 2010/11 the Council has provided a number of different opportunities for residents, service users and other interested groups to influence decision making and service delivery. The main ones used and examples of activities during the year are:

- Surveys and questionnaires (e.g. The Highways Tracker Survey, the Children & Young People of Kent survey and the Country Parks Visitor survey)
- User groups and forums (e.g. East Kent Adult Social Care Focus Group)
- Special interest networks, groups and forums (e.g. The Kent Reference Panel and the Kent Countryside Access Forum)
- Workshops and focus groups (e.g. Annual Budget & Council Tax Consultation, The Coastal Action Network workshop)
- Feedback cards (e.g. comment cards in country parks and Libraries)
- Complaints, Compliments and Comments (all units)
- Formal consultation documents (e.g. Learning Disabilities Day Opportunities Consultation)
- Stakeholder events (e.g. 'Growth without Gridlock')
- Collaborative working and partnerships (e.g. Kent Children's Trust)
- Participation (e.g. youth service interview panel)
- Civic engagement (e.g. Neighbourhood Forums and Kent Youth County Council)
- Delegated decision making (e.g. Youth Opportunities / Capital Funds)
- The use of online social media (e.g. Explore Kent's use of Twitter and Facebook)

- Market research (e.g. Libraries).

The *Have Your Say* area of the Council website has continued to develop as a key way of improving the awareness of the wide range of consultations and engagement activity carried out by the Council and making it easier to take part in them. The site now includes:

- **The Consultation Register** - A new online register showing the Council's current, past and future consultations is available. Relevant officers have undertaken training in how to use the register, and all services are required to update their entries in the database regularly to ensure that the public are accessing the most up to date and complete record of information on our consultations. Local people and community groups can sign up to be automatically notified by email when a new consultation is added to the register.
- **Links** to other local and national consultations. This allows people to access as many consultations affecting the local area as possible from one place.
- **Petitions** - The Council welcomes petitions and recognises that petitions are one way in which people can let us know their concerns. A scheme for e-petitions was agreed by the County Council in July 2010 which now allows the community to petition the Council on-line on issues of concern.
- **Get involved** – this scheme encourages local people to join local community meetings at which the Council's team of Community Engagement Managers provide a key link between local people, local organisations and decision makers in Kent. One of the roles of the team is working with elected members to arrange public meetings in each of the districts in Kent. The meetings are an opportunity for the Council to engage with the local community and understand their views. The form of these meetings varies from district to district, and can be varied to suit the issues being raised. These meetings are an opportunity for local leaders to listen to the views of their communities and for local people to have their say.
- **Community and Seldom Heard Groups** can sign up to be involved in our engagement activities.
- **Kent Health Watch** is a 24 hour helpline for people to call about any worries they have about health or social care. Any time of the day or night, 365 days a year, there is a real person ready to listen and respond to any concerns, complaints or compliments patients or their families have.
- **Kent's Social Innovation Lab (SILK)** was set up in 2007 to test the effectiveness of gathering in-depth insight into customers. The best solutions come from the people who are closest to the problem, be that service users, residents or staff. This goes much further than community consultation and involves people being actively engaged in the design of services that they are going to use or deliver. SILK focuses on connecting the right people with the right projects to ensure that the correct people are in place to create services that are useful for the people who will be using them.

- **The Kent Youth Service** working with the Public Health team and other partners have continued to develop the successful and innovative 'House' model which went live in December 2008. 'House' is a space aimed at young people aged 13 to 19 years old, giving them somewhere to 'chill out', where they can get informal lifestyle information to suit them in a relaxed and unthreatening environment. The results have been phenomenal, the project has made contact with more than 11,000 young people, including many young people who are currently unknown to and do not access existing services. 'House' is now continuing and engagement with young people produced the design brief for a mobile facility that is able to reach into local communities themselves, rather than town centres. 'House' activities can therefore be taken directly into the estates and communities that can most benefit.

Roles and responsibilities of the executive, non-executive, scrutiny and officer functions

Good governance means performing effectively in clearly defined functions and roles. In Kent this is primarily achieved through the mechanisms set out in our constitution.

The Council consists of 84 Members, elected by eligible Kent residents every four years. The Constitution of the Council is determined in accordance with legislation and periodically reviewed and amended by the Council as necessary. The Constitution sets out how the Council operates, how decisions are made and the procedures that are followed. The Constitution is divided into 16 Articles, which form the basic rules governing the Council's business; more detailed procedures and codes of operating are included in the appendices. It seeks to provide effective decision making procedures, ensuring that the Cabinet is accountable to the body of the Council, while providing a role for non executive Members in quasi-judicial committees, in policy formation, overview and scrutiny.

The council elects a Leader at the beginning of each four year term. The Leader, as the head of the Executive, appoints a Cabinet and allocates accountabilities, responsibilities and delegates powers.

The Leader with the Cabinet has executive authority over all the council's functions and activities except those that are reserved to the Council and its committees by statute. The council has the power to dismiss the Leader through a vote of no confidence.

The Council, advised by the Managing Director and the Leader, determines the overall officer structure to deliver the Council's responsibilities, under the management of Managing Director, Corporate Directors and officers. The Council appoints the Managing Director as Head of Paid Service and designates appropriate senior officers as Monitoring Officer and Chief Finance Officer, who are responsible for resolving constitutional disputes and other matters laid down in the Constitution. It also agrees financial, employment and procurement procedures, together with terms and conditions of employment for staff.

The Council has in place policies and procedures to ensure that, as far as possible, its elected members and officers understand their respective responsibilities. New members and employees receive induction and continued training on key policies and procedures as these are developed within the Council.

All Directors and Heads of Service have responsibility for maintaining a sound system of internal controls and management processes within their area of responsibility.

Standards of conduct and behaviour

Good governance means promoting appropriate values for the Council and demonstrating the values of good governance by upholding high standards of conduct and behaviour.

The Council takes the lead in establishing and promoting values for the organisation and its staff. These values are over and above legal requirements (for example, anti-discrimination, equal opportunities and freedom of information legislation) and build on the Good Governance principles. They reflect public expectations about the conduct and behaviour of individuals and groups who control public services:

The Members' Code of Conduct sets out the obligations of Members, how personal and prejudicial interests should be managed and ten general principles governing Members' conduct. After the last election all Members received training on the code and ethical standards as part of their induction process. The attendance at this training was monitored by the Standards Committee.

The Standards Committee is responsible for ensuring that decisions are made with consideration of appropriate ethical standards. Although the Localism Bill proposes the removal of local standards committees, the Council may seek to retain this mechanism for ensuring that high standards of conduct and behaviour are maintained.

The Code of Conduct for Employees is available on the Council's intranet site and is included in the Constitution. It explains that citizens and service users expect high standards of conduct of all Council employees and provides guidance on how to achieve this. Employees are made aware of this Code of Conduct through the corporate induction process.

The Council is committed to the highest possible standards of openness, probity and accountability and encourages its employees and others working for the Council to raise any concerns about any aspect of the Council's behaviour which is likely to breach legislation, including health and safety legislation, to come forward and voice those concerns. The Council has a Whistleblowing Policy and an Anti Fraud and Corruption Policy in place, the latter of which was revised and approved by the Governance and Audit Committee in year.

The Director of Governance and Law is the Monitoring Officer. This role has responsibility for maintaining the Constitution and supports a Standards Committee. The Council's Governance and Law Unit is responsible for ensuring that the Council correctly applies the law and regulations governing its business. Legal advice is provided to officers and members by the team on a range of subjects, and specialist legal advice is bought in when needed.

The Constitution contains a statement on Resource Management Responsibilities which includes the Council's Financial Regulations. These are prepared and maintained by the Corporate Director of Finance & Procurement and the Managing Director and endorsed by the Leader and the Governance and Audit Committee. The Council revised its Financial Regulations during 2009/10, and these were agreed by the Governance and Audit Committee in April 2010 for subsequent approval at Full Council in July 2010.

The Corporate Director of Finance & Procurement, as the Section 151 Officer, is also responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting records and of its systems of internal control

The Council operates an effective complaints and customer feedback system, that demonstrates to the public that we:

- are “putting our customers first”;
- listen to what residents have to say;
- are open, honest and transparent;
- are responsive and fair.

The Council has, in the past, operated a devolved approach to complaints, comments and compliments management. This is now in the process of being centrally managed, and although individual directorates and business units will remain responsible for compiling detailed responses, they will do so in accordance with the Council's Complaints, Comments and Compliments policy. An annual report is provided to Governance and Audit Committee that sets out the level and type of complaints received by the Council, and the improvements that have been made to policies, systems and processes as a result.

Decision making, scrutiny and risk management

Good governance means taking informed, transparent decisions and managing risk.

Within its constitution the Council has a formally stated the types of decisions that are delegated to the executive and those that are reserved for the full Council.

The Leader with the Cabinet comprise the Executive and are responsible for all of the Council's functions that are not the responsibility of any other part of the Council, whether by law or under the Constitution. Operational matters requiring a decision are delegated to council officers as outlined in Appendix 2 Part 4 of the Constitution.

Forthcoming key decisions by the Cabinet are published in the Cabinet's Forward Plan in so far as they can be anticipated. The Forward Plan is published under the name of the Leader of the Council and covers a six month period; two months more than is required by statute.

Under section 21 of the Local Government Act 2000, the Council has appointed the Cabinet Scrutiny Committee, the Scrutiny Board, the Policy Overview and Scrutiny Committees and the Health Overview and Scrutiny Committee from among the non-executive Members. Their terms of reference cover all the main services of the Council and the Council's duty under the Health and Social Care Act 2001 to scrutinise the health services in Kent.

The Council maintains an Internal Audit department that operates in accordance with the Code of Practice for Internal Audit in Local Government in the United Kingdom. The Head of Internal Audit and Risk reports to the Corporate Director of Finance & Procurement and has direct access to the Managing Director, Members and the Chair of the Audit Committee.

The annual Internal Audit plan is risk based and incorporates compliance with policies, procedures and legislation, efficiency and effectiveness, specialist audit work, including pro-active and reactive fraud work and IT audits. The plan includes a large proportion of audits that review and report on the Council's main financial systems and processes. These provide assurance that financial procedures are being complied with, internal controls are operating as expected and that the Council's money is being spent in accordance with financial regulations and procedures and relevant legislation.

The Governance and Audit Committee is comprised of 13 Members representing the two largest political parties. The Terms of Reference of the Governance and Audit Committee were extensively revised during 2010/11 and now exceed the requirements of the CIPFA guide for Audit Committees in local authorities.

Its responsibilities are set out in the Constitution and its overarching purpose is described as:

- ensuring that the Council's financial affairs are properly and efficiently conducted, and;
- reviewing assurance as to the adequacy of the risk management and governance framework and the associated control environment.

To enable oversight of the Council's trading activities, the Council has a Trading Sub Committee of the Governance and Audit Committee. The overall remit of this committee is to ensure that the trading activities of the Council are run properly, transparently and fairly. The sub-committee comprises three Members drawn from the membership of the main committee.

During the year the Council has developed its open data and transparency programme. Open data means making the non-personal information the Council holds freely available to everyone in a format that can be reused. Open data currently available on the Council's website includes:

- Corporate Management Team salaries and expenses
- Corporate Management Team register of gifts and hospitality
- Council spending
- Councillors' allowances and expenses
- Education Budget and Outturn Statements
- Invoices over £500
- Kent area profiles

Our programme meets and in some cases exceeds the expectations of central government.

Developing capacity and capability of members and officers

Good governance means developing the capacity and capability of the governing body to be effective.

Member development is delivered under the Member Development Charter which was achieved in 2010. All Members receive training on the Code of Conduct through Induction. Other tailored training has been provided to support the work on specific committees (e.g. Planning, Personnel). In addition to this, generic leadership and personal development programmes are part of the offering, which is revised on a yearly basis. All members have been asked which courses provided by the Council (both Member specific and those accessed by officers) would be of benefit to them. This takes place during their annual personal development planning meeting with a dedicated officer.

All officers of the Council are subject to the appraisal and personal development process (Total Contribution Pay), which has been enhanced this year by the introduction of performance appraisal and management for the Corporate Management Team. These processes are expected to provide a tailored action and development plan that meets the needs of the individual officers and delivery of objectives in support of their service unit. The personal plans are supported by a comprehensive range of development programmes.

For the first three quarters of the year, up to December 2010 the County Council has delivered staff performance and development in accordance with the explicit aspirations of the "Strategy for Staff"; health & attendance, skills for life and self service are examples of significant successes. Since December 2010 to March 2011 the Council has begun its transformation - '*Change to Keep Succeeding*' which has established a clear expectation that all staff will have an appreciation of our shared values and of the behaviours expected to continue to provide excellent customer service. Whilst this transition is being made we have maintained the principles of performance management and development as outlined in the Total Contribution scheme.

Compliance with the CIPFA statement on the Role of the Chief Financial Officer in Local Government (2010)

The Corporate Director of Finance and Procurement (as Chief Financial Officer) has reviewed the Council's compliance against the CIPFA statement on the Role of the Chief Financial Officer in Local Government (2010). The Council's financial management arrangements comply in all significant respects with the principles set out in the CIPFA statement. The gaps that do exist will be considered and addressed over the next financial year if appropriate.

Compliance with the CIPFA statement on the Role of the Head of Internal Audit in Local Government (2011)

The Head of Audit and Risk (as the Council's senior audit professional) has reviewed the Council's compliance against the CIPFA statement on the Role of the Head of Internal Audit in Local Government (2010). As reported to the Governance and Audit Committee in March 2011 the Council's arrangements comply in all significant respects with the principles set out in the CIPFA statement.

Organisational design principles

The Council has clearly stated that it must continue to change to succeed, and that to deliver the agenda set out in *Bold Steps for Kent* there must be a new organisational structure and culture. The Council has approved seventeen organisational design principles upon which the new KCC structure and approach to service delivery will be established. These design principles will also enhance the governance framework of the Council, and will be supported through the application of Statements of Required Practice (SORPs), which will cover topics such as:

- Performance Management
- Business & Financial Planning
- Procurement
- Risk Management

Review of effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers and Committees within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Audit and Risk's annual report, and also by work undertaken by the external auditors and other review agencies and inspectorates.

The review which has been undertaken for the purposes of this statement has relied upon the outcomes of the Governance Framework previously described, and supplemented by specific sources of evidence described below.

Planning

The Council's planning process is fundamentally driven by the strategic direction set out by our four year plan *Towards 2010* and now by *Bold Steps for Kent*, our new Medium-Term Plan for the next four years. Our achievement of the aims of *Towards 2010* was reported to Cabinet in October 2010. This showed that the final status of the 63 targets as follows:

- 'Completed' – 49 targets (78%)
- 'Good progress' – 13 targets (20%)
- 'Not achieved' – 1 target (2%)

The financial framework within which our plans are delivered is articulated in the Medium Term Financial Plan and the Budget Book, both of which were approved by the County Council in February 2011, despite the incredibly difficult financial pressures facing the Council.

Each business unit has its own annual Service Level Business Plan which sets out how it will contribute towards our medium term plans, and identifies the key planned activities, performance measures and priorities at a service level within this overarching framework. Business Plans for 2010/11 were considered and approved by Cabinet in March 2010.

Following the restructure of KCC on the 4th April 2011, a review of organisational business planning will commence in summer 2011. This will ensure that the business planning process remains fit for purpose in the new structure and provide consistency with the new corporate "one-council" approach set out in the *Change to Keep Succeeding* report from the Managing Director, approved by County Council in December 2010. Should any changes to the business planning process be required approval will be sought through Cabinet and County Council as appropriate.

Performance Management

As well as regular reporting on the achievement of the targets set out in *Towards 2010*, performance within the Council is monitored through the Core Monitoring Report, which contains a range of data on actual performance against target indicator levels. This report is considered by the Corporate Management Team, Cabinet and the Policy, Overview and Scrutiny Committees.

Progress against our budget, major projects, risks, staffing matters and Health and Safety performance data are all reviewed by various Committees of the Council, although Cabinet, in delivering its executive role, receives all relevant performance data.

There was also a performance management process operating within all Directorates of the organisation, and this is underpinned by the management of personal performance through the Total Contribution Pay process.

Cabinet

During the year Cabinet have received and reviewed regular reports relating to the performance of the Council's system of internal control, including the Strategic Risk Register, Revenue & Capital Budget Monitoring, Treasury Management and Core Monitoring (Performance and business plans). It has also considered the outcomes of the work of our external regulators, the Care Quality Commission and Ofsted. Cabinet has also reviewed and approved a number of key strategy documents, including *Bold Steps for Kent*, our new Medium Term Plan to 2014. Cabinet also approves the Directorate Business plans.

Policy Overview and Scrutiny Committees

The Cabinet Scrutiny Committee has met monthly to scrutinise the decisions taken by Cabinet or individual Cabinet Members. The Committee Chair and Spokesmen decide which decisions require scrutiny and decisions that are not in accordance with the approved policy or budget are automatically referred for scrutiny.

Committee Members scrutinise decisions by questioning the relevant Cabinet Member and Managing Director. Local taxpayers and stakeholders are able to participate in this process by attending meetings as they are held in public suggesting decisions for scrutiny and submitting written comments on decisions already called in for scrutiny.

There were eleven Policy Overview and Scrutiny Committees operating during the year reviewing the key issues and risks managed by the Council's directorates.

The Standards Committee

The Standards Committee is responsible for promoting and maintaining high standards of conduct by Members of the Council. It endeavours to address any concerns regarding Members' conduct and will deal with any reports from the Standards Board of England. The Standards Committee has continued to work with Members, through the Group Leaders, to ensure that Members' Annual Reports have become embedded into Member activity, and so improve accountability to constituents. Dealing with alleged breaches of the Code of Conduct by elected and co-opted Members of the Council continues to be the core work of the Committee, and the number of complaints has remained low, with just two reviewed in 2010/2011 (two in 2009/10), neither of which were upheld.

The Governance and Audit Committee

The Governance and Audit Committee has an ongoing role in the review of the effectiveness of the Council's governance framework. Throughout the year it has received and considered reports regarding the work of Internal Audit and External Audit and on Risk Management, Complaints, Treasury Management and Value for Money. Members of the Committee can also commission reports on any risk area that they feel they need greater assurance on.

Statutory Officers

The statutory functions undertaken by the Head of Paid Service, Monitoring Officer, S151 Officer, Director of Adult Social Services (Managing Director of Adult Social Services) and Director of Children's Services (Managing Director of Children, Families and Education) were effectively fulfilled during 2010/11.

Management

Managing Directors, Executive Directors and Directors of Services have provided assurance, through their signing of a Statement on Internal Controls, Governance and Risk Management Processes, that:

- They fully understand their roles and responsibilities.
- They have made an assessment of the significant risks to the successful discharge of the Council's key priorities.
- They acknowledge the need to develop, maintain and operate effective control systems to manage risks.
- They have confirmed which improvements have already been made to controls in certain areas during the year.
- They have identified certain areas where key internal controls still need to be enhanced.

In relation to the last point, areas where internal control still needs to be developed that are considered significant are listed under the section **significant governance issues** below.

Internal Audit

The Council takes assurance about the effectiveness of the governance environment from the work of Internal Audit, which provides independent and objective assurance across the whole range of the Council's activities.

It is a professional requirement for the Head of Internal Audit to give an opinion to the accounting officer, at least annually, on the overall adequacy and effectiveness of the Council's:

- Risk management.
- Internal Control.
- Governance processes.

This is collectively referred to as "the system of internal control". This opinion is used to inform the Annual Governance Statement

Based on the work that internal audit has performed, and taking into account the individual strengths and weaknesses identified, substantial assurance can be provided on the adequacy of the overall governance and risk management processes and the internal controls at KCC. However, there are some specific concerns that will need to be addressed over the next year if the level of assurance is to be maintained.

During 2010/11 six Internal Audit reports have been issued with “Limited” assurance in the area of information management and governance. The most common theme within these reports is the lack of central co-ordination and over reliance on local arrangements to ensure sound information governance. Early steps have been taken to improve the situation, including the formal appointment of the Director of Governance and Law as the Senior Information Risk Officer, or SIRO.

In common with most large organisations the Council is subject to fraud, although in recent years this has usually been at a low level. Toward then end of 2010/11 the Council became aware of a significant irregularity in one of its service areas. As a live case currently under investigation by the police, further detail cannot be provided, but the case did bring to the fore questions about the governance arrangements of the service concerned. The Council immediately commissioned an external review to ascertain the specific control failures that gave rise to the issue, and is currently seeking to commission a wider governance review of the service area during 2011. Changes to the control environment have already been implemented and more will need to follow, including establishing a more commercially aware internal audit presence.

During 2010/11 the Council embarked on an organisation-wide transformation project called *Change to Keep Succeeding*. This programme will inevitably impact on the Governance of the Council, and it is important that the work recently initiated on the internal management control framework is sufficiently comprehensive to also address all aspects of operational governance.

The results of all Internal Audit reviews have been reported to the Governance and Audit Committee and distributed to a wide number of senior officers and Cabinet Members. This ensures that senior managers consider any issues arising from Internal Audit’s work and agree how to progress and implement recommendations particularly for authority wide and cross cutting audits.

Review of Internal Audit

The Annual Audit Report includes a review of the effectiveness of the system of internal audit for 2009/10, conducted in accordance with the requirements of the Accounts and Audit Regulations. This confirms that the systems of internal audit operated effectively in accordance with CIPFA's code of practice

External Audit and other regulators

The Audit Commission is currently the Council’s appointed External Auditor. Each year the District Audit issues an opinion on the Councils’ financial statements and arrangements for value for money. The opinion for 2009/10 was unqualified, and it is expected that a similar opinion will be issued for 2010/11.

The Council is also subject to other regulatory regimes, and during 2010/2011 received assessments of its services from Ofsted and CQC

Ofsted

The Council was the subject of three inspections from Ofsted during 2010/11, two of which focussed on children's services and one of Community learning and skills.

The inspection of the Kent Community Learning and Skills service concluded that the Council's overall effectiveness of provision was good, as was its capacity to improve. The report identified four areas for improvement, although no time scale was attached to these.

In August 2010 Ofsted completed an unannounced inspection of contact, referral and assessment arrangements within local authority children's services. The inspection identified one area for priority action alongside areas of strength, satisfactory practice and areas for development. The findings of the inspection and the identified area for priority action were identified as likely to limit the annual assessment to 'performs poorly'.

Immediately after the unannounced inspection Ofsted conducted an inspection of safeguarding and looked after children services. This inspection was formally reported in November 2010, and concluded that the overall effectiveness of services in Kent to ensure that children and young people are safeguarded and protected was inadequate, and that the capacity to improve was also inadequate. The report identified 13 areas for improvement, four of which were for immediate action, six to be completed within three months and three within six months.

As in previous years Ofsted have also provided an annual children's services assessment. In response to the outcomes of the inspections above the overall assessment has been reduced from "Performs well" to that of "Performs poorly"

In response the Council met with the Minister for Children and his officials in December 2010 to review arrangements for improvement, and to consider next steps. This included discussion of a draft improvement and plan which was subsequently amended in the light of the targets set in the improvement notice.

The Council has also established the Kent Improvement Board to support rapid and sustainable improvement of services in the county that safeguard children and/or support looked after children. Its key roles are to agree, monitor and report progress on the actions in the Kent Children's Services Improvement Plan. The Board has appointed an independent chair, Liz Railton, which has been approved by the Parliamentary under Secretary of State for Children and Families. The Chair will report directly to the Minister and the Leader of the Council on progress on a quarterly basis.

Care Quality Commission

In November 2010 the outcome of the performance analysis of the Council's adult social services for 2009/10 was announced by the Care Quality Commission. The Council was awarded 'Excellent' in three of the seven outcomes and was judged as 'Good' in the other four outcomes. A performance rating of 'Performing well' was awarded overall.

Six areas for improvement were identified and an action plan has been developed which will be monitored on a regular basis by the Council and by the Care Quality Commission.

On 3rd November 2010, the Minister of State for Care Services announced that the Care Quality Commission will no longer conduct an Annual Performance Assessment of councils' commissioning of care under the existing framework. The discontinuation of the Annual Performance Assessment will take place with immediate effect and there is therefore no CQC Annual Performance Assessment for 2010/2011

Risk Management

The Council managed its risks during 2010/11 in accordance with the approved Risk Management Strategy and Risk Management Toolkit. The Corporate Management Team and Directorate Management Teams formally considered risk on a regular basis throughout the year. Half-yearly risk reports were submitted to Cabinet and Governance and Audit Committee which included key corporate and directorate risks. Directorate risk registers were reported to relevant Policy Overview and Scrutiny Committees. The framework for the management of the Council's risks will be updated during 2011/12, based on the ISO 31000, to ensure it can meet the requirements of the internal management framework developed through *Change to Keep Succeeding* and address known issues in the current arrangements.

The Internal Audit Plan for 2010/11 presented to the Audit Committee in April 2010 was linked to the Council's Strategic and Directorate Risk Registers so that Internal Audit could provide assurance on the effectiveness of the internal control framework during 2010/11.

Significant governance issues

The following issues have been assessed as being significant for the purpose of this Annual Governance Statement. We will over the coming year take appropriate steps to address these matters and further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

| Source | Issue | Proposed action | Owner |
|-------------------------------|--|---|---|
| Ofsted report. | Findings of the Inspection of safeguarding and looked after children services. | Full implementation of the targets set out in the improvement notice issued after the inspection. | Corporate Director Families & Social Care |
| Notification of irregularity. | Potential control weaknesses resulting in an irregularity. | Full implementation of the independent review of the control environment. | Corporate Director Enterprise & Environment |

.....
 Paul Carter
 Leader
 On behalf of Kent County Council

.....
 Katherine Kerswell
 Managing Director

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By: Roger Gough, Cabinet Member for Business Strategy, Performance & Health Reform
Katherine Kerswell, Managing Director

To: Cabinet – 20 June 2011

Subject: KCC's Performance Management Framework

SUMMARY

As part of the restructuring through 'Change to Keep Succeeding' and the launch of our medium term plan, Bold Steps for Kent, we are taking the opportunity to review our current officer performance arrangements and to introduce an improved performance management framework that will enable effective briefing of Cabinet and into Scrutiny.

This paper sets out the steps being taken to develop the framework.

FOR INFORMATION

1. Introduction

As part of implementing Bold Steps for Kent and the design principles for our organisation to deliver those, the Corporate Management Team (CMT), and managers have reviewed the current officer level performance arrangements and wish to introduce an improved internal performance management framework.

The new performance management framework for the authority enhances the existing officer level arrangements but introduces a mechanism that will create a stronger officer culture of performance management accountability, much greater shared awareness for managers, and transparency about our performance. It will reduce duplication and be less resource intensive to take account of changes in resources projected for future years.

2. Overall objectives of KCC's new performance management framework

As an authority we want to be smarter at delivering our performance management arrangements in a more joined-up and intelligent way to ensure that what Members want to see delivered is being delivered in the most effective way.

We want to put in place mechanisms to ensure we achieve Members' strategic priorities and know how we are doing against them during the year so we can keep Members fully informed as to progress and the managerial action that is being taken to drive that progress.

We also want to ensure that the performance information that we report consistently results not just in data sets but in understanding, proper intervention and personal accountability to improve performance where it is poor or declining, and that it has due regard to risk and spotting potential problems before they arise. We will ensure early warning mechanisms are built into management information systems with each person in the organisation focused on meeting the objectives and managing the significant risks that relate to the tasks they perform.

Timely and relevant reports on progress against our business objectives and significant risks will be a key component. A key focus will also be on data quality as well as the quality of the performance indicators we use as an authority.

We want to ensure there is proper learning and that questions are raised where we are succeeding so we can understand the situation and transfer best practice where possible.

These steps will result in more effective reporting to Members so that they can direct, challenge and be assured that their decisions are being acted upon.

3. The new performance management framework

A number of specific improvements will be made and the key elements of the new framework are set out below:

a) Internal control - Performance Management SORP

SORPs (Statement of Required Practice for managers) will be introduced for a number of functions within KCC that support our local Code of Corporate Governance/framework and form part of the evidence and documentation underpinning it. Each SORP will outline the corporate standards of operation across KCC which it seeks to maintain, how it will be monitored and the consequences of non-compliance, as well as set out roles and responsibilities, benefits, associated structures and processes, clear definitions of key terms and ensure standardised use of terminology (lexicon).

A SORP will be introduced for Performance Management. It will be embedded within the business processes by which we pursue our objectives and will be developed by the managers who will implement it. As well as focusing on the required standards and procedures the Performance Management SORP will focus on some fundamental operational principles:

- We will report the information that Members need in order to understand current performance. A new quarterly performance report for Members will provide a *joined-up* assessment of performance (see section b) that follows). The reports will also place emphasis on anticipating and forecasting performance problems to ensure ‘no nasty surprises’
- It will be proportionate, use relevant performance measures and follow the principle of subsidiarity ensuring performance is being correctly managed at the most appropriate managerial and political level. Subsidiarity will reinforce the ability of team managers, divisional and directorate management teams to review and manage their own directorate and divisional performance ‘dashboards’ and report any performance issues up the chain. Directorates will drive directorate level indicators, performance challenge and delivery; divisional management meetings will do the same.
- Reports on progress will be designated by a RAG (red/amber/green) status that will create a trigger when escalation and intervention is required. Clear decisions will be made about what action is needed. Definitions of the individual RAG statuses will be agreed within the SORP as will the overarching trigger points for escalation and intervention. If there needs to be any variation to these they will be agreed for that specific indicator. This will also be linked to our risk appetite agreement anchoring it into our performance management practice

- A strong underpinning framework will ensure personal accountability for improved performance
- We will ensure the transparency of performance data and its availability in the public domain. Data will only be confidential if it is confidential.
- The quarterly performance report will flow into Cabinet and Policy Overview & Scrutiny (POSCs). Members will be able to assess whether the managerial action is sufficient and guide, direct and challenge as they feel is appropriate.

b) The single performance framework

A single performance framework for the authority will be introduced that provides a joined-up assessment of performance. This *new quarterly performance report* will be different in that it will provide the single umbrella under which the performance of the organisation will be reported and will focus on three categories of performance. The three layers that make up the new single performance framework are as follows:

- How well we are delivering our strategic priorities as set by members within Bold Steps for Kent
- How we are performing against other key areas of core service performance (it should be noted that some of the current Core Monitoring indicators will still continue in the new report)
- As necessary, it will also include any areas of poor performance triggered by the agreed escalation rules and referred up the chain from the divisions and the directorates from their own sets of performance indicators ('dashboards') until such times as they are no longer areas of poor performance.

We held two structured workshops with POSC members during May to help finalise the list of strategic priorities within Bold Steps for Kent and to seek their input on the success factors for these, including their views on key milestones and how we will seek to measure performance.

There will be three various ways of measuring how well we are performing against the strategic priorities in Bold Steps for Kent:

- Quantitative data including PIs
- Qualitative data including progress against agreed milestones, survey feedback etc
- Formal evaluation of some key projects as to their effectiveness and outcomes delivered towards the end of the four year term of Bold Steps.

We are using the feedback from the workshops to help finalise this framework for Bold Steps and will report back to POSCs on progress during June/July before reporting to Cabinet on 18 July and seeking approval to the framework by County Council on 21 July.

c) Performance management and officer reporting structures

We will introduce two new groups. These will be separate forums that enable senior managers to devote regular and specific time to focus on performance against objectives and milestones, ensure accountability for delivery and improvement, provide challenge, enable open dialogue and help provide a learning and accountability culture.

The Performance Assurance Team (PAT) will focus on organisational performance in line with member's strategic priorities and the business plans. The Delivery Assurance Team (DAT) will focus on the delivery milestones of major change programmes and projects.

There will be a strong relationship between the two teams as well as sharing of intelligence.

Performance Assurance Team (PAT)

PAT will meet monthly and be chaired by the Deputy Managing Director. Membership will include a nominated director from each directorate. It will also include two non-executive directors (NEDs). These are staff at the grass roots of the organisation. This will ensure PAT has cross-organisation membership from all levels which will provide a 'whole organisation' approach to improvement, a blend of experience as well as independent challenge.

PAT will receive the quarterly performance report as described in the preceding section. It is not the remit of PAT to cut across the directorates' responsibility to manage their own performance. It is about creating an effective council-wide system of control as necessary for the appropriate level of activity to ensure we deliver as a council and not just as a separate series of activities.

The intention is that PAT meetings will focus on the following aspects:

- How we are doing against the single performance framework as set out in the new joined up quarterly performance report. This will include discussing poor or declining performance with accountable managers and considering, challenging and ensuring appropriate action on the proposals for improving performance, including addressing constraints/barriers
- As well as looking at performance problems PAT will also examine areas of strong performance, the 'greens', and whether this could be as a result of good practice or learning that can be shared or any 'gold plating' that may need to be addressed
- Other relevant reports on performance including:
 - Risks that have been triggered from the corporate risk register and any directorate risk register i.e. the 'reds'
 - Complaints and customer engagement information
 - Staff performance information e.g. turnover, industrial relations, health and safety and equalities etc.

Any red or repeatedly amber indicators (rules will be agreed in the SORP) in the new quarterly report come straight to PAT if they are called in for further discussion. The person providing the action plan and attending PAT is the accountable manager for that service and will be listed as the accountable officer for that indicator and challenged as necessary by PAT.

Prior to each PAT meeting the Cabinet Member for Business Strategy, Performance & Health Reform will receive a full set of papers and the Chair of PAT will brief him on the key issues. They will meet again following PAT to discuss the outcomes and agreed actions. These will then be included in the formal report on the actions that have taken place at PAT on challenging the issues and improving performance. The Cabinet Member for Business Strategy, Performance & Health Reform has the right to attend PAT during the year as necessary to assess the operation of performance management framework.

The Chair of Governance & Audit Committee will also be given a full set of PAT papers as part of his formal governance role which is independent of the Executive. He may attend PAT on an exceptional basis to assure himself of the officer level of governance being delivered by PAT. He will also receive the formal report on the actions that have taken place at PAT on challenging the issues and improving performance.

Delivery Assurance Team (DAT)

The organisation has a clear desire to see effective and speedy delivery on the strategic priorities it has made in Bold Steps and the Medium Term Financial Plan. There are also a number of key enablers (e.g. Oracle transition, internal control framework etc) that we have to put in place that will help ensure the effective delivery of those commitments.

In order to ensure this delivery takes place and aid the co-ordination of a large number of potentially conflicting agendas and demands on support services in the authority it is essential that we put in place a delivery assurance function. Delivery assurance for Bold Steps and the Medium Term Financial Plan will be supported by the creation of a Delivery Assurance Team (DAT) chaired by the Managing Director. Like PAT, DAT will meet monthly and membership will include a nominated director from each directorate (but different from those on PAT). It will also include two NEDs (again different from those on PAT).

The intention is that DAT meetings will focus on the following aspects:

- Quarterly reports setting out a) how well we are delivering on Bold Steps for Kent; b) how well we are delivering against other major change programmes and key enablers not covered by Bold Steps; c) how well we are delivering against our PIDs 191 programme d) how well we are delivering against our capital/property/land projects
- Other relevant reports for example:
 - Bids into the capital programme
 - Progression against the authority's restructuring programme
 - Progression against the authority's IT programme including Oracle.

Member arrangements for DAT will mirror PAT.

Divisional Management Team and Directorate Management Team meetings

Divisional Management Team and the Directorate Management Team meetings will discuss their own sets of key performance indicators. Some of these will of course be the same as those used in the new quarterly monitoring reports as mentioned above but the level of detail of course will increase as the process goes further down into the services. Therefore these different levels are separate but compliment each other.

When performance issues get triggered from division and directorate level to PAT then PAT will discuss the work that the directorates have done. These issues could be a key performance indicator that has been red for two quarters or amber for three (rules will be agreed in the SORP).

d) Performance management and reporting to Members

Cabinet will receive the *new quarterly performance reports* (to commence from Quarter 1 of 2011/12). These reports will enable discussion with Members to be more focused than is currently possible with the current Core Monitoring and Quarterly Revenue and Capital reports and they will be able to have clearer direction on the most urgent areas for their attention.

Further consultation is required to develop the most effective relationship of POSCs to the performance framework. It may be more appropriate for Scrutiny Board to receive the new quarterly performance report as all POSC chairman sit on that Board. This would enable performance of the whole council to be seen in the round and the performance framework itself to be judged as to its effectiveness. This would reduce the

numbers of meetings that the framework would be discussed in. If the individual POSC Chairman then wanted a particular indicator to be discussed at their meeting then that could be triggered by the Scrutiny Board. The preferred relationship of POSCs to the performance framework will be discussed with POSC chairmen, the Leader and Deputy Leader.

e) Performance management culture and behaviours

KCC is already putting in place the structures needed to support its new performance management framework, as set out in this report. However, it is an organisation's performance culture and the way performance management is handled and directed that can make the difference between top performing and average performing authorities. Part of this is ensuring it has staff with the right skills and behaviours.

KCC's stronger culture of performance management will underpin the new performance management framework and the new 'Kent Manager' programme is an important vehicle that will ensure our managers will be properly trained in the skills required by the council. It will also set out and reinforce the way in which management needs to be conducted at KCC, grounding the absolute imperative of managerial accountability and making the behavioural competencies a reality.

We are running a series of performance management workshops for staff across the authority in May and June, some of which focuses on how we develop and shape the new performance management culture and behaviours needed within KCC. The notion of the workshops has sprung from the learning taken from the children's social services issues and the emanating improvement plan. Two of these have already taken place with staff from children's and adult's social services and been extremely well received.

As already mentioned, an integrated set of documents defining how we must do things and managed from the centre, will help to provide transparency of our 'One Council' approach for all staff and members. These documents, the SORPs, supported by the 'Kent Manager' programme, are proposed as a core element of the future internal control framework.

4. Next Steps

The key elements of the performance management framework are set out here and will be further refined over time. The new CMT and PAT arrangements will come into effect during June and DAT arrangements will then follow in July.

The framework for delivering the strategic priorities in Bold Steps is being further developed using feedback from the POSC workshops held in May. It will be reported to June/July POSCs and thence to Cabinet and County Council for approval in July. The first quarterly performance report using the single performance framework will be available for Quarter 1, 2011/12 and will go to the September meeting of Cabinet and POSCs.

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By: Roger Gough - Cabinet Member Business Strategy, Performance & Health Reform
Katherine Kerswell - Managing Director

To: Cabinet – 20 June 2011

Subject: Core Monitoring Report

Classification: Unrestricted

Summary

The purpose of this report is to inform Cabinet of the key areas of performance and activity across the authority.

Introduction

1. The fourth quarterly Core Monitoring report for 2010/11 is attached and this provides information up to the end of March 2011. The last Core Monitoring report was provided to Cabinet on 4 April.

Core Monitoring

2. The Core Monitoring report contains key activity and performance information for the Corporate Management Team and Cabinet Members.
3. Publication of the Core Monitoring report on the external web site is also an important element of our transparency agenda.
4. Sections of this Core Monitoring report are also being discussed in the June/July round of POSCs.
5. Additional indicators relating to children's social services have been added to the Core Monitoring for this quarter, to reflect some of the areas where improvement is required.

Future Reports

6. A new reporting framework for 2011/12 is under development and will replace the current Core Monitoring. The new framework will deliver a single performance management process for the organisation and will incorporate the monitoring of "Bold Steps for Kent" and other outcomes for core services of the authority.

Recommendation

7. Members are asked to NOTE this report.

Contact officer:

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Kent County Council

Core Monitoring Report

Cabinet 20 June

**Including Information up to the end of
March 2011**



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| Council-wide Indicators | | | |
| Contact Kent : calls answered within 20 seconds | 7 | Green | Amber |
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| Staffing equalities – ethnicity | 13 | Amber | Amber |
| Staff turnover | 14 | Information only | |
| Staff sickness absence | 15 | Amber | Green |
| CO2 emissions from KCC non-schools estate | 16 | Amber | Amber |
| CO2 emissions from schools | 16 | Red | Red |
| Children, Families and Education | | | |
| Foundation Stage pupil attainment | 17 | Amber | Green |
| Key stage 2 attainment – all children | 18 | Red | Red |
| Key stage 2 attainment – looked after children | 19 | Red | Amber |
| GCSE results – all children | 20 | Amber | Amber |
| GCSE results – children with free school meals | 21 | Red | Red |
| GCSE results – looked after children | 22 | Amber | Red |
| Young people not in education, employment or training | 23 | Green | Green |
| Secondary schools inspections | 24 | Green | Green |
| Primary schools inspections | 24 | Red | Red |
| Early years and childcare providers inspections | 24 | Amber | Green |
| Schools in special measures | 25 | Amber | Red |
| SEN assessments | 26 | Amber | Amber |
| Pupil exclusions | 27 | Amber | Amber |
| Pupil absence – secondary schools | 28 | Amber | Amber |
| Children’s Social Services | | | |
| Referrals to children’s social services | 29 | Red | Red |
| Initial assessments | 30 | Red | Red |
| Initial assessments completed within 7 days | 31 | Red | Amber |
| Core assessments within timescales | 32 | Red | Red |
| Children with child protection plan | 33 | Red | Red |
| Number of looked after children (LAC) | 34 | Red | Red |
| Social worker vacancies | 35 | Amber | Green |
| Asylum service – young people now aged 18+ | 36 | Red | Red |
| LAC placed in Kent by other local authorities | 37 | Red | Red |

| Description | Page | Previous Status | Current Status |
|---|------|-----------------|----------------|
| Adult Social Services | | | |
| Direct payments/Personal budgets | 38 | Amber | Green |
| Older people in residential care | 39 | Amber | Amber |
| Older people in nursing care | 40 | Amber | Amber |
| Domiciliary care for older people | 41 | Amber | Green |
| Learning disability residential care | 42 | Red | Red |
| Environment, Highways and Waste | | | |
| Household waste tonnage | 43 | Amber | Amber |
| Recycling/composting | 44 | Amber | Amber |
| Municipal waste taken to landfill | 45 | Green | Green |
| Congestion - Maidstone | 46 | Amber | Green |
| Freedom pass | 47 | Amber | Red |
| Routine highways repairs within 28 days | 48 | Amber | Red |
| Pothole repairs – average repair time | 49 | Red | Amber |
| Streetlight faults repaired - KCC | 50 | Amber | Amber |
| Streetlight faults repaired - UKPN | 51 | Red | Red |
| Road traffic casualties | 52 | Amber | Green |
| Communities | | | |
| Library visits | 53 | Amber | Amber |
| Library book issues | 54 | Red | Red |
| KCC apprenticeships | 55 | Green | Green |
| New entrants to the youth justice system | 56 | Amber | Amber |
| Young offenders in education, employment and training | 57 | Amber | Amber |
| Adult education enrolments | 58 | Green | Green |
| Drug users leaving treatment free of dependency | 59 | Green | Green |
| Supporting People – people achieving independent living | 60 | Amber | Amber |

Overall Summary of Performance

This is our fourth Core Monitoring report for 2010/11. It provides information on key activity and performance for the fourth financial quarter, up to the end of March 2011.

