AGENDA

CABINET

Monday, 3rd December, 2012, at 10.00 am	Ask for:	**Karen Mannering / Louise Whitaker**
Darent Room, Sessions House, County Hall, Maidstone	Telephone:	**(01622) 694367 / 694433**

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

Webcasting Notice

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

By entering the meeting room you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If you do not wish to have your image captured then you should make the Clerk of the meeting aware.

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

1. Introduction/Webcasting
2. Apologies
3. Declaration of Interests by Member in Items on the Agenda for this meeting
4. Minutes of the Meeting held on 15 October 2012 (Pages 1 - 10)
5. Revenue and Capital Budgets, Key Activity and Risk Monitoring 2012-13 (Pages 11 - 142)
6. Decisions from Cabinet Scrutiny Committee - 24 October 2012 (Pages 143 - 146)
7. Changes to the Local Formula Budget for Schools in Kent - 12/01963 (Pages 147 - 178)
8. Cabinet Response to Budget Consultation 2013/14 (Pages 179 - 196)
9. Corporate Risk Register (Pages 197 - 222)
10. Report of the recent Select Committee on Domestic Violence (Pages 223 - 248)
11. Quarterly Performance Report - Quarter 2 (Pages 249 - 338)
12. Other items which the Chairman decides are relevant or urgent

EXEMPT ITEMS

That under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

13. Submission of the Final Business Case to DFE and Contract Award - St Augustine's Academy, Maidstone (12/01899) (Pages 339 - 344)

14. Submission of the Final Business Case to DFE and Contract Award - Duke of York's Royal Military School, Dover (12/01968) (Pages 345 - 348)

15. Submission of the Final Business Case to DFE and Contract Award - The Knole Academy (12/01898) (Pages 349 - 354)

Peter Sass
Head of Democratic Services
Friday, 23 November 2012

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, 15 October 2012.

PRESENT: Mr P B Carter (Chairman), Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr A J King, MBE, Mr J D Simmonds, Mr B J Sweetland, Mr M J Whiting and Mrs J Whittle

ALSO PRESENT: Stephen Dukes, Economic development Officer, Business Strategy and Support, Nigel Smith Head of Development, Business Strategy and Support, Barbara Cooper, Director of Economic & Spatial Development, Liz Harrison, Economic Development Manager, Business Strategy and Support

IN ATTENDANCE: Mr M Austerberry (Corporate Director, Environment and Enterprise), Mrs A Beer (Corporate Director of Human Resources), Mr M Burrows, (Director of Consultation and Communications), Mr A Wood (Corporate Director of Finance and Procurement), Mr P Leeson (Corporate Director Education, Learning and Skills Directorate), Ms A Honey (Corporate Director, Customer and Communities), Mr A Ireland (Corporate Director, Families and Social Care), Ms M Peachey (Kent Director Of Public Health), Mr P Sass (Head of Democratic Services) and Mrs L Whitaker (Democratic Services)

UNRESTRICTED ITEMS

Apologies

Apologies were received from Mr D Cockburn, Corporate Director of Business Strategy and Support and Mr G Wild, Director of Governance and Law.

Declarations of Interest

No declarations of interest were received.

8. Minutes of the Meeting held on 17 September 2012
(Item 3)

The minutes of the meeting held on 17 September 2012 were agreed and signed by the Chairman as a true record.

9. Revenue & Capital Budget Monitoring Exception Report 2012 - 13
(Item 4)

(*Item 4 – report by Mr J Simmonds, Cabinet Member for Finance and Business Support and Mr A Wood, Corporate Director of Finance and Procurement*)

Cabinet received a report of the member and officer named above the purpose of which was to provide details of exceptions and movements occurring since the previous full budget report was received by cabinet in July. Mr Simmonds introduced the report to cabinet and in particular referred to the following details contained within it, pertaining to the revenue budget:

- That the current underspend had increased by £292,000 since the report received by Cabinet in September, to £4.8m
- That targets continued to be demanding but that the current situation was good and taken in the context of budget reductions already made was extremely healthy. Markets continued to be volatile and caution would continue to be exercised.
- That the department for Education, Learning and Skills had shown improvements, resulting in a slight underspend.
- That the Department for Adult and Social services continued to see significant pressures in demand for services and the underspend had reduced by £670k as a result, an example of this demand being additional numbers of people with learning disabilities requiring residential care. However, figures showed that this demand might be slowing and it was hoped that further improvements would follow.
- The department for Environment, Highways and Waste continued to show an underspend of £341,000 and the Department for Finance an underspend of £438,000 by continued strategic use of cash balances, and no new borrowing.

Mr Simmonds continued to describe the key points within the report pertaining to the Capital Budget as follows:

- There was an approved Capital Budget Programme in place of £621m and this was currently running an underspend of £8.1m
- This budget contained several significant elements. One such element was £16m of rephasing - Margate Housing Project and Sandwich Sea Defence
- That there were £2.3m of unfunded variances, largely accounted for by the Multi Agency Strategic Hubs which had previously been the subject of discussion and of which members were aware.
- That there were £6.8m of funded variances.

In response to a question from the Leader, the Director of Finance and Procurement reported that in the two and a half months from the end of the quarter referenced in the report, trends had continued in a similar direction. The activity indicators would now be reassessed having in September reached the half way point of the financial year. It could be assumed that Children's services was unlikely to shift dramatically from the current position but that Adult Services may see a small reduction in the underspend. However the work to align activity and finance was not yet complete and a fuller picture would be available shortly. Mr Carter requested that Corporate Board receive the information referred to once completed, in order that any new trends might be identified at the earliest opportunity.

The Cabinet Member for Highways, Environment and Waste, Mr Sweetland, reported that the council was sending 20% of its waste to landfill and that this had an impact on the cost of waste disposal. This figure, although kept low by the decision to build an incinerator some years ago, was targeted for further reduction, to 10% and Kent continued to the lead the way with innovative work being undertaken with the Boroughs to achieve this end and create further financial efficiencies.

RECORD OF DECISION

CABINET Revenue and Capital budgets, key Activity and Risk Monitoring 15 October 2012	
1.	That the forecast revenue and capital budget monitoring position for 2012-13 be noted
2.	That the changes to the capital programme detailed in the report be noted
3.	That an information report be considered by Corporate Board on completion of the alignment of activity and finance information.
REASON	
1,2&3	In order that the Cabinet conducts its monitoring activities effectively.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

10. Development and Infrastructure: Creating Quality Places
(Item 5)

(*Item 5 – Report by the Cabinet Member for Regeneration and Economic Development and the Corporate Director of Business Strategy and Support, David Cockburn)*

Cabinet received a report of the member and officer named above, the purpose of which was to provide Cabinet with details of 'Development and Infrastructure: Creating Quality Places', a revised approach to securing funding for community infrastructure.

The report also set out the technical assessment process used in the Integrated Infrastructure and Finance Model (IIFM) which would identify the additional community infrastructure required as a consequence of forecast housing growth and help to create an estimate of when that infrastructure might be required, how much it would cost and any funding available.

Barbara Cooper, Director of Economic & Spatial Development and Nigel Smith Head of Development, Business Strategy and Support were in attendance to speak to the item.

The Cabinet Member for Regeneration and Economic Development, Mr Mark Dance introduced the report to Cabinet. He informed members that the IIFM would take into account the various needs of any community, in consultation with the District Council and was flexible enough to take account of local need. Meetings were being arranged with the Districts to continue to discuss specifics for each of them.

Mr Smith addressed Cabinet, he set the context within which the new approach had been designed and in particular he referred to the changes brought about by the localism agenda and the new Community Infrastructure Levy (CIL) arrangements. Currently Local Government was in a transition period between the S106 arrangements and the new CIL arrangements. As a result of this transition and in preparation for change, work was commissioned to employ the IIFM to assess individual district housing trajectories and the potential impact on service provision for KCC. This work would provide an evidence base for KCC's service provision forecasts and in turn would support the district councils in setting their infrastructure delivery plans and charging schedules necessary for the setting of CIL levels.