The publication of this report is part of our transparency agenda, making the information and data we use as an organisation more open to public scrutiny.

The main concern in the financial year was the poor Ofsted report for our children's social services received in November. An Improvement Plan has been drawn up and various actions to improve the service are now underway. The improvement of services for vulnerable children is the top priority for the council and additional indicators relating to Children's Social Services have been added to the Core Monitoring report to ensure that the position and improvements are openly reported.

Overall performance for the indicators included in the current Core Monitoring is as follows:

| RAG Status | Indicators in each category | | |
|------------|-----------------------------|---------|------------|
| | Previous | Current | Net Change |
| Green | 7 | 14 | +7 |
| Amber | 29 | 21 | -8 |
| Red | 17 | 18 | +1 |
| Total | 53 | 53 | |

The following areas have shown improvement:

- Average days sickness for staff has reduced in the year
- Attainment for Kent children is now significantly better than the national average at Foundation Stage
- Ofsted inspection results for early years settings are also now better than the national average
- Attainment for looked after children at Key Stage 2 has improved and is now close to the national average
- Timeliness of initial assessments for children's social services has improved and is now closer to the Improvement Notice target
- Social worker vacancies have now been reduced to close to zero
- The percentage of adult social services clients with personal budgets and direct payments has reached the national target level
- Hours of domiciliary care for older people purchased from the independent sector during the year has come in within budget
- Average journey time in Maidstone morning peak hours has improved in the quarter compared to the same time last year
- Average time to repair potholes improved in the quarter and performance was close to target
- The numbers of people with serious injury in road traffic accidents in Kent has continued to reduce this year and the rate of reduction is ahead of the last published national average.

The following areas have shown a drop in performance:

- Response times for answering in-coming phone calls dropped below the national benchmark for the quarter

- GCSE results for looked after children have fallen significantly behind the national average and actions to address this are in the Improvement Plan
- The number of schools in special measures has again increased in the quarter and is above the national average
- Take-up of the Freedom Pass has been very successful and as a result has led to a budget pressure
- Response times for routine highway repairs have dropped in the quarter and remain below target.

The following areas have maintained a high level of performance:

- The percentage of young people aged 16 to 18 not in education, employment or training in Kent continues to be significantly below the national average
- The rate of good or better Ofsted inspection results for secondary schools continues to be ahead of the national average
- The percentage of household waste taken to landfill in Kent is significantly lower than the national average
- The number of apprenticeships provided by KCC continues to be ahead of target
- Adult education enrolments in Kent exceeded target for the year
- Success rates for drug treatment services continue to be significantly better than national average.

The following areas show performance continuing to be rated with a Red RAG status:

- Carbon dioxide emissions from schools have increased and our target for a 10% reduction by 2010 has not been met
- Pupil attainment at Key Stage 2 remains significantly behind the national average as do the related primary school Ofsted inspection results
- Attainment results for children with free school meals is significantly below the national average
- A range of indicators relating to children's social services from referral rates, to speed of carrying out core assessments to the numbers of children on child protection plans or looked after are below target levels set in the Improvement Plan
- The number of unaccompanied asylum seeker children, now aged over 18 and continuing to be supported by KCC continues to be above past levels
- The number of looked after children placed in Kent by other local authorities continues to be significantly higher than the average for other local authorities
- The number of adults with learning disability supported in residential care continues to be significantly above the national average resulting in budget pressures
- Average response times for repairing streetlights where the network operator is responsible continue to remain some way behind the target level
- The number of library book issues continues to be significantly below the national average.

Further details on these areas of concern and the actions to address them can be found in the main body of this report.

**Katherine Kerswell
Group Managing Director
Kent County Council**

General notes on interpreting the data included in this report

A selection of key indicators for the core areas of activity and performance of the council is included in this report. Indicator values are shown by graph and data tables, including Direction of Travel and RAG ratings (see tables below for a key to interpreting these).




A range of presentation styles are provided for different indicators depending on the information available. In some cases we provide the most recent results for the last four financial year quarters, while for other indicators we provide annual data for the last few years with the most recent quarter's data also shown.

Where relevant and available, the indicators are provided with comparative data showing national averages or other suitable benchmark information.




It should be noted that past annual data provided in this report is generally validated data which is public domain and available in many cases within the remit of national statistics.

However, quarterly data provided in this report and all information subsequent to March 2010 is classed as provisional local management information which in some cases is provided on an estimated basis. This data is likely to be subject to future revisions.

Key to RAG (Red/Amber/Green) ratings

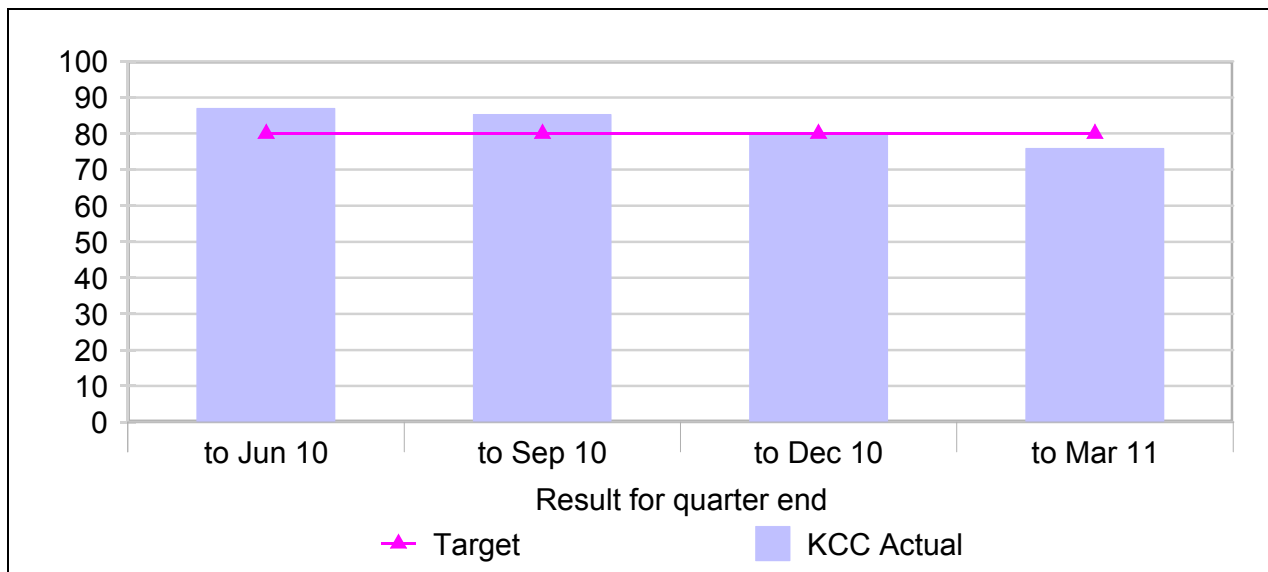
| | | RAG Ratings |
|-------|---|---|
| Green |  | Performance is significantly better than the most recently published national average/benchmark or exceeds local targets where set or the indicator represents an activity which is performing within the budget allocation |
| Amber |  | Performance not significantly different from most recently published national average or close to but not exceeding local target or an activity which is performing close to the budget allocation |
| Red |  | Performance significantly worse than the most recently published national average or significantly behind local targets where set or the indicator represents an activity which is performing over the budget allocation provided |
| N/a | | Data not available in order to assess performance |

Key to DoT (Direction of Travel) ratings

| | | DoT Ratings |
|--|---|---|
| |  | Improvement in performance or change in activity levels with a positive impact on budgets and resources |
| |  | Fall in performance or change in activity levels with a negative impact on budget and resources |
| |  | No change in performance or activity levels |

Contact Kent : Percentage of calls answered within 20 seconds

Amber



| Higher value is better | Qtr to Jun 10 | Qtr to Sept 10 | Qtr to Dec 10 | Qtr to Mar 11 |
|------------------------|---------------|----------------|---------------|---------------|
| KCC Result | 87.0% | 85.3% ↓ | 80.1% ↓ | 75.9% ↓ |
| Target | 80% | 80% | 80% | 80% |
| RAG Rating | ★ | ★ | ★ | ● |
| Calls received | 261,000 | 270,000 | 269,000 | 287,000 |

Call answering response rates for Contact Kent are down again this quarter and with high call volumes performance has dropped below the target benchmark. The target level of 80% is a standard industry benchmark and there are significant diminishing returns on resource input in attempting to perform above this level.

Contact Kent currently supports 87 different services on a 24 hours a day, 7 days a week, 365 days a year basis. The range of services provided includes library book renewals, reporting pot-holes, arranging temporary housing for Maidstone residents and handling reporting of child protection concerns for both new and existing cases. The services with the highest volumes of calls received are Libraries, Highways and Registrations.

Detailed performance information for the complete year is as follows :

| | 2009 Full year | 2010 Full year |
|--|-------------------|-------------------|
| Percentage of calls that were answered | 94% | 95% |
| Average wait time | 15 seconds | 13 seconds |
| Average abandon time | 57 seconds | 1 min 9 sec |

| | |
|---|-------------------------|
| Transactions and footfalls at Gateway facilities | Information only |
|---|-------------------------|

The Kent public sector Gateways have been hugely popular with residents, creating a single point of access to a wide range of public services in convenient town centre locations.

Transactions

| | Jan – Mar 10 | Apr – Jun 10 | Jul – Sep 10 | Oct – Dec 10 | Jan – Mar 11 |
|-----------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Ashford | 8,829 | 11,126 | 12,958 | 13,519 | 14,920 |
| Dover | 11,514 | 11,780 | 11,735 | 10,267 | 12,617 |
| Maidstone | 13,244 | 12,652 | 16,742 | 10,646 | 13,271 |
| Tenterden | 4,633 | 6,030 | 4,987 | 3,235 | 3,153 |
| Thanet | 29,807 | 33,586 | 32,385 | 33,267 | 35,479 |
| Tonbridge | 15,991 | 17,640 | 21,029 | 13,949 | 13,789 |
| Tunbridge Wells | 17,516 | 13,409 | 11,999 | 10,154 | 13,078 |
| TOTAL | 101,534 | 106,223 | 111,835 | 95,037 | 106,307 |

Footfall

| | Jan – Mar 10 | Apr – Jun 10 | Jul – Sep 10 | Oct – Dec 10 | Jan – Mar 11 |
|-----------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Ashford | 17,495 | 22,103 | 24,735 | 20,207 | 16,677 |
| Tenterden | 61,209 | 56,940 | 63,672 | 59,608 | 57,101 |
| Thanet | 109,813 | 104,764 | 121,012 | 96,652 | 107,357 |
| Tunbridge Wells | 34,018 | 30,952 | 28,407 | 30,615 | 24,137 |
| TOTAL | 222,535 | 214,759 | 237,816 | 207,082 | 205,272 |

Footfall in the quarter, for those Gateways where footfall is counted, was down compared to the previous quarter and also down compared to the same period last year. However, the overall number of transactions by the public at Gateways was higher in the quarter compared to previous quarter and the same time last year.

Future plans include embedding the Gateway approach across the full range of KCC services. New Gateways are planned to be opened in Sheerness and Swanley during financial year 2011/12.

Data Notes:

- Variations between quarters reflect seasonal variations and other changes to services offered or advertised at any given time.
- Footfall counters are not currently installed at Maidstone, Dover or Tonbridge.
- Thanet and Tenterden Gateway footfall includes library visitors but library transactions are not counted under Gateway transactions.

| | |
|--|-------------------------|
| The number of complaints made to the council by residents | Information only |
|--|-------------------------|

| Service area | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Full year 2010/11 |
|--------------------------------|--------------|--------------|--------------|------------|-------------------|
| Kent Highway Services (KHS) | 534 | 532 | 646 | 247 | 1,959 |
| Adult Social Services | 139 | 126 | 123 | 135 | 523 |
| Children, Families & Education | 131 | 104 | 125 | 128 | 488 |
| Environment & Waste | 103 | 95 | 44 | 71 | 313 |
| Risk Management & Insurance | 96 | 49 | 51 | 220 | 416 |
| Community Learning & Skills | 32 | 49 | 38 | 32 | 151 |
| Libraries & Archives | 45 | 25 | 23 | 23 | 116 |
| Other services | 30 | 26 | 27 | 42 | 125 |
| Gateways and contact centre | 27 | 21 | 10 | 3 | 61 |
| Commercial Services | 11 | 27 | 18 | 17 | 73 |
| Youth Service | 5 | 12 | 18 | 8 | 43 |
| Media Centre | 1 | 3 | 30 | 0 | 34 |
| Supporting People | 8 | 12 | 5 | 7 | 32 |
| Total | 1,162 | 1,081 | 1,158 | 933 | 4,334 |

Lessons learned from complaints received are published within the **'You said, we did'** section of our website which illustrates the changes that are made as a result of complaints received.

The number of complaints in quarter 4 shows a reduction on previous quarters with a significant reduction in complaints to KHS.

Improved monthly monitoring of complaints in KHS has helped to highlight on-going problem areas and drive forward service improvements. Actions include improved information being made available at the KCC Contact Centre which has enabled us to provide up to date information to answer customer queries and provide more realistic timescales when customers report issues, which is helping reduce the number of complaints made.

The insurance team have seen an increase in complaints in the quarter, in relation to claims resulting from the severe winter weather in December.

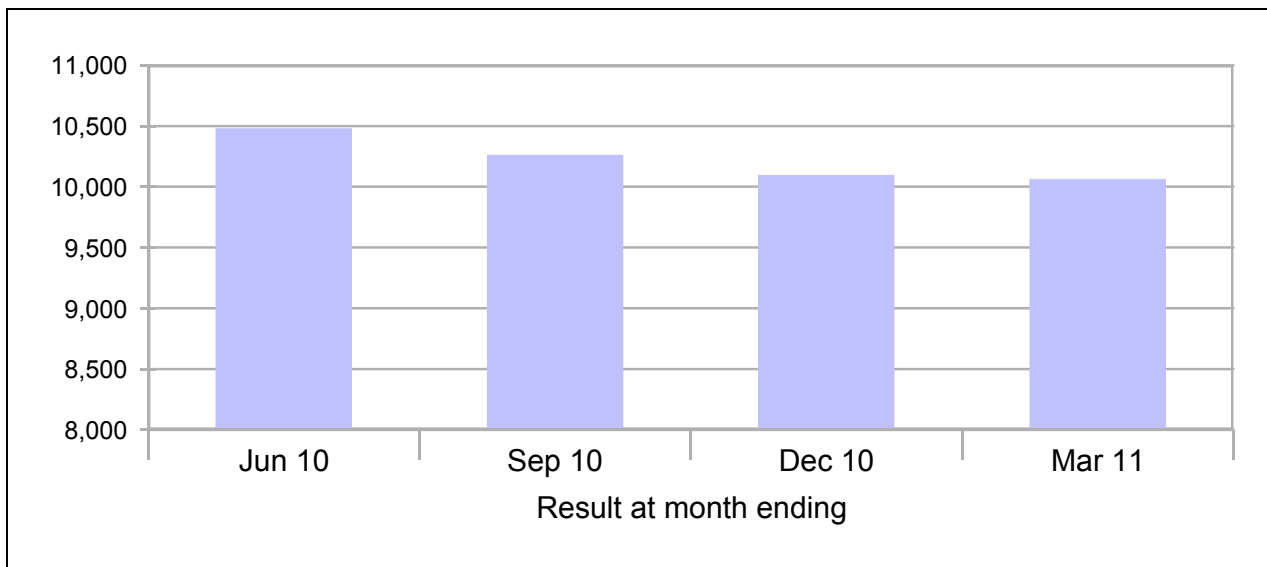
Complaints to the Media Centre have reduced back to normal levels after the particular issues experienced last quarter around the Traffic and Travel information site and our resident magazine Around Kent.

Data Notes:

- Data presented here shows the number of complaints received, although within this some individuals may have complained about more than one issue. Figures may not therefore agree to other published data on complaints where the analysis looks at the number of issues complained about.

Number of full time equivalent staff employed by KCC (excluding schools)

Information only



| | Jun 10 | Sept 10 | Dec 10 | Mar 11 |
|------------------------|--------|---------|--------|--------|
| Staffing numbers – FTE | 10,477 | 10,259 | 10,094 | 10,061 |

The current financial year shows a drop in staffing levels as funding becomes reduced and the council prepares for further funding reductions in the years to follow, as government reduces the national budget deficit.

The staff reductions in the year by directorate since March 2010 when the FTE count was 10,531 were as follows:

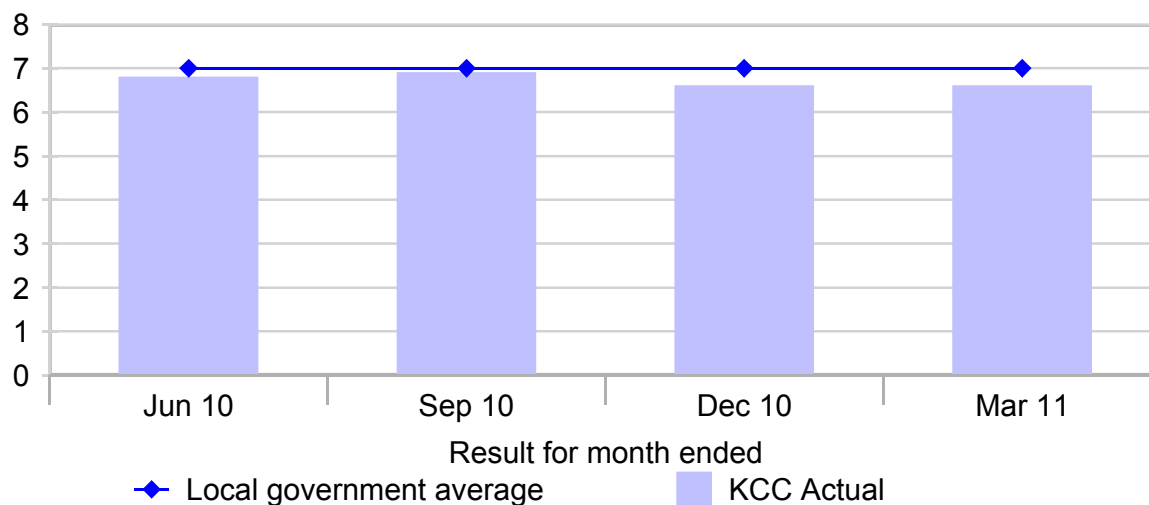
- Children, Families and Education: 107
- Communities: 168
- Environment, Highways and Waste: 6
- Chief Executives: 82
- Adult Social Services: 107
- Total: 470 (4.4%)

Data Notes:

- Source: KCC HR Business intelligence system, staff demographics.

Staff aged under 25 years old (as a percentage of headcount)

Amber



| Higher value is better | Jun 10 | Sept 10 | Dec 10 | Mar 11 |
|--------------------------|--------|---------|--------|--------|
| Staff aged under 25 | 6.8% | 6.9% ↑ | 6.6% ↓ | 6.6% ↔ |
| Local government average | 7.0% | 7.0% | 7.0% | 7.0% |
| RAG Rating | ● | ● | ● | ● |
| Count of staff aged < 25 | 998 | 977 | 926 | 920 |

The proportion of staff aged under 25 dropped in the quarter to December but held steady in the most recent quarter. March 11 performance of 6.6% compares to performance of 7% in March 2010.

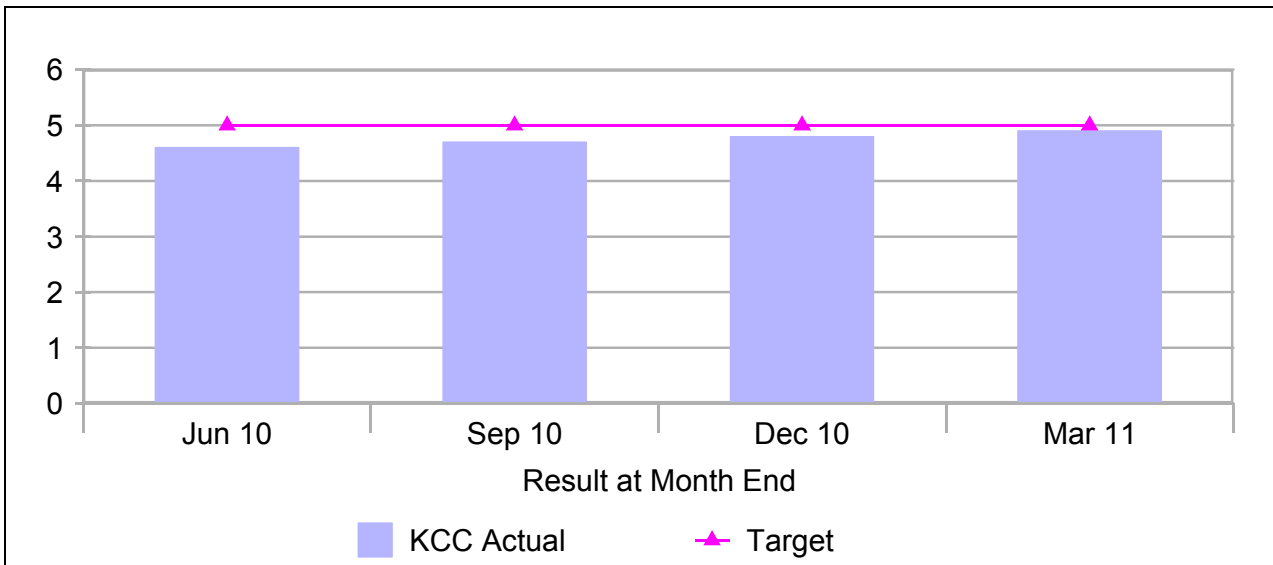
Future actions to increase the proportion of staff from this age group include the commitment for KCC to take on at least 350 additional apprenticeships over the next four years.

Data Notes:

- Source: KCC HR Business intelligence system, staff demographics.
- Local government average is taken from the Labour Force Survey.
- Results includes casual relief, sessional and supply contract staff.

Percentage of staff headcount from BME groups

Amber



| Higher value is better | Jun 10 | Sept 10 | Dec 10 | Mar 11 |
|------------------------|--------|---------|--------|--------|
| BME staff | 4.6% | 4.7% ↑ | 4.8% ↑ | 4.9% ↑ |
| Target | 5% | 5% | 5% | 5% |
| RAG Rating | ● | ● | ● | ● |
| Count of BME staff | 536 | 520 | 516 | 557 |

Progress is being made on attracting and retaining staff from black and minority ethnic groups with numbers as a percentage of headcount continuing to increase.

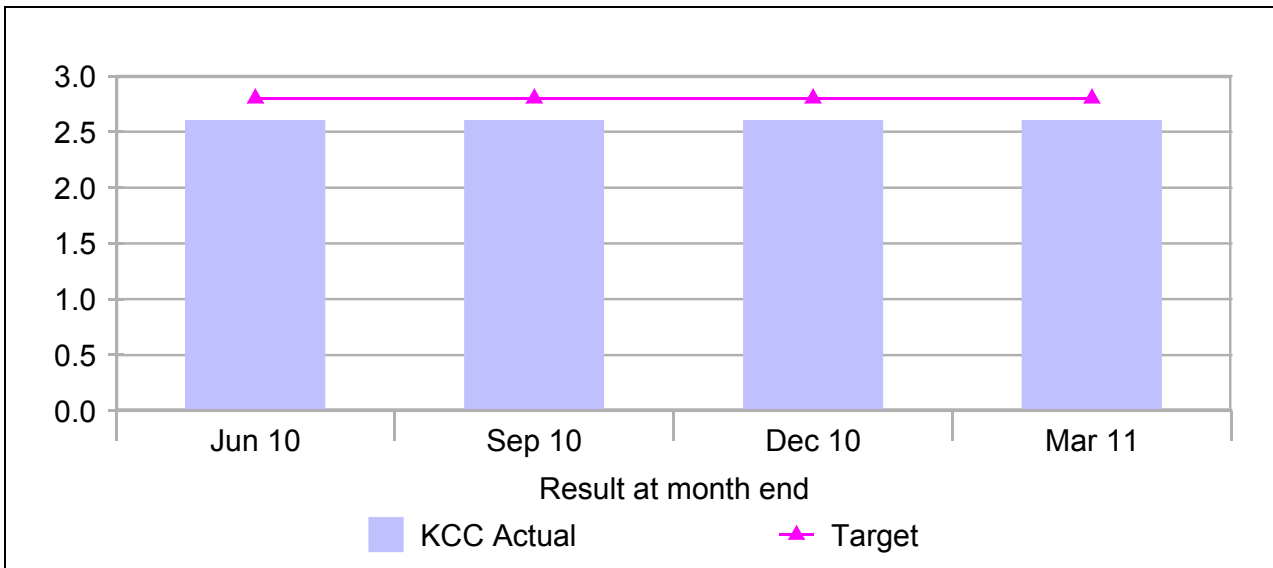
Since March 2010 performance has improved from 4.5% to 4.9%.

Data Notes:

- Source: KCC HR Business intelligence system, staff demographics.
- The percentage rate is calculated for staff where BME status is known.
- Results includes casual relief, sessional and supply contract staff.

Percentage of staff declaring a disability (DDA definition)

Amber



| Higher value is better | Jun 10 | Sept 10 | Dec 10 | Mar 11 |
|--------------------------------|--------|---------|--------|--------|
| Staff with disability | 2.6% | 2.6% ↔ | 2.6% ↔ | 2.6% ↔ |
| Target | 2.8% | 2.8% | 2.8% | 2.8% |
| RAG Rating | ● | ● | ● | ● |
| Count of staff with disability | 286 | 285 | 273 | 269 |

The percentage of staff with a disability has been holding at a steady rate all year but is slightly ahead of previous year.

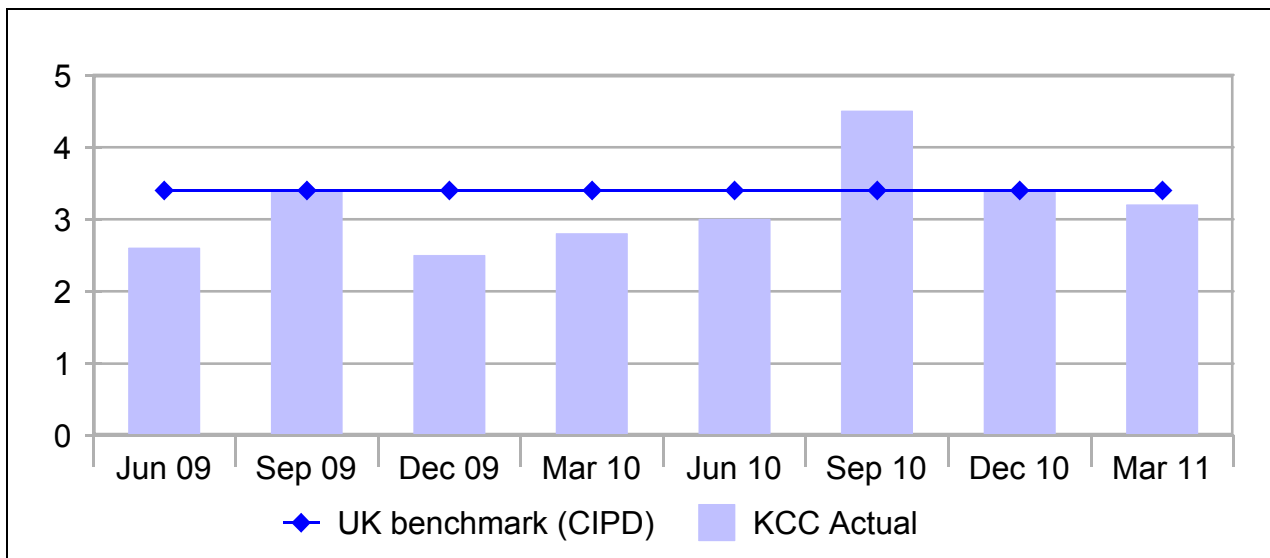
The March 2010 position was 2.5%.

Data Notes:

- Data taken from KCC HR Business intelligence system, staff demographics.
- Results includes casual relief, sessional and supply contract staff.

Staff turnover (leavers as a percentage of headcount)

Not rated



| | Quarter to Jun 10 | Quarter to Sept 10 | Quarter to Dec 10 | Quarter to Mar 11 |
|-----------------------|-------------------|--------------------|-------------------|-------------------|
| Staff turnover actual | 3.0% | 4.5% | 3.4% | 3.2% |
| UK Benchmark | 3.4% | 3.4% | 3.4% | 3.4% |

The number of staff leaving KCC as a percentage of the workforce continues to be close to the national benchmark.

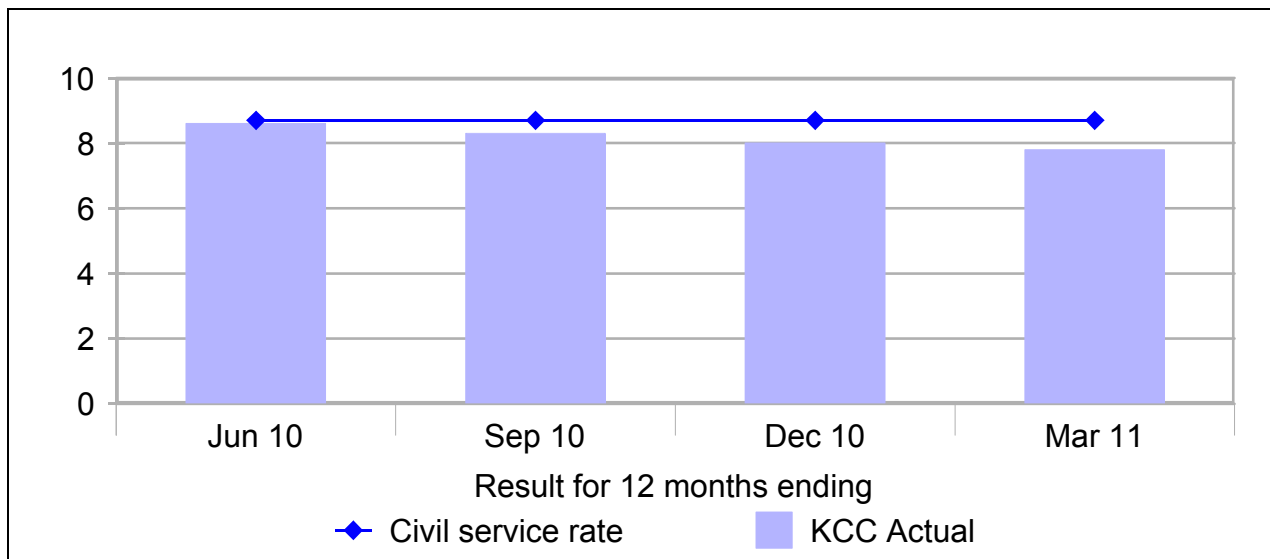
The higher level of turnover in the quarter ending September 2010 was mostly down to re-structuring within the Children, Families and Education directorate.

Data Notes:

- Source: KCC HR Business intelligence system.
- UK Benchmark provided by the Chartered Institute of Personnel and Development.
- No RAG rating provided and the ideal is to be close to the benchmark over the medium term.

**Staff sickness – average days lost per FTE
(rolling 12 months)**

Green
↑



| Lower value is better | Year to Jun 10 | Year to Sept 10 | Year to Dec 10 | Year to Mar 11 |
|-----------------------|----------------|-----------------|----------------|----------------|
| Staff sickness actual | 8.6 | 8.3 ↑ | 8.0 ↑ | 7.8 ↑ |
| Civil service rate | 8.7 | 8.7 | 8.7 | 8.7 |
| RAG Rating | ● | ● | ● | ★ |

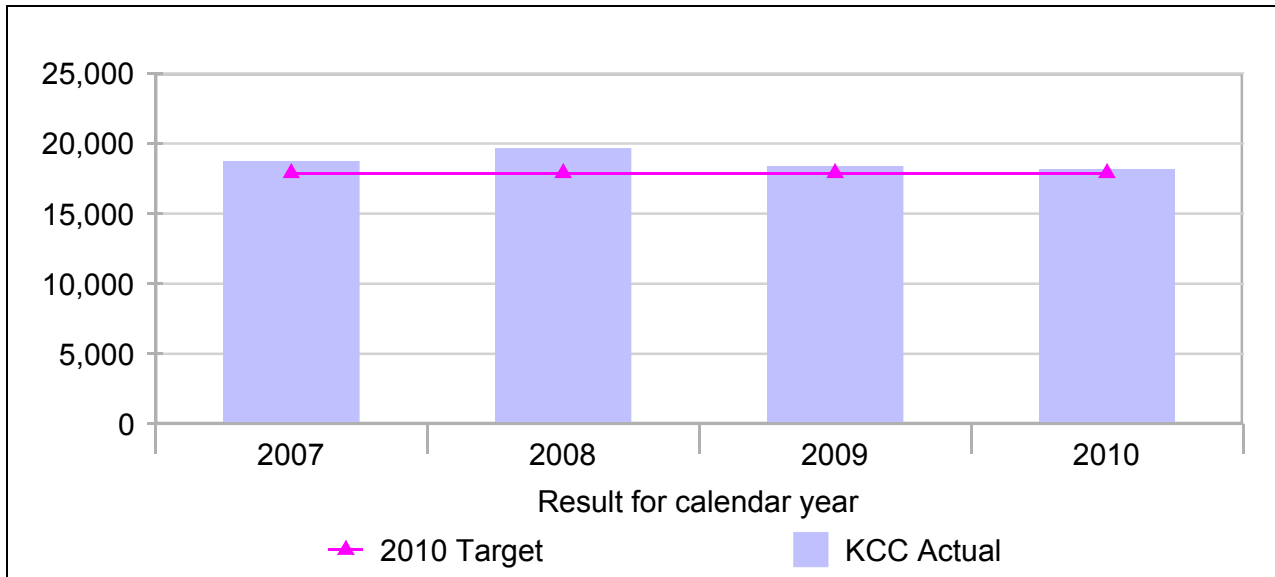
Staff sickness levels to improved in the quarter continuing the trend seen all year. Sickness levels at 7.8 days per FTE were at 90% of the level recorded for the civil service as a whole.

The result for the year is also an improvement on the previous financial year when sickness was recorded as 8.6 days per FTE. This is a reduction of 9%.

Data Notes:

- Source: KCC HR Business intelligence system
- There is no available benchmark for local authorities
- The civil service is used as a benchmark as there are a number of factors in the civil service workforce which are similar to a large local authority such as KCC. These include the size of organisation, the average age and the gender balance of the workforce, all of which will impact on the sickness rate recorded.
- Past data has been subject to minor revision, to ensure the FTE count used in the calculation is the average for the year and not the position at the end of the year – this is an important adjustment to ensure data reflects the true position as FTE counts have been reducing all year.

| | |
|---|----------------|
| Tonnage of carbon emissions from KCC estate, excluding schools | Amber ↑ |
| Tonnage of carbon emission from schools | Red ↓ |



| Lower result is better | 2004 | 2008 | 2009 | 2010 Provisional |
|------------------------------|--------|----------|----------|------------------|
| KCC non-schools result | 19,900 | 19,700 ↑ | 18,300 ↑ | 18,200 ↑ |
| Target | | 17,900 | 17,900 | 17,900 |
| RAG Rating | | ▲ | ● | ● |
| Schools result (not graphed) | 66,000 | 76,700 ↓ | 75,700 ↑ | 73,000 ↑ |
| Target | | 59,400 | 59,400 | 59,400 |
| RAG Rating | | ▲ | ▲ | ▲ |

KCC had a target for a 10% reduction in carbon emissions by 2010 compared to 2004. This target has not been met, and instead a growth in emissions has been seen, primarily due to a 50% increase in electricity use in the schools estate.

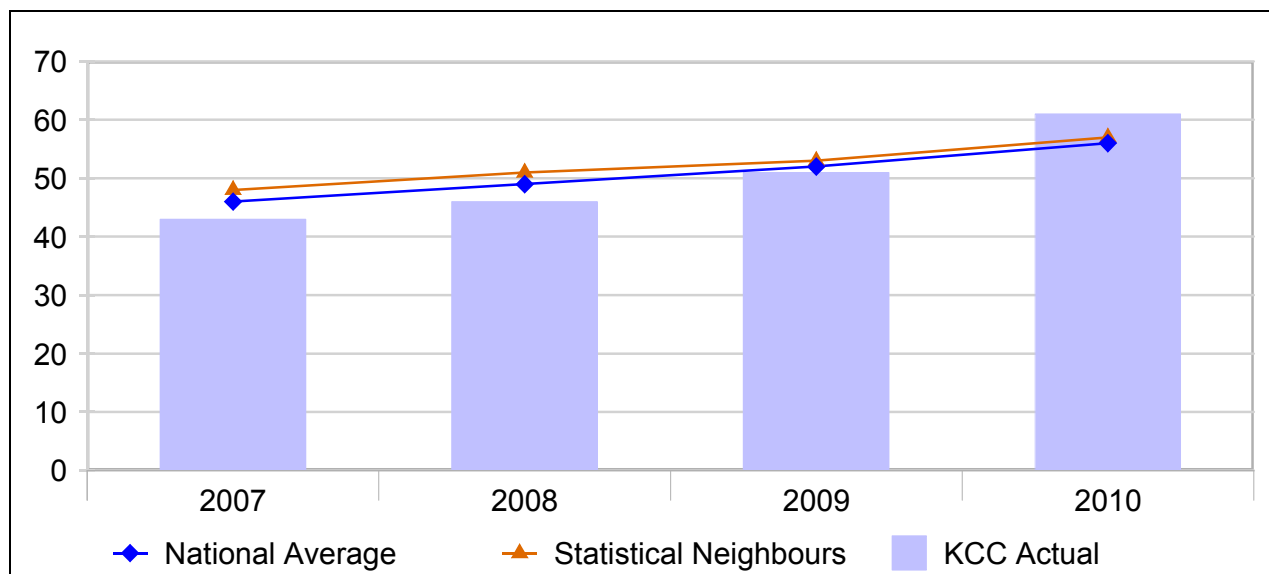
Non-school buildings emissions have reduced by 8% and further reductions are expected during the next 2 years as the estate efficiency programme makes an impact. Savings are being achieved in our larger estate buildings, but the large number of smaller, older and inefficient properties is holding back overall performance.

Whilst energy efficiency projects with a payback of less than 5 years continue to be implemented, we expect to see a step change in the next few years as the council reduces the number of county offices through better use of space and delivers several improvements through its ICT infrastructure and flexible working practices.

The increase in schools emissions is due to an increase in the size of the physical estate (additional school buildings), a significant increase in use of ICT in schools, longer 'hours of business' e.g. the Extended Schools Programme and new schools with higher energy use than those which they replace. The programme for supporting schools to reverse the upward trend in emissions is being further developed, including exploring different funding mechanisms.

Percentage of children with a good level of development at Foundation Stage

Green
↑



| Higher result is better | Summer 2007 | Summer 2008 | Summer 2009 | Summer 2010 |
|-------------------------|-------------|-------------|-------------|-------------|
| KCC Result | 43% | 46% ↑ | 51% ↑ | 61% ↑ |
| National average | 46% | 49% | 52% | 56% |
| RAG Rating | ● | ● | ● | ★ |
| Statistical neighbours | 48% | 51% | 53% | 57% |

A good level of development for the Early Years Foundation Stage, taken in a child's first year of Reception, is 78 points or more, with at least 6 points in each of the Personal, Social and Emotional Development (PSED) and the Communication, Language and Literacy (CLL) scales.

The 2010 Foundation Stage assessments for Kent children showed a significant improvement, with 61% of children reaching the level of development considered as good. This is the fifth year in succession that Kent's Foundation Stage results have improved, with the 2010 result being above the national average, and in the upper quartile of all local authorities.

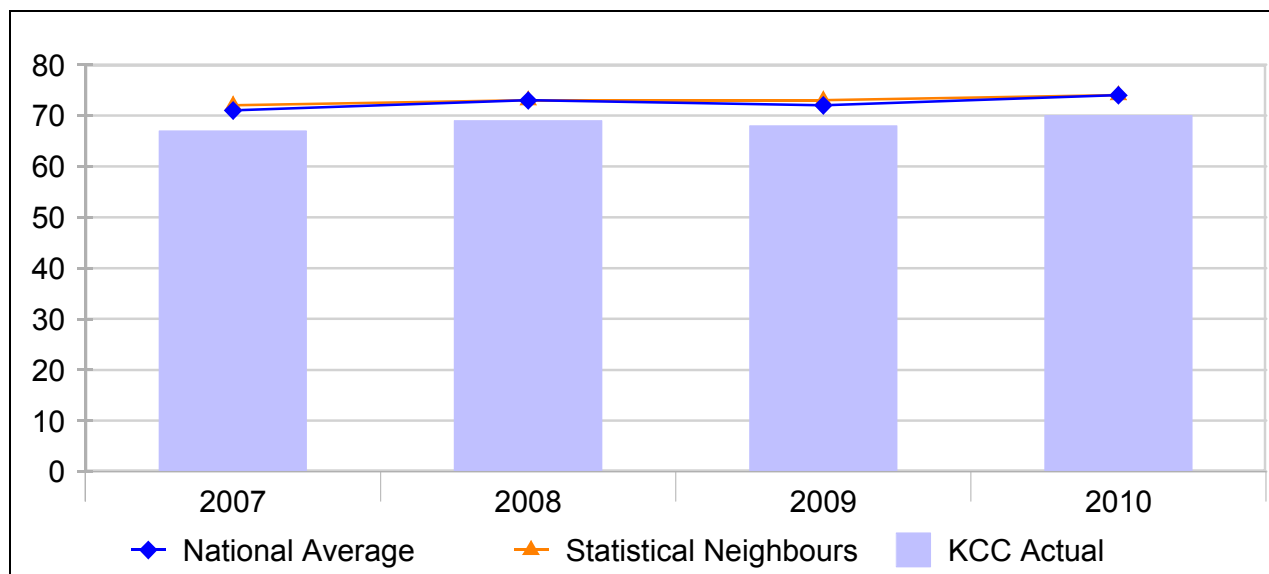
In addition, for the fourth year in succession Kent has reduced the achievement gap between children in the lowest 20% of the cohort and their peers, further extending performance when compared against the national average.

Data Notes:

- Source: DfE.

Percentage of pupils achieving level 4 or above in Key Stage 2 tests for both English and maths combined

Red
↑



| Higher result is better | Summer 2007 | Summer 2008 | Summer 2009 | Summer 2010 |
|-------------------------|-------------|-------------|-------------|-------------|
| KCC Result | 67% | 69% ↑ | 68% ↓ | 70% ↑ |
| National average | 71% | 73% | 72% | 74% |
| RAG Rating | ▲ | ▲ | ▲ | ▲ |
| Statistical neighbours | 72% | 73% | 73% | 74% |
| Children with results | 15,980 | 16,430 | 16,040 | 14,900 |

Kent's 2010 result for this indicator shows an improvement of 2% compared to 2009, but the gap to national average continues to be 4%; this gap has persisted for several years. However, KCC has closed the gap with statistical neighbours to 4% from 5%. The gap between Kent pupils eligible for free school meals and those eligible nationally is even higher, provisionally at 7%.

Current actions for improvement include :

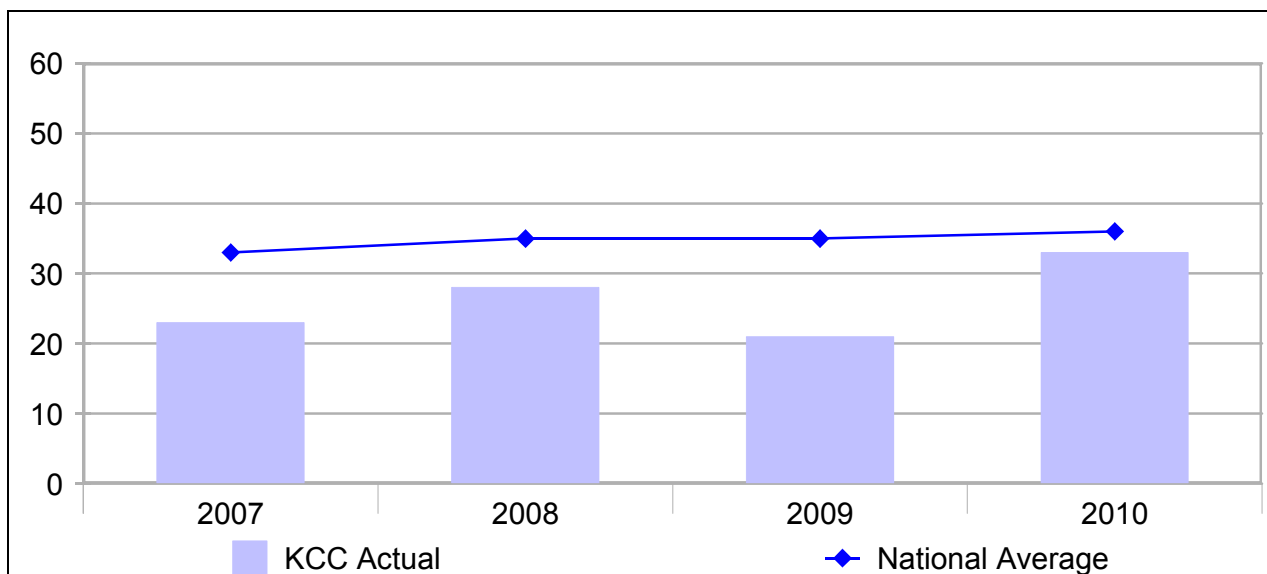
- Supporting primary schools to set high expectations for all children
- Ensuring that schools have detailed pupil tracking to identify those children not on target to reach level 4 and plans to support them
- Investigation into Key Stage 2 attainment by the new educational attainment select committee
- Deployment of the new district structure that is supporting and challenging all schools around leadership and management, the quality of teaching and learning and assessment practices.

Data Notes:

- Source: DfE. National figures include Independent schools but this has negligible impact.
- Results for 2010 should be read with caution as there was a SATs boycott by 26% of schools nationally and by 6% of Kent schools.
- Pupil numbers rounded to nearest 10.

Percentage of 'children looked after' achieving level 4 or above in Key Stage 2 tests for both English and maths combined

Amber



| Higher result is better | Summer 2007 | Summer 2008 | Summer 2009 | Summer 2010 |
|---------------------------|-------------|-------------|-------------|-------------|
| KCC Result - LAC | 23% | 28% ↑ | 21% ↓ | 33% ↑ |
| National average - LAC | 33% | 35% | 35% | 36% |
| RAG Rating | ▲ | ▲ | ▲ | ● |
| KCC Result - All children | 67% | 69% | 68% | 70% |
| LAC cohort size | 40 | 40 | 55 | 40 |

2010 results show an improvement in both English and maths attainment by 'looked after children'. This was most noticeable in maths with the latest result now slightly exceeding national performance. The improvement in the English result narrows the gap with national performance but remains some way behind.

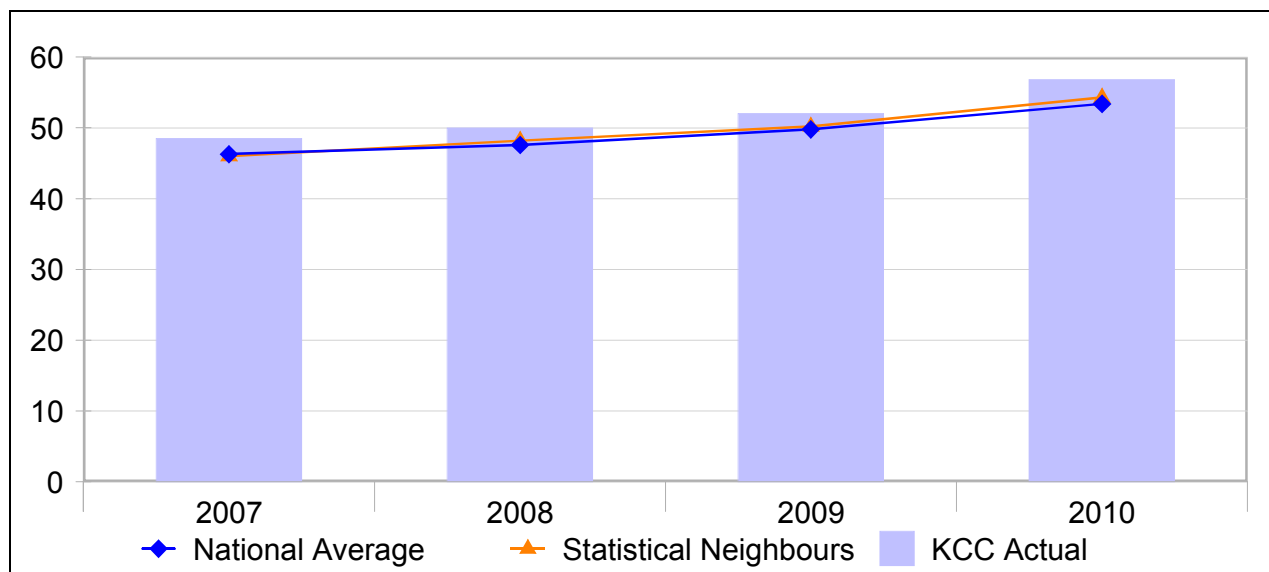
Attainment for looked after children was an area highlighted as in need of improvement in the 2010 Ofsted inspection. In response, actions are included in the Improvement Plan, including the aim to increase capacity in the education for looked after children team.

Data Notes:

- Source: DfE.
- Indicator relates to children looked after continuously for at least 12 months.
- Numbers of children are rounded to the nearest 5.
- Some eligible children did not sit the test in 2010 due to the boycott by some schools.

Percentage of pupils achieving 5 GCSE A* to C (or equivalent), including English and maths

Amber
↑



| Higher result is better | Summer 2007 | Summer 2008 | Summer 2009 | Summer 2010 |
|-------------------------|-------------|-------------|-------------|-------------|
| KCC Result | 48.5% | 50.0% ↑ | 52.0% ↑ | 56.8% ↑ |
| National average | 46.3% | 47.6% | 49.8% | 53.4% |
| RAG Rating | ● | ● | ● | ● |
| Statistical neighbours | 46.0% | 48.2% | 50.2% | 54.3% |
| Pupils at Key stage 4 | 16,950 | 16,990 | 16,700 | 16,800 |

Kent's GCSE results for this indicator improved by 4.8% compared to last year.

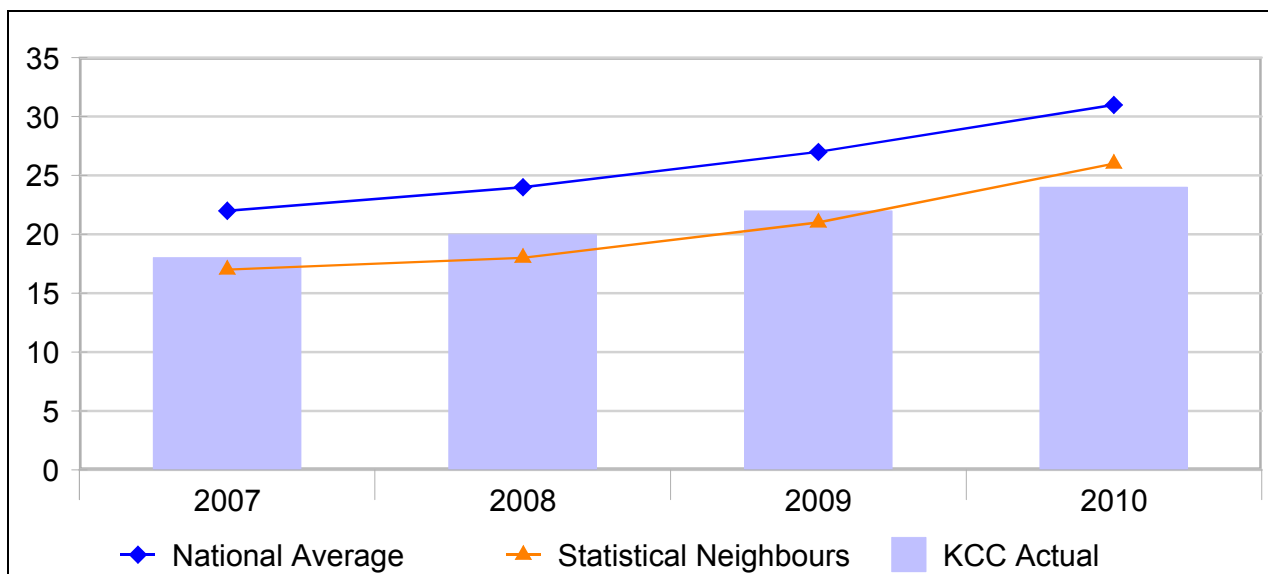
Performance continues to be ahead of the national average, and for 2010 was 3.4% above (2.2% in 2009). However Kent's performance is not within the upper quartile of all local authorities.

Data Notes :

- Source: DfE. National figures include independent schools, hospital schools and pupil referral units.
- Equivalent qualifications include vocational GCSEs and BTECs.
- Local authority figures including grammar schools, City Technology Colleges and Academies, but exclude hospital schools and pupil referral units.
- Pupil numbers rounded to nearest 10.

Percentage of pupils known to be eligible for free school meals achieving 5 GCSE A* to C, including English and maths

Red
↑



| Higher result is better | Summer 2007 | Summer 2008 | Summer 2009 | Summer 2010 Provisional |
|---------------------------------------|-------------|-------------|-------------|-------------------------|
| KCC Result | 18% | 20% ↑ | 22% ↑ | 24% ↑ |
| National average | 22% | 24% | 27% | 31% |
| RAG Rating | ● | ● | ▲ | ▲ |
| Statistical neighbours | 17% | 18% | 21% | 26% |
| Pupils eligible for free school meals | 1,350 | 1,340 | 1,380 | 1,490 |

GCSE results for children eligible for free school meals are below both the national average and our statistical neighbours' average.

Although there has been an improvement year on year for the attainment of Kent pupils with free school meals, the rate of improvement has been lower than that seen nationally. The gap to national average has widened in the last two years.

Current actions for improvement include:

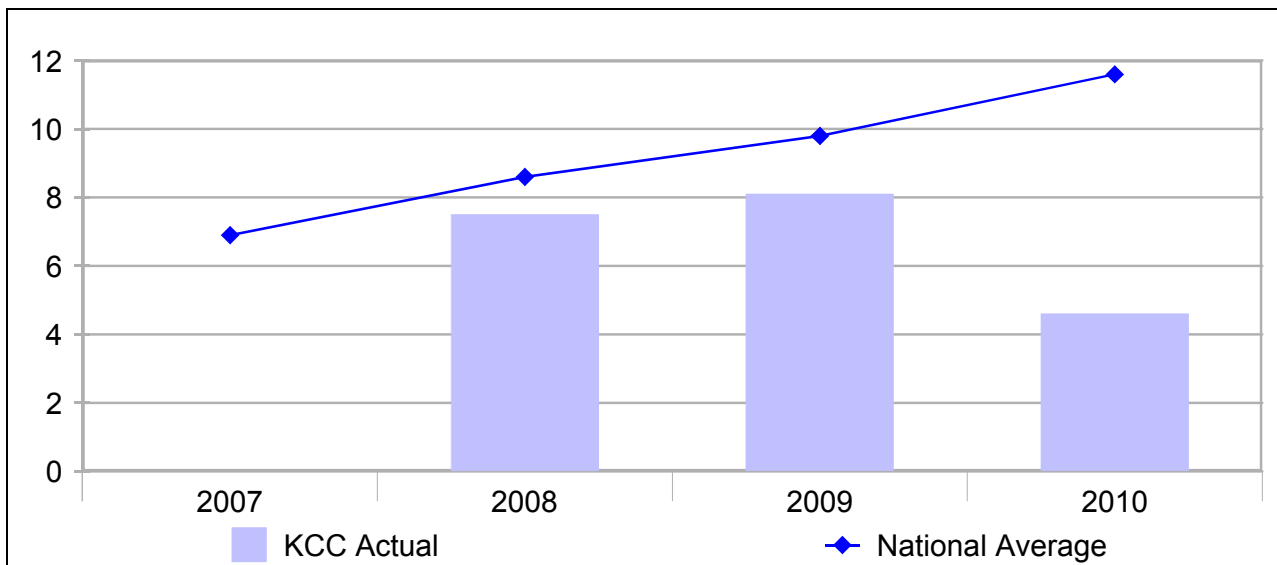
- New District Heads' teams are focusing on reductions in gaps between all vulnerable groups and the majority of children.
- Newly formed Officer Management Groups are focused on supporting all vulnerable groups, including children with free school meals.

Data Notes:

- Source: DfE.
- Figures are for maintained schools, including Academies and City Technology Colleges.
- Pupil numbers rounded to nearest 10.

Percentage of looked after children achieving 5 or more A*-C GCSEs, including English and maths

Red
↓



| Higher result is better | Summer 2007 | Summer 2008 | Summer 2009 | Summer 2010 |
|------------------------------|-------------|-------------|-------------|-------------|
| KCC Result | N/a | 7.5% | 8.1% ↑ | 4.6% ↓ |
| National average | 6.9% | 8.6% | 9.8% | 11.6% |
| RAG Rating | N/a | ● | ● | ▲ |
| Number eligible to sit tests | 110 | 105 | 110 | 130 |

Achievement of looked after children in Kent at GCSE remains behind the national average, and includes a fall in the achievement of 5 or more A*-C grades. Although to put this in perspective, the drop in achievement is accounted for by only 3 less children failing to achieve the required standard.

Attainment for looked after children was an area highlighted as in need of improvement in the 2010 Ofsted inspection. Actions are included in the Improvement Plan, including the aim to increase capacity in the education for LAC team. Other actions include:

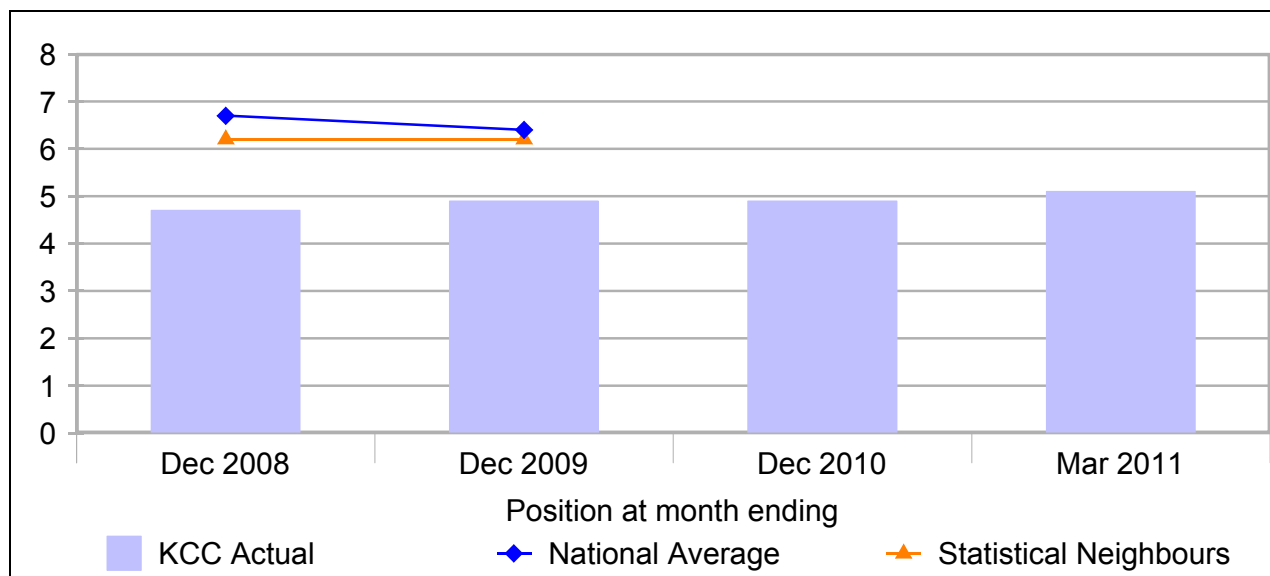
- The creation of the Virtual School Kent (VSK) offers opportunities to improve service delivery and outcomes. The agreement that the VSK should give priority to looked after children focus's the limited resources available.
- The multi agency nature of the VSK and the development of partnerships with agencies sitting outside of it, enables better access to other services which impact upon children's learning e.g. speech and language services and CAMHS.

Data Notes:

- Source: DfE.
- Indicator includes children looked after continuously for at least 12 months.
- Numbers of children are rounded to the nearest 5.
- Data for Kent 2007 was suppressed as the count of children with good results was less than 5.

Percentage of young people aged 16 to 18 who are not in education, employment or training (NEET)

Green
↓



| Lower result is better | Dec 2008 | Dec 2009 | Dec 2010 | Mar 2011 Provisional |
|------------------------|----------|----------|----------|----------------------|
| KCC Result | 4.7% | 4.9% ↓ | 4.9% ↔ | 5.1% ↓ |
| National average | 6.7% | 6.4% | N/a | N/a |
| RAG Rating | ★ | ★ | ★ | ★ |
| Statistical neighbours | 6.2% | 6.2% | N/a | N/a |

There was an expectation that the number of young people not in education, employment or training (NEET) would increase due to the downturn in the national economy. However, so far this has not occurred. Performance in Kent remains reasonably stable and significantly better than the national average.

A key reason why no increase has occurred is that more pupils are staying on in full time education at age 16 with staying on rates rising from 80% in 2007 to 85% in 2009 (all sectors including independent schools and further education colleges).

Data on NEETs is quite seasonal, and although increases were seen over the last summer, the end of year result was the same as previous year. We can expect to see similar seasonal variation during 2011. The March 2010 figure of 5.1% compares to a figure of 4.9% for the same time last year.

Data Notes:

- Source: Connexions Service.
- Figures shown for December each year are the average of November, December and January, in line with the definition of the former national indicator.
- The NEET figures reported exclude those young people whose situation is unknown – for Kent this is usually about 3% of the cohort. The amount of “unknowns” reduces each year as the data collection improves.
- The RAG ratings for December 2010 and March 2011 are based on comparison to the most recently published national average – December 2009.

| | |
|---|----------------|
| Ofsted: Overall effectiveness of secondary schools | Green ↑ |
| Ofsted: Overall effectiveness of primary schools | Red ↑ |
| Ofsted: Overall effectiveness of Early Years providers | Green ↑ |

The key Ofsted judgement for school's overall effectiveness has four grades: outstanding, good, satisfactory and inadequate. The data below shows inspection results where the judgement was better than satisfactory and includes the latest grade received by those providers which are still active.

| Secondary (excluding academies) | Aug 2009 | Aug 2010 | Nov 2010 |
|---|----------|----------|----------|
| KCC | 68% | 75% ↑ | 76% ↑ |
| National | 60% | 64% | 67% |
| RAG Rating | ★ | ★ | ★ |
| Active settings included | 95 | 89 | 84 |

| Primary | Aug 2009 | Aug 2010 | Nov 2010 |
|--------------------------|----------|----------|----------|
| KCC | 55% | 55% ↔ | 57% ↑ |
| National | 65% | 67% | 67% |
| RAG Rating | ▲ | ▲ | ▲ |
| Active settings included | 448 | 447 | 443 |

| Early years and childcare | Aug 2009 | Aug 2010 | Nov 2010 |
|----------------------------------|----------|----------|----------|
| KCC | 62% | 68% ↑ | 70% ↑ |
| National | 63% | 66% | 67% |
| RAG Rating | ● | ● | ★ |
| Active settings included | 2,053 | 2,059 | 2,024 |

Kent secondary schools perform better in inspections than the national average. Academies in Kent however do less well with 27% being good or outstanding, compared to 54% nationally.

The next update to the OFSTED profile will be available in June.

More Kent primary schools fail to achieve a good or outstanding inspection result than the national average, with only a slight improvement on the previous period and a widening gap with national performance due to school attainment floor targets being a limiting factor in the new Ofsted framework.

Schools which are satisfactory or below are subject to focused support from the school improvement team.

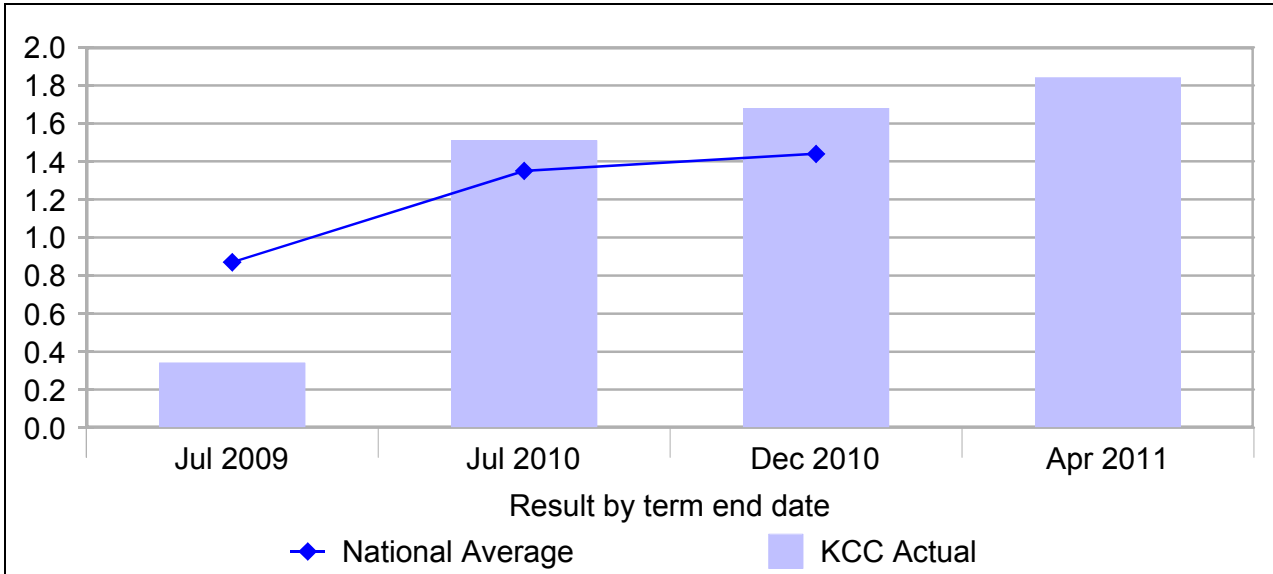
Early Years' results have significantly improved over the last 4 years and since 2009 have exceeded national performance.

Data Notes:

- Source: Ofsted.
- Secondary schools results do not include Academies.
- Early years and childcare includes childminders, domestic childcare and non-domestic childcare.

Percentage of schools in special measures

Red



| Lower result is better | Jul 2009 | Jul 2010 | Dec 2010 | Apr 2011 |
|------------------------|----------|----------|----------|----------|
| KCC Result | 0.34% | 1.51% ↓ | 1.68% ↓ | 1.84% ↓ |
| National average | 0.87% | 1.35% | 1.44% | N/a |
| RAG Rating | ★ | ● | ● | ▲ |
| Number of schools | 2 | 9 | 10 | 11 |

The rate of schools in special measures in Kent has increased since 2009, and is now above the national rate. By April 2011, 11 primary schools and no secondary schools were in special measures.

Pupil progress is a key element of school inspection, and it is vital to correctly identify where every child is in their learning and to ensure that they have appropriate targets to move their learning forward. KCC identifies schools most in need of support, and ensures rigorous tracking and monitoring of pupil progress through the provision of additional support.

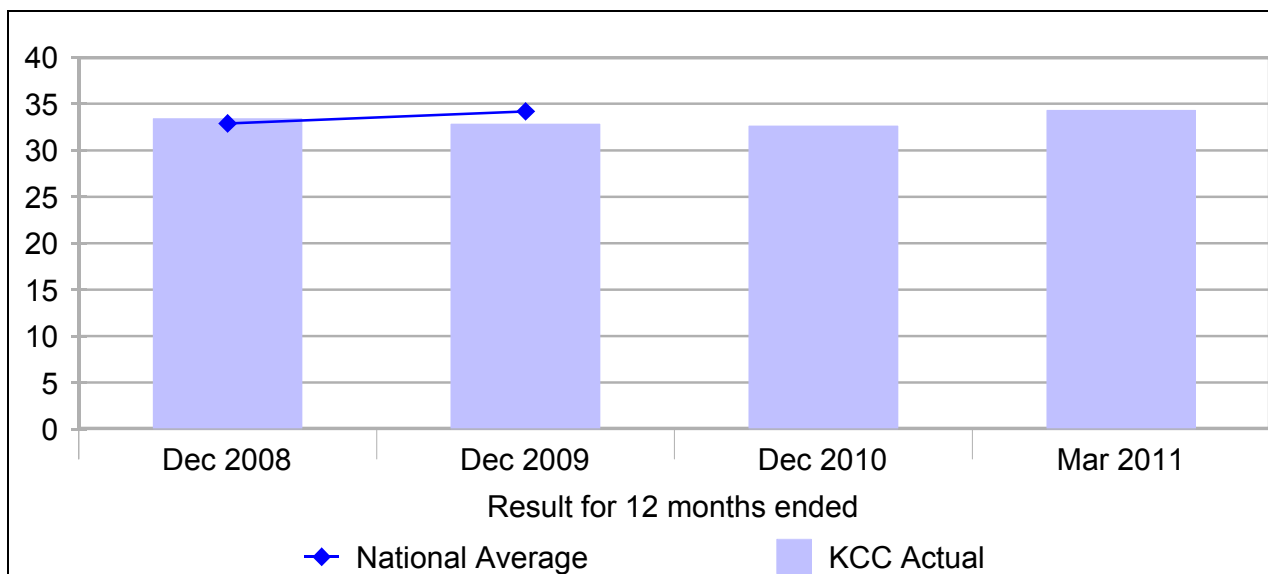
Kent's new strategy is to identify schools that are vulnerable to a poor inspection result and to intervene early to establish priorities for improvement. The District Heads coordinate the support for schools which can include the use of the wider children's services.

Data Notes:

- Source: Ofsted.

SEN assessments per 10,000 pupils in all schools

Amber



| Lower result is better | Year ended Dec 08 | Year ended Dec 09 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|-------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | 33.4 | 32.8 ↑ | 31.6 ↑ | 34.3 ↓ |
| National average | 32.9 | 34.2 | N/a | N/a |
| RAG Rating | ● | ● | ● | ● |
| New assessments started | 770 | 760 | 750 | 790 |

The number of new assessments for Special Educational Need (SEN) increased in the 12 months to March 2011.

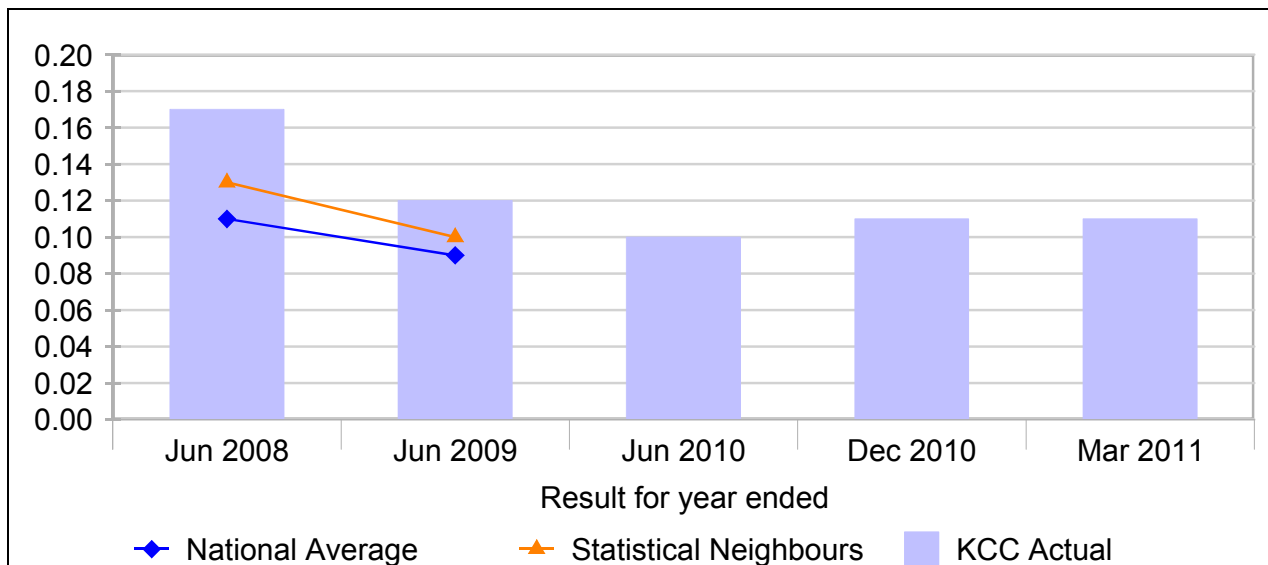
At January 2010 2.8% of pupils in Kent schools had a statement of SEN, which compares to a national rate of 2.7%. In 2007 the rates were 2.8% in Kent and 2.8% nationally, so the levels have been fairly constant over time.

Data Notes:

- Source: DfE.
- KCC data relates to assessments started, while available national data relates to assessments completed.
- The RAG rating for December 2010 is based on comparison to the most recently published national average – December 2009. National data for 2010 will be available in June.

**Percentage of pupils permanently excluded from schools
(including academies) each year**

Amber



| Lower result is better | Year ended Jun 08 | Year ended Jun 09 | Year ended Jun 10 | Year ended Dec 10 Provisional | Year ended Mar 11 Provisional |
|------------------------|-------------------|-------------------|-------------------|-------------------------------|-------------------------------|
| KCC Result | 0.17% | 0.12% ↑ | 0.10% ↑ | 0.11% ↓ | 0.11% ↔ |
| National average | 0.11% | 0.09% | N/a | N/a | N/a |
| RAG Rating | ▲ | ● | ● | ● | ● |
| Statistical neighbours | 0.13% | 0.10% | N/a | N/a | N/a |
| Number of exclusions | 370 | 260 | 210 | 230 | 240 |

Data for the 12 months to March 2011 shows a similar level to the previous period, and the number of exclusions remains at a low level compared to 2008 and previous years. Following a number of years of no change in the figures, the gap to the national average was significantly reduced during the year to June 2009.

There are higher rates of exclusions in academies and schools in the National Challenge programme.

Actions include working collaboratively to ensure creative and flexible curriculum development and delivery, as well as a positive learning environment, to minimise the risk of exclusion.

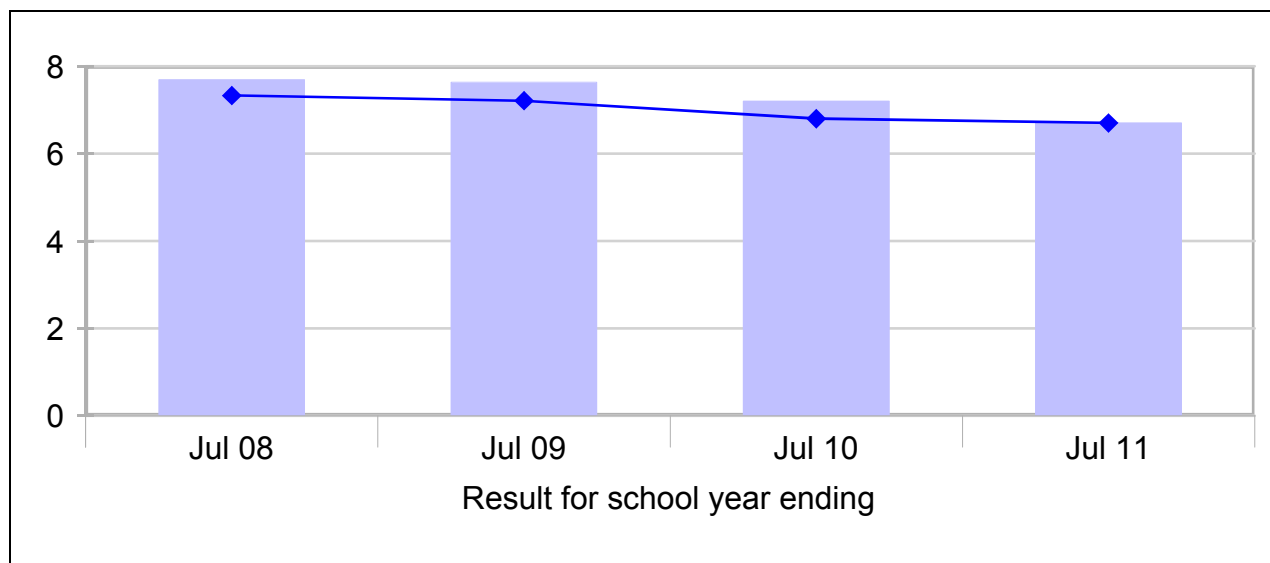
There will be ongoing work with localities of schools to ensure alternative provision meets changing needs.

Data Notes:

- Source: DfE,
- There is long delay in publication of national data for exclusions.
- The RAG rating for December 2010 is based on comparison to the most recently published national average – June 2009.

Secondary school pupil absence – percentage of sessions missed

Amber



| Lower result is better | Year ended Jul 08 | Year ended Jul 09 | Year ended Jul 10 | Year ended Jul 11 Autumn term |
|------------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | 7.7% | 7.6% ↑ | 7.2% ↑ | 6.7% ↑ |
| National average | 7.3% | 7.2% | 6.8% | 6.7% |
| RAG Rating | ● | ● | ● | ● |
| Persistent absence - Kent | 6.0% | 5.5% | 4.6% | 5.2% |
| Persistent absence – England | 5.6% | 4.9% | 4.2% | 5.4% |

The secondary school absence rate continues to improve and in the autumn term was for the first time level with the national average. Persistent absence for the autumn term was lower than the national average. Although persistent absence for the autumn term was higher than the full year result for last year, it is at a lower level than the previous autumn term, and the forecast is for the full year persistent absence level to be lower than the previous year.

Actions to deliver continued reductions in absence levels include working collaboratively with a wide range of partners to identify the key issues impacting on school and pupil performance, and directing resources to meet local need. This includes working with preventative services to further develop early intervention measures.

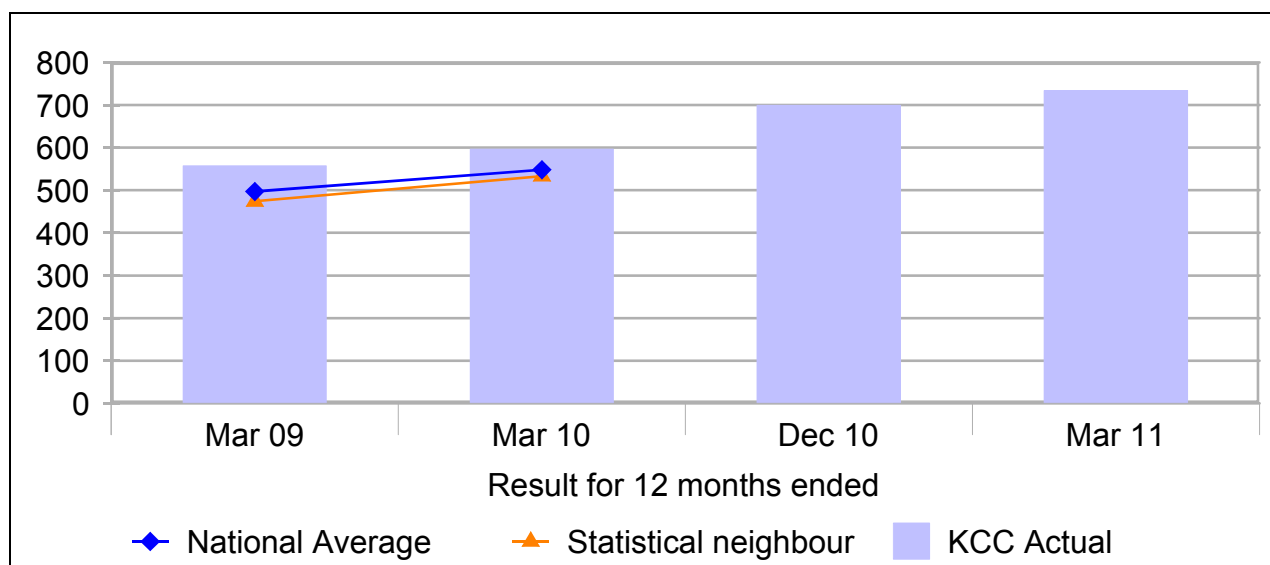
The Attendance and Behaviour Service will build on the work of the National Strategies programme (e.g. through use of audit and data analysis tools) to support schools in all phases to improve attendance.

Data Notes:

- Source: DfE.
- Data does not include academies up July 2010 but does in data after this.
- Persistent absentees have 64 or more sessions of absence during a full year (about 20% of sessions).

**Referrals to children's social services
per 10,000 children aged under 18**

Red
↓



| Lower result is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|------------------------|----------------------|----------------------|----------------------|-------------------------------------|
| KCC Result | 557 | 596 ↓ | 693 ↓ | 734 ↓ |
| National average | 497 | 548 | N/a | N/a |
| RAG Rating | ▲ | ● | ▲ | ▲ |
| Statistical neighbours | 474 | 533 | N/a | N/a |
| Number of referrals | 17,400 | 18,600 | 21,800 | 22,800 |

The rate of referrals to children's social services in Kent continues to increase, up 23% on last year and 6% since December 2010, and the levels seen this year are significantly above the last published national rate.