He went on to report the consultation processes that had been employed which comprised informal internal and partner organisation informal consultations and a 12 week formal public consultation. In addition the report had proceeded through the necessary level of the council's governance processes before being considered for decision by the Cabinet.

In response to a question from the Leader of the County Council, Mr Smith confirmed the rate retention allocation as an 80/20 split, further information was not wholly clear and would be sought and distributed.

[Confirmed after the meeting had concluded: Gains and losses would be split 50:50 between central and local Govt. The remainder would be distributed 80% to Districts, 20% to Upper Tier]

In response to further questioning from the Leader of the County Council, officers confirmed that there was huge potential for variance in CiL levels, not least in changes to central government policy and funding, but that a multitude of tools and strategies would be employed to manage this. In addition the Council could, with relative confidence, safely predict worst case scenarios which, with appropriate sensitivities in place, could be used as a basis on which to negotiate. In addition various mitigation tools were employed on current S106 arrangements such as clawback clauses.

The Leader of the County Council commented on the difficulties faced by officers and members who tried to produce meaningful long term budgetary information in such a climate and hoped that more clear information might be forthcoming from Central Government in the future to aid this process, particularly in relation to funding for education.

The Cabinet Member for Education, Learning and Skills, Mr Mike Whiting addressed Cabinet, he agreed with comments made by the Leader and reiterated the need referred to by officers to work on a worst case scenario basis when predicting Government funding for education provision.

The Leader of the County Council requested that a more detailed paper be brought before cabinet for consideration after the planned meetings with the Districts had taken place. At that time more would be known about the direction of travel for this work. He requested that paper should be received early in 2013 and not after the end of February. He reminded Cabinet and Officers that at the core of CIL was the viability of schemes, and therefore monies which might be derived through CIL in the east of Kent were likely to be substantially less than in the west, whilst demand for infrastructure in both areas may be similar. This situation would create financial challenges for the County Council. The report to be considered by Cabinet in the New Year should focus not only on what Creating Quality Places would mean for Kent as a whole, but also on the different parts of Kent that would deliver variable contributions. Once this had been established KCC could begin to calibrate what the shortfall might be in essentially needed infrastructure in some areas, before undertaking non-essential work elsewhere. In addition the information from Districts would be essential to KCC when compiling the next Medium term Financial Plan.

Mrs Cooper confirmed that the aim of the planned meetings with the Districts was to discover the vision for development held by each of them and the infrastructure issues that this might create for KCC. She assured the Leader and Cabinet that when negotiating with individual districts the KCC representatives would seek to ascertain where any funding gaps might lie and how they might be addressed but would also maintain a 'helicopter view' of the greater vision and ambition for the county as a whole. Six Districts would have been visited by the end of November and this would be sufficient to present emerging principles at a Cabinet meeting in the New Year.

RECORD OF DECISION

CABINET **Development and Infrastructure Creating Quality Places** **15 October 2012**	
1.	That the revised framework and technical approach to securing funding for community infrastructure be agreed
2.	That the 'next steps' as outlined in section 4 of this report be agreed.
3.	That a further report in the new year be received.
REASONS	
1.	In order to more accurately predict the needs of local communities in response to proposed development.
2.	In order that the strategic direction of travel for this work is clear and officers progress it with clearly understood agreement
3.	In order that cabinet be fully informed of progression in this important area of the councils work.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

11. Kent Thameside Strategic Transport (Homes & Roads) Programme
(Item 6)

(*Item 6 – report by the Cabinet Member for Regeneration and Economic Development, Mr Mark Dance and Bryan Sweetland, Cabinet Member for Environment, Highways & Waste, Mr Bryan Sweetland and John Simmonds, Cabinet Member for Finance & Procurement and David Cockburn, Corporate Director Business Strategy & Support,. Mike Austerberry, Corporate Director Enterprise & Environment and Andy Wood, Corporate Director Finance & Procurement.)*

Cabinet received a report of the Members and officers named above, the purpose of which was to explain the current conditions under which the Kent Thameside Strategic Transport (Homes & Roads) Programme was being developed and implemented, with particular focus on available funding, management of risk and the proposals for governance arrangements of the programme.