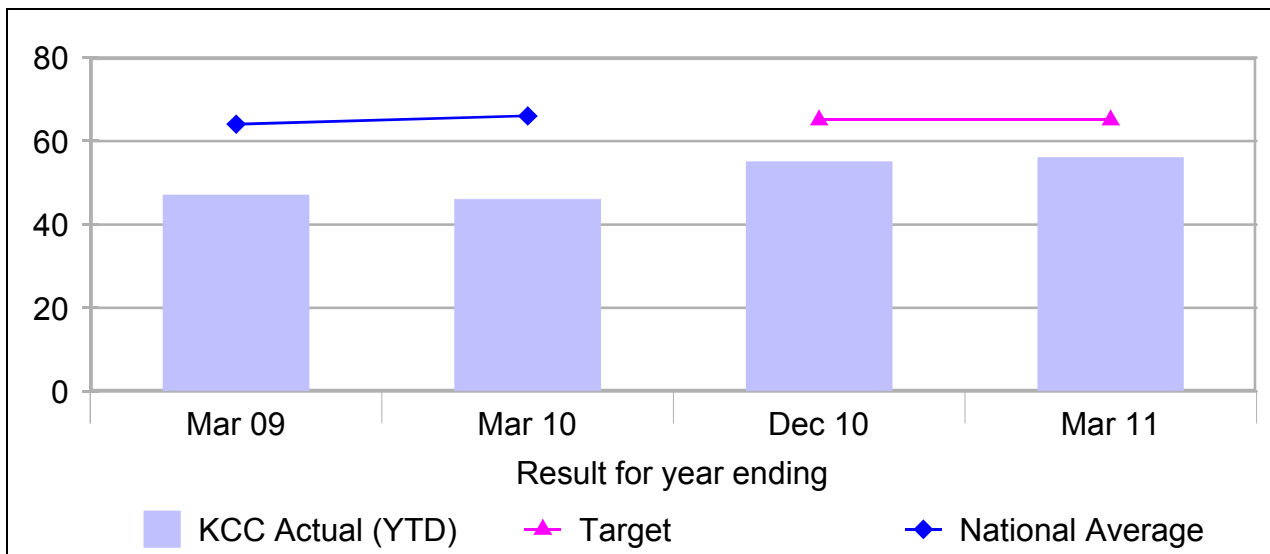
Actions being taken to address this issue are detailed in the Improvement Plan.

Data Notes:

- Source: DfE and Management Information Unit, KCC.
- The data for the year to March 2010 is based on the new Children in Need (CIN) census. The results should be treated with caution as this is the first full year of the CIN census.
- Referral numbers rounded to nearest 100.
- The RAG ratings for December 2010 and March 2011 are based on comparison to the most recently published national average – March 2010.

Percentage of referrals to children's social services which progress onto initial assessment

Red
↑



| | Year to Mar 09 | Year to Mar 10 | Year to Dec 10 | Year to Mar 11 |
|------------------|----------------|----------------|----------------|----------------|
| KCC Result | 47% | 46% ↓ | 55% ↑ | 56% ↑ |
| Target | | | 65% | 65% |
| National average | 64% | 66% | N/a | N/a |
| RAG Rating | ▲ | ▲ | ▲ | ▲ |

The number of referrals entering the service continues to be high and whilst the percentage of referrals progressing to initial assessment has slightly improved it continues to be below the targets established in the Improvement Notice.

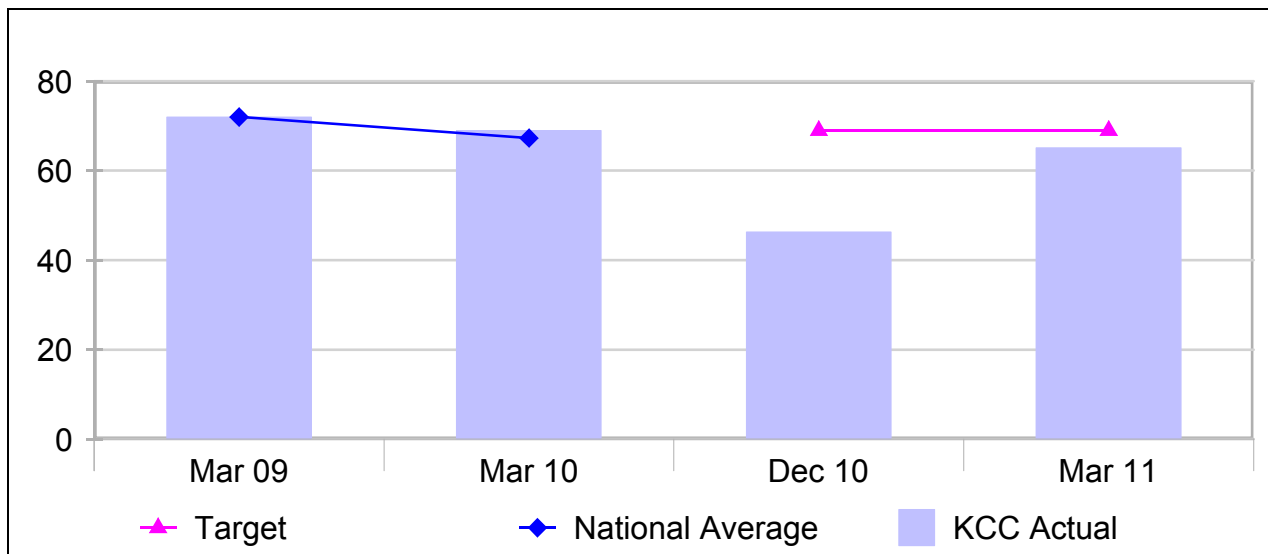
Actions to redress the balance between the number of referrals accepted and the number of initial assessment undertaken is outlined in the Improvement Plan

Data Notes:

- Source: Management Information Unit, KCC.
- It is difficult to quantify where good performance lies – it is assumed that the ideal is a median position neither too high nor too low.

Percentage of initial assessments completed within timescale (7 days from referral)

Amber



| Higher result is better | Year to Mar 09 | Year to Mar 10 | Qtr to Dec 10 | Qtr to Mar 11 Provisional |
|-------------------------|----------------|----------------|---------------|---------------------------|
| KCC Result | 72% | 69% ↓ | 46% ↓ | 65% ↑ |
| Target | | | 69% | 69% |
| National average | 72% | 67% | N/a | N/a |
| RAG Rating | ★ | ● | ▲ | ● |

Whilst this indicator shows an improving picture and a narrowing of the gap with the Improvement Notice target, the indicator will be subject to fluctuation. The management of outstanding Initial Assessments has and will continue to have a negative effect on the indicator until this work is completed.

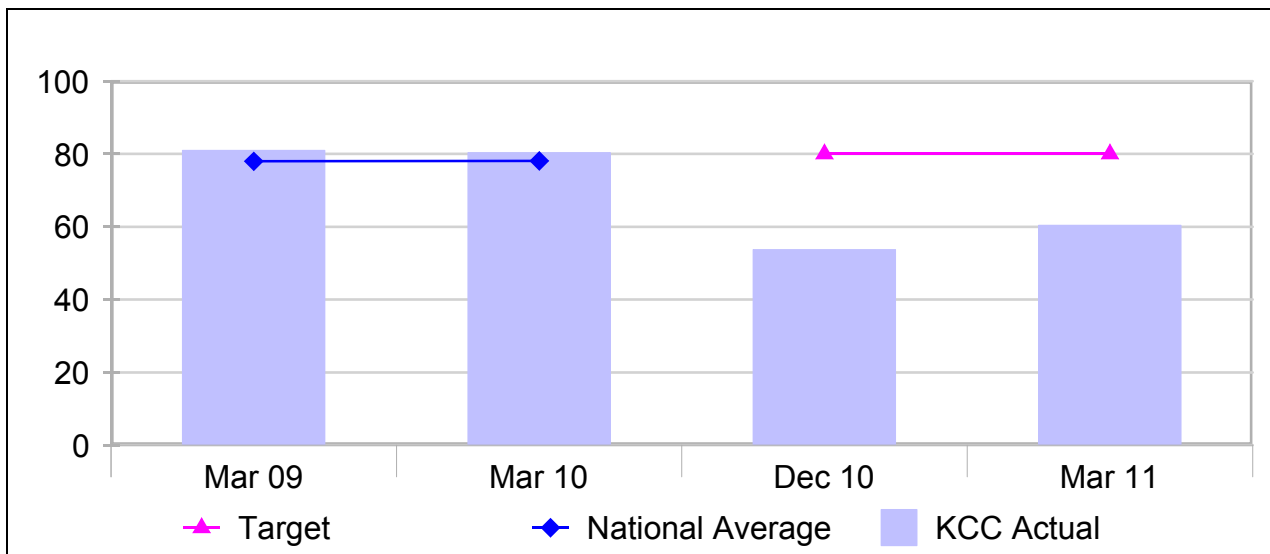
Actions in respect to the management of outstanding Initial Assessments and restoring timely throughput in the system are detailed in the Improvement Plan.

Data Notes:

- Source: Management Information Unit, KCC.

Percentage of core assessments completed within timescale

Red
↑



| Higher result is better | Year to Mar 09 | Year to Mar 10 | Qtr to Dec 10 | Qtr to Mar 11 Provisional |
|-------------------------|----------------|----------------|---------------|---------------------------|
| KCC Result | 81% | 80% ↓ | 54% ↓ | 60% ↑ |
| Target | | | 80% | 80% |
| National average | 78% | 78% | | |
| RAG Rating | ★ | ★ | ▲ | ▲ |

Whilst this indicator shows an improving picture in the later part of the year, the percentage of Core Assessments undertaken within timescales is below the target established in the Improvement Notice. The management of outstanding Core Assessments has and will continue to have a negative effect on the indicator until this work is completed.

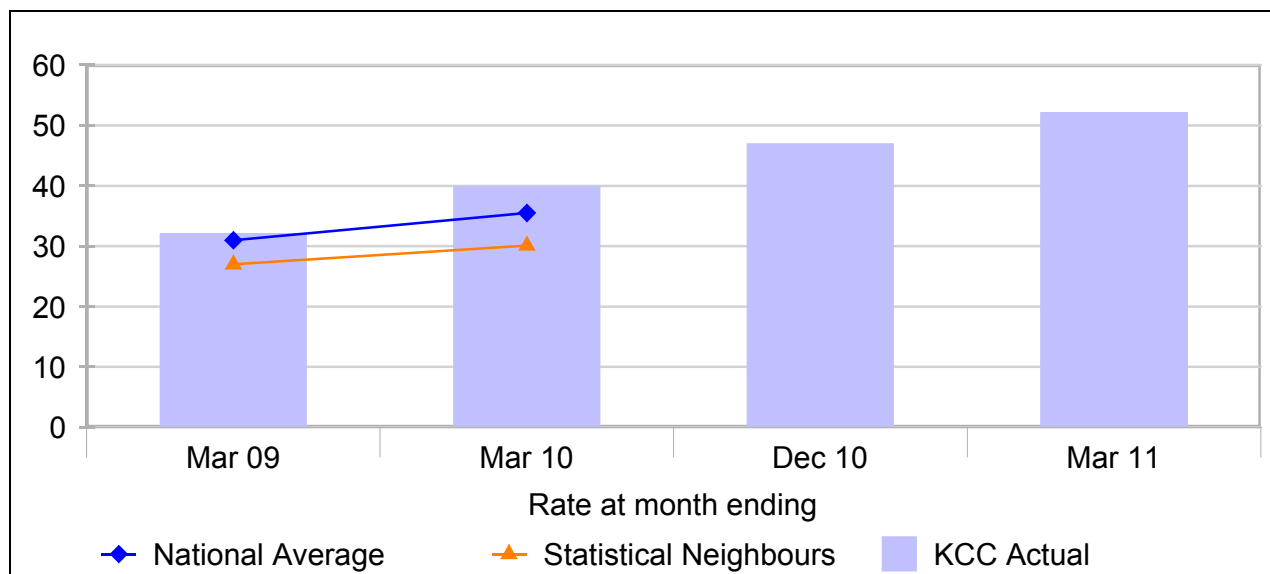
Actions in respect to the management of outstanding Core Assessments and restoring timely throughput in the system are detailed in the Improvement Plan.

Data Notes:

- Source: Management Information Unit, KCC.

**Number of children with a child protection plan
per 10,000 children aged under 18**

Red
↓



| Lower result is better | As at end of Mar 09 | As at end of Mar 10 | As at end of Dec10 | As at end of Mar 11 Provisional |
|------------------------|---------------------|---------------------|--------------------|---------------------------------|
| KCC Result | 32.1 | 39.9 ↓ | 47.0 ↓ | 52.1 ↓ |
| National average | 31.0 | 35.5 | N/a | N/a |
| RAG Rating | ● | ▲ | ▲ | ▲ |
| Statistical neighbours | 27 | 30.1 | N/a | N/a |
| Children with plans | 1,000 | 1,240 | 1,470 | 1,620 |

The number of children subject to a child protection plan continues to increase, being 31% up on last year, and 11% since December. The current position is 47% above the last published national average for March 2010.

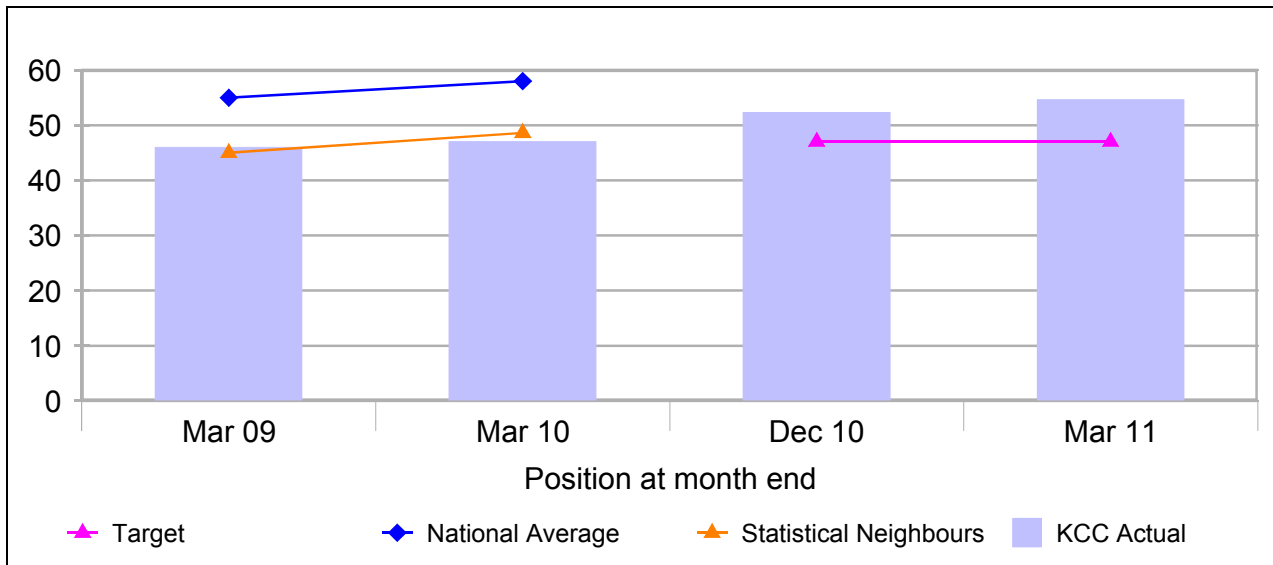
Action being taken is detailed in the Improvement Plan and includes: a review of current cases where children have been subject to a child protection plan for over 18 months; strengthening child protection and conference processes, including core assessments, reports and multi-agency working; work to strengthen KSCB functions, and the independent chairs quality assurance function to ensure that cases are robustly managed and to drive forward planning.

Data Notes:

- Source: DfE and Management Information Unit, KCC.
- The data for the year to March 2010 is based on the new Children in Need (CIN) census. The results should be treated with caution as this is the first full year of the CIN census.
- Number of children rounded to nearest 10.
- The RAG ratings for December 2010 and March 2011 are based on comparison to the most recently published national average – March 2010.

**Number of children looked after per 10,000 children,
(including unaccompanied asylum seeker children)**

Red
↓



| Lower result is better | As at end of Mar 09 | As at end of Mar 10 | As at end of Dec 10 | As at end of Mar 11 Provisional |
|------------------------|---------------------|---------------------|---------------------|---------------------------------|
| KCC Result | 46 | 47 ↓ | 52 ↓ | 55 ↓ |
| Target | 47 | 47 | 47 | 47 |
| RAG Rating | ★ | ● | ▲ | ▲ |
| National average | 55 | 58 | N/a | N/a |
| Statistical neighbours | 45 | 49 | N/a | N/a |
| Number of children | 1,415 | 1,455 | 1,630 | 1,700 |

The numbers of looked after children (LAC) in Kent continue to increase with the rate up by 17% since last year, and by 4% since December 2010. This brings the rate up to above the last published figure for statistical neighbours and close to the last published national average.

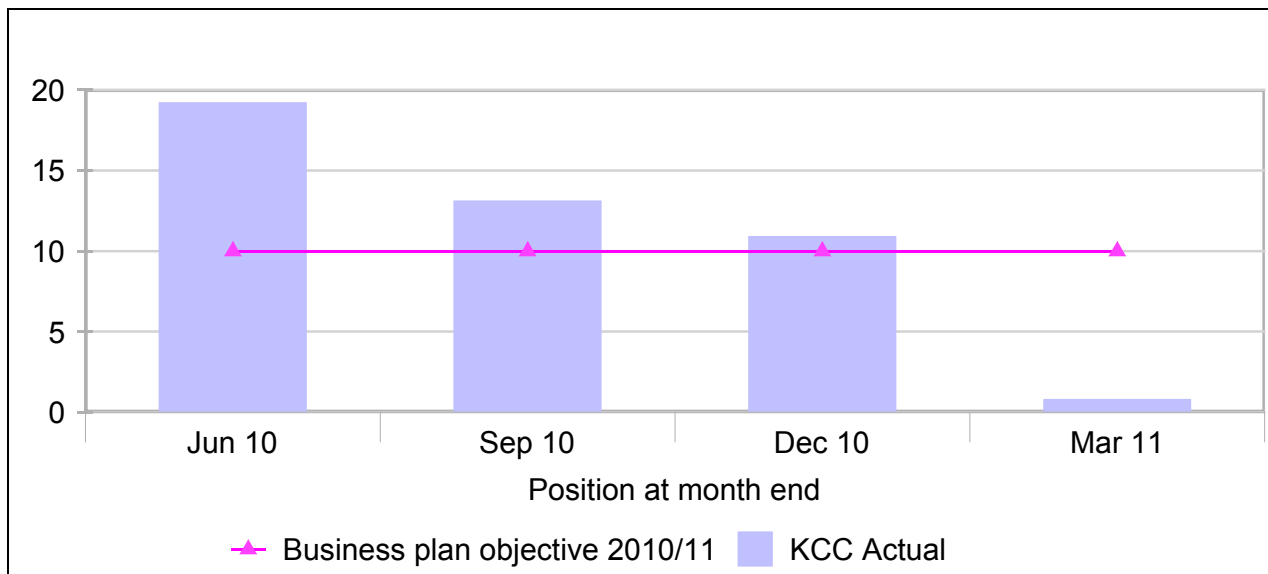
Actions in response to the increasing number of LAC children entering the system and the ongoing service delivery and permanency planning and tracking of LAC children is outlined in the Improvement Plan and the LAC strategy.

Data Notes:

- Source: DfE and Management Information Unit, KCC.
- Number of children rounded to nearest 5.
- Performance for this indicator is now assessed against a target level based on the rate at March 2010, and was previously based on comparison to national average.
- Unaccompanied asylum seeker children are also now included within this indicator whereas previously only British resident children were included.

**Children's social worker vacancies (caseholding)
as a percentage of establishment posts**

Green
↑



| Lower result is better | As at end Jun 10 | As at end Sep 10 | As at end Dec 10 | As at end Mar 11 |
|---|------------------|------------------|------------------|------------------|
| KCC Result | 19.2% | 13.1% ↑ | 10.9% ↑ | 0.8% ↑ |
| Plan 2010/11 | 10% | 10% | 10% | 10% |
| RAG Rating | ▲ | ● | ● | ★ |
| Posts held by agency staff | 5.5% | 6.0% | 8.8% | 16.1% |
| Posts held by directly employed qualified staff | 75% | 81% | 80% | 83% |

Social worker vacancies have declined following the recruitment strategy which has attracted newly qualified social workers and social workers from overseas. A number of posts are held by agency staff to ensure staff levels reach establishment staffing levels.

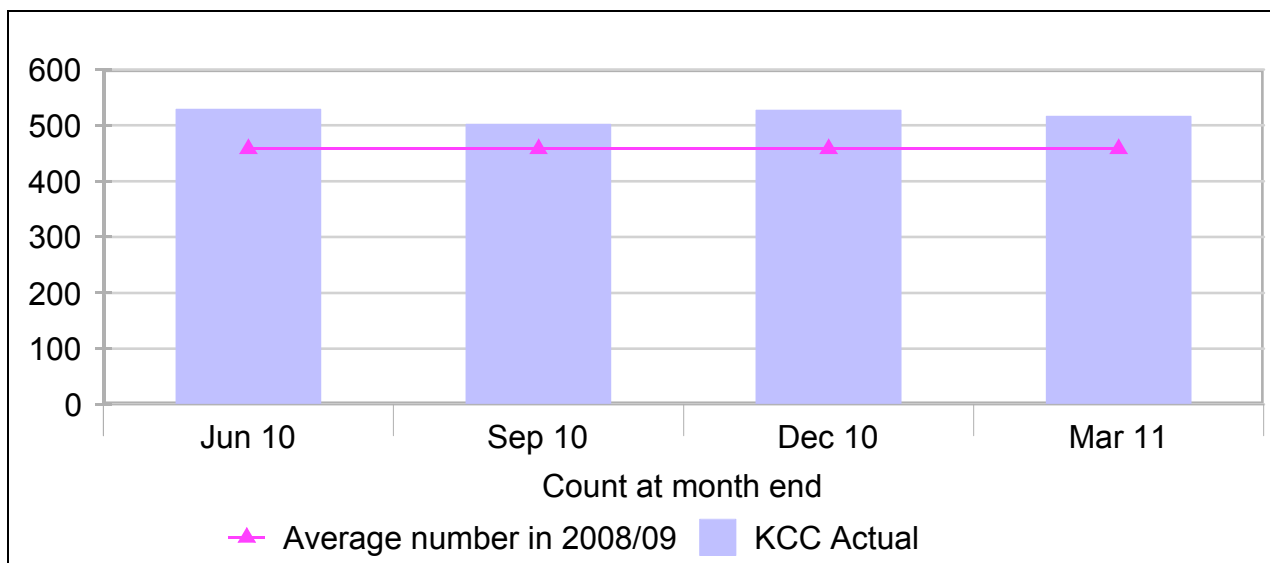
Actions in response to workforce issues are contained in the Improvement Plan.

Data Notes:

- Source: Management Information Unit, KCC.

Number of unaccompanied asylum seeker children supported by the local authority, who are now aged 18 and above

Red



| Lower result is better | As at end of Jun 10 | As at end of Sep 10 | As at end of Dec 10 | As at end of Mar 11 Provisional |
|------------------------|---------------------|---------------------|---------------------|---------------------------------|
| KCC Result | 529 | 502 ↑ | 527 ↓ | 516 ↑ |
| 2008/09 Average | 458 | 458 | 458 | 458 |
| RAG Rating | ▲ | ▲ | ▲ | ▲ |

The numbers of UASC aged over 18 supported by the KCC has fluctuated during the year and as at March was at a similar level to the previous year (519 in March 2010), which is higher than previous historic levels. However, the total number of UASC of all ages supported has been on a reducing trend, which in the longer term will help reduce numbers aged over 18.

The decision making process regarding returning unaccompanied minors to their originating home country is made by the Home Office and therefore is not within the local authority's power to influence. The new regulations and guidance being issued by Government under volume 3 of the Children Act 1989, from April 2011, means that unaccompanied asylum seeking children will lose their rights as care leavers once their entitlement to remain in this country has been removed. This will mean that the local authority will have reduced responsibilities for them, even while they remain living in this country.

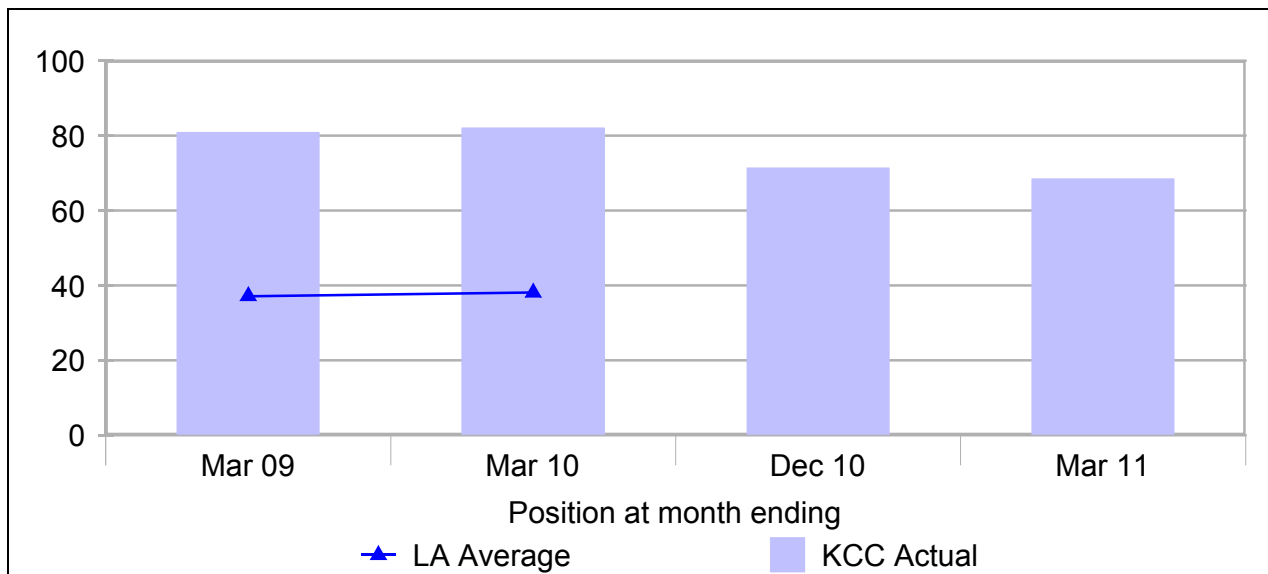
It was agreed with the UK Border Agency (UKBA) that the local team would work in partnership with KCC to prepare young people for their return to their country of origin, for those who are classified as having All Rights of Appeal Exhausted (ARE). This is still in the early stages of development due to restructuring of UKBA locally.

Data Notes:

- Source: Management Information Unit, KCC.

Children looked after placed in an area by other local authorities, as a percentage of the number of local looked after children

Red
↑



| Lower result is better | As at end Mar 09 | As at end Mar 10 | As at end Dec 10 Provisional | As at end Mar 11 Provisional |
|-------------------------------------|------------------|------------------|------------------------------|------------------------------|
| KCC Result (DfE data) | 80% | 80% ↔ | 71% ↑ | 69% ↑ |
| Local authorities (LA) average | 37% | 38% | N/a | N/a |
| RAG Rating | ▲ | ▲ | ▲ | ▲ |
| Numbers placed in Kent (local data) | 1,400 | 1,420 | 1,385 | 1,385 |

The number of children placed into Kent by other local authorities remains high when compared with the average rate of placements into other areas. The rate shows a reduction this year but this is mostly due to an increase in the numbers of local looked after children, with only a small reduction in numbers placed into Kent by other local authorities.

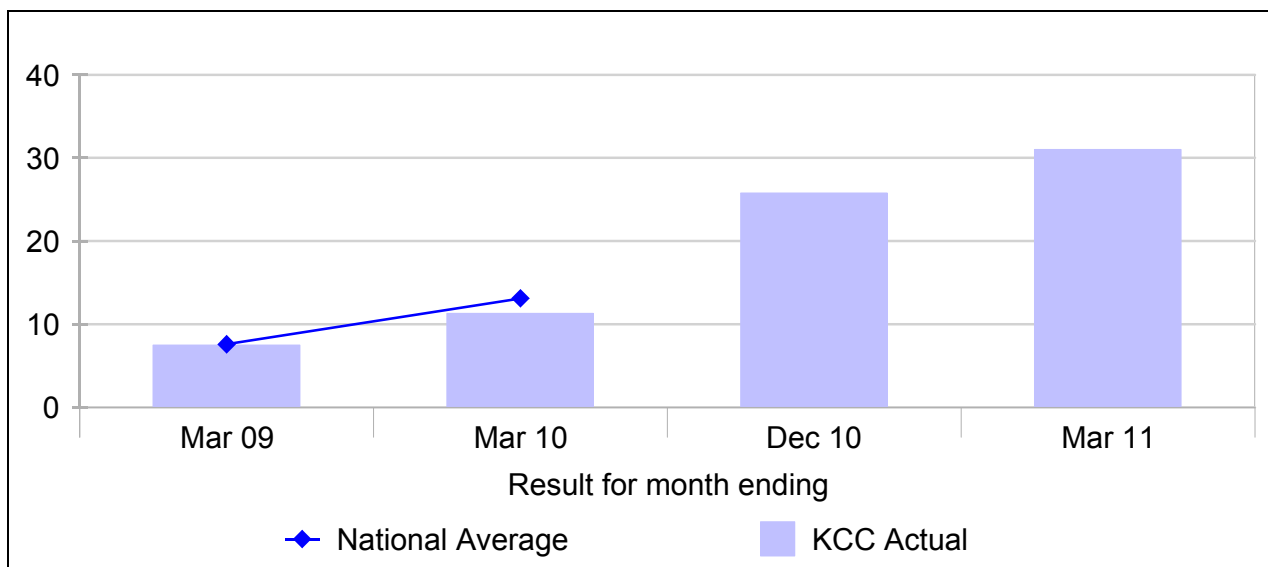
The new sufficiency duty starting from 1 April 2011 requires local authorities to secure, where reasonably practicable, sufficient accommodation in their local authority area. It is unclear how far this will alter current practice.

Data Notes:

- Source: DfE and Management Information Unit, KCC.
- Numbers of LAC rounded to nearest 5.
- The RAG ratings for December 2010 and March 11 are based on comparison to the most recently published national average – March 2010.
- Kent local data shows a higher number than DfE data, as local data includes those placed who are over 18 years old (i.e. care leavers).

Percentage of adult clients with community based social care services receiving direct payments and/or a Personal Budget

Green
↑



| Higher result is better | Mar 09 | Mar 10 | Dec 10 | Mar 11 Provisional |
|-------------------------|--------|---------|---------|-----------------------|
| KCC Result | 7.5% | 11.3% ↑ | 25.8% ↑ | 31.0% ↑ |
| National average | 7.6% | 13.1% | N/a | N/a |
| RAG Rating | ● | ● | ● | ★ |
| Number of clients | 2,120 | 3,190 | 6,430 | 7,740 |

2009/10 was the first year of significant roll out of Self Directed Support with new clients being offered Personal Budgets for the first time.

Kent has seen continued increases in take up of Personal Budgets during the current financial year. The March position of 7,740 clients compares to the September position of 5,200 clients.

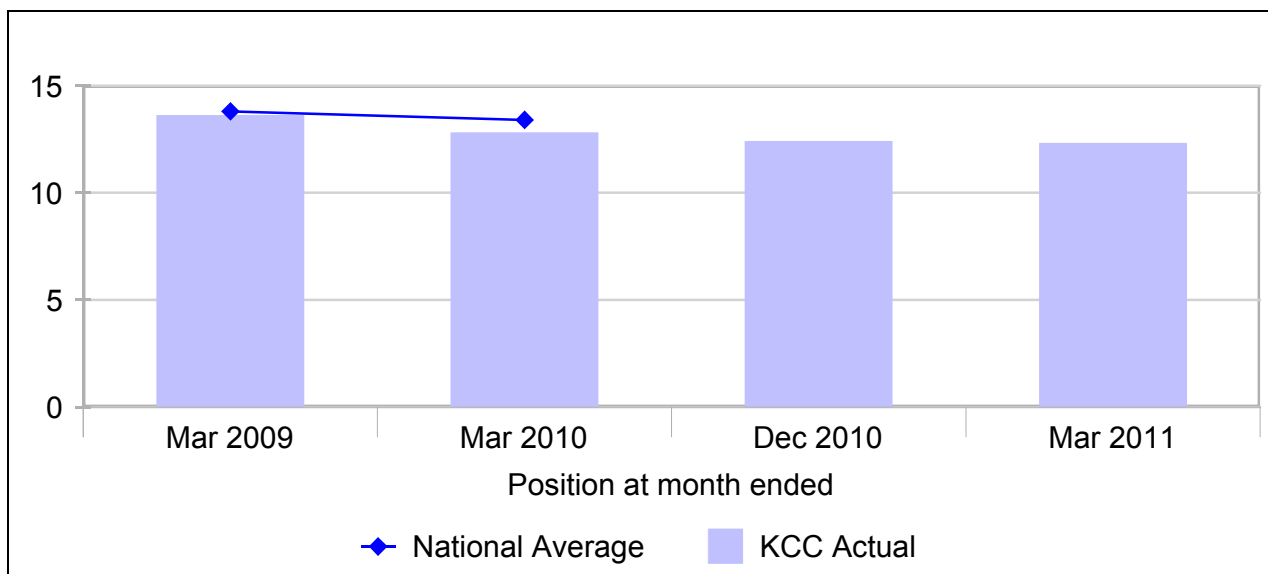
There is a national target of 30% take up of personal budgets by April 2011 which has now been met.

Data Notes:

- The indicator shown above is based on a snapshot of on-going clients (not including carers) at each date.
- The indicator shown is different from the national indicator which is based on all clients receiving services in the year, included carers.
- Previous year data and national benchmarks are taken from the National Adult Social Care Intelligence Service.
- Client data rounded to nearest 10.

Older people supported in residential care, permanent placements per 1,000 people aged 65 and over

Amber
↑



| Lower result is better | Mar 09 | Mar 10 | Dec 10 | Mar 11 Provisional |
|------------------------|--------|--------|--------|--------------------|
| KCC Result | 13.6 | 12.8 ↑ | 12.4 ↑ | 12.3 ↑ |
| National average | 13.8 | 13.4 | N/a | N/a |
| RAG Rating | ● | ● | ● | ● |
| Number of clients | 3,350 | 3,240 | 3,140 | 3,110 |

The long term trend for the total number of clients aged over 65 in residential care continues to show a decline with Kent showing a similar fall and rate of provision to national levels.

The number of clients placed in permanent independent sector residential care at the end of March 2011 was 2,787 up from 2,751 in March 2010 (excluding preserved rights) but this is a lower position then seen in the September to November period.

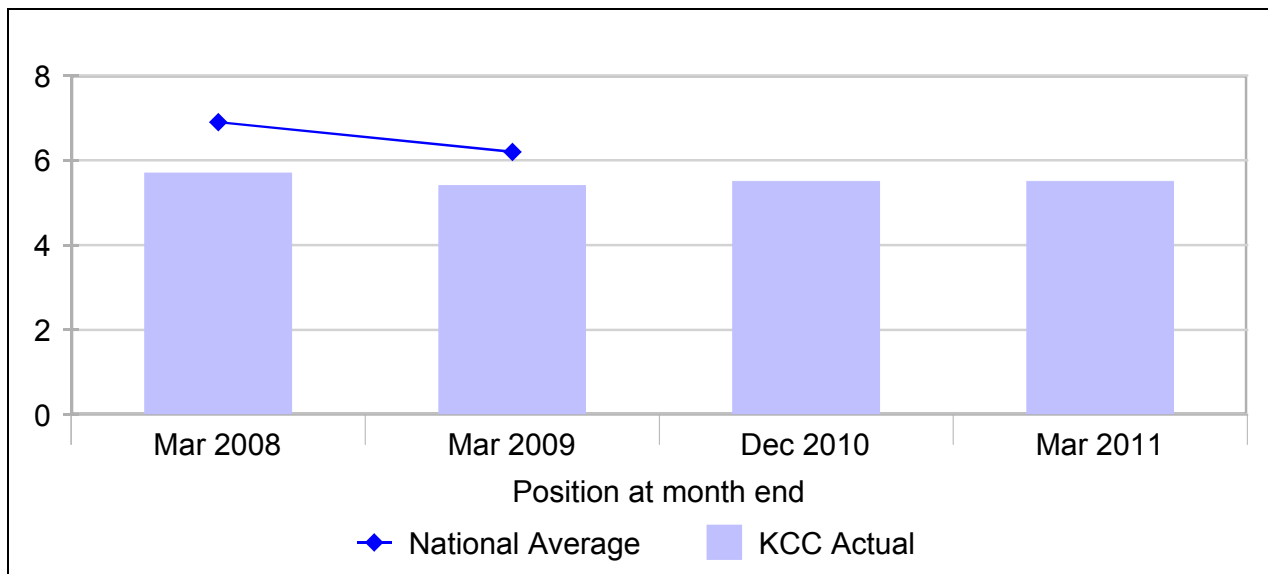
There are ongoing pressures relating to clients with dementia and the number of clients with dementia in independent sector provision increasing from 1,195 in March 2010 to 1,285 in March 2011.

Data Notes:

- Previous year data and national benchmarks are taken from the National Adult Social Care Intelligence Service.
- Data includes all clients whether placed in in-house provision or with external providers.
- Client data rounded to nearest 10.

**Older people supported in nursing care,
permanent placements per 1,000 people aged 65 and over**

Amber



| Lower result is better | Mar 09 | Mar 10 | Dec 10 | Mar 11 Provisional |
|------------------------|--------|--------|--------|-----------------------|
| KCC Result | 5.4 | 5.4 ↔ | 5.5 ↓ | 5.5 ↔ |
| National average | 6.2 | 5.9 | N/a | N/a |
| RAG Rating | ★ | ● | ● | ● |
| Number of clients | 1,340 | 1,370 | 1,390 | 1,400 |

The number of clients aged over 65 in permanent placements of nursing care has increased this year and the levels remain slightly above those seen in the previous 2 years.

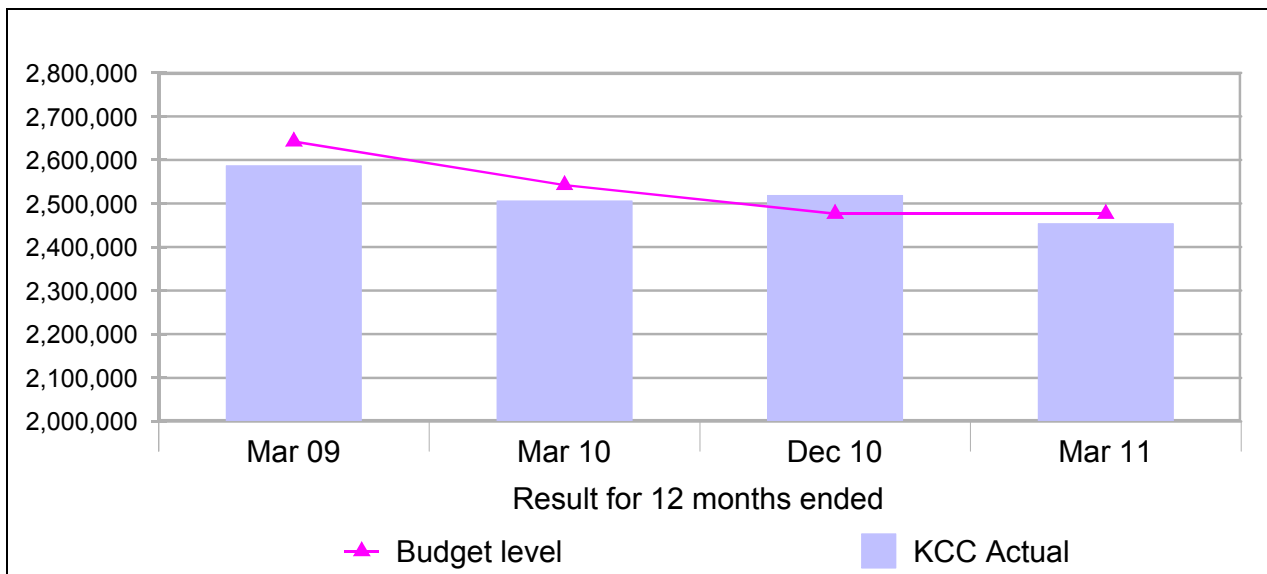
Kent has historically maintained a lower level of usage of nursing care than the national average, although the national average has been reducing significantly in the last few years.

Data Notes:

- Previous year data and national benchmarks are taken from the National Adult Social Care Intelligence Service.
- Data includes all clients whether placed in in-house provision or with external providers.
- Client data rounded to nearest 10.

Hours of independent domiciliary home care funded by KCC and provided to people aged 65 and over

Green
↑



| Lower result is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|-----------------------------|-------------------|-------------------|-------------------|-------------------------------|
| Hours care provided (000's) | 2,587 | 2,506 ↑ | 2,519 ↑ | 2,454 ↑ |
| Budget level | 2,642 | 2,542 | 2,477 | 2,477 |
| RAG Rating | ● | ● | ● | ★ |
| Number of clients | 6,490 | 6,230 ↑ | 6,060 ↑ | 5,710 ↑ |

Client numbers with externally provided domiciliary provision were 5,710 in March 2011 which is down from 6,230 in March 2010. The year end position is within budget and hence rated Green.