The report sought agreement on various aspects of the programme that had significantly changed since the original decision was taken in February 2008 (07/01108) in order to legitimise the continuation of the project in the form it had now taken.

Barbara Cooper, Director of Economic & Spatial Development and Stephen Dukes Economic Development Officer, Business Strategy and Support were in attendance to speak to the report.

The Cabinet Member for Regeneration and Economic Development, Mr Mark Dance introduced the report and reminded those present of the intention of the programme, which was to stimulate housing growth that would not otherwise occur. He reported that both the Gravesham and Dartford District Councils fully supported the programme. He referred to the news that Paramount Pictures would be investing in the area and his belief that this would be beneficial to the project contained within the report. He reminded Cabinet that risks had been identified and were well versed but that the investment by KCC would be no more than the expected return from S106 and CiL.

Barbara Cooper addressed the Cabinet. She described the report under consideration as a reassertion of the Council's commitment to the 'Homes and Roads' programme and a new agreement to the changes that had necessarily been made to react to external influences such as the financial climate. Most of the issues covered within the section 106 to which this project was linked were protected but there had been significant challenges to the delivery of the Homes and Roads element. The transport element had now been reduced in size and cost where appropriate, thereby allowing a reduction in the tariff to Land Securities, as a result of which the developer planned to begin house building on the site next year.

In addition DFT and CLG had agreed to start development work on the two main junctions within the programme and KCC, GBC and DBC had committed a proportion of the New Homes Bonus from sites within Eastern Quarry.

While positive progress had been made there remained a funding gap of £32m. KCC would manage the programme but would only be willing to commit to spending what it was predicted to be realised through the CIL and S106 and other funding sources.

The report had previously been considered by the two relevant cabinet committees; Policy and Resources and Environment, Highways and Waste and both had endorsed the decision but expressed concern about the risk involved. This was acknowledged by the decision makers and the DCLG and DFT had been informed of the Council's concerns regarding the funding gap. DfT had responded that they could not commit any funding as the need for funding was for a period beyond 2 CSR's.

It should be noted that the scheme may continue to adapt and change in the future, as the Council and it's partners, react again to external influences such as the announcement of the Paramount Cinema development on the Swanscombe Peninsula any potential expansion to the Bluewater shopping centre. However Kent County Council was the only body capable of taking this risk and managing this programme and must take this route if housing growth in the area is to be stimulated.

The Leader of the Council, Mr Paul Carter, agreed that the decision being considered was the right thing for Kent County Council to do. However he sought and received assurances that the risks would be monitored carefully, rigorously and often. Should prudential borrowing be needed at some point during the management of the project to cashflow improvements, the risks of doing so must be considered in full again at that time.

He suggested that a letter be sent to ministers at the DCLG to further reiterate the County Council's message that it would not spend what it would not collect. This would provide KCC with a reference point when discussing with ministers in successive governments or when circumstances had changed in another way.
Despite the risks Mr Carter acknowledged the need for house building in this area to be stimulated and welcomed the opportunity for KCC to help to achieve this but the government must be clear, by way of the letter mentioned above, that KCC would not be responsible for substantive gap funding for the roads and homes project.

The Cabinet Member for Highways, Environment and Waste, Mr Bryan Sweetland addressed the Cabinet. He agreed with the Leaders sentiments regarding fiscal prudence but reminded Cabinet that for some improvements KCC would not be the delivery agent i.e the Highways agency would be responsible fopr the the junctions at Bean and Ebsfleet albeit with KCC as the accountable body.

He urged that all parties involved be required to sign an agreement which set out clearly the terms on which work would be undertaken and which defined the responsibilities of those involved.

Mrs Cooper confirmed in response to a question from the Cabinet Member for Customer and Communities, Mr Hill, that the housing development on the Eastern Quarry site would not be affected by the proposed Paramount development referred to earlier but that it was accepted that it would have a significant impact on transport and the developer in question would have to make a significant contribution to the transport network, which may positively impact on the funding gap.

RECORD OF DECISION

CABINET **Kent Thameside Strategic Transport (Homes & Roads) Programme** **15 October 2012**	
1.	That Kent County Council continue to act as the Accountable Body for the Kent Thameside Strategic Transport (Homes & Roads) Programme, be agreed
2.	That the authority to establish the Governance arrangements for the Kent Thameside Strategic Transport (Homes & Roads) Programme, be delegated to Cabinet Member for Regeneration & Economic Development, in Consultation with Dartford and Gravesham Borough Councils,
3.	That the authority to negotiate and execute legal and/or partnership agreements pursuant to the delivery and management of the Kent Thameside Strategic Transport (Homes & Roads) Programme be delegated to the Corporate Director Business Strategy & Support, in consultation with the Corporate Director Enterprise & Environment and the Corporate Director Finance & Procurement,
REASONS	
1.	In order to reaffirm the council's commitment to the project and to ensure that the project continue.
2.	In order that the project is clearly defined and monitored, and delegated to avoid delay to this process.
3.	In order that the agreements made between various partners are legally secured, and delegated to avoid delay to this process.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

12. Kent and Medway Broadband Delivery UK (BDUK). Project
(Item 7)

(*Item 7 – report by the Cabinet Member for Business Strategy, Performance and Health Reform Roger Gough and the Corporate Director of Business Strategy and Support, David Cockburn)*

Cabinet received a report of the Members and officers named above, the purpose of which was to provide an update on the £43 million project to transform Kent and Medway's Broadband infrastructure for which KCC was the lead organisation. The project would be delivered in partnership with the Government's Broadband Agency, BDUK, and would ensure that at least 90% of properties could access superfast broadband by 2015 and that the remaining 10% had access of at least 2Mbits/s.

Liz Harrison, Economic Development Manager, Business Strategy and Support was in attendance to speak to the item.

The Cabinet Member for Business Strategy, Performance and Health Reform, Mr Roger Gough, introduced the item. He explained that the report sought agreement for the direction of travel of the BDUK project. He referred Cabinet to the timetable included within the report and the key dates for beginning the tendering process and for awarding the contract. These were November 2012 and spring 2013 respectively. He reminded those present that the timetable was subject to many external forces but that at present it was keeping to time and KCC had done well to progress as it had to date and establish a strong position within the scheme.
One major external factor that was likely to influence the project unless resolved quickly was the European State Aid dispute between the EU and the British Government, but this, he hoped, was close to resolution.

Mr Gough continued to report that an early slot on the Governments Broadband procurement pipeline had been secured and that this was essential in light of the time limited nature of the fund.

Liz Harrison addressed Cabinet. She assured Members that the team were committed to getting the infrastructure to deliver the project in place, as soon as possible and that the early slot to which Mr Gough had referred would help to ensure that happened.

In response to a question from the Leader of the County Council, Ms Harrison reported that although the detailed timetables were still in discussion and bidders were considering the best ways to implement what had been required of them, it was hoped that by the end of 2015 the aims of the project would be fully achieved. She reminded cabinet that the project would see a phased roll out of provision and therefore many houses and businesses would have faster broadband before that date.

CABINET **Kent and Medway Broadband Delivery UK (BDUK). Project** **15 October 2012**	
1.	That the next steps as detailed at 5.1 of the report, be agreed
2.	That a further report seeking authority for an award of contract be received in January 2013
REASONS	
1.	In order that the strategic direction of travel for this work is clear and officers progress it with clearly understood agreement
2.	In order that cabinet be fully informed of progression in this important area of the councils work.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

13. Children's Services Improvement Panel - Minutes of 2 August 2012
(Item 8 – Children's Services improvement Panel)

The Leader of the County Council briefly introduced the item, reporting to his Cabinet Members that the recently undertaken peer review of Children's services had now been completed and a full report would be taken to the next County Council meeting for discussion.