The number of hours of externally purchased domiciliary care has decreased since 2008/09 and this was expected due to other services being provided such as intermediate care, telecare and telehealth and increased take up of direct payments as well as further development of provision through voluntary sector provision.

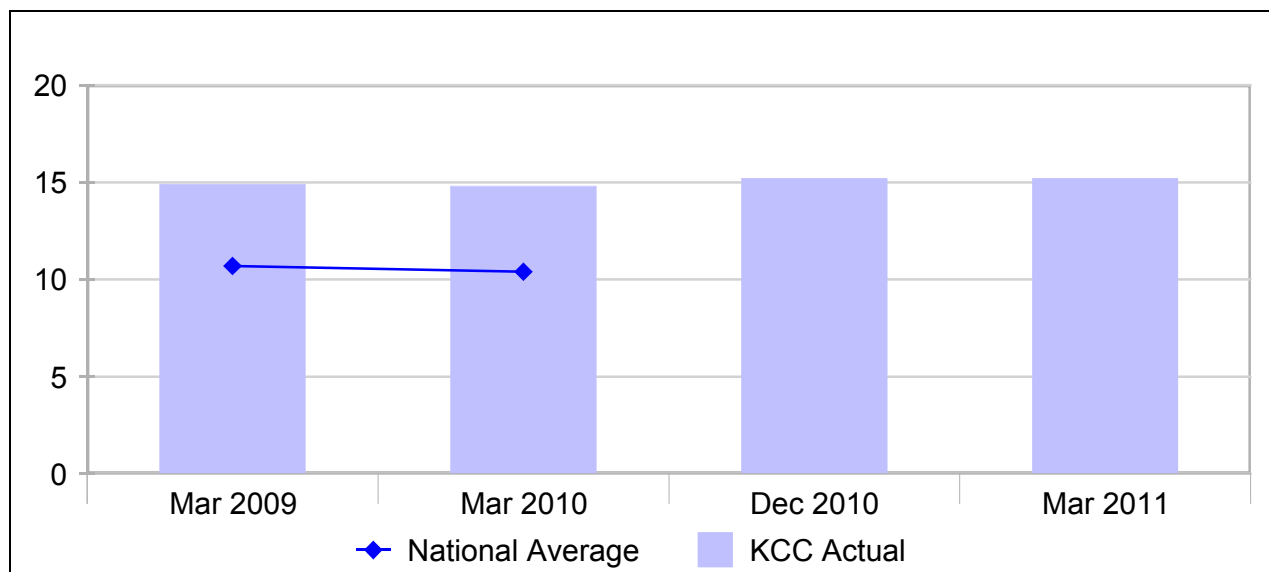
In addition, with the introduction of enablement, more people are able to return home with minimal or no care package. However, although the numbers of people who continue to receive a service are fewer, those that do may receive a more intensive care package.

Data notes:

- Client data rounded to nearest 10.

Adult clients with learning disability supported in residential care, per 10,000 population aged 18 to 64

Red



| Lower result is better | Mar 09 | Mar 10 | Dec 10 | Mar 11 Provisional |
|------------------------|--------|--------|--------|--------------------|
| KCC Result | 14.9 | 14.8 ↑ | 15.2 ↓ | 15.2 ↔ |
| National average | 10.7 | 10.4 | N/a | N/a |
| RAG Rating | ▲ | ▲ | ▲ | ▲ |
| Number of clients | 1,260 | 1,250 | 1,290 | 1,290 |

Demographic pressures and the NHS transfer continue to impact on Learning Disability Services, particularly residential care.

In addition, Kent has a higher than average proportion of preserved rights clients, which will impact on any benchmarking analysis. These are clients who have been in long term care, some of whom would have been placed in Kent from other parts of the country. Responsibility for these clients transferred from government to local authorities some time in the past and government provides a specific grant to meet the costs of care for these clients.

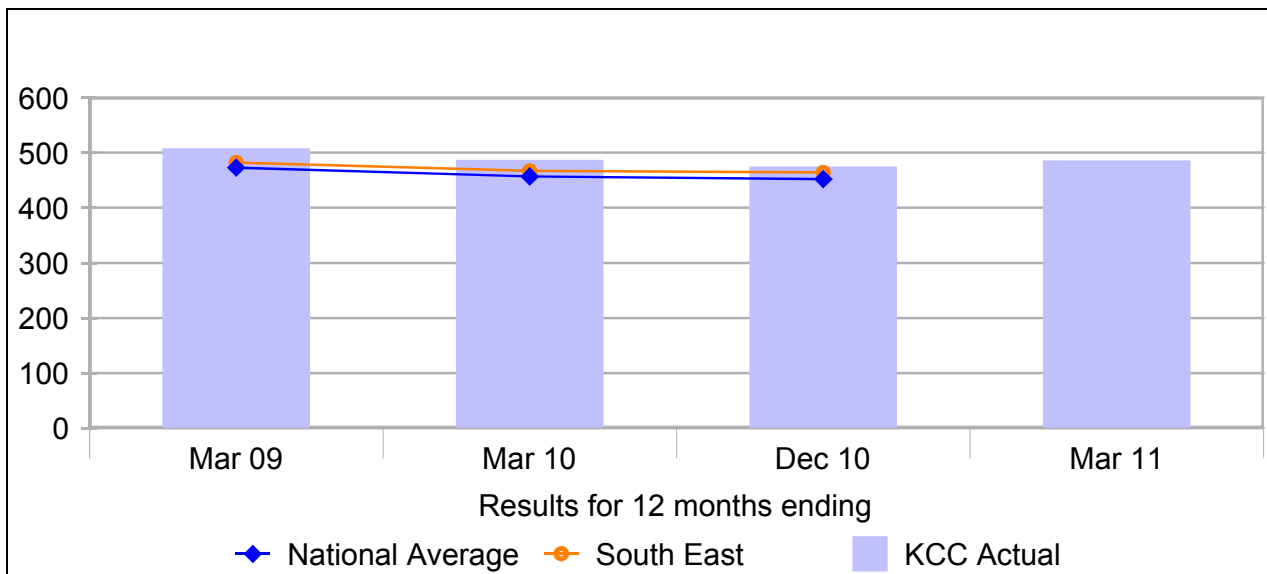
The number of clients in residential care excluding those with preserved rights at the end of March 2011 was 713, up from 632 in March. This includes NHS transfer figures.

Data Notes:

- Previous year data and national benchmarks are taken from the National Adult Social Care Intelligence Service.
- Client data rounded to nearest 10.

Kilograms of household waste collected per resident

Amber



| Lower figure is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | 507 | 486 ↑ | 474 ↑ | 485 ↓ |
| National Average | 473 | 457 | 452 * | N/a |
| RAG Rating | ● | ● | ● | ● |
| South East | 482 | 467 | 464 * | N/a |

The total tonnage of household waste produced in Kent continues to decline and the amount collected per resident has been moving closer to the national average in recent years.

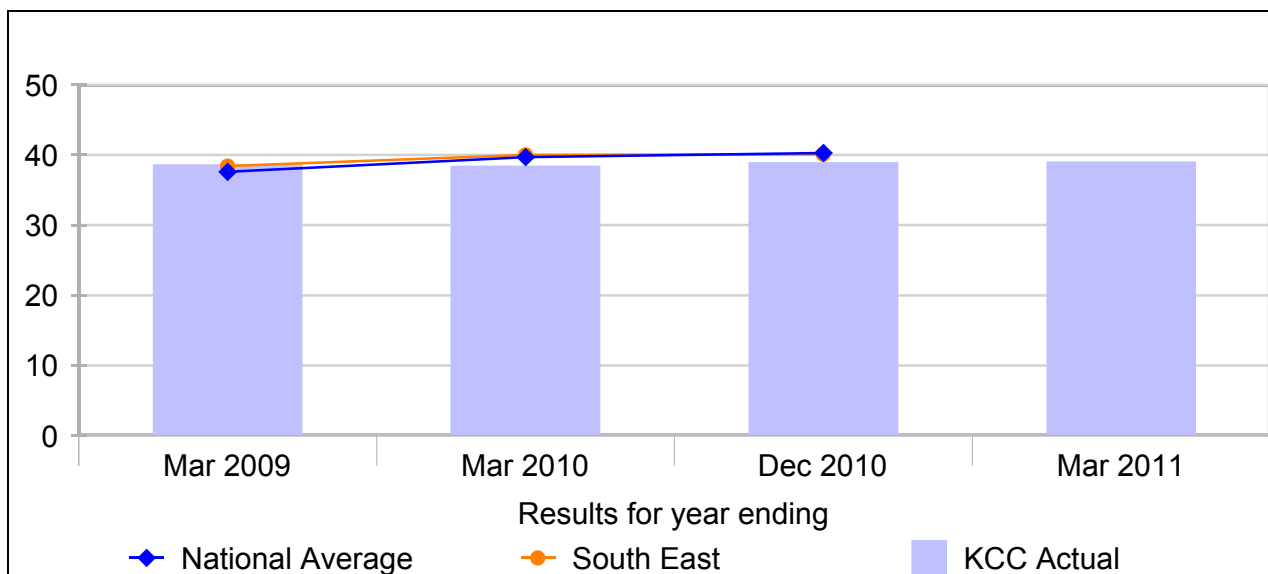
The provisional data for the year ending March 2011 is for the kilograms collected per resident to be lower than the previous year for the fourth year running, but only by a small margin. Previous forecasts as shown by the December 2010 figure were for a larger reduction to happen in the year, but waste volumes increased significantly in the final quarter.

Data Notes:

- Source: KCC monitoring systems and national WasteDataFlow system.
- Recent data is provisional in nature as it includes some estimated tonnage figures which are based on previous trends; this may change slightly as final, validated information becomes available.
- The RAG ratings for December and March are based on comparison to the most recently published national average – September 2010 (marked with *).

Percentage of household waste recycled or composted

Amber



| Higher figure is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|-------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | 38.6% | 38.4% ↓ | 38.9% ↑ | 39.0% ↑ |
| National average | 37.6% | 39.7% | 40.3% * | N/a |
| RAG Rating | ● | ● | ● | ● |
| South East | 38.4% | 40.0% | 40.1% * | N/a |

The percentage of Kent’s household waste recycled or composted has levelled off in recent years, as no significant additional district council kerbside recycling schemes have been put in place. However there has been a slight increase this year with a rate of 39.0% for the last 12 months. Plans for new collections are being implemented in Maidstone, Dover and Shepway in 2011, which should lead to a further increase in the level of recycling.

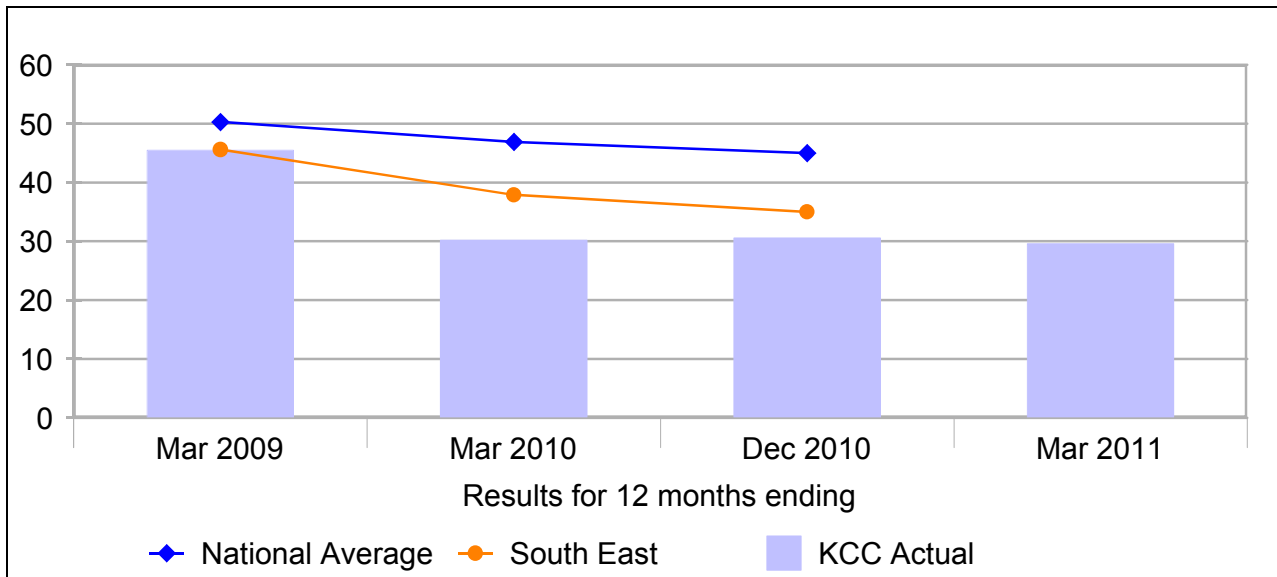
Over the next few years, as collection services are reviewed and contracts re-tendered, it is expected that the introduction of additional recycling and composting services will be possible.

Current national targets are to achieve a household waste recycling rate of 45% by 2015 and 50% by 2020.

Data Notes:

- Source: KCC monitoring systems and national WasteDataFlow system.
- Recent data is provisional in nature as it includes some estimated tonnage figures which are based on previous trends; this may change slightly as final, validated information becomes available.
- The RAG ratings for December and March are based on comparison to the most recently published national average – September 2010 (marked with *).

| | |
|--|-------------------|
| Percentage of municipal waste taken to landfill | Green ↑ |
|--|-------------------|



| Lower figure is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | 46% | 30% ↑ | 31% ↓ | 30% ↑ |
| National average | 50% | 47% | 45% * | N/a |
| RAG Rating | ● | ★ | ★ | ★ |
| South East | 46% | 38% | 35% * | N/a |

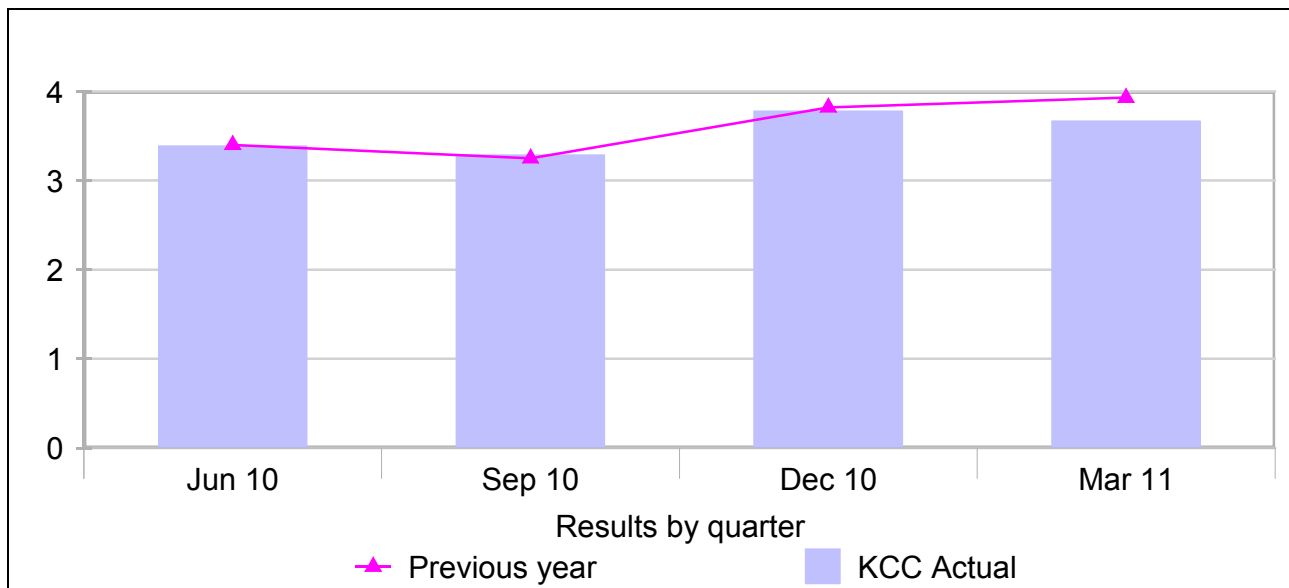
In recent years Kent has been significantly ahead of the national and south east averages for the percentage of municipal waste going to landfill.

Currently nearly 40% of waste is recycled or composted with 30% being managed via the Allington waste to energy plant. A further reduction in waste going to landfill is forecast for the future, and plans are in place to landfill less than 15% by 2013/14.

- Data Notes:
- Source: KCC monitoring systems and national WasteDataFlow system.
 - Recent data is provisional in nature as it includes some estimated tonnage figures which are based on previous trends; this may change slightly as final, validated information becomes available.
 - The RAG ratings for December and March are based on comparison to the most recently published national average – September 2010 (marked with *).

**Average minutes per mile for AM peak travel time
in Maidstone on inbound links**

Green
↑



| Lower figure is better | Qtr to Jun | Qtr to Sept | Qtr to Dec | Qtr to Mar |
|------------------------|------------|-------------|------------|------------|
| Current year | 3.39 | 3.29 | 3.78 | 3.67 |
| Previous year | 3.40 | 3.25 | 3.82 | 3.93 |
| RAG Rating | ● | ● | ● | ★ |

Average journey time in the quarter to March 2011 showed a significant improvement over the same time last year, although this was not significantly different from the previous quarter. Average annual journey for financial year 2010/11 was 3.49 compared to 3.60 for the previous year.

A seasonal pattern has emerged now that we have collected data for two full years with the quarter to September showing the lowest travelling times and with longer journey times in winter months.

We will soon have the first full year journey time data for key routes into Gravesend and Canterbury. This will allow us to report current journey time reliability against THE previous year's seasonal results. We plan to install equipment to cover journey times in Dartford and on selected inter-urban links during the new financial year.

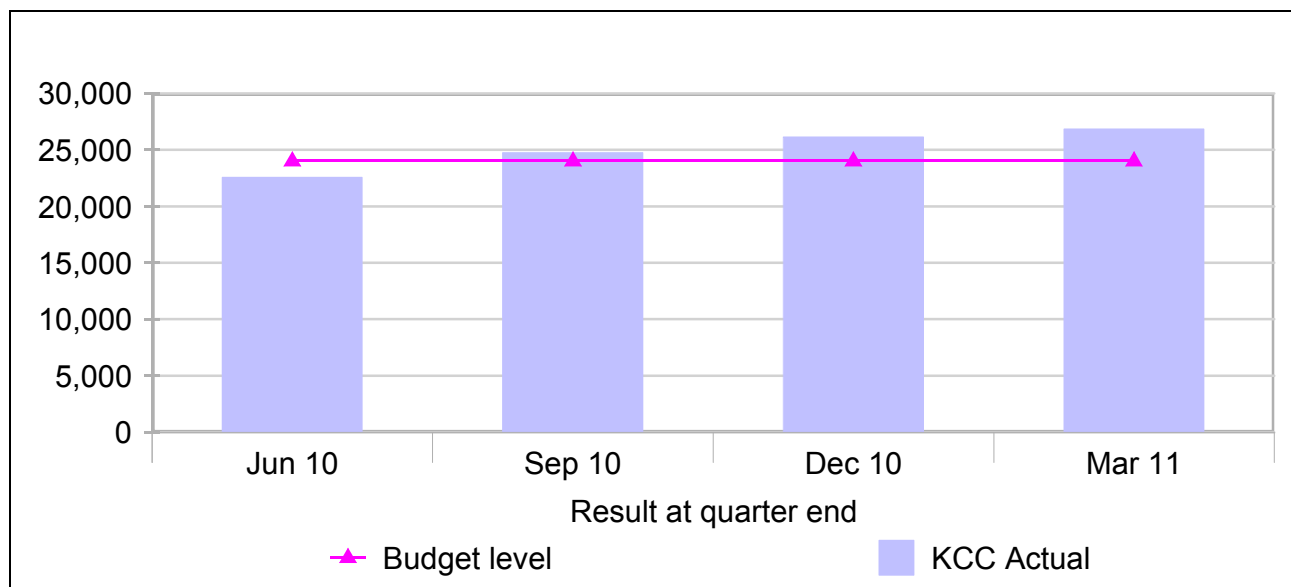
Continued investment in this area helps us to understand the issues that affect journey times and cause travel delays, improving our network intelligence and allowing us to use this information to improve journey reliability.

Data Notes:

- Performance is now assessed by comparison to the previous year's result, measured on a consistent basis. Previously the assessment was made against a target based on an old baseline measurement which was not collected on a consistent basis.

Number of Freedom passes in issue

Red



| Lower figure is better in terms of cost | Qtr ended Jun 10 | Qtr ended Sept 10 | Qtr ended Dec 10 | Qtr ended Mar 11 |
|---|------------------|-------------------|------------------|------------------|
| KCC Result | 22,600 | 24,700 | 26,100 | 26,800 |
| Budget level | 24,000 | 24,000 | 24,000 | 24,000 |
| RAG Rating | ● | ● | ● | ▲ |

The Kent Freedom Pass continues to be a great success and the number of passes in issue continues to increase. As of 31 March 2011, 26,800 passes had been issued.

While this is good news in terms of the success of the scheme it also presents a budget pressure as the number of passes issued and journeys being made now exceeds the level provided for in the budget, hence the “red” rating here.

Administration fees for the Freedom pass will rise next year to help alleviate the budget pressure which has resulted from take up exceeding expectations.

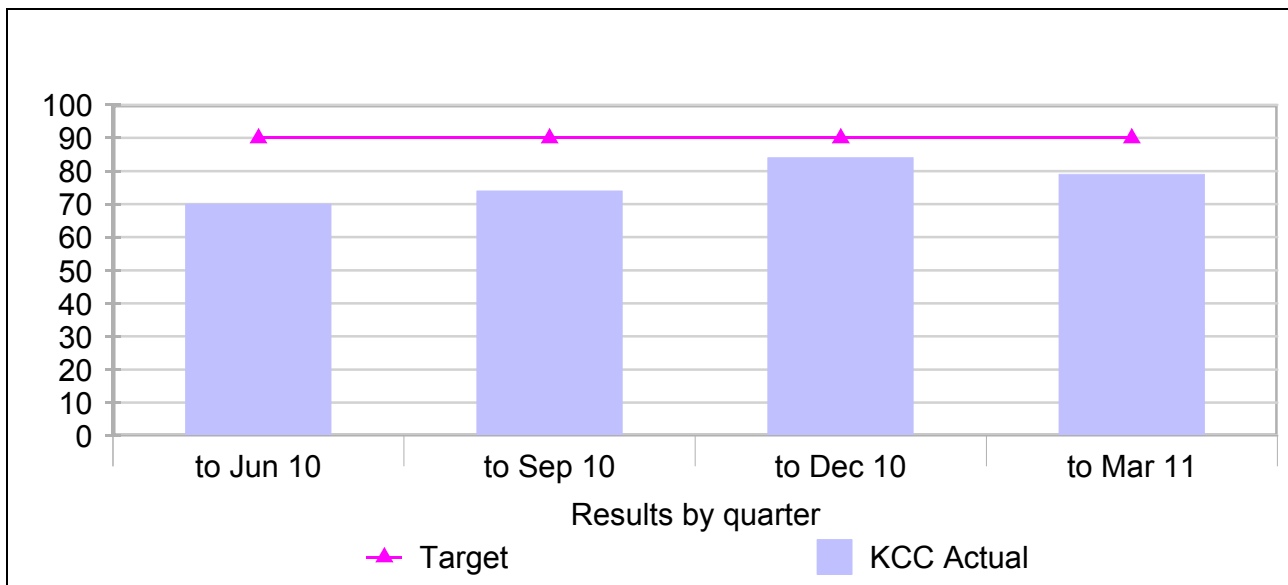
Survey work in the year has indicated that some 6% of pass holders have now chosen a different school as a consequence of the scheme, indicating that the scheme has allowed new choices for users of the pass.

Data Notes:

- Freedom passes are issued by academic year. Most passes are issued at the beginning of the year in the quarter to September, but new applications continue to be made throughout the year.

Percentage of routine highway repairs completed within 28 days

Red



| Higher figure is better | Qtr to Jun 10 | Qtr to Sept 10 | Qtr to Dec 10 | Qtr to Mar 11 |
|-------------------------|---------------|----------------|---------------|---------------|
| KCC Result | 70% | 74% ↑ | 84% ↑ | 79% ↓ |
| Target | 90% | 90% | 90% | 90% |
| RAG Rating | ▲ | ▲ | ● | ▲ |

Performance for the last quarter was affected by the significant increase in demand for repairs caused by the bad winter weather. This saw enquiries from customers double from 2,000 to 4,000 per week.

Additional repair gangs were put to work but as can be seen from the graph above we still missed our 90% performance target for the quarter as a whole. During March the enquiry demand has fallen back to 'normal' levels and we are now very close to meeting our 90% standard.

Average performance for the year was for 77% of repairs to be completed within timescale.

Currently we have 2,500 open routine enquiries that are our 'work in progress' and this has fallen from almost 5,000 in January. Of these, just over 200 (8%) have gone beyond our 28 day standard and are being treated as a priority, leaving 92% within target.

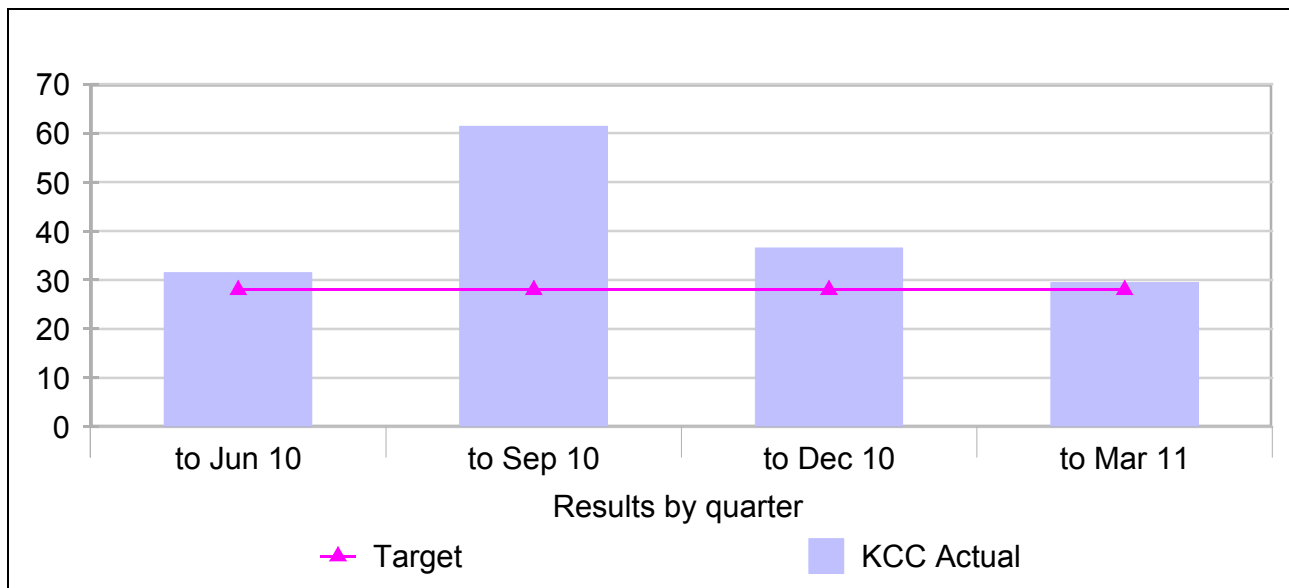
Keeping on top of the backlog of enquiries will continue to be a top priority and we are currently monitoring this on a weekly basis.

Data Notes:

- The indicator only measures new requests completed within 28 days and does not show the amount of backlog or how quickly backlogs are addressed.

Average number of days to repair potholes

Amber



| Lower figure is better | Qtr to Jun 10 | Qtr to Sept 10 | Qtr to Dec 10 | Qtr to Mar 11 |
|------------------------|---------------|----------------|---------------|---------------|
| KCC Result | 31.5 | 61.4 ↓ | 36.6 ↑ | 29.5 ↑ |
| Target | 28 | 28 | 28 | 28 |
| RAG Rating | ● | ▲ | ▲ | ● |

Following the extreme winter weather in November and December, additional repair gangs were employed from Ringway. In addition, each district team was allocated extra funding to employ the local contractors who carried out the Find & Fix work in 2010. This work was completed at the end of March and has caused the average number of days to repair potholes in the first quarter of 2011 to be reduced.

Performance for the year as a whole was an average time of 40.1 days to repair potholes.

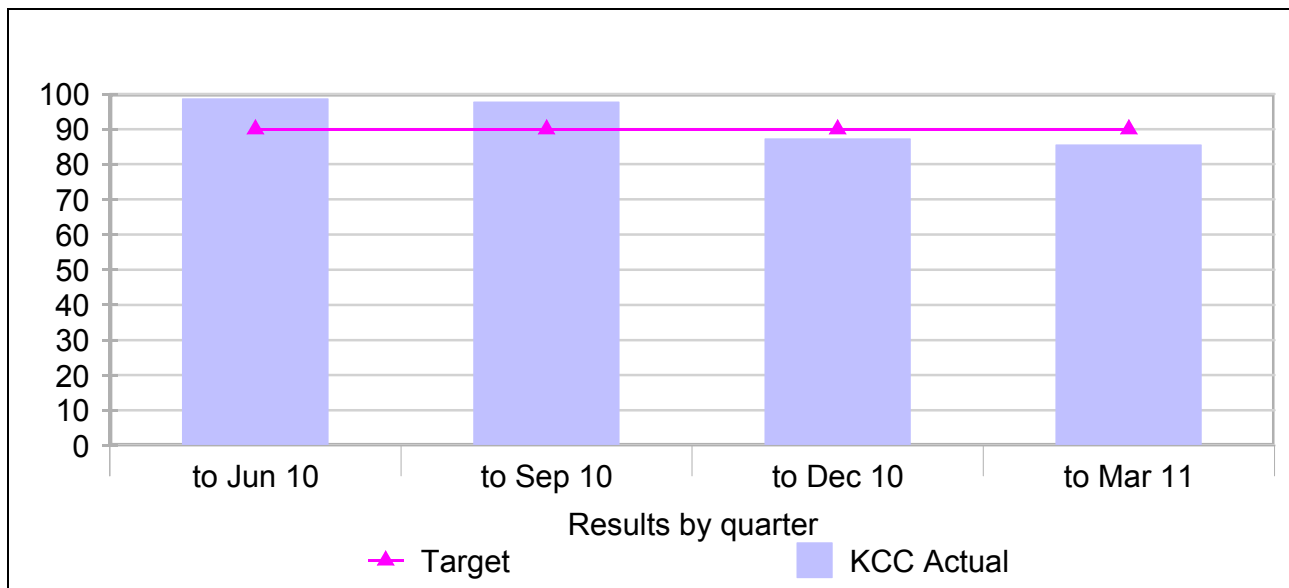
The next phase of Find & Fix will commence during April which will have a further impact in reducing the average number of days. Once this phase of Find & Fix is completed, additional funding has been allocated to treat roads previously repaired, thus reducing the risk of future potholes.

Data Notes:

- This indicator includes all repairs completed during the period being measured, including the backlog.
- The indicator is calculated on the number of jobs, so where several potholes are fixed in the same location at the same time, this is only counted once.

**Percentage of streetlight faults attended to within 28 days –
KCC responsible**

Amber
↓



| Higher figure is better | Qtr to Jun 10 | Qtr to Sept 10 | Qtr to Dec 10 | Qtr to Mar 11 |
|-------------------------|---------------|----------------|---------------|---------------|
| KCC result | 98.6% | 97.7% ↓ | 87.2% ↓ | 85.5% ↓ |
| Target | 90% | 90% | 90% | 90% |
| RAG Rating | ★ | ★ | ● | ● |

Performance in the last quarter has dropped slightly compared to the previous quarter and remains below the target standard of 90%. However as an average across the whole year, performance was for 91.2% of repairs to be within timescale which is above the target standard.

The seasonal variation with the longer, dark nights and the subsequent increase in public awareness of street lighting has continued to lead to high volumes of faults being reported this quarter in line with volumes in the previous quarter.

Based on previous year's experience it is anticipated that from April, volumes of faults reported will reduce and performance on repair times will return to our published standard.

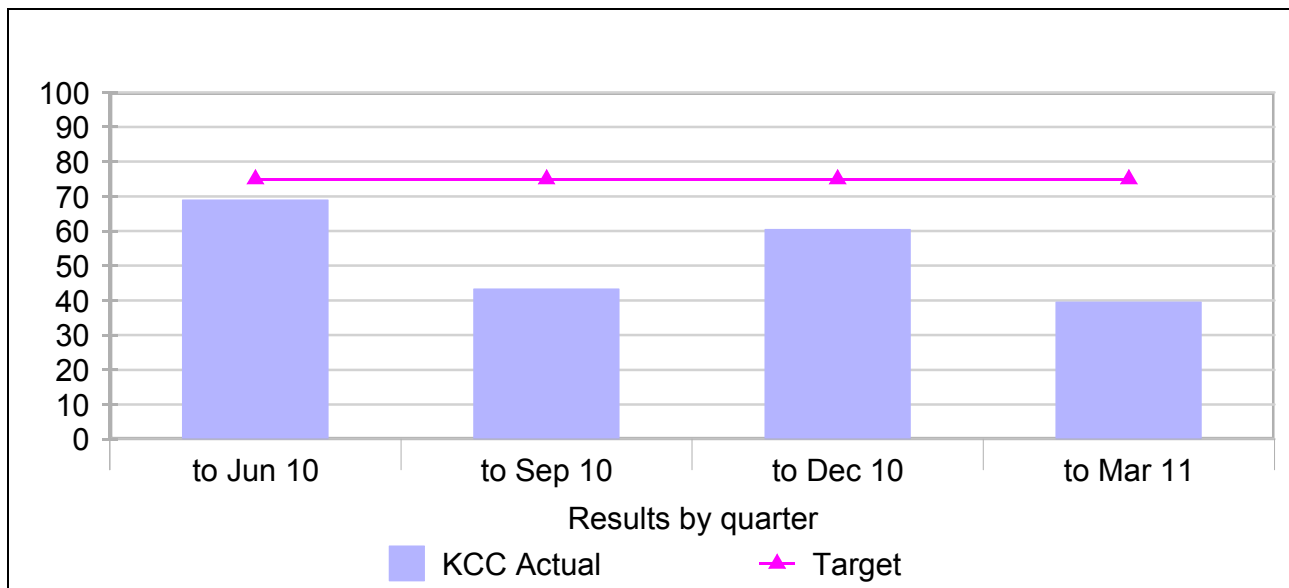
During the quarter to March 2011 we completed 12,356 streetlight repairs (11,558 in the previous quarter).

Data Notes:

- The indicator is calculated on the same basis as the previous national indicator for this service which is on the basis of first attending to the fault. In most cases a fault can be fixed when first attended to by a bulb replacement. However, in a minor number of cases major works such as column replacement are required and these are then scheduled under a different works programme and the completion of these major works are not captured by this indicator.

Percentage of streetlight faults attended to within 28 days – UKPN responsible

Red
↓



| Higher figure is better | Qtr to Jun 10 | Qtr to Sept 10 | Qtr to Dec 10 | Qtr to Mar 11 |
|-------------------------|---------------|----------------|---------------|---------------|
| UKPN Result | 69% | 43% ↓ | 61% ↑ | 40% ↓ |
| Target | 75% | 75% | 75% | 75% |
| RAG Rating | ● | ▲ | ▲ | ▲ |

Fault repair response times for UK Power Networks (UKPN) during the last quarter showed a drop in performance. The average achieved for the year was for 55.8% of repairs to be within timescale which is a significant improvement on previous year's performance.

There has been a change in practice in the quarter which has impacted on the overall response in the quarter and which will lead to further improvements in the future.

The measure includes time for an initial visit by KHS to ascertain the nature of the fault, and due to a significant increase in aborted fees charged by UKPN, it was decided that an audit of this initial visit would be carried out to verify the accuracy of the fault diagnosis. This has resulted in some faults taking longer to be reported to UKPN, however, this has been a valuable audit exercise in two ways:

- 1) More accurate reports being submitted to UKPN and thus aborted fee charges being avoided.
- 2) Identification of areas for improvement in fault diagnosis and reporting.

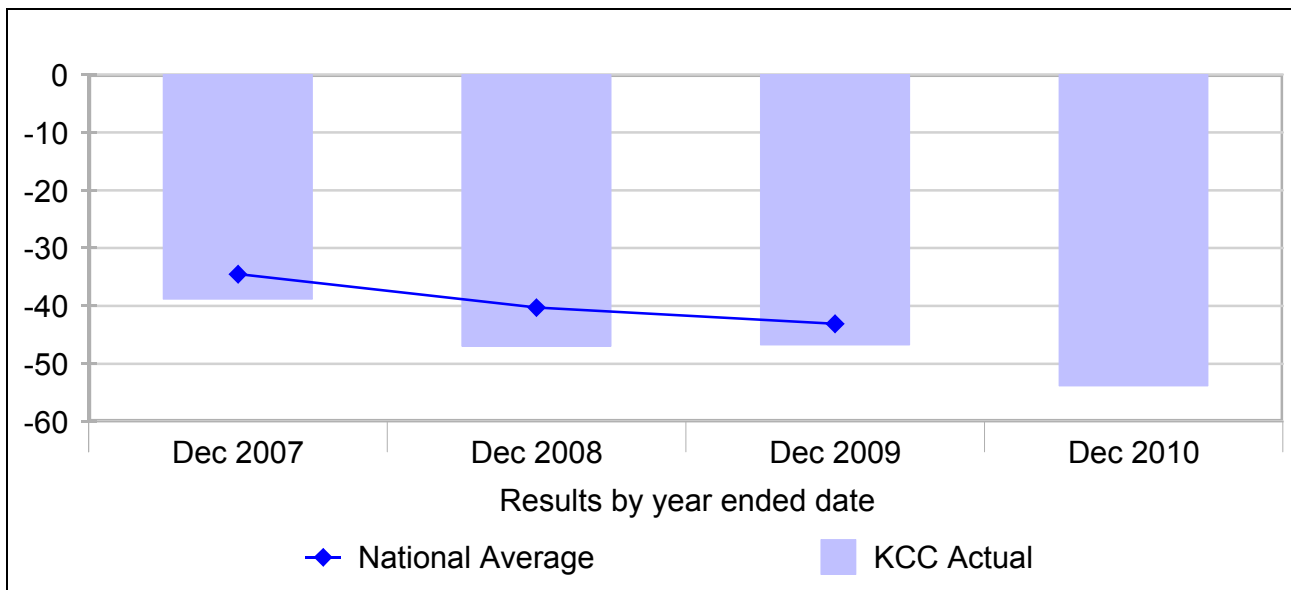
During the quarter to December 2010 UKPN completed 124 streetlight repairs (114 previous quarter).

Data Notes:

- A lower target for completion is set for UKPN repairs due to the works covered by UKPN being more in the nature of major works and not simply bulb replacement.

Percentage reduction in the number of people killed or seriously injured (KSI) on the roads compared to 1994-98 average

Green
↑



| Larger negative figure better | Year ended Dec 07 | Year ended Dec 08 | Year ended Dec 09 | Year ended Dec 10 Provisional |
|-------------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | -39% | -47% ↑ | -47% ↓ | -54% ↑ |
| National average | -35% | -40% | -43% | -47% * |
| RAG Rating | ★ | ★ | ● | ★ |
| Number of people KSI | 723 | 627 | 629 | 571 |

Data for the year shows a continued and significant reduction in the number of people killed or seriously injured in road traffic accidents in Kent.

The reduction achieved for 2010 is well above the national 2010 casualty target of a 40% reduction in KSI over the 1994-98 baseline.

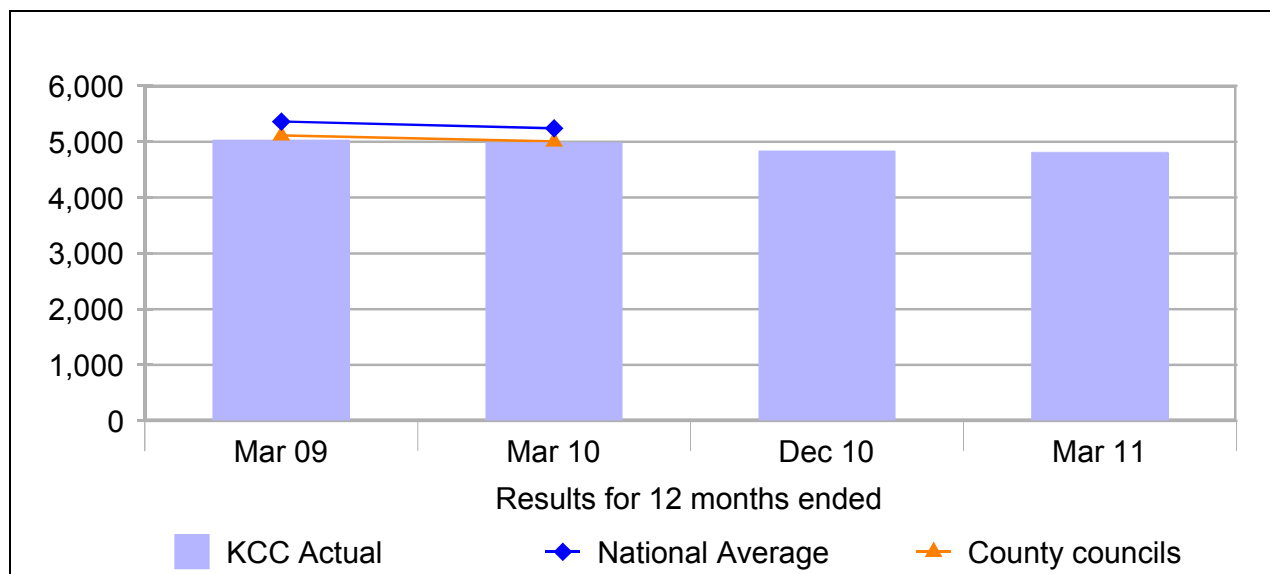
With the level of reduction seen in Kent in the current year, we expect to continue to be significantly better than the national average when national data becomes available later in 2011.

Data Notes:

- The RAG rating for current year is based on comparison to the most recently published national average – December 2009.
- The National average shown for December 2010, notes with *, relates to Great Britain as a whole (England is used for other years) and is provisional result up to the end of September.

Number of 'physical' visits to libraries per 1,000 residents

Amber



| Higher value is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | 5,030 | 4,979 ↓ | 4,832 ↓ | 4,808 ↓ |
| National average | 5,363 | 5,241 | N/a | N/a |
| RAG Rating | ● | ● | ● | ● |
| County council average | 5,112 | 5,006 | N/a | N/a |

Footfall in Kent libraries is being affected by several temporary library re-locations as part of the modernisation programme, with visits in each quarter of 2010/11 lower than 2009/10 levels. The roll out of self service in libraries in the coming year is also set to have an effect.

However, the number of activities such as Reading Clubs and Baby Bounce & Rhyme Time continued to increase in 2010/11, exceeding forecast levels.

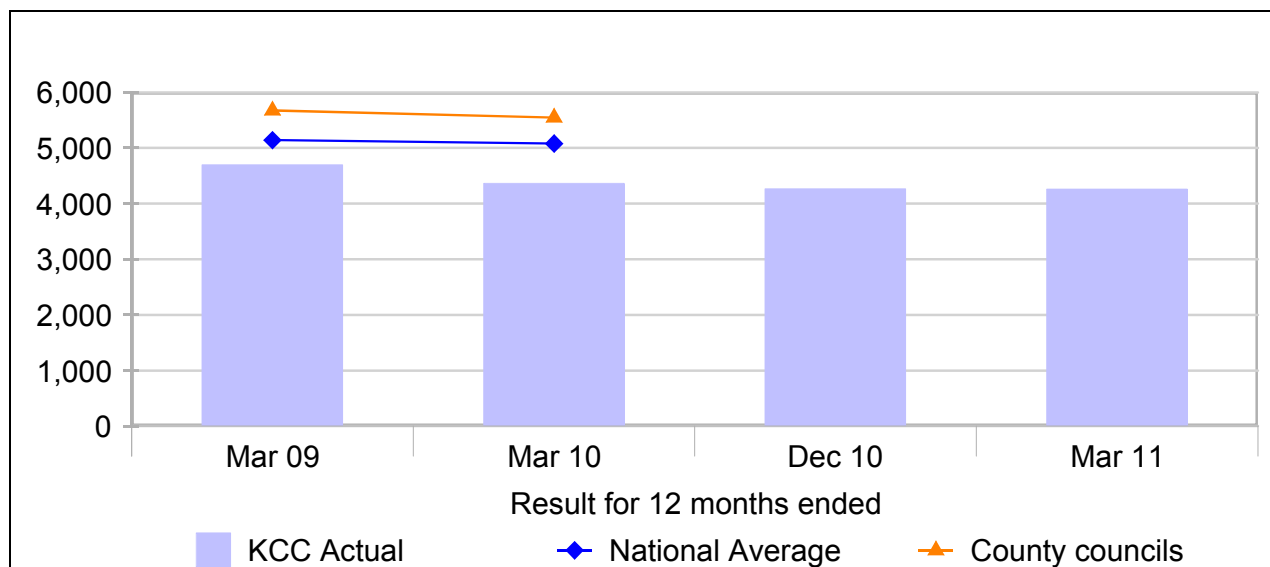
Many library users choose to make 'virtual visits' to libraries, where they can use a number of online services, such as search the online catalogue, or renew books loans.

Data Notes:

- Source: CIPFA statistics.
- The RAG ratings for December 2010 and March 2011 are based on comparison to the most recently published national average – March 2010.

Number of library book issues per 1,000 residents

Red



| Higher value is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | 4,695 | 4,361 ↓ | 4,269 ↓ | 4,258 ↓ |
| National average | 5,143 | 5,081 | N/a | N/a |
| RAG Rating | ● | ▲ | ▲ | ▲ |
| County council average | 5,675 | 5,547 | N/a | N/a |

The number of books loaned in Kent has historically been below the national average and other county councils.

More recently, the number of book loans has been affected by the libraries modernisation programme over the past 18 months. In particular, three of the county's busiest libraries (Gravesend, Ashford and Canterbury) are currently operating out of temporary accommodation.

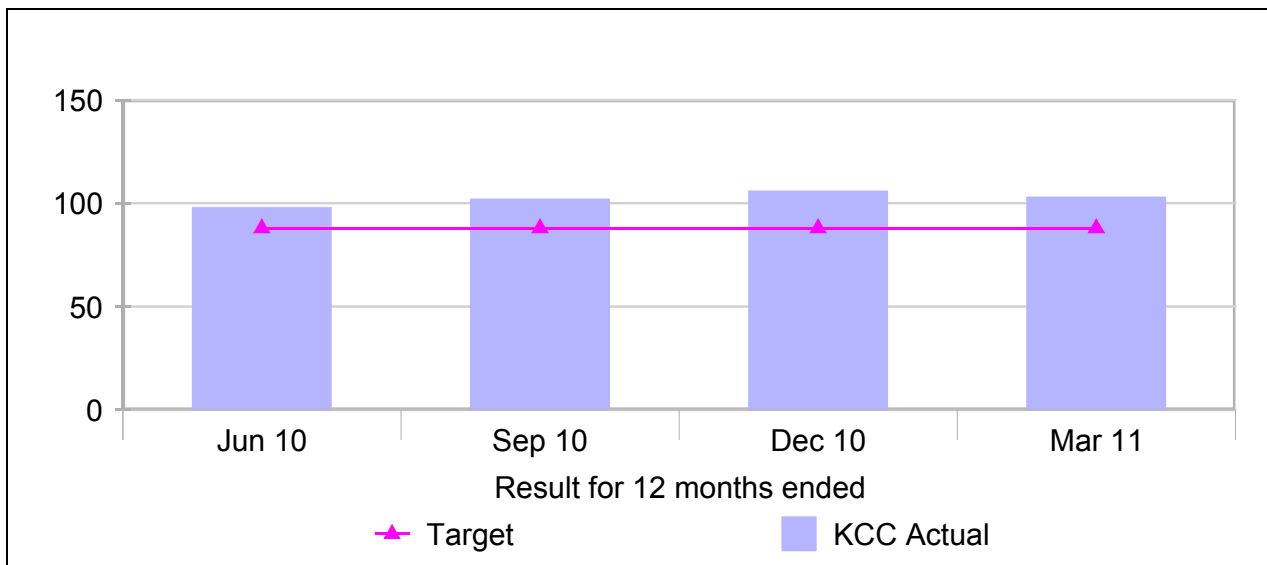
New initiatives in libraries will bring a number of opportunities to increase loans. These include the self-service system in libraries, allowing library staff to spend more time floor walking and helping customers; and e-books, which can be downloaded 24 hours a day, seven days a week, and taps into a growing market. Almost 18,000 eBooks have been downloaded since their launch in July 2010, which has exceeded original expectations.

Data Notes:

- Source: CIPFA statistics.
- The RAG ratings for December 2010 and March 2011 are based on comparison to the most recently published national average – March 2010.

Number of new starts on the KCC Apprenticeship scheme

Green



| Higher figure is better | Year ending Jun 10 | Year ending Sep 10 | Year ending Dec 10 | Year ending Mar 11 |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| KCC Result | 98 | 102 ↑ | 106 ↑ | 103 ↓ |
| Target | 88 | 88 | 88 | 88 |
| RAG Rating | ★ | ★ | ★ | ★ |

The number of KCC apprenticeship starts continues to exceed target levels.

In future, all vacant posts at staff grades KR2-4 and which are considered suitable for an apprenticeship will be filled by apprentices in all cases, unless these is an existing member of staff at risk of redundancy, who would be suitable for and who could be deployed to the position.

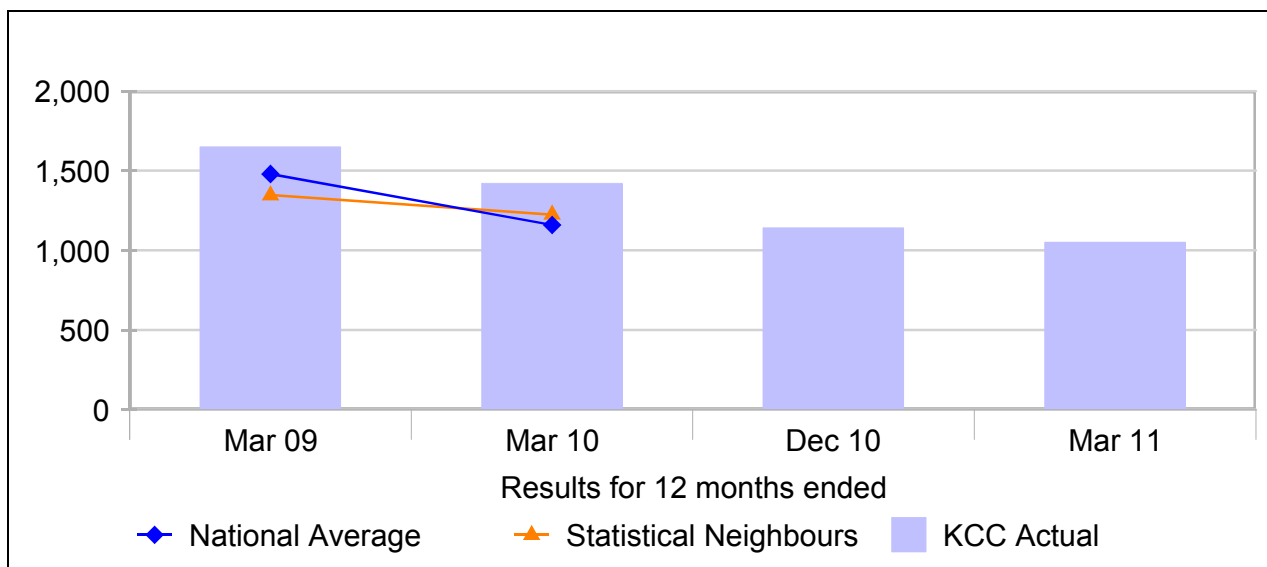
There is a risk that the number of opportunities for apprentices will reduce due to fewer KR2-4 posts being created in the upcoming restructuring, and the notion of more 'self supporting' managers in particular. Opportunities to progress after completion of an apprenticeship could also be impacted.

Data Notes:

- The target level shown is based on 350 new starts over a four year period, as stated in "Bold Steps for Kent".

Number of first time entrants to the youth justice system per 100,000 population aged 10 to 17

Amber



| Lower value is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| KCC Result (PNC data) | 1,650 | 1,420 ↑ | 1,140 ↑ | 1,050 ↑ |
| National average | 1,480 | 1,160 | N/a | N/a |
| RAG Rating | ● | ▲ | ● | ● |
| Statistical neighbours | 1,347 | 1,225 | N/a | N/a |
| Number of young people | 2,450 | 2,080 | 1,670 | 1,540 |

The numbers of first time entrants to the youth justice system in Kent continue to reduce (improve), although the rate per population has been above that of statistical neighbours and national average.

The reasons for the large drop seen both nationally and locally include: a stronger focus on targeted youth crime prevention strategies, an increasing use of informal sanctions (such as restorative justice approaches) in place of a formal reprimand and changes in police policy with a greater focus on more serious offences.

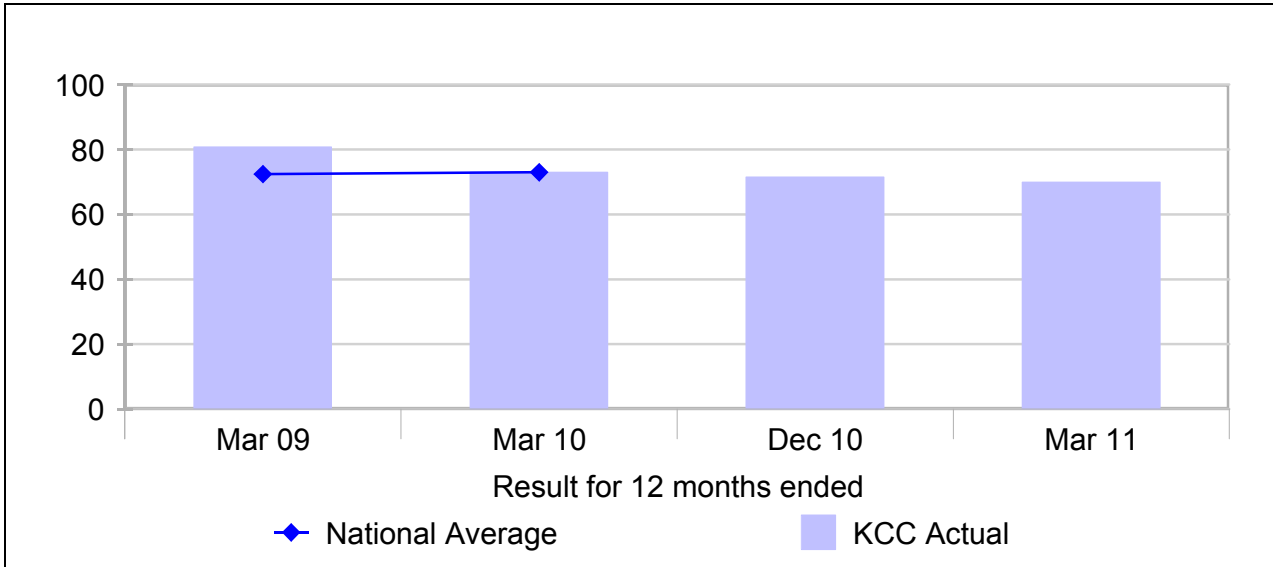
Restorative justice approaches have been implemented by Kent Police during 2010/11. The youth offending service (YOS) is working with the police to expand "Triage" work in 2011/12 which will lead to closer involvement by YOS staff in police decision making, to enable diversion from the youth justice system of young people coming to their attention. Youth Inclusion Support Panels (YISPs) are being retained in 2011/12 to deliver a preventative strategy.

Data notes:

- Data for previous years are based on national statistics taken from Police National Computer (PNC).
- The data for current year is based on local records of young people known to local youth offending teams with an uplift of 8% to account for differences to PNC data.

Percentage of young offenders in education, employment or training

Amber



| Higher value is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | 81% | 73% ↓ | 72% ↓ | 70% ↓ |
| National average | 72% | 73% | N/a | N/a |
| RAG Rating | ★ | ● | ● | ● |

Improved recording methodology adopted by Kent in 2009/10, ensuring that only those young people actively engaged in education, training or employment were included, led to a lower figure being reported.

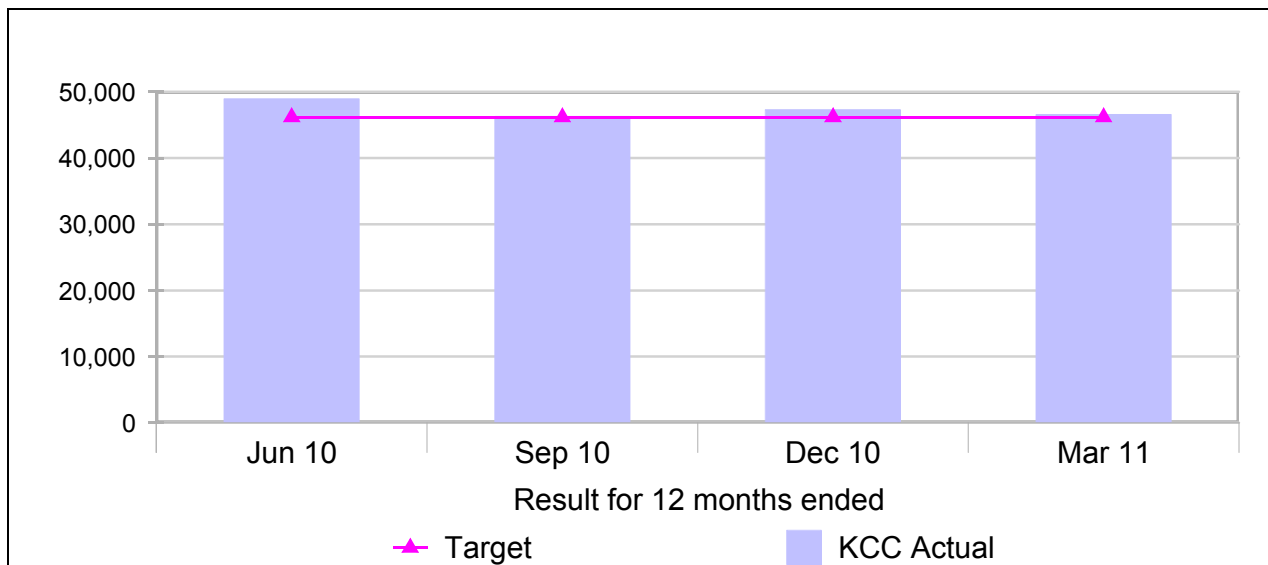
Performance in 2009/10 matched the national average and 2010/11 sees performance continue at a similar level, although performance with regard to the post statutory school age declined in the most recent quarter. An analysis of the reasons for this will be undertaken in each of the teams and follow up work undertaken to address any education concerns that may apply to individuals.

Data notes:

- Source: Careworks case management system.

Number of adult education and Key Training enrolments

Green



| Higher figure is better | Year ended Jun 10 | Year ended Sept 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|-------------------------|-------------------|--------------------|-------------------|-------------------------------|
| KCC Result | 49,000 | 46,300 ↓ | 47,300 ↑ | 46,600 ↓ |
| Target | 46,200 | 46,200 | 46,200 | 46,200 |
| RAG Rating | ★ | ★ | ★ | ★ |

Adult education and Key Training enrolments met their target for 2010/11. Performance for the year at 46,600 enrolments was slightly ahead of the previous year which saw 46,000 enrolments.

Fee-paying enrolments were slightly down against target but this has been compensated for by higher fees on some courses (in line with government direction).

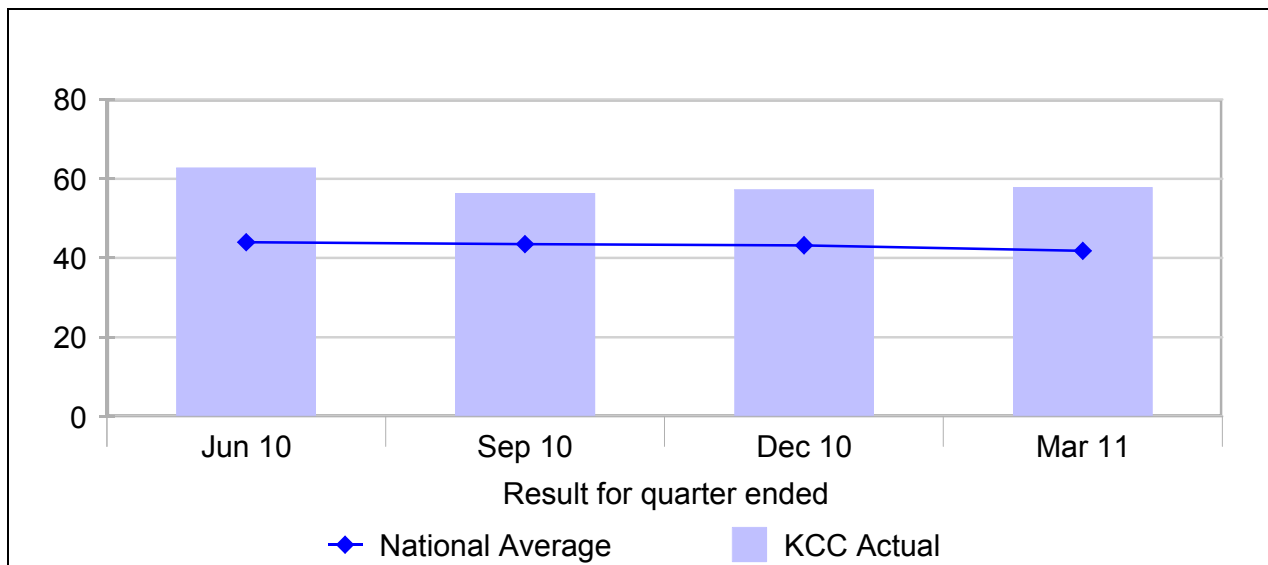
There has been an increase in enrolments for courses without fees due to the client profile of enrolments on Family Learning Courses, and also because additional unplanned funds for community projects under the "aiming high" scheme have been obtained.

Data Notes:

- Data produced locally and subject to annual audit by the Skills Funding Agency.

Percentage of adult drug users leaving treatment free of dependency

Green
↓



| Higher value is better | Qtr to Jun 10 | Qtr to Sept 10 | Qtr to Dec 10 | Qtr to Mar 11 |
|------------------------------------|---------------|----------------|---------------|---------------|
| KCC Result | 63% | 56% ↓ | 57% ↑ | 56% ↓ |
| National average | 44% | 44% | 43% | 42% |
| RAG Rating | ★ | ★ | ★ | ★ |
| Number of adults leaving treatment | 350 | 380 | 420 | 390 |

Previously reported figures for drug rehabilitation showed the number of all adult drug users starting treatment, giving an indication of activity and not outcomes. The data above shows the number of adults that completed drug treatment each quarter free from drug dependency as a proportion of all adults leaving treatment. This indicator has been identified in the national drug strategy and the draft Public Health Outcomes Framework as being the key measure for drug services.

Treatment services in Kent have continued to sustain high rates of successful discharge from drug treatment and perform above the national average.

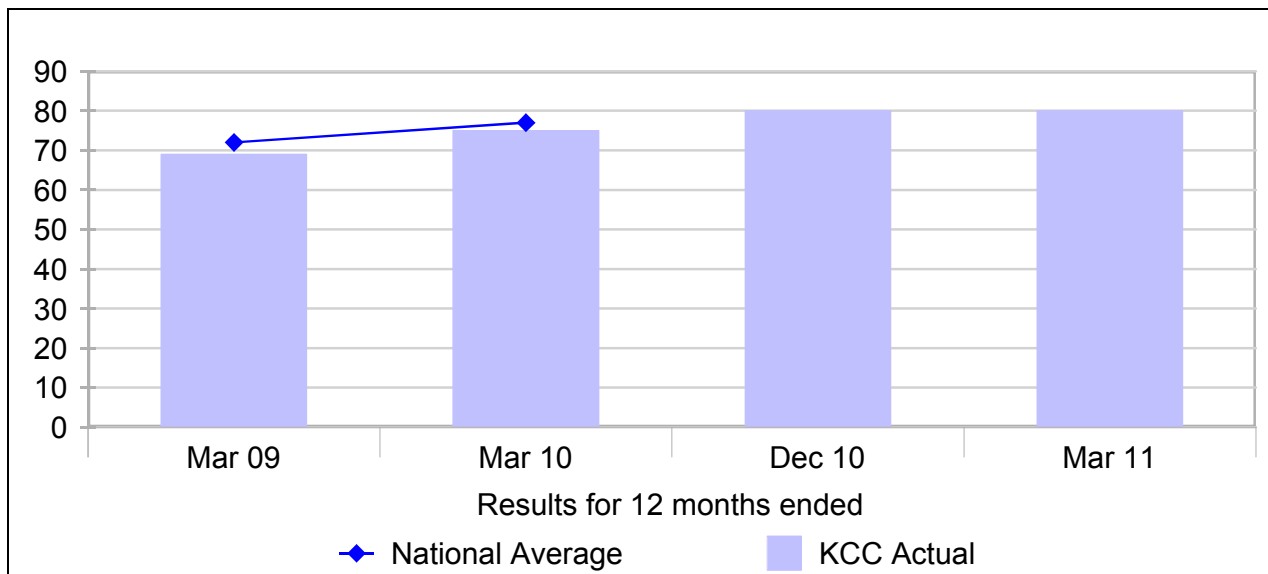
This performance places Kent in a strong position as national policy places greater emphasis on recovery and payment by results for substance misuse services. Kent is one of eight areas in the country to start piloting Payment By Results for drug and alcohol recovery over the next two years.

Data notes:

- Data relates to individual quarters rather than cumulative figures.

Percentage of clients leaving supported accommodation who moved onto independent living

Amber



| Higher value is better | Year ended Mar 09 | Year ended Mar 10 | Year ended Dec 10 | Year ended Mar 11 Provisional |
|-----------------------------|-------------------|-------------------|-------------------|-------------------------------|
| KCC Result | 69% | 75% ↑ | 80% ↑ | 80% ↔ |
| National average | 72% | 77% | N/a | N/a |
| RAG Rating | ● | ● | ● | ● |
| Number of clients moving on | 1,760 | 1,880 | 2,010 | 2,170 |

The Supporting People programme continues to exceed the local target set by the Commissioning Body against local conditions for 2010/11, this target being 71%.

The Kent results were within 2% of the national average (which includes some inconsistencies) in 2009/10. It is anticipated that on the basis of the data for the year ended 2010/11 that the Kent results will match if not outstrip the national average which is 79.6% to the point at which published data for 2010/11 is available.

Data notes:

- Client numbers rounded to nearest 10.
- Data for March 2011 is provisional, unvalidated and may be subject to later revision.
- The descriptions of services across the country are not consistent and therefore benchmark comparisons should be treated with caution.

By: Jenny Whittle, Cabinet Member for Specialist Children's Services
Malcolm Newsam, Interim Corporate Director, Families & Social Care

To: Cabinet 20 June 2011

Subject: Children's Services Improvement Plan

Classification: Unrestricted

Summary Provides Cabinet with the first Ministerial report from the independent chair of the Improvement Board.

1. Introduction

1.1 Cabinet received a report on 4th April on the governance arrangements for children's social care improvement, including the role of the external Improvement Board. On 23rd May Cabinet endorsed the Children's Services Improvement Plan, and agreed the workforce strategy and compelling offer to improve recruitment and retention of social workers.

2. The Improvement Board

2.1 One of the requirements of the Improvement Notice issued by the Secretary of State for Education to the County Council in January 2011 was to "put in place an Improvement Board which shall have an independent chair agreed by the Department for Education, which shall meet once a month and include in its membership key partners and agencies". The purpose of the Board is to ensure effective, cross-partnership oversight of the Improvement Plan in order to ensure delivery of all requirements outlined in the Improvement Notice.

2.2 Liz Railton was jointly appointed by DfE and KCC as the independent chair of the Board, and its first meeting was in February. Ms Railton is required to report progress on a quarterly basis to the Parliamentary Under-Secretary of State at the Department for Education, and to the Leader of the County Council, including specific commentary against the targets set out in the Improvement Notice. Her first report was completed in early May and this is attached at Appendix 1. Although the report is confidential, Ms Railton has agreed to a request by the Leader to make it public in the interests of transparency and openness.

3. Recommendations

Cabinet is asked to NOTE the first Ministerial report of the independent chair of the Improvement Board.

Malcolm Newsam

Interim Corporate Director Families & Social Care

01622 694173

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CONFIDENTIAL**FIRST QUARTERLY REPORT TO THE PARLIAMENTARY UNDER SECRETARY OF STATE FOR CHILDREN AND FAMILIES AND TO THE LEADER OF KENT COUNTY COUNCIL FROM THE INDEPENDENT CHAIR OF THE BIRMINGHAM IMPROVEMENT BOARD****Introduction**

The first meeting of the Kent Improvement Board took place on 21 February and there have been two further meetings since that date. This is therefore the first quarterly report of the Independent Chair. The Safeguarding and Children in Care Improvement Plan was presented in draft at the first meeting and approved at the second meeting. Substantial monitoring data and other evidence to demonstrate progress in implementing the plan have been available at the March and April meetings. There has been significant transparency in the reporting of performance issues in social care services and about the ways in which the improvement plan is being progressed.

Compliance with the Improvement Notice

There is evidence that the Council is taking action to “improve the areas of weakness identified in the Ofsted inspection report”. The Improvement Plan is comprehensive with a strong focus on 10 core tasks considered to be essential to making the service safer in the short to medium term.

The Council does not yet have in place “robust arrangements to sustain and build on the improvements secured”. This is to be expected at this stage.

Sufficiency of progress

The Council has taken a number of positive steps to secure effective strategic leadership of a very challenging improvement programme. In February the Leader appointed a new Lead Member for Children’s Specialist Services, Jenny Whittle. An Interim Director of Children’s Services, Malcom Newsam, was appointed in January and is now, following a corporate restructure, the Interim Corporate Director for Families and Social Care. In January an Interim Director for Children’s Specialist Services was appointed followed in March by the appointment of a new Independent Chair of the Kent Safeguarding Children Board (KSCB).

There have been high level changes to the officer structure in Kent as the organisation establishes a new leadership team and focuses more on commissioning, collaboration and more integrated approaches as the means of achieving an ambitious agenda of improvement. The statutory Director of Children’s Services role is now embedded within the role of the Corporate Director for Families and Social Care. The role includes accountability for Adult Social Care. There is a separate Education Directorate. It is too early to assess the impact on children’s social care but there is an explicit intent to make the delivery of the improvement plan an early test of the success of the new organisation and culture. It has been good to note the efforts made by the political and officer leadership to make contact with front line staff and to ensure regular communication with the service.

The Council has committed itself to making rapid progress. However, the scale of the challenges that continued to emerge after the publication of the Ofsted report has absorbed considerable capacity and this has slowed progress. It is to the Council's credit that its early activity was focused on establishing the full extent of risks within the service. There were significantly greater numbers of unallocated cases than had been previously identified. Problems with the accuracy of the activity and performance data made it difficult to assess how much work might be required to address backlogs and, more importantly, the full extent to which children might be at risk.

Much of the activity reported to the Board during this first quarter has been about getting accurate information about the types of cases within the backlog and responding to them appropriately. There has been marked progress on this. There are no unallocated child protection cases and the total numbers unallocated have reduced from over 2269 at the end of February to 973 on 10 April. However, referral rates, numbers of children subject to child protection plans and numbers of children looked after have continued to rise. Although recruitment strategies have been successful and, with the help of agency staff, vacancy levels at the front line are relatively low, the service is highly stressed by these high levels of activity. There is also a significant retention issue which results in lower numbers of more experienced staff. This places additional pressure on management and supervision creating a vicious circle of poor workload management and lack of attention to the quality of practice.

The current focus on 10 core tasks is aimed at breaking this vicious circle in the short and medium term. It is the right approach. The work done thus far has been impressive and it begins to address all the requirements of the Improvement Notice but it is not yet possible to assess progress as being sufficient to give confidence either that children are consistently safer in the short term or that improvement can be sustained over time.

Challenges in the next stage of work

Notwithstanding the excellent strategic leadership that is now in place, there may be issues of pace and capacity in relation to the scale of what needs to be done during the next stages of work. The plans to continue delivering shorter term "fixes" on the backlogs of unallocated cases and the delayed assessments look robust as a peripatetic team of 30 social workers and 6 managers has been taken on for 6 months.

The Council is aware that, without these inputs from additional staff, reaching a more sustainable position on workloads and the quality of practice is highly dependent on some significant changes:

- ***A new operating model for the service*** will be required as there is already evidence that the current model impedes good practice. There is a substantial risk that backlogs will grow again if the existing operational model remains in place.
- ***The implementation of a new Performance Management Framework and a new Quality Assurance Framework*** will require both capacity and capability if it is to be successfully embedded within the service. Experience in other LAs suggests that this is challenging work because it requires staff at every level in the organisation to record and make use of performance data, to understand what good practice looks like, to

scrutinise it on a systematic basis and to take positive action whenever there are weaknesses in practice.

- ***A recruitment and retention strategy*** that focuses on the urgent need for experienced practitioners within the service. Although there is a positive story about improved recruitment of front line staff, there is significant risk arising from a pre-dominance of newly qualified staff. Given the national context of shortages in the social care workforce, this will not be an easy issue to address and will require a highly pro-active approach to delivery as well as good strategies.
- ***A much improved IT system*** that enables accurate and timely data about activity and performance to be available throughout the service. Again there is a national context for this and Kent needs to ensure that it is well networked with peers who are also addressing this issue. The current system has not served Kent well and continues to hold back progress in making improvements.
- ***Working with partners*** to clarify and operate effective thresholds for access to the social care service. The high rate of referrals to the service is unsustainable. However, this issue is not easily addressed as the Council needs to work very closely with partners so that there is full understanding of thresholds and genuine realignment of the resources and priorities of all agencies working with children and families. Health partners have engaged with the Improvement Board and are reporting both good progress and some significant challenges in delivering the improvements that have been required by the Care Quality Commission. However, there are some issues about the extent to which partners feel ownership of the Common Assessment Framework and the implementation strategies in Kent. There appears to be a significant legacy of silo working with the LA now needing to reach out to partners in a more inclusive way.
- ***The Kent Safeguarding Children Board also needs to secure more meaningful engagement from partners.*** The new Chair has moved quickly to strengthen the Board. There have been changes in local health organisations and there now needs to be more alignment between senior health staff and the membership of the Board. There also needs to be fuller participation in the leadership of the Board's business through the chairing of Board sub-groups. Although a new multi-agency performance framework is nearing completion, there has not been sufficient capacity for analysis of performance management information with the result that the important multi-agency scrutiny role of the Board has not been rigorous. There is a recommendation that this capacity issue should be addressed.
- ***Succession planning for the leadership*** of the service is a current issue. There are a number of senior positions filled on an interim basis, partly due to the corporate organisational changes and partly in response to the particular improvement challenges in children's social care. Malcolm Newsam, now the Interim Corporate Director for Families and Social Care, joined Kent on an interim basis in January 2011 and has driven forward a well focused programme of immediate improvements. He has undoubtedly given the Council and its staff leadership and a sense of direction at a critical time. Similarly the commitment of the new Lead Member for Specialist Children's Services, Jenny Whittle, has reinforced the priority given to the

improvement agenda by the political leadership of the Council. Malcolm's initial appointment was for a 6 month period but the efforts during February and March to recruit a permanent Director did not attract a sufficiently strong field and Kent is actively continuing its search. Clearly this situation has the potential to impact on the sustainability of improvements so this is a major issue for the Council to resolve although it is likely that Malcolm will be prepared to continue his interim role for longer than 6 months.

Concluding Comments

The Council, through its Leader and Chief Executive, has ensured political and officer leadership for the improvement agenda, committing resources to making immediate changes and recognising the levels of risk to children inherent in the current service. In the context of a large and diverse County, a great deal remains to be done to achieve sustained impact. This will test the Council's ongoing capacity and capability given the major challenges listed above. The Lead Member in particular has been active in looking at examples of good practice in other places that can be adapted to the Kent environment. She and the Interim Corporate Director have been securing external support. In order to secure sufficient pace in taking things forward the Improvement Plan would probably benefit from a stock take of the internal capacity available to support the next stage of work so that early decisions can be made on the sourcing of any necessary support.

Liz Railton CBE

Independent Chair of the Kent Safeguarding and Looked After Children Improvement Board

9 May 2011

To: Cabinet – Monday 20 June 2011

By: Graham Gibbens – Cabinet Member for Adult Social Care and Public Health
Roger Gough – Cabinet Member for Business Strategy, Performance & Health Reform
Meradin Peachey - Director of Public Health

Subject: Proposal for the alignment of PCT public health staff to KCC and associated Memorandum of Understanding

For: Approval

Summary:

1. Responsibility for public health is proposed to transfer from the NHS to local authorities and new body called Public Health England from 2013. This report introduces a Memorandum of Understanding (MOU) between KCC and the Kent PCT's designed to facilitate the alignment of PCT staff to KCC management without changing their terms and conditions of employment or the accountabilities of the PCTs, which will remain responsible for public health until 2013.
2. The MOU is attached to this report.

Introduction:

3. The changes to the organisation of public health in England have been proposed in the White Paper – Healthy Lives, Healthy People – and incorporated in the Health and Social Care Bill currently before parliament. The key changes proposed and their implications have been reported to KCC Cabinet and PCT Boards on previous occasions but it is helpful to rehearse the timetable that applies and therefore the period covered by the proposed MOU:
4. Local authorities are able to begin preparations for the change in responsibilities from April 2011 onwards.
5. The Human Resources Framework for transition of public health staff is expected to be issued by the Department of Health during Summer 2011.
6. Shadow arrangements for discharging the public health responsibilities within upper tier local authorities such as KCC should be in place by April 2012.

7. Indicative budgets will be issued for April 2012 onwards. Ring fenced budgets based on the funding currently devoted to public health activity in the NHS and according to population profiles will be given to local authorities from 2013.
8. Current proposals are that public health commissioning will be subject to oversight by the Health and Wellbeing Board (H&WB Board) to ensure it reflects the priorities identified in the Joint Strategic Needs Assessment and Health and Wellbeing Strategy that the new legislation requires. KCC is an early implementer for H&WB Boards and the next meeting of the emerging "Shadow Shadow" board is in July. H&WB Boards should be established in shadow form by April 2012 and be fully operational by April 2013.
9. Latest information from the DH is that Public Health England will be established from July 2013 at the earliest. This has changed from the initial date of April 2013.

Transition in Kent

10. The purpose of the MOU is to align PCT staff currently engaged in public health with KCC day to day management. There is no intention to change terms and conditions of service for these staff or the responsibility for their employment which will remain clearly with the PCTs until other arrangements are made or the PCTs cease to exist. In particular any and all financial responsibility for these staff including any redundancy payments or pension arrangements will remain with the PCTs unless and until a full formal transfer of staff to KCC is negotiated separately. The MOU specifically excludes the aligned staff from accruing from KCC any employment rights under TUPE.
11. These staff will report to the jointly appointed Director of Public Health (DPH) who holds dual accountability to KCC and the Kent PCTs and will continue to remain accountable to the PCT Boards (via the PCT Cluster Board), for specific public health performance delivery, during the life of the PCTs.
12. Full legal accountability for the public health service will continue to remain with the PCTs unless and until it is formally transferred to KCC through legislation.
13. Schedule 3 of the MOU describes the accountabilities under the proposed arrangements.
14. The staff mainly comprise the public health consultants (the highest qualified public health staff) and associated colleagues. Staff will be aligned with districts within Kent to ensure local responsiveness is maintained and also with KCC directorates so that the function can be integrated across all of KCC's activities and responsibilities.
15. The alignment involves approximately 55 staff with an annual salary cost of approximately £3.2m.

16. Following further discussion with KCC Personnel and Legal Services the MOU now includes two additional clauses to the final draft document:

- in relation to information governance to ensure statutory obligations are met and the information reporting obligations of the organisations involved are identified and managed accordingly
- to define managerial responsibilities and accountabilities to ensure the demarcation between the employing organisations and those managing the staffing resources are fully understood

Public Health functions:

17. The functions of public health that are the responsibility of the DPH are listed in the MOU Schedule 5.

18. The budgets within PCTs identified as supporting public health activity so far are listed in the MOU Schedule 4. Work continues to locate other relevant budgets within the PCTs and it is expected that the figure of c. £17m reached so far will increase in the near future.

19. Taken together these schedules list the many current and new functions that will be assumed by KCC from 2013. Given the extent of the new responsibilities it is sensible for the staff involved to be aligned within KCC structures sooner rather than later to enable both staff and KCC itself to adjust to the new arrangements.

Recommendation:

Members are asked:

- to note the alignment of the PCT staff and posts to KCC management structures under the terms of the MOU, as attached to this report, prior to consideration at County Council on 21 July 2011.

Attached

Memorandum of Understanding for alignment of PCT public health staff to KCC.

Meradin Peachey
Director of Public Health

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DATED

- (1) NHS EASTERN & COASTAL KENT**
- (2) NHS WEST KENT**
- (3) KENT COUNTY COUNCIL**

**Memorandum of Understanding
Alignment of PCT staff to KCC**

PARTIES

- (1) **NHS EASTERN & COASTAL KENT** whose principal place of business is at Brook House, Chestfield, Canterbury, Kent CT1 1AZ **and**
- (2) **NHS WEST KENT** whose principal place of business is at Wharf House, Medway Wharf Road, Tonbridge, Kent TN9 1RE together and NHS (together the “**PCTs**” and each a “**PCT**”); and
- (3) **KENT COUNTY COUNCIL** whose principal place of business is at Sessions House, County Hall, Maidstone, Kent ME14 1XQ (‘**KCC**’)

1. Glossary

- 1.1. If a word or term in this Memorandum of Understanding (‘this Memorandum of Understanding’) is capitalised, it will have the meaning set out in the Glossary in Schedule 1.