Cabinet received the minutes of the above named panel for information and endorsement. Cabinet member for Specialist Children's Services, Mrs Jenny Whittle spoke to the item and in particular referred to the following:

That in the time since the meeting had occurred to which the minutes referred there had been further developments, one such being the peer review to which the Leader had alluded. A presentation would be made to all members at the next County Council meeting and Mrs Whittle looked forward to a productive and interesting debate.

The panel continued to investigate and scrutinise areas of interest or concern such as the appointment and retention of qualified social workers, the quality of their supervision and management and the recruitment of prospective adopters. The panel continued to review all Case Audits conducted, to ensure that children's support and development were properly recorded in the system

That the minutes of the Children's Services Improvement Panel be agreed.

REPORT TO: **CABINET – 3 December 2012**

SUBJECT: **REVENUE AND CAPITAL BUDGETS, KEY ACTIVITY AND RISK MONITORING 2012-13**

BY: **JOHN SIMMONDS – CABINET MEMBER FOR FINANCE & BUSINESS SUPPORT**
ANDY WOOD – CORPORATE DIRECTOR OF FINANCE & PROCUREMENT
CORPORATE DIRECTORS

SUMMARY:

Members are asked to:

- **note the latest monitoring position on the revenue and capital budgets.**
- **note that residual pressures are currently forecast within the SCS portfolio and management action is expected to be delivered within the BSP&HR portfolio in order to deliver a balanced position.**
- **agree, pending approval of the Kent Lane Rental Scheme by the Department of Transport, that surplus funds from the scheme be transferred to a new specific earmarked reserve and drawn down as expenditure is incurred in line with initiatives approved by a Board set up to oversee the administration of the surplus revenues. The Board is to include representatives from each utility area (i.e. gas, communications, water and electricity) and Kent County Council.**
- **note and agree the changes to the capital programme.**
- **note the latest financial health indicators and prudential indicators.**
- **note the directorate staffing levels as at the end of September.**

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1. INTRODUCTION

1.1 This is the second full monitoring report to Cabinet for 2012-13.

1.2 The format of this report is:

- This summary report highlights only the most significant issues
- There are 7 reports, each one an annex to this summary, one for each directorate although there are two for Families & Social Care (FSC) separately identifying Children's and Adult's services, and one for Financing Items. Each of these reports is in a standard format for consistency, and each one is a stand-alone report for the relevant directorate/service.

1.3 The style of the capital monitoring has changed this year to more closely reflect the budget book format, which is considered to be more appropriate given the duration of capital schemes. The capital monitoring now reports on the three year capital programme (2012-15) and focuses on real overspends and re-phasing which impacts on deadlines for service delivery. All projects within the capital programme have been assigned a red, amber or green status according to whether they are delivering to budget and on time.

1.4 **<u>Headlines</u>**:

1.4.1 **Revenue:**

- The latest forecast revenue position (excl Schools) before the implementation of management action is an underspend of -£5.152m, with management action within the BSP&HR portfolio expected to reduce this position further to an underspend of -£6.000m, which is an increase in the underspend, after management action, of -£1.140m since the October Cabinet report. However, within this position is a requirement to roll forward £1.930m of Big Society funding for the Kent Youth Employment Programme within the ELS portfolio as payments are only made to employers following completion of 6 months and 12 months in placements, so a significant amount of the budget will not be spent until 2013-14 and beyond. The underlying

2012-13 underspending position is therefore -£4.070m after management action. A residual pressure is currently forecast within the Specialist Children's Services portfolio. Robust monitoring arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and where necessary challenged.

- Within Specialist Children's Services there is a continuation of the demand led pressures experienced in 2011-12 totalling £5m. Within this position, the activity levels for Fostering and Residential Services are a particular cause for concern as they are very high compared to the affordable level despite