2. Purpose

- 2.1. The PCTs have agreed to align certain employees to fulfil the Functions (“being the oversight, management and governance of the Public Health functions, with the exception of Business planning and continuity which sits within Emergency Planning within the PCT”) under the management of KCC.
- 2.2. This Memorandum of Understanding does not set out every detail about the alignment of staff and the incidental arrangements. It sets out a high level summary of the basis of the agreement between the Parties.
- 2.3. With the exception of paragraphs 5 to 12 inclusive (Key Terms, Costs, Information sharing and Data Protection Act; Confidentiality and Intellectual Property, Freedom of Information, Counterparts, Governing Law and Third Party Rights), and the provisions of the 1st and 2nd Schedule, this Memorandum of Understanding is not intended to be legally binding upon the Parties.

3. Background

- 3.1. Statute (the National Health Service Act 2006) enables the PCTs to work jointly with local councils in the interests of efficiency.
- 3.2. The PCTs have been working jointly with KCC for several years under joint commissioning arrangements in a number of areas, including some senior joint appointments, for example the Director of Public Health.
- 3.3. The Government set out in July 2010 its intention to abolish Primary Care Trusts by March 2013. The Government’s White Paper also set out intentions to transfer public health functions from Primary Care Trusts to new arrangements located in upper tier local councils.

- 3.4. The PCTs and KCC are entering into this Memorandum of Understanding to ensure the business continuity of existing joint commissioning arrangements and to begin the permanent movement of these, and other public health functions, from the PCTs to KCC.
- 3.5. Both parties recognise that in future a permanent transfer of some staff may take place subject to certain safeguards and approvals. For the avoidance of doubt, however, this Memorandum of Understanding executes a temporary alignment of staff on an interim and temporary basis, as defined in the Department of Health Letter from Sir David Nicholson dated 17 February 2011,(to view letter go to http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/DH_124440) and not a transfer of staff.

4. Timetable

- 4.1. The Parties intend this Memorandum of Understanding to take effect from 22 July 2011.

5. Key Terms

- 5.1 From 22 July 2011, KCC shall take over the oversight, management and governance of the functions. Public health with the exception of business planning and continuity KCC shall utilise its existing management and governance arrangements in connection with the functions. In practice, this will mean that:
 - 5.1.1 the Aligned Staff and Transferring Functions will be managed on a day to day basis by KCC, but for the avoidance of doubt the PCTs shall retain ultimate managerial control of the Aligned Staff ;
 - 5.1.2 the Aligned Staff shall remain employees of the PCTs
 - 5.1.3 the KCC Chief Executive, or her nominated deputy, shall attend such relevant meetings of the Boards of the PCTs as the PCTs may reasonably require for the purposes of discussing the operation of the Transferring Functions; and
 - 5.1.4 KCC, with the cooperation of the PCTs, shall ensure that appropriate organisational governance procedures are in place for the oversight of the Transferring Functions and will provide the PCTs with periodic assurances and risk reports regarding the services.
- 5.2 KCC will undertake the Transferring Functions with all reasonable skill and care, in accordance with all Change Management Policies, guidance and legislation applicable to the Transferring Functions in such a manner
 - 5.2.1 (a) so as to ensure business continuity of the Transferring Functions;
 - 5.2.2 that is consistent with the PCTs and KCC discharging their statutory functions; and in cooperation with all relevant stakeholders.
- 5.3 The PCT's will follow their own managing change policies for any consultation within the transition.
- 5.4 The PCTs shall take all reasonable steps to ensure the cooperation of the Aligned Staff with KCC in respect of their responsibilities under paragraph 5.2 and this Memorandum of Understanding in general.

- 5.5 The Transferring Functions under this Memorandum of Understanding shall be provided on a cost neutral basis. There shall be no payment made for the day to day management function provided by KCC
- 5.6 The Aligned Staff to be deployed to KCC under this Memorandum of Understanding will be so deployed on the basis more particularly set out at Schedule 2.
- 5.7 The Aligned Staff shall not immediately move their work location to offices within the premises of KCC, but may be required to do so in the future in accordance with the provisions of their contracts of employment.
- 5.8 The term of this Memorandum of Understanding will be from 22nd July 2011 until 31 March 2013 or until the PCTs cease to exist or cease to have responsibility for the Transferring Functions, whichever is the earlier, unless terminated earlier in accordance with paragraph 5.8 or 5.9 below.
- 5.9 This Memorandum of Understanding may be terminated by written agreement between both Parties signed under hand by the agreed representatives of both Parties. Termination agreed in this way shall not take effect until any required period of consultation with the Aligned Staff and other affected staff is completed and in any case not until three months after the date of the signed agreement to terminate.
- 5.10 This Memorandum of Understanding will terminate on the full transfer of Aligned Staff to KCC should that transfer be agreed between the Parties or required by statute, statutory instrument or by Order
- 5.11 The PCTs shall provide support services to KCC under this Memorandum of Understanding in respect of the Aligned Staff to include payroll, human resources (including training) and insurance and commissioning staff functions commensurate with the duties of the employing organisation as set out at Schedule 2.
- 5.12 KCC shall not provide support services to the PCT under this Memorandum of Understanding.
- 5.13 Without prejudice to the provisions of paragraph 1. of the 2nd Schedule, both parties shall remain liable for any losses or liabilities incurred due to their own or their employee's actions and neither party intends that the other party shall be liable for any loss it suffers as a result of this Memorandum of Understanding.
- 5.14 The Parties share financial risks to the extent described under existing agreements between the Parties.
- 5.15 Senior managers of KCC shall report to KCC on all matters relating to the operational management and oversight of the Transferring Functions. KCC shall take over the oversight, management and governance of the functions and shall utilise its existing management and governance arrangements in connection with these Functions.
- 5.16 The agreed representative for each Party will be: the Chief Executive Officer for each Party, namely Ann Sutton for the PCTs and Katherine Kerswell for KCC.
- 5.17 Disputes will be referred to the Chief Executive Officer of each Party as defined in clause 5.16.

5.18 The financial liability of each staff group within the Transferring Functions is set out in Schedule 2 of this Memorandum of Understanding.

6. Costs

6.1. The PCTs and KCC agree to pay their own costs and expenses incurred in connection with the negotiation, preparation and signing of this Memorandum of Understanding and any of the documents mentioned herein.

7. Information sharing and Data Protection Act

7.1 The Parties shall registered under the Data Protection Act 1998 ("DPA") and the Parties will duly observe all their obligations under the DPA which arise in connection with this Memorandum of Understanding and

7.1.1 to take appropriate technical and organisational measures against accidental loss or destruction of and damage to any personal data and.

7.1.2 not to transfer any personal data outside the countries of the European Economic Area without and only to the extent of any written consent of the relevant data subject and the other Parties.

7.2 Notwithstanding the general obligation in this clause, where any Party is processing personal data (as defined by the DPA) as a data processor for any other Party (as defined by the DPA), that party shall ensure that it has in place appropriate technical and organisational measures to ensure the security of the personal data (and to guard against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to, the personal data), as required under the Seventh Data Protection Principle in Schedule 1 to the DPA.

7.3 The Parties undertake to:

7.3.1 provide the each other with such information as another Party may reasonably require to satisfy itself that they are complying with its obligations under the DPA;

7.3.2 promptly notify the relevant Party of any breach of any security measures required to be put in place pursuant to the DPA; and

7.3.3 ensure that it does nothing knowingly or negligently which places another party in breach of that Party's obligations under the DPA.

7.4 The provisions of this clause shall apply during the continuance of this Memorandum of Understanding and indefinitely after its expiry or termination.

7.5 Subject to the requirements of this Clause 7 and the Data Protection Act the Parties agree throughout the Period of the Memorandum of Understanding to co-operate with others in the provision to the others of information reasonably required to enable them to report on their statutory obligations and planning overall strategies to meet statutory obligations

8. Confidentiality and Intellectual Property

- 8.1 Each Party acknowledges that it is a public authority within the meaning of Schedule 1 of the Freedom of Information Act 2000. In consideration of each Party providing confidential information to the other in connection with the Memorandum of Understanding or any tender or transfer of services, the PCTs and KCC each agree not to (and will make sure that no officer, employee or agent acting on its behalf will) disclose to any other party any confidential information concerning or in connection with the Parties or this Memorandum of Understanding, subject to its obligations under the Freedom of Information Act 2000, the *Code of Practice on Openness in the NHS* (4 August 2003) and any other applicable laws, rules, regulations and guidance
- 8.2 All written information and data made available by one Party ("the Disclosing Party") to the other ("the Receiving Party") hereunder is confidential ("Confidential Information") and each Party undertakes to treat such Confidential Information with the same care as it would reasonably treat its own confidential information.
- 8.3 Each Party will ensure that its staff comply fully with the principles and requirements set out in the Caldicott Report.
- 8.4 Each Party undertakes that the transmission of patient related information will comply with the PCT's Information Governance requirements and will be sent to safehaven addresses whether transmitted electronically, by facsimile or post.
- 8.5 Each Party will use all reasonable endeavours to ensure that the Confidential Information is not copied or disclosed to any third party whatsoever.
- 8.6 Upon written request of the Disclosing Party on expiration or termination of this Memorandum of Understanding the Receiving Party will return to the Disclosing Party all Confidential Information not previously returned.
- 8.7 The obligations contained in this clause will survive termination of this Memorandum of Understanding by ten (10) years.
- 8.8 Information shall not be considered as Confidential Information where it is:
- 8.8.1 already in the public domain other than through default of the Receiving Party;
 - 8.8.2 already in the Receiving Party's possession with no obligation of confidentiality; or
 - 8.8.3 Independently developed by the Receiving Party without reference to the Confidential Information.
- 8.9 Any samples, plans, drawings or information relating to the subject matter of this Memorandum of Understanding supplied to or specifically produced by one Party for another, together with the copyright, design rights or any other intellectual property rights in the same, shall be the exclusive property of the Disclosing Party and shall be used solely by the Receiving Party for the purposes of this Memorandum of Understanding.

9. Freedom of Information

- 9.1 The Parties acknowledge that the other Parties are subject to the requirements of the Freedom of Information Act and the Environmental Information Regulations 2004 and each Party shall assist and co-operate with the others (at their own expense) to enable the other Parties to comply with these Information disclosure obligations.
- 9.2 Where a Party receives a Request for Information (“Request for Information” means any request for information made pursuant to the Freedom of Information Act 2000 or the Environmental Information Regulations 2004”) in relation to information which it is holding on behalf of any other Party, it shall (and shall procure that its sub-contractors shall):-
- 9.2.1 transfer the Request for Information to the other Party as soon as practicable after receipt and in any event within two Working Days of receiving a Request for Information;
 - 9.2.2 provide the other Party with a copy of all information in its possession or power in the form that the other Party requires within five Working Days of that Party requesting that Information; and
 - 9.2.3 provide all necessary assistance as reasonably requested by the other Party to enable that Party to respond to a Request for Information within the time for compliance set out in section 10 of the Freedom of Information Act or regulation 5 of the Environmental Information Regulations 2004.
- 9.3 Where a Party receives a Request for Information which relates to this Memorandum of Understanding, it shall inform the other Party of the Request for Information as soon as practicable after receipt and in any event within two Working Days of receiving a Request for Information.
- 9.4 If a Party determines that information (including Confidential Information) must be disclosed, then it shall notify the other Party of that decision at least two Working Days before disclosure.
- 9.5 The Parties shall be responsible for determining at their absolute discretion whether the Information:-
- 9.5.1 is exempt from disclosure under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004;
 - 9.5.2 is to be disclosed in response to a Request for Information.
- 9.6 The Parties acknowledges that the other Party may, acting in accordance with its obligations under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 or in accordance with a decision of the Information Commissioner, the Information Tribunal or other similar court or tribunal be obliged under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 to disclose Information:-
- 9.6.1 without consulting with the other Party, or
 - 9.6.2 following consultation with the other Party and having taken its views into account.
- 9.7 The Parties agree and acknowledges that any information disclosed in accordance with paragraph 9.6 above will not amount to a breach of any part of this Memorandum of Understanding.

10. Counterparts

This Memorandum of Understanding may be executed in any number of counterparts, each of which when executed will constitute an original of this Memorandum of Understanding, but all the counterparts shall together constitute the same Memorandum of Understanding.

11. Governing law

This Memorandum of Understanding and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

12. Third party rights

This Memorandum of Understanding is for the benefit of, and where applicable, is binding on the Parties and their respective successors and assigns. Anyone who is not a party to this Memorandum of Understanding will not have any rights under this Memorandum of Understanding.

SCHEDULE 1 GLOSSARY

| | |
|---------------------------------|--|
| Aligned Staff | Those staff detailed under Schedule 2 who will remain employees of the PCTs but be managed on a day to day basis by KCC for the PCTs under the terms of this Memorandum of Understanding |
| Confidential Information | shall mean any information which has been designated as confidential by any Party in writing or that which ought to be considered as confidential (however it is conveyed or on whatever media it is stored) including information which relates to the business, affairs, properties, assets, trading practices, Services, developments, trade secrets, intellectual property rights, know-how, personnel, customers and suppliers of either Party, all personal data and sensitive personal data within the meaning of the Data Protection Act 1998; |
| Transferring Functions | The functions and management arrangements to be undertaken by KCC under this Memorandum of Understanding, as set out in paragraph 5.1 |
| PCTs | The PCTs being the organisations with which the Aligned Staff have their contract of employment |
| Employee Emoluments | All employment related outgoings including salaries, wages, bonus or commission, holiday pay, expenses, national insurance and pension contributions and any liability to taxation; |
| Parties | The PCTs and KCC; |

Interpretation:

- References to any statute, statutory instrument, regulations or guidance are references to those as from time to time amended, replaced, extended or consolidated.
- References to any statutory body shall include its statutory successor(s) or assign(s).

SCHEDULE 2
STAFF ALIGNMENT ARRANGEMENTS

- 1.1. The Parties agree the following arrangements for the alignment of Aligned Staff to KCC
- 1.2. The Aligned Staff shall be line managed by and accountable to officers of KCC where their previous line management arrangements within the PCTs no longer exist following their alignment.
- 1.3. The Aligned Staff shall remain employed by the PCTs in accordance with their contracts of employment and the PCTs shall remain entirely responsible for all payments due to or with respect to them including all PAYE (Pay As You Earn) and NHS Pension Scheme payments and for any action which may be required in relation to the employment of the Aligned staff such as action in respect of conduct, attendance or performance but the PCTs shall consult with KCC about any such proposed action and should KCC become aware of any act or omission of the Aligned Staff which may constitute any material breach of their terms or conditions then KCC shall notify the PCTs.
- 1.4. For the avoidance of doubt, the period of the alignment of staff is intended to end upon the termination of this Memorandum of Understanding.
- 1.5. The Parties shall consult with each other about any proposal to make any change to the terms and conditions of employment of the Aligned Staff but it shall be the responsibility of the PCTs to consult with the Aligned Staff about such changes to terms and conditions and ultimately to implement any changes.
- 1.6. KCC shall be responsible for ensuring that the Aligned Staff receive appropriate supervision, appraisals and reviews where their previous line management arrangements within the PCTs no longer exist following their alignment
- 1.7. All Aligned Staff under this Memorandum of Understanding will have an entitlement to annual leave in line with their NHS (National Health Service) terms and conditions of employment. Arrangements for holiday absences will, be initially discussed and agreed with the operational line manager, who, if a KCC member of staff will ensure that relevant PCT receives a contemporaneous note of all holidays taken and those planned for each member of staff.
- 1.8. KCC will ensure that at the premises which it controls there are sufficient resources in order for the Aligned Staff based at those premises to be operationally effective. This will include sufficient desks, chairs, (but not telephony and computer equipment), together with a secure and safe internet connection.
- 1.9. Where the Parties agree there is a business need for the same the Parties will provide Aligned Staff with equitable access to mobile telephones, which will be regularly maintained.
- 1.10. Aligned Staff will complete paperwork required by the PCTs and will have access to stationery and resources to enable them to function on a day to day basis.
- 1.11. All Aligned Staff will be deployed to work with KCC. They will be accountable to the Director of Public Health, Meradin Peachey through their respective line management structure regardless of professional background, unless those management structures have ceased to exist in which case paragraph 1.2 of this Schedule will

apply. This will include accountability for performance activity and budget management against the respective service and management of their workload.

- 1.12 All parties will work to the highest standards of service quality and will strive for continuous improvement and use the following PCT or KCC equivalent codes of organisational practice.
- a) Clinical Governance
 - b) Infection Prevention and Control
 - c) Patient Information Confidentiality
 - d) Information Security and Governance, including the transmission and receipt of personal identifiable information using safehaven procedures.
 - e) Controls Assurance
 - f) Audit
 - g) Equipment maintenance, testing and calibration standards
 - h) Care Quality Commission (CQC) Quality and Safety Outcomes
 - i) Reporting of Risks and Incidents
 - j) All relevant standard operating procedures regarding the services covered by this Memorandum of Understanding.
- 1.13 Access to reports on performance against the above standards will be made available at the reasonable request of any Party.
- 1.14 All Parties will take account of the key principles of the NHS Constitution and operate within all NHS standards, guidance, protocols, policies and mandates and deliver the services with due care and diligence.
- 1.15 All Parties will comply with all regulations and guidelines set by the statutory bodies and professional organisations regarding training and practice of their professional and administrative staff for the services covered by this Memorandum of Understanding. All Parties will further ensure that their respective professional staff fulfil the requirements for registration to practice with the relevant UK registration body and are so registered.
- 1.16 All Parties will warrant that each member of staff involved in the delivery of this Memorandum of Understanding has the appropriate level of qualifications, experience and competency and have the appropriate level of Criminal Records Bureau and security clearance.
- 1.17 All Parties will comply with their own organisational processes for reporting and managing serious incidents; the review and management of which will be fully discussed between the parties. Where required and appropriate, action plans will be produced and shared.
- 1.18 The Parties do not believe that the arrangements under this Schedule constitute a relevant transfer for the purposes of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") but in the event that it is agreed or determined that TUPE does apply then:

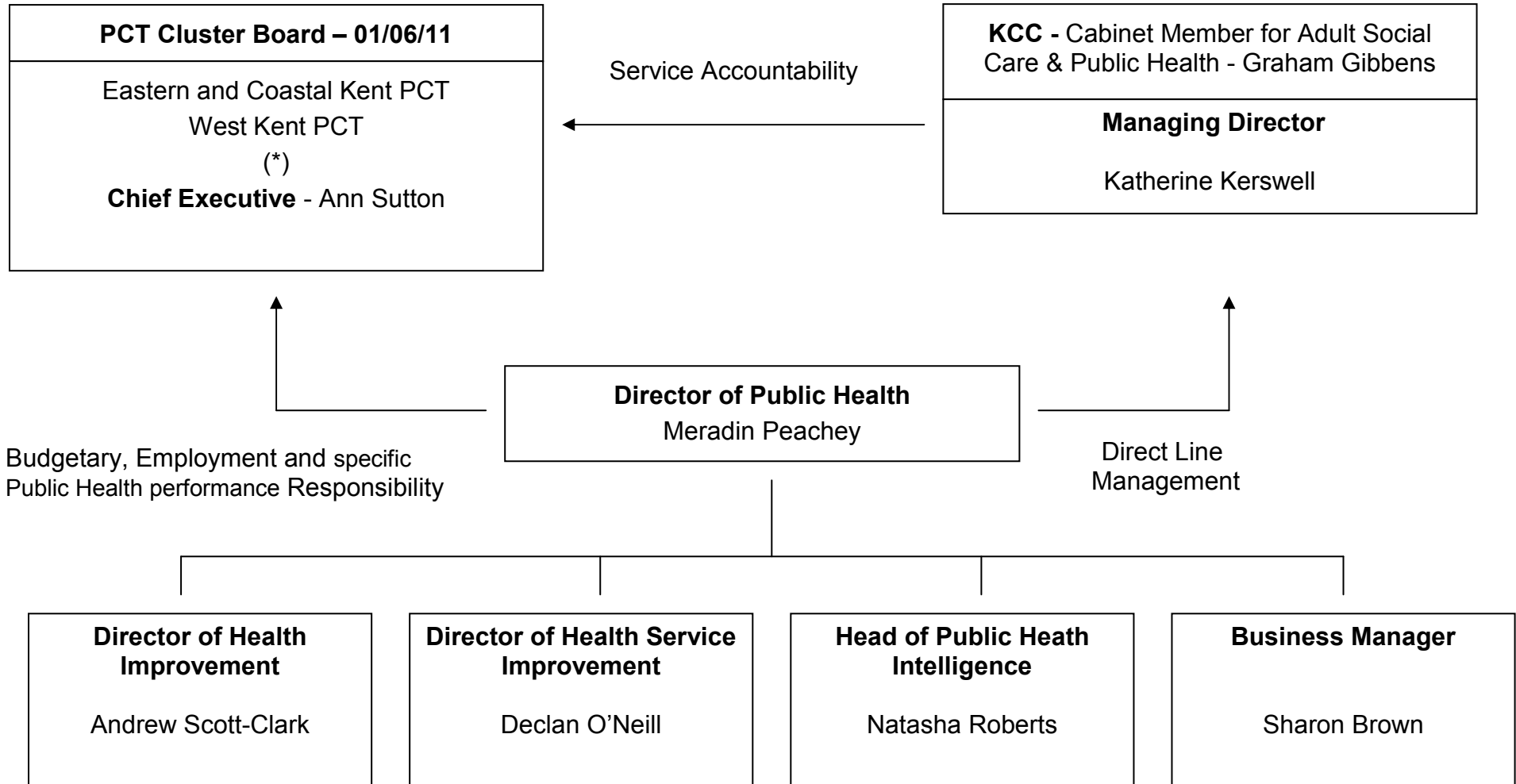
- 1.18.1 the PCTs shall be responsible for all Employee Emoluments in relation to the Aligned Staff up until the date of termination of this Memorandum of Understanding even if the date of the transfer is deemed to have occurred earlier;
- 1.18.2 the PCTs shall indemnify and keep KCC indemnified against all claims, losses, damages or awards including any associated legal costs incurred by KCC arising out of or relating to any act or omission of the PCTs arising from or relating to the employment of the Aligned Staff or its termination prior to the date of the termination of this Memorandum of Understanding or the date upon which any transfer of staff in accordance with TUPE is deemed to have occurred if earlier; and
- 1.18.3 the PCTs and KCC shall otherwise cooperate with each other to determine such other required financial contributions and other necessary arrangements that may be required to give effect to the transfer.
- 1.19 For the avoidance of doubt, the PCTs shall continue to be responsible in respect of any claims or other liabilities whatsoever which arise in respect of or from the Aligned Staff and in respect of any claims or other liabilities to any third party arising out of any act or omission of the Aligned Staff during the term of the Memorandum of Understanding and it will continue to maintain such relevant NHSLA cover in respect of the Aligned Staff except for all claims or liabilities arising from any act or omission of KCC.
- 1.20 The PCTs shall use its reasonable endeavours to procure the consent of the Aligned Staff to KCC having access to such personal data relating to the Aligned Staff which is under the PCTs' control as may be reasonably required by KCC.
- 1.21 Nothing in this Schedule shall be construed as having the effect of forming or recording any relationship of employer and employee between the Aligned Staff and KCC.
- 1.22 Financial responsibility for PCT staff remains with the PCTs and for KCC staff financial responsibility remains with KCC.
- 1.23 Budgetary responsibility is held by the Director of Public Health, who is accountable to both PCTs and KCC under their respective financial protocols and procedures

Schedule 3

Governance and Accountability of PCT staff Aligned with KCC

(* Medway PCT, not shown here has similar accountability to PCT Cluster Board)

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Schedule 4

Currently identified commissioned public health activity and budgets in Eastern and Coastal Kent PCT and West Kent PCT:

| Service | Contract value – 11/12 | Service Provider |
|--|--|--|
| East Kent Stop Smoking Service | £1,609,970 | Eastern and Coastal Kent Community Services NHS Trust |
| Healthy Weight Services | £937,831 | Eastern and Coastal Kent Community Services NHS Trust |
| Health Trainer Service | £683,395 | Eastern and Coastal Kent Community Services NHS Trust |
| Sexual Health services | £7,090,432 | Eastern and Coastal Kent Community Services NHS Trust |
| Sexual Health Promotion | £374,015 | Eastern and Coastal Kent Community Services NHS Trust |
| Termination of Pregnancy | £1,116,787 | Marie Stopes |
| Healthy Schools programme – (overseen by Children’s Services Commissioner) | £305,546 | Eastern and Coastal Kent Community Services NHS Trust |
| Breastfeeding promotion (£90k) | £0K 11/12 (£90K 10/11) | PS breastfeeding |
| Healthy walk funding | £0K 11/12 (£81K 10/11) | Kent County Council |
| Swale Community development worker | £19,488 | Swale CVS |
| GP Healthy weight pilots | £TBC 11/12 £167,385 10/11 | Various practices |
| Enhanced services | £138,696 £98,564 £566,879 £65,000 | Various practices |
| Alcohol services | £400,127 | KDAAT * commissioned jointly with Probation Service who contribute £60k |
| West Kent Stop Smoking Service | £1,000,000 | Stop Smoking Team (Public Health) |

| | | |
|---|---------------------------------|--|
| Healthy Weight Services | £437,999 | Local Authorities and Healthy Living Centres Dartford & Gravesham NHS Trust (dietetics dept) |
| | £36,000 | NB: In addition, PCT awarded Pilot Status for DoH Change4Life (one-off funding from Community fund - £50k) |
| | £8,000 | One off programme of training from accredited training providers |
| | £130,000 | Acute Hospitals (DVH, Maidstone and Pembury); Community Breastfeeding Support workers; individual contracts with National Childbirth Trust; |
| | £47,000 | West Kent Community Health |
| Health Trainer Service | £75,000 | NHS West Kent |
| Sexual Health services | 1,000,000 | NHSWK Chlamydia Team West Kent Community Health Acute Trusts for GUM GPs and community pharmacies Healthy Living Centres Urban Blue bus |
| Local Authority Community Development (Health and Wellbeing programmes) | £291,999 £270,000 | 6 Local Authorities |
| Alcohol services | £90,000 £40,000* £133,000 | KDAAT * commissioned jointly with Probation Service who contribute £60k |
| Healthy Schools programme | £180,000 | NHS West Kent |
| Total | £17,145,688 | |

Schedule 5

Current public health functions that are the responsibility of the Kent DPH:

These functions have been identified along with the staff that currently deliver them. Some of the main local authority contributions are included in italics:

| HEALTH IMPROVEMENT | WORKFORCE |
|--|---|
| <p>Joint strategic Needs Assessments (JSNA)</p> <p>Commission Health and Well being interventions</p> | <p>Consultant in Public Health Public Health intelligence officers <i>Joint work with LA's esp. KASS and CFE</i></p> <p>Consultant in Public Health</p> |
| <p>Building sustainable capacity and resources for health improvement and reducing health inequalities:</p> | <p>Public Health specialists with commissioning skills <i>Many LA functions contribute directly to reducing health inequalities – HI Strategy applies</i></p> |
| <p>Sexual health (inc Teenage Pregnancy)</p> <p>Manage business planning, service specification and tender process for service</p> <p>Manage Service Level Agreements and contracts with providers</p> <p>Directly manage provision of chlamydia services</p> <p>Performance management and evaluation</p> | <p>Consultant in PH PH specialists <i>Teenage Pregnancy Partnership Youth Service</i></p> |
| <p>Smoking cessation and tobacco control</p> <p>Manage Service Level Agreements and contracts with service providers</p> <p>Management of smoking cessation service</p> <p>Performance management</p> <p>Analysis</p> <p>Tobacco control</p> <p>Alcohol and substance abuse services</p> <p>Manage service specification and development</p> <p>Performance management, data collection and analysis</p> | <p>Consultant in PH PH specialists</p> <p><i>LA Trading Standards LA Environmental Health</i></p> <p>Tobacco control manager</p> <p>Consultant in PH ,PH specialists <i>Kent Drug and Alcohol Action Team</i></p> |
| <p>Healthy weight</p> <p>SLA and contract with providers</p> <p>Target monitoring and data collection</p> <p>Analysis</p> | <p>Consultant in PH, PH specialists</p> |
| <p>Mental Health</p> <p>Manage service specification and development</p> <p>Manage Service Level Agreements and contracts with providers</p> <p>Performance management</p> | <p>Consultant in PH PH specialists <i>Joint Mental Health Service</i></p> |
| <p>Falls prevention</p> <p>Manage service specification and development</p> | <p>Consultant in PH PH specialists</p> |

| | |
|---|--|
| Activity monitoring | <i>LA KASS involvement</i> |
| Health Care Acquired Infections Performance management and Service Level Agreement monitoring Incident reporting Target monitoring | Consultant in PH PH specialists <i>Kent HealthWatch</i> |
| SCREENING | |
| Antenatal; Neonatal - newborn hearing; Cancer - breast, cervical, bowel; AAA; Diabetic retinopathy; Chlamydia; Develop newborn physical exam Surveillance monitoring Quality assurance SLA and contract monitoring performance, data collection and analysis | PH specialists Consultant in PH |
| HEALTH INEQUALITIES | |
| Healthy living centres service specification, contract monitoring and data analysis Service development Learning difficulties expert input | Consultant in PH <i>Many LA functions contribute directly to reducing health inequalities – HI Strategy applies</i> PH Specialists <i>LA LD services and policy</i> |
| Vulnerable groups expert input | <i>LA services and policy</i> |
| PARTNERSHIP WORKING | |
| Build strategic partnerships Statutory duties include participation in: LSP; CSP; JSNA; Safeguarding Children Board; Children's Trust Board; Local Health and Wellbeing Board Community engagement Advocacy for health <i>Kent Partnership</i> <i>Kent Agreement</i> | Consultant in PH PH Specialists Senior Health Improvement Officers Health improvement specialists Campaigns co-ordinator Consultant in Public Health Health improvement specialists Communications officers <i>Officers from all KCC directorates and policy functions</i> |
| HEALTH AND EUROPE CENTRE | |
| European partnership working Social enterprises Training opportunities for PH staff | Director and business administrator <i>KCC International affairs</i> |
| SCHOOL HEALTH | |
| Enhanced healthy school status promotion National Indicators <i>Healthy Schools programme and PHSE education in schools</i> | Consultant in PH PH specialists <i>LA Function within CFE</i> |

| | |
|--|--|
| HEALTH TRAINERS | |
| Service specification and development SLA monitoring Professional development of HTs Activity data collection and analysis | Consultant in PH PH specialists |
| COMMUNICATION | |
| Social marketing Health promotion | <i>LA policy and comms functions</i> |
| HEALTHCARE - PUBLIC HEALTH | |
| Clinically and cost effective health services commissioning Needs assessment Care pathways, policies and guidelines to improve health outcomes Assess need, demand, utilisation and outcomes Commissioning support through information provision Decommission where evidence supports | DPH, Consultant in PH, PH Specialists, Information Analysts <i>JSNAs jointly with LAs</i> <i>KASS contribution</i> |
| Prioritisation of health and social care services Evaluate clinical and cost effectiveness Exceptional treatment requests •Produce evidence summaries •Panel members Clinically appraise business cases | DPH, Consultant in PH, PH Specialists, Information Analysts, PH Pharmacist |
| Equity of service provision Monitor access and use of services Use of Health Equity Audit Use of Equity Impact Assessment Plan services for vulnerable groups | DPH, Consultant in PH, PH Specialists, Information Analysts <i>Kent HealthWatch</i> |
| Clinical governance and quality improvement Agree service specifications and standards to monitor performance and outcomes Generate information to support QA and monitor performance Audit services and practices to improve outcomes Benchmarking against NICE guidelines | DPH, Consultant in PH, PH Specialists, Information Analysts <i>Kent HealthWatch</i> |
| Healthcare audit, evaluation and research Links with Equity of service provision and Academic PH | DPH, Consultant in PH, PH Specialists, Information Analysts |

| | |
|---|--|
| Patient safety | DPH, Consultant in PH, PH Specialists, Information Analysts, statistician |
| Risk analysis | <i>Kent HealthWatch</i> |
| Serious untoward incident management | |
| Healthcare development/planning Horizon scanning Analyse cost, benefits and risks for new services/technologies Facilitate strategic and business planning Develop service frameworks | DPH, Consultant in PH, PH Specialists |
| Leadership for health Strategic view of future developments in health Provide leadership for improving health and tackling inequalities | DPH, Consultant in PH, PH Specialists <i>Public Health policy function</i> |
| Capacity building Ensure access to training posts Workforce planning | DPH, Consultant in PH, PH Specialists Workforce planner |
| HEALTH PROTECTION | |
| Reactive acute functions Proper Office of local authority Contact tracing Outbreak and incident control Infection control including advice on HCAI Advice on immunisation queries | CCDC, DPH, Health Protection Nurses/Specialists |
| Proactive prevention functions Outbreak prevention plans eg. Tuberculosis, STIs, port health Environmental health liaison Microbiology and tropical diseases medicine liaison Emergency preparedness Business Continuity | CCDC Analysts Emergency planning officer <i>Emergency Planning function</i> |
| Both proactive and reactive functions Advice on novel threats to health and manage risk | Analysts, surveillance and data support staff |
| INFECTION PREVENTION AND CONTROL | |
| Monitoring Tuberculosis Business plan, service specification SLA performance and monitoring Tracing and incidents participation | CCDC, DIPC Consultant in public health (PH), CCDC |
| Influenza planning | Consultant in PH, CCDC |

| | |
|---|--|
| Seasonal Pandemic | <i>Emergency planning</i> |
| IMMUNISATION AND VACCINATION | |
| Performance and contract monitoring Target monitoring and data collection for the following programmes: •Childhood vaccination programme •HPV •Staff flu programme | Consultant in PH Immunisation co-ordinator |
| PUBLIC HEALTH INTELLIGENCE | |
| DPH annual report Health needs assessments | DPH PH Consultants |
| Mapping health indicators Health equity audit Health impact assessment Improving quality of health data PBC tailored inequality planning Economic modelling and evaluation Surveillance Evidence analysis and guidance | PH Specialists PH analysts Knowledge manager Librarian <i>KCC data and information functions</i> <i>Public Health policy function</i> |
| ACADEMIC PUBLIC HEALTH | |
| RESEARCH AND ANALYSIS | |
| Determine priorities for PH research Formulate specific PH research questions Define outcome measures Gap analyses Translate complex research results into information and knowledge to improve population health and wellbeing Evaluation of health services and PH interventions | PH consultant Lecturer in PH SpR/SPT in PH Social scientist Epidemiologist Health service researcher |
| EDUCATION | |
| Teaching of other staff, medical students and colleagues Mentorship and group tutorials London/KSS Deanery training programme Specialist portfolio development CPD KSF IPA Public Health Champions | DPH, Consultant in PH, PH Specialists |

**THIS MEMORANDUM OF UNDERSTANDING is duly executed on the date stated above
by**

.....
Ann Sutton – Chief Executive of Kent & Medway Cluster

For and on behalf of NHS Eastern & Coastal Kent

.....
Ann Sutton – Chief Executive of Kent & Medway Cluster

For and on behalf of NHS West Kent

.....
Katherine Kerswell – Managing Director
For and on behalf of Kent County Council

By: Sarah Hohler, Cabinet Member for Education, Learning & Skills
Andy Roberts, Interim Corporate Director for Education, Learning & Skills

To: Cabinet – 20 June 2011

Subject: Proposals to change the discretionary elements of home to school transport provision

Classification: Unrestricted

Summary: This report informs the Cabinet Member for Education, Learning & Skills on the outcomes from the consultation on proposals to remove the discretionary elements of home to school transport provision. This paper includes analysis on the impact of the proposals and puts forward recommendations for the provision of home to school transport.

Introduction

1. (1) KCC has recently undertaken consultation on proposals to change the discretionary elements of home to school transport provision, in particular to stop providing free transport above the statutory requirements to:

- (i) Children assessed to be of selective ability¹.
- (ii) Children attending the nearest (voluntary aided) church school if it is of the same denomination as the child.

(2) The proposals set out in 1.1 (i) and (ii) would be introduced in September 2012 but those children already in receipt of the discretionary transport assistance would continue to retain this entitlement until they leave their current school, are no longer of statutory school age or have moved house and following assessment are found not to be eligible under the revised policy.

(3) KCC has consulted with stakeholders during the period 21 March 2011 to 6 May 2011. Analysis has been undertaken to look at the potential impact of the proposals and how this might affect different groups of children, and an equality impact assessment has also been carried out.

Context for change

¹ The provision for discretionary transport on selective grounds does not apply to children who live in comprehensive areas of the county (Tenterden & New Romney; Paddock Wood; Isle of Sheppey; Swanley, Longfield and Swanscombe).

2. (1) The current policy on home to school transport provision was last considered by the Education Committee on 25 January 1994 and the Education and Libraries Committee on 18 October 1999. The latter was to consider denominational transport.

(2) Since that time there has been:

- (i) Considerable pressures on public services due to reduced funding levels and as part of reductions to budgets across KCC a saving has been identified on the home to school transport budget. For 2012/13 and 2013/14 this equates to £2.5m.
- (ii) Improved access to low cost travel through the Kent Freedom Pass (KFP) for pupils between the ages of 11 and 16.
- (iii) Changes in legislation with regard to Academies and in particular the Equality Act 2010, which now means the current policy, may be vulnerable to challenge.

Consultation

3. A summary of the consultation and responses to it are set out in appendix 1. A summary of the existing statutory obligations are set out in appendix 2.

Analysis of impact

4. Analysis was undertaken to look at the impact of the proposals and how this might affect particular groups. A summary of the analysis is set out in appendix 3.

Equality Impact Assessment

5. (1) An equality impact assessment has been carried out in line with KCC policy. The initial screening of the impact assessment identified that there may be potential for an impact on particular groups with protected characteristics so a full assessment was carried out to look at the impact on:

- Disabled children
- Girls and/or boys
- Children from ethnic minority groups
- Children from different faith groups

(2) The full impact assessment has identified that within the scope of this assessment there is no disproportionate impact for future cohorts of children. In undertaking the equalities impact assessment whilst there was no direct impact to the above groups it was identified through MOSIAC that some lower to middle income groups could be impacted upon in regard to the removal of denominational discretionary transport and a small proportion of children from low income families attending selective schools.

(3) As a result of the above findings the LA would seek to mitigate against this by ensuring that children from low income families assessed suitable for grammar school be extended the same level of provision as is afforded to children from low income families who attend a denominational school i.e. they will receive free transport to any one of their three nearest appropriate schools between 2-15 miles of their home. This provision is to ensure that the changes do not become a barrier to social mobility which was the founding principle of selective education.

(4) Whilst findings did not identify that changes would result in a significant impact on children in Local Authority Care (LAC), the LA is keen to support LAC children at every opportunity. It is proposed that children in the care of Kent Local Authority will be treated in the same way as those children from low income families eligible for free school meals.

Specific Implications

Resources

6. (1) As mentioned in 2.2 (i) there are considerable pressures on public services and as part of wider savings across KCC there is a need to make a saving on the home to school transport budget. For 2012/13 and 2013/14 this equates to £2.5m. The proposed changes will deliver a saving somewhere in between £0.9m and £3.5m; it is recognised that the changes will impact on families and in more financially secure times KCC would have sought to avoid introducing such measures. However, the financial pressures facing local government means that difficult decisions regarding discretionary provision need to be taken to ensure that statutory services can be maintained.

(2) The full extent of potential savings is hard to quantify because it will ultimately be determined by parental preference for schools. Some may opt for a nearer school; others may simply choose schools further from their home full in the knowledge that they will be responsible for their own transport arrangements.

Transport

(3) Some existing bus networks may see additional pressures if more pupils seek to travel on the public transport routes and other routes may see less demand as eligible pupil numbers fall. This will need to be closely monitored as will the demand for the vacant seat payment scheme and a further review will be needed in the future.

Other Local Authorities

7. In the main, provision in other neighbouring LA for discretionary home to school transport² shows a pattern of changing and reduced provision. For example: East Sussex provides free home to school transport to church aided denominational secondary schools where families meet low income criteria; Essex has just undertaken consultation to remove all subsidy for discretionary home to school

² There is selective provision in Medway and Essex (partial).

transport; Surrey is consulting on proposals so that transport to denominational schools would no longer be offered to new applicants; and West Sussex introduced a charging policy in 2008 but is now consulting on proposals to stop providing home to school transport on denominational grounds.

Conclusions

8. (1) There is a need to review the current provision for discretionary home to school transport provision and make recommendations for change. In light of the detailed analysis undertaken it is apparent that the majority of pupils in receipt of discretionary free transport are from families best placed to afford that provision. A full equality impact assessment has been carried out to ensure that the impact on groups with protected characteristics has been fully considered, and any action planning to mitigate a negative impact, has also been fully considered.

(2) In summary:

- Analysis suggests the proposed changes will impact mostly on those families that can afford to pay for transport and benefit the most those families that cannot. The proposals seek to ensure that those children in most need of support will continue to be availed of it.
- The existing arrangements perpetuate an inequity in provision which it is appropriate to address.
- The groups most likely to be impacted will be those families on lower to middle incomes who may earn above the threshold of free school meal eligibility but none the less have genuine cases of hardship. The scope of circumstances which places families in this position is beyond simple definition. It is most appropriate for such cases to therefore be considered through the established transport appeals process. Parents will be given the opportunity to make their case to panels if they are refused transport under the new policy. Those panels will be empowered to take account of personal circumstances and override decisions taken in line with policy where they consider the personal circumstances of the case warrants this.

Recommendations

9. The Cabinet is asked to agree that:

- (i) From 1 September 2012, Kent County Council will not provide home to school transport provision on denominational or selective grounds other than where there is a statutory requirement to provide transport.
- (ii) For children of low income families where the child is defined as an "eligible child" by schedule 35B Education Act 1996 (e.g. entitled to Free School Meals) and is resident in a selective area of education and aged between 11 and 16 years; Kent County Council will fund transport to the nearest grammar school provided that the child has

met the entry requirements of the school and has been offered a place and it is the nearest school of that type to the child's home at a distance between 2-15 miles. This discretionary provision will align an element of selective transport policy with the statutory provision afforded to children from low income families who wish to attend a denominational school."

- (iii) Any pupil in receipt of transport assistance on denominational or selective grounds prior to September 2012 will continue to retain this entitlement until they leave their current school, are no longer of statutory school age or have moved house and, following a transport assessment, are found not to be eligible under the revised policy.
- (iv) In light of the many variable outcomes resulting from the changes in transport policy and how this may or may not impact on parental preferences for schools, a further review of transport will be needed in the future.

Scott Bagshaw
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Background information:

Equalities Impact Assessment report – Proposals to change the discretionary elements of home to school transport provision – Scott Bagshaw / Lynne Miller

Other information:

Report by the Research and Evaluation Team, KCC Business Strategy Division on:

- i) *The impact of the proposals and how it affects particular groups of children.*
- ii) *The responses to the consultation on KCC's proposals on discretionary home to school transport provision.*

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Details of the consultation on proposals to change the discretionary elements of home to school transport provision

During the period 21 March 2011 to 6 May 2011 consultation has taken place with:

- Parents (the consultation has been promoted by various means, including by schools, local community groups, Children's Centres, the Children's Disability Teams, the KCC web-site and the parenting e-brief)
- Kent schools, academies and FE colleges
- Diocesan Boards
- Chief Executives of District and Borough Councils in Kent and neighbouring Local Authorities
- Kent MPs and KCC elected Members
- Kent Children's Trust
- KCC officers
- KCC Staff Equality Groups (these groups represent the equality strands of age, disability, race, sexual orientation and transgender)
- Kent Standing Advisory Council for Religious Education
- Kent Youth County Council

Responses to the consultation

A total of 1,256 responses to the consultation were received.

88% of respondents did not agree with the proposal to remove discretionary home to school transport. 11% agreed with the proposal, and 2% did not provide an answer¹.

80% of respondents agreed that pupils already receiving discretionary home to school transport should continue to be provided with free transport. 16% disagreed with this proposal, and 4% did not provide an answer.

Response themes

Comments on the proposals:

- 33% were concerned that the proposals added to financial hardship for families.
- 25% considered the proposals unfair in a local authority that operates a selective system.
- 17% made reference to the Kent Freedom Pass and about half of these comments were concerned about the increase of the pass to £100 and the possibility of future increases.
- 14% made particular reference to the unfairness of the proposals for families of religious faith.
- 8% commented that the proposals would lead to increased congestion and pollution.

¹ Figures do not add up to 100% due to rounding

- 7% thought the proposals were contrary to parental choice in general.
- 6% were concerned about the loss of dedicated transport.

Comments on vulnerable groups

About half of the respondents comments on particular groups they thought should be given special consideration, these were:

- All children and families (11%)
- Low income families (7%)
- Looked after children and foster children (6%)
- Young carers (5%)
- Children with disabilities (4%)
- Children attending faith schools (4%)

Comments from the Dioceses

All our Diocesan partners strongly opposed the removal of the discretionary provisions. Their opposition was based on the view that it would restrict choice by families for a school based on religion and belief. Both Southwark and Canterbury Diocese made particular reference to the partnership arrangements to work collaboratively, and support the LA, to provide school places in Kent. Canterbury Diocese was also concerned about the removal of discretionary transport to selective schools. The comments from the Dioceses also reflect concerns for transport considerations and the impact on particular groups (e.g. those on low income or in rural areas). Canterbury Diocese also made particular reference to:

- Those dependent on Trains.
- Families with 3 or more children at school.

Profile of those responding

82% were from parents; 5% were from pupils; 8% were from a member of school staff or school governor and 4% were from other groups, 2% did not state who they were² Those from other groups included responses from the Archdiocese of Southwark, Canterbury Diocese, Rochester Diocesan Board of Education and a Catholic Priest.

73% of respondents provided a valid postcode and this has been used to give a Mosaic profile. While the results of this analysis are only partial they show that the groups K&M 1, K&M 4 and K&M 11 are over represented compared to the Kent population. This reflects some of the most affluent segments of the population, and for K&M 11, a number of people living in rural communities. Those segments on lower or comfortable incomes are under –represented in terms of consultation responses.

² Figures do not add up to 100% due to rounding

Appendix 2

Kent County Council has a statutory duty to provide school transport for certain categories of school age pupils. This is known as “statutory entitlement”.

| Age / Type of pupil | Statutory entitlement |
|--|---|
| Pupils up to the age of 8 (yr 3) | Free transport to the nearest appropriate school if it is more than two miles walking distance from home. |
| Pupils between the ages of 8 and 16 (yrs 4-11) | Free transport to the nearest appropriate school if it is more than three miles walking distance from home. |
| Pupils from low income families aged between 8 and 10 (yrs 4-6) | Free transport to the nearest appropriate school if it is more than two miles walking distance from home. |
| Pupils from low income families aged between 11 and 16 (yrs 7-11) Families with a low income are currently defined as those children entitled to free school meals or whose family is in receipt of maximum working tax credit. | Free transport to one of the three nearest appropriate schools if it is between two and six miles away, or the nearest school preferred by reason of a parent/carer’s religion or belief. It must be more than two miles by the shortest available walking route and not more than 15 miles away. |
| Pupils with Special Educational Needs, disability or mobility problems. | Free transport to the nearest appropriate school, where the pupil lives within the statutory walking distance from school and where, due to their special needs or disability or mobility problems, they are unable to walk in reasonable safety, even when accompanied. Transport will be provided to pupils who have a statement of special educational need which sets out a requirement for free transport to a particular school specified in the statement. |
| Pupils living within the statutory walking distance but who are unable to walk in safety to school because of the nature of the route. | Free transport to the nearest appropriate school where the pupil lives within the statutory walking distance from school and where, due to the nature of the route, they are unable to walk in reasonable safety even when accompanied. |

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Summary points from the analysis of the impact of the proposals on the discretionary elements of the home to school transport provision

Denominational Primary

- It is estimated that 288 of the 640 pupils currently eligible would retain their eligibility given the proposals set out in the consultation. This is equivalent to 45% of current eligible pupils attending denominational primary schools in Kent.
- The pupils most likely to retain their eligibility are pupils from less affluent families, many living on low incomes and reliant on state assistance. In addition, many pupils from rural areas retain their eligibility as they tend to live further than the statutory distance from a school.
- Of the 352 pupils who would no longer be eligible (55% of pupils), those most affected would be those families on middle and high incomes.
- Analysis of equality criteria show the majority of pupils are not negatively impacted. Areas which may warrant further attention are children where English is an additional language as the proportion retaining their eligibility is lower than the proportion of pupils where English is their first language. In addition, the proportion of pupils from an ethnic minority retaining their eligibility is lower than the overall proportion. However, the number of pupils for both of these groups is very small and these figures should be treated with caution.

Denominational Secondary

- 28% of eligible pupils attending denominational schools are from the most affluent families in Kent.
- It is estimated that 664 of the 1,800 pupils currently eligible would retain their eligibility given the proposals set out in the consultation. This is equivalent to 37% of current eligible pupils attending denominational secondary schools in Kent.
- Pupils most affected by the proposed changes are those living in rural areas. Due to their location, they are more likely to live more than 3 miles from a school and therefore maintain their eligibility (albeit to a nearer school).
- A significant proportion of the most affluent also retain their eligibility. Approximately 42% of pupils from the most affluent families in Kent retain their eligibility.
- Of the 1,128 pupils who would no longer be eligible, those most affected would be families on middle to lower incomes.
- Analysis of relevant equality criteria and other criteria including looked after children and free school meals show the majority of pupils in these categories are not negatively impacted by the proposed changes.
- However, for children where English is an additional language the proportion retaining their eligibility is slightly lower than the proportion of pupils where

English is their first language. There may also be some local impact for faith schools amongst Irish and White Eastern European ethnic groups (although number of pupils from ethnic groups are very small and should be treated with caution).

Selective Secondary

- It is estimated that 6,863 pupils attending Selective secondary schools in Kent are eligible for home to school transport. Over 2,500 or 36% are from the most affluent families in Kent.
- It is estimated that 2,664 of those pupils currently eligible would retain their eligibility given the proposals set out in the consultation. This is equivalent to 39% of current eligible pupils attending selective secondary schools in Kent.
- A higher proportion of pupils living in rural areas retain their eligibility as they live more than 3 miles from the nearest school. In addition 40% or 989 pupils from the most affluent families will still be entitled to home to school transport.
- Of the 4,199 pupils who would no longer be eligible (61% of pupils), those most affected would be those families on middle and low incomes, but a significant minority are likely to be from families on low incomes surviving on limited means. This could potentially be mitigated by actively promoting Free School Meals take up for children from low income families.
- Analysis of equality criteria show the majority of pupils are not negatively impacted. Areas which may warrant further attention are children where English is an additional language as the proportion retaining their eligibility is slightly lower than the proportion of pupils where English is their first language. In addition, the proportion of pupils from the ethnic groups White Eastern European and Chinese retaining their eligibility is lower than the overall proportion. However, the number of pupils from ethnic groups is very small and these figures should be treated with caution.

Caveats

All figures are estimates based on a number of variables which have been applied as proxies to establish eligibility such as free school meals, Special Educational Needs Status and approximated distance from a child's postcode to the nearest school.

In addition, the results are based on 87% of current eligible pupils attending denominational secondary schools and 91% of current eligible pupils attending selective secondary schools. This is due to some pupils attending schools outside of Kent, or insufficient data for the pupil in order to determine if they would qualify for eligibility. It is considered the sample size is sufficient to provide estimates.

The most affluent families in Kent are considered to be those classified as the Mosaic segment K&M1. This group is described as 'Kent's most highly educated and financially successful citizens, living sought after locations'.

To: Cabinet

From: Mike Hill, Cabinet Member for Communities
Amanda Honey, Managing Director Communities

Subject: Draft Apprenticeships Strategy and Action Plan 2011 – 2014

Date: 20 June 2011

1. Background

This Apprenticeship strategy outlines what we want to achieve in the next four years across Kent. Through this strategy our primary objective is to increase the number of Apprenticeships that are undertaken by young people in Kent. We will work in partnership with a number of organisations both internal and external to KCC, promoting the benefits of Apprenticeships but also filling gaps in delivery such as helping employers, particularly small employers overcome the hurdles of recruiting Apprentices.

This strategy will have a key role in delivering Bold Steps for Kent, with its work impacting on all three priorities. Whether it is delivering a skilled workforce to help the economy grow, helping tackle disadvantage by developing specialist apprenticeship models for vulnerable young people, or giving young people the tools to take control of their lives.

The strategy itself is ambitious and will build upon the partnership already established in Kent between Kent County Council, the Kent Association of Training Providers (KATO), the Kent Association of Further Education Colleges (KAFEC) and the National Apprenticeship Service (NAS). We will also strengthen the links internally between the Supporting Independence Programme, the 14 to 19 innovation Team and Personnel & Development to ensure that the transition from school into Apprenticeships is seen as a real, viable option for the young people of Kent.

2. Current Status

The strategy has been presented to, and agreed by; the Apprenticeship Steering Group, Customer & Communities Directorate Management Team, the Learning & Skills Board, CMT and key internal partners who have had the opportunity to input. We have also consulted more widely on the strategy, involving not only the National Apprenticeships Service, the Kent Association of Further Education Colleges and Kent Association of Training Organisations but also some of the Apprentices on KCC's Kent Success Programme.

The draft strategy has been shared with members of the Skills for Business Growth Board for comment, and national interest has been shown by Hertfordshire County Council and the South East Director of the Department of Business, Innovation and Skills.

3. Recommendation

Members of Cabinet are asked to:

- Agree the draft Apprenticeship Strategy and Action Plan 2011-2014

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Kent Apprenticeship Strategy

2011 - 2014

1. Introduction

Our vision is to make apprenticeships the skills option of choice for young people and employers.

Our objectives in achieving this vision are to:

- Raise awareness of the value of apprenticeships
- Support the businesses of Kent to offer apprenticeships
- Support young people in applying for and undertaking an apprenticeship

Apprenticeships remain central to providing a skilled workforce and KCC is in a unique position to be able to promote and provide advice in Kent as well as influence and support businesses in all sectors to take on Apprentices.

Through this strategy our primary goal is to increase the number of Apprenticeships that are undertaken by young people in Kent. We will work in partnership with a number of organisations both internal and external to KCC, promoting the benefits of Apprenticeships but also filling gaps in delivery such as helping employers, particularly small employers overcome the hurdles of recruiting Apprentices.

This strategy will have a key role in delivering Bold Steps for Kent, with its work impacting on all three priorities. Whether it is delivering a skilled workforce to help the economy grow, helping tackle disadvantage by developing specialist apprenticeship models for vulnerable learners, or giving young people the tools to take control of their lives.

1.1 National Context

The government see Apprenticeships as forming a key part of the skills agenda over the coming years, and as an excellent way for businesses to ensure that they have the skilled workforce that they need. Over the period of the Spending Review up to 2014-15, the further education resource will be reduced by 25%, however there will be an expansion of apprenticeships, including adult apprenticeships, where an extra 75,000 places will be available by 2014-15.

There will be an increased focus on achievements at a higher level, with Level 3 Apprenticeships being the level to which learners and employers aspire. Whilst there will also be an effort to ensure that there are clear routes from Apprenticeships to higher level training including, but not exclusively Level 4 apprenticeships.

As part of the “Skills for Sustainable Growth” strategy there will efforts to ensure that vocational qualifications reflect the changing needs of employers, and that there is a reduction in the reliance of some sectors of the economy on migration to fill jobs.

Currently the training element of Apprenticeships is fully funded for 16 to 18 year olds, 50% covered for 19 to 24 year olds and not funded at all for 25+ year olds (apart from in a few selected sectors). This means that for young people aged over 19, employers will be required to pay either 50 or 100 per cent of the training costs associated with an Apprenticeship which is a challenge for many employers.

The latest figures for apprenticeship starts (2009/10 academic year) show that nationally 279,700 people started apprenticeships, with 116,800 of those between 16-19, and a further 113,800 19-24 year olds.

1.2 The Kent Landscape

In Kent it has been a priority for the County Council to develop a system of learning that recognises the different aspirations of young people. We committed to, and have delivered, a pioneering 14-16 vocational programme, setting up 25 Vocational Skills Centres across Kent. These centres have enabled 8,500 14-16 year olds to undertake a vocational course. Clearly we are creating a cohort of young people who are ready to move into an apprenticeship.

We have invested in promoting and developing Apprenticeships in Kent, and have made significant progress over the past four years, delivering an additional 1400 Apprenticeships over the period, through a combination of strong leadership by us, excellent partnership working with training providers, and promoting to businesses and the rest of the public sector, all this has been brought together under the banner of Kent Apprenticeships.

The figures for apprenticeship starts in Kent show the impact of the council's efforts over the Towards 2010 period:

| | Apprenticeship Starts | | | |
|---------|-----------------------|-------|-----|-------|
| | 16-18 | 19-24 | 25+ | Total |
| 2005/6 | 1700 | 1360 | N/a | 3060 |
| 2009/10 | 2070 | 2110 | 840 | 5020 |

Although this improvement is to be welcomed, it should be recognised that out of a total cohort of 57,471 16-18 year old learners, only 2070 (6.5%) started an apprenticeship in 2009/10, this clearly shows that there is still significant room for growth. This is highlighted by the fact that last only 3,500 organisations employed apprentices out of a total of almost 50,000 businesses.

The youth unemployment figures for Kent reinforce the need for further action, with 18-24 year olds accounting for 28.6% of all unemployment in Kent (7,780 young people out of a total claimant count of 27,917). The table below shows the trend for youth unemployment since the start of the economic downturn.

| | March 2008 | March 2009 | March 2010 | March 2011 |
|------------------------------|------------|------------|------------|------------|
| No. 18-24 year old claimants | 4,300 | 8,485 | 8,905 | 7,780 |

In Kent we are uniquely placed to meet these challenges with a partnership between KCC, the Kent Association of Further Education Colleges (KAFEC), the Kent Association of

Training Organisations (KATO) and the National Apprenticeship Service (NAS), who work together under the banner of Kent Apprenticeships to deliver a coordinated service for the people of Kent.

The strategy predominantly looks at the development of Apprenticeship opportunities for young people aged 16 to 24 however, it recognises the need to look beyond 24 at adult Apprenticeships and also influence young people at 14 when they are taking key decisions with regards to their future.

2. Meeting the Apprenticeship challenge in Kent

In Kent, there is currently a lack of understanding around Apprenticeships by employers and young people as there have been many changes in recent years and this route is not seen as the skills option of choice for all young people and employers. Many have out-dated knowledge of Apprenticeships and do not understand the current qualification and this in turn puts them off. Parents and teachers do not know the range of Apprenticeships that are available and still hold views that Apprentices are not a positive progression route from school.

Apprenticeships are not necessarily viewed, by either young people or employers, as part of a career pathway for many jobs. Progression through the different levels of Apprenticeships is not actively promoted in all cases and relevant courses at Higher Apprenticeship level are currently very limited.

To address this, we will work with the Kent Apprenticeships Partnership Group to develop an integrated marketing strategy. We will ensure that employers, young people and their influencers have access to the most up to date information regarding Apprenticeships, understand what an Apprenticeship entails, what the pathway into their chosen career may be and what the benefits are, and know what support is available to them.

Alongside raising the profile of Apprenticeships, we will develop support services for both employers and young people to ensure that the Apprenticeship process is simple and straightforward for all.

2.1 Employer Engagement and Support

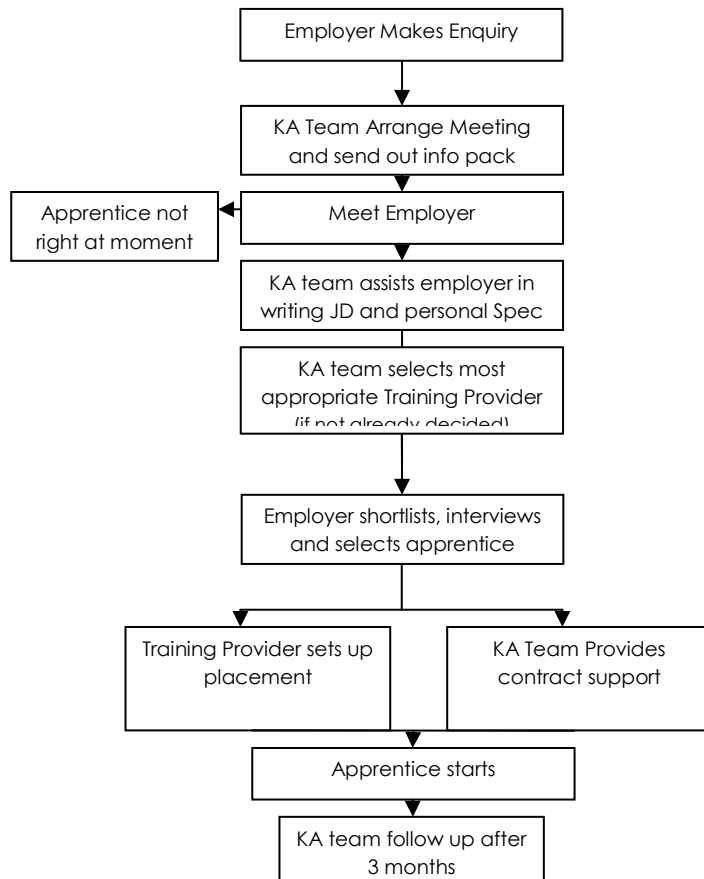
At present the National Apprenticeship Service has the responsibility for providing advice and support to the business community who may be interested in taking on a young person. However due to their limited resources they have decided to focus on employers with over 250 members of staff, as these are fewer and potentially offer a quick win. For the Kent economy this will not deliver the numbers we are seeking to achieve because in Kent 98% of our 50,000 businesses employ less than 100 people.

It is vital to support SMEs as many are reluctant to take on taking an Apprentice because of the perceived and real bureaucracy involved.

To achieve our ambition of increasing the number of young people participating in an Apprenticeship across the public and private sector, employer engagement and support is vital.

KCC will work with the National Apprenticeship Service to deliver a service to the small and medium size businesses in Kent from initial engagement with employers through to the appointment of an Apprentice.

We will develop a one stop shop for SME employers to ensure that the employment of an Apprentice is a simple and straightforward process. KCC will provide one to one support for employers, guiding them through the process, providing draft contracts and facilitating the relationship with the training provider.



In our work with employers we will encourage them to align the appointment of Apprentices with the academic year so that young people can register an interest in undertaking an Apprenticeship in November, will be interviewed by employers in March and will start their Apprenticeship in September – thus making this route a real progression from school. The period between March and September can be used to prepare the young person for employment. We will also work with employer to create and highlight career pathways for their Apprentices to enable them to progress with organisations.

2.2 Young People Engagement and Support

Currently the Apprenticeship landscape is very confusing for young people and those they turn to for advice. With the creation of the all age careers service, through this strategy, we will meet the challenge of ensuring that young people are able to access impartial information, advice and guidance regarding Apprenticeships.

To ensure young people understand the benefits and opportunities that apprenticeships offer we will work with schools, and other influencers to provide them with up to date and relevant information, including how to access further advice. We will put in place structures for young people that will support them to find an Apprenticeship.

We will work with employers to align their recruitment of Apprentices to the academic year. Young people do not currently have the option to apply for an Apprenticeship as they do for college or sixth form. This also means, in some cases, that there are limited opportunities for young people undertaking vocational courses aged 14-16 to progress into an Apprenticeship post 16. Aligning Apprenticeships recruitment with the academic year will ensure that they are seen as a real progression from school in September.

As mentioned previously, it is important that Apprenticeships are viewed as part of a career pathway; we will work with the Local Enterprise Partnership to identify key skills gaps for the region and particularly the Kent economy and identify how Apprenticeships can be used to fill these gaps. We will work with training providers, colleges and universities in Kent to develop appropriate training, at all levels, which is relevant to Kent Employers.

3. Growing Apprenticeships in Kent County Council and Wider Public Sector

3.1 Kent Success (KCC Apprenticeship Model)

When KCC introduced Kent success four years ago the take up of apprenticeships within the council was limited, and the limited delivery was very much on an ad hoc basis. Over the years the programme has developed and grown so that now there are approximately 80 apprentices employed at any one time. Our target within Bold Steps for Kent is to deliver 350 apprentices over the next four years.

KCC has come to accept apprentices as a valuable commodity, and has recently changed its recruitment policy so that the three entry level grades can only be recruited from an apprenticeship pool, unless there is a strong business case not to do so and having considered employees who are at risk of redundancy.

We will review the existing Kent Success programme, build on the model that has been developed and ensure that it is fit for purpose moving forward.

We will work with business units to develop career pathways in areas where there are, or are likely to be, skill shortages. These pathways should be designed to allow young people to understand how they can progress from entry level to expert.

Possible areas include:

- Trading standards
- Social work
- Youth work
- Early years
- Learning Support within schools
- Planning
- Highways
- Customer Service (Lib, Gateways , Contact Centre)
- IT
- Personnel

- Research & Intelligence

We will look at the progression from Level 2 to Level 3 Apprenticeships within our Kent Success programme to ensure that KCC's Apprentices are progressing and reaching their potential.

3.2 Wider Public Sector

Currently there is limited engagement with Apprenticeships across the wider public sector. Those organisations that have taken on Apprentices have employed very low numbers. This is due to a number of reasons;

- Limited resources to manage apprentices
- Limited budgets
- Changing nature of public sector – move toward becoming commissioning bodies with lower staff numbers

We have worked closely with public sector colleagues to promote apprenticeships and now we would like to develop the Kent Success programme to deliver apprentices to these organisations. This would enable them to train and develop the staff that they need without having to develop the infrastructure, but allowing them access to our knowledge and experience.

A key area of focus will be the health economy which is a large employer in Kent. Working with the Hospital and Community Services NHS Trusts, we will identify areas where there are skills shortages, such as health visiting, and support the development of Apprenticeships in these areas.

3.3 Procurement

The public sector is a large procurer of services within the county and this will become increasingly important as the public sector moves to become commissioner rather than a deliverer of services.

Kent County Council will include in its contracts over £1 million a requirement that the provider must deliver 1 apprenticeship opportunity per £1m spend on labour.

We will offer to provide support and guidance for bidders and contract winners on how they can meet these obligations.

Where contracts are less than £1m, but where the council has an aggregate spend higher than this, we will support Members and senior officers to promote apprenticeships to these suppliers.

Once this process is up and running we will work with other public sector partners in Kent to support them to implement similar procedures within their organisations. We will also look to influence national and regional procurement contracts.

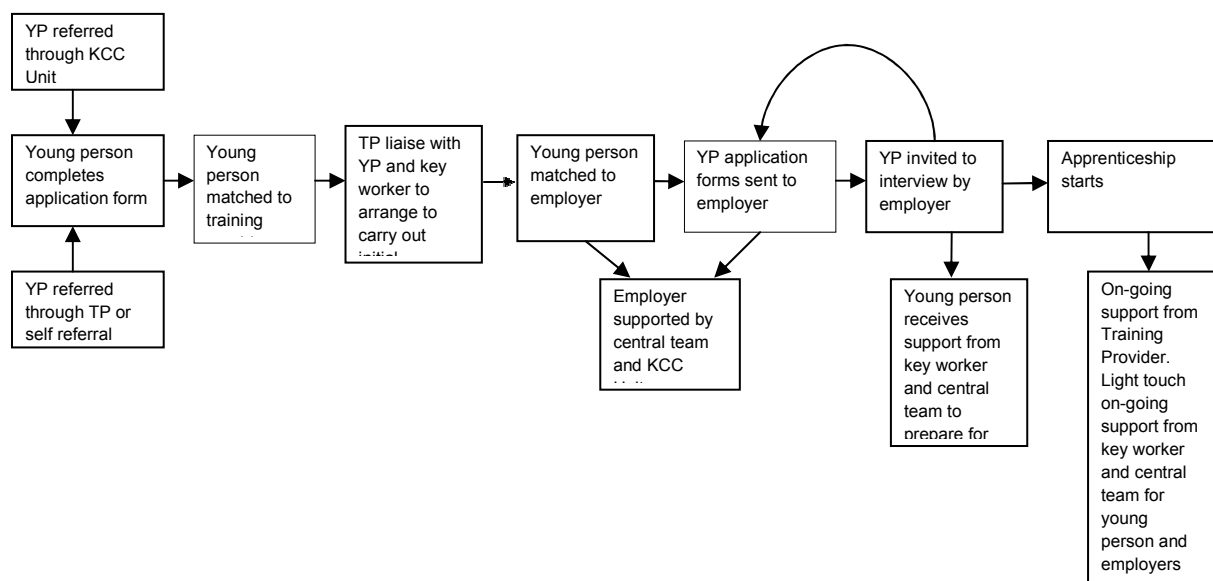
4. Specialist Delivery

Supporting Looked After Children leaving care, young offenders, young parents and young people with disabilities and mental health problems into Apprenticeships has been a key focus for KCC for the past year within our Vulnerable Learner project. Unemployment rates amongst these groups by far exceed national youth unemployment figures:

- Learning Disabilities – 94%
- Young Offenders – 60%
- Looked After Children leaving care – 33%
- Young Parents – 84%

The project to date has highlighted the intensive support that these groups of young people require to access Apprenticeships in the first instance and then the continued support they need once in their role. It has also identified that there is a gap in provision for most of these groups that moves them from preparing for employment and actually finding and moving into that employment.

We have worked extensively with units within KCC, training providers, colleges and employers to develop a model that makes the pathway into an Apprenticeship simple for young people and employers.



The project is being evaluated and we will use the learning to inform our specialist delivery in the future. We will learn from the challenges we have faced with each cohort, identify the key areas that would need to be maintained for continued success placing the young people into Apprenticeships and develop the model further, attracting external funding and realigning existing KCC and Apprenticeship funding where possible. By supporting these groups of young people into Apprenticeships we are potentially saving the public purse £56,301 – the average cost for a young person who is NEET aged 16 to 18.

5. Resources

What we have set out in the strategy above and the accompanying action plan is ambitious and reflects the growth of Apprenticeships we wish to achieve over the next three years. The strategy is deliverable within existing resources although it will require a reallocation of resources within the Supporting Independence Programme budget to ensure that targets are met and a high quality Apprenticeship offer to employers and young people is delivered.

As the specialist delivery element of the strategy develops we will work internally within KCC and with partners to secure the additional funding required.

6. Priority Areas and Outcomes

6.1 Employer Engagement and Support

- Employers are fully informed about Apprenticeships and the benefits they can bring to businesses
- An employer support service has been developed to ensure that the employment of an Apprentice is a simple and straightforward process for businesses.
- Recruitment of Apprentices is aligned with the academic year

6.2 Young People Engagement and Support

- Young people are fully informed about Apprenticeships and understand they are part of a career pathway
- The pathway from pre 16 vocational education into Apprenticeships is clear
- Young people are supported through the Apprenticeship application process

6.3 Kent County Council

- Kent Success Programme has delivered 350 Apprentices
- KCC career pathways are developed to meet skill shortages
- All appropriate contracts comply with the Apprenticeship procurement guidelines

6.4 Wider Public Sector

- Wider public sector have adopted the Kent Success Model and are employing larger number of Apprentices
- Career pathways are developed to meet skill shortages

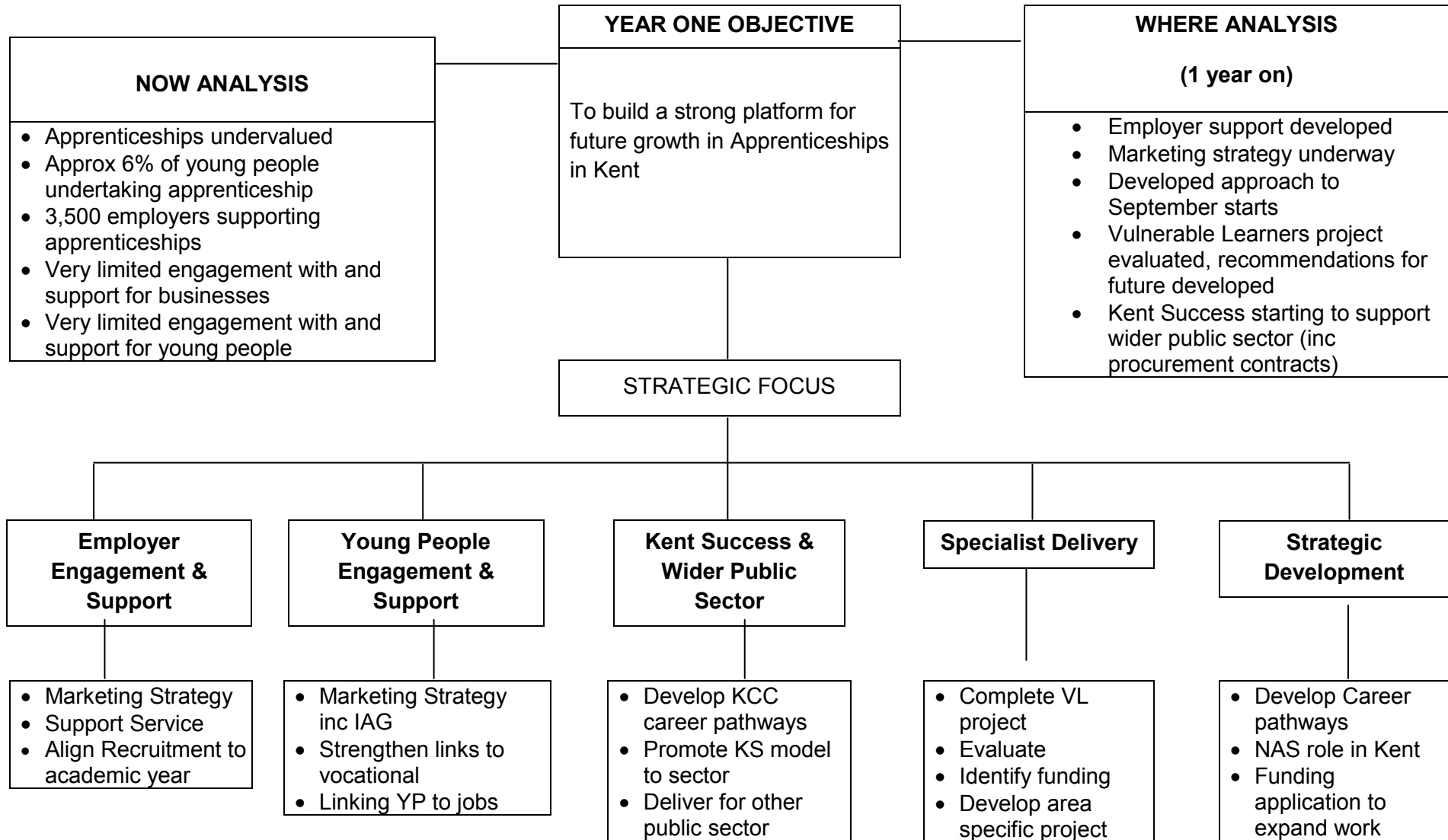
6.5 Specialist Delivery

- Vulnerable Learners Project has been evaluated and best practice model developed
- Area specific projects have been developed to support targeted groups
- External funding has been secured to support delivery

6.6 Outcome Measures

This strategy recognises the need to develop good indicators of its success and these can be seen in the supporting action plan in Appendix B. Outcome measures e.g. an increase in the number of young people undertaking Apprenticeships, the number of businesses accessing the Employer Engagement and Support Service, will be developed to enable the measurement of the impact of the strategy.

APPENDIX A - OVERVIEW OF APPRENTICESHIP STRATEGY



APPENDIX B - APPRENTICESHIP STRATEGY – ACTION PLAN 2011/12 (TO BE REFRESHED FOR 2012/13)

| Project / Development | A/C Manager | Key Actions | Outcomes | Target Dates | |
|-----------------------|---|----------------|--|---|------------|
| 1. | Kent Success (KCC Apprenticeship Model) | | | | |
| 1.1 | Oversee current supernumerary programme | Lucy Bett | Recruit young people and match to vacancies utilising RMS where feasible | 75 recruited (four year target of 350, but accepting that 2011/12 will see major changes across the council, the annual target reflects this) | March 2012 |
| 1.2 | Embed the changes to recruitment procedures across the council | Nigel Fairburn | Deliver apprenticeship opportunities through KR 2-4 vacancies | 75% of all suitable vacancies that are openly recruited are filled by apprentices | March 2012 |
| 1.3 | Explore opportunities for developing career pathways within KCC utilising apprenticeships | Lucy Bett | Discuss with relevant managers and P & D to develop processes | One pilot scheme implemented | Sept 2011 |

| Project / Development | | A/C Manager | Key Actions | Outcomes | Target Dates |
|-----------------------|--|--------------------|---|---|--------------|
| 1.4 | Evaluate introduction of pilot in 1.3, and expand | Lucy Bett | Work with training providers, managers and schools to develop pathways | Recruitment processes up and running for September starts | Feb 2012 |
| 1.5 | Deliver a Kent Success service on behalf of public sector agencies | Lucy Bett/ P& D | Work with public sector partners to explore desirability | One partnership up and running | March 2012 |
| 2. | Procurement | | | | |
| 2.1 | Implement procurement policy regarding apprenticeships | Procurement Unit | Ensure through the tendering process that where appropriate (£1m labour spend) apprenticeship places are secured. | All appropriate contracts comply | March 2012 |
| 2.2 | Support potential suppliers with meeting the apprenticeship requirements | Lucy Bett | Provide advice to potential suppliers | Briefing sheet on apprenticeships | May 2011 |

| Project / Development | | A/C Manager | Key Actions | Outcomes | Target Dates |
|-----------------------|--|-------------|---|---|--------------|
| 2.3 | Members/senior officers to champion apprenticeships to suppliers who are outside of procurement levels | Lucy Bett | Inform these key groups and offer support | All members/tier 1 & 2 officers informed, and aware of who to contact for support | Sept 2011 |
| 2.4 | Promote KCCs procurement model to other public sector partners in Kent, regionally and nationally | SIP Manager | Engage with public sector bodies | Discussed at appropriate Kent Forum board – follow up as necessary | Sept 2011 |
| 3. | Employer Engagement & Support | | | | |
| 3.1 | Develop an end to end service to support SMEs to recruit apprentices | SIP Manager | <ul style="list-style-type: none"> • Develop partnership with NAS to understand level of need and build on their existing provision. • Engage with employers to understand their needs • Develop process and | Clear understanding of need and proposed model | May 2011 |

| Project / Development | | A/C Manager | Key Actions | Outcomes | Target Dates |
|-----------------------|---|-------------|---|---|----------------|
| | | | supporting material • Identify existing employer support | | |
| 3.2 | Implement service model | SIP Manager | Align resources to enable delivery | SMEs receive end to end service | July 2011 |
| 3.3 | Align appointment of apprentices with academic year | Lucy Bett | Promote benefits of planning recruitment e.g attracting high achievers | Opportunities available (100)/recruitment procedures in place for Sept 2012 recruitment | March 2012 |
| 3.4 | Integrated marketing strategy to business | SIP Manager | Ensuring employers: <ul style="list-style-type: none"> • have up to date information • understand what an apprenticeship entails • understand the benefits to their organisation • know what support is available to them | Marketing strategy implemented | September 2011 |

| Project / Development | A/C Manager | Key Actions | Outcomes | Target Dates | |
|------------------------|---|--------------------------|---|---|--|
| 4. | Young People | | | | |
| 4.1 | Strengthen links between vocational delivery and the apprenticeship offer | Lucy Bett/Sue Dunn | Work with vocational centres/schools to ensure students understand progression routes | Increase number of students progressing from vocational course to apprenticeships | Sept 2012 (progress to be reviewed March 2012) |
| 4.2 | Integrated Marketing Strategy to young people and their influencers | Lucy Bett/Sue Dunn | Ensuring young people and their influencers: <ul style="list-style-type: none"> • have up to date information • understand what an apprenticeship entails • understand the benefits to them • know what support is available to them and where to access it | Increased number of young people registering an interest in apprenticeships | March 2012 |
| 4.3 (link with 3.3) | Promote apprenticeship opportunities | Lucy Bett/Martin Blincow | <ul style="list-style-type: none"> • Establish mechanism for advertising apprenticeship employment opportunities to enable young people to apply and support them through the process | Young people applying for opportunities | Nov 2012 |

| Project / Development | | A/C Manager | Key Actions | Outcomes | Target Dates |
|-----------------------|---|-------------|---|--|--------------|
| 4.4 | Support implementation of actions arising from Student Journey Select Committee | SIP Manager | As arising | | March 2012 |
| 5. | Specialist Delivery | | | | |
| 5.1 | Continue to support vulnerable young people into apprenticeships | Lucy Bett | <ul style="list-style-type: none"> Working with Internal/External partners to develop opportunities for young people. Support existing VL Apprentices in their placements Introduce job coaching for VL apprentices approaching end of placement | 80 vulnerable young people undertaking work based training | March 2012 |
| 5.2 | Implement recommendations from interim evaluation report | Lucy Bett | As arise | Improved programme | June 2012 |

| Project / Development | | A/C Manager | Key Actions | Outcomes | Target Dates |
|------------------------------|---|--------------------|---|--|---------------------|
| 5.3 | Examine opportunities to extend scheme where appropriate | Lucy Bett | Work with external funding team/international office | Funding secured | March 2012 |
| 5.4 | Align with Work Programme opportunities/community based budgeting | Lucy Bett | Ensure project is known and understood by relevant organisations | This approach is incorporated into the work of these providers | March 2012 |
| 5.5 | Developing area specific projects targeting on areas of need | SIP Manager | <ul style="list-style-type: none"> • Establish target areas • Develop appropriate offers • Identify suitable funding/delivery partners | Area specific project in place | March 2012 |
| 6. | Strategic Development | | | | |
| 6.1 | Developing career pathways ensuring that they are deliverable in Kent | Lucy Bett | Work with training providers, colleges, universities to develop appropriate opportunities | Career progression to level 4 is available in skills areas important to the Kent economy | Review March 2012 |

| Project / Development | | A/C Manager | Key Actions | Outcomes | Target Dates |
|-----------------------|--|-------------------------------|--|---|---|
| 6.2 | KCC to take responsibility for the marketing and matching service in Kent | SIP Manager/ David Whittle | <ul style="list-style-type: none"> • Develop proposition • Lobby government | Proposition developed, lobbying begun | Sept 2011 |
| 6.3 | Use findings from vulnerable learners project to improve apprenticeship offer national | Lucy Bett/David Godfrey | <ul style="list-style-type: none"> • Evaluate project • Identify areas for improvement • Make recommendations • Lobby government | Changes to national policy | Evaluation begins April 2012. Lobbying July 2012 |
| 6.4 | Promotion of KCC work to national/international audiences | SIP Manager/ Lucy Bett | <ul style="list-style-type: none"> • Attend conferences • Take part in studies • Offer support to other organisations | Work of KCC is recognised as innovative and progressive | Review March 2012 |
| 6.5 | Explore opportunities for external funding to further this work | SIP Manager | <ul style="list-style-type: none"> • Identify opportunities • Apply for funding where appropriate | One funding bid made | March 2012 |

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Agenda Item 14

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Agenda Item 15

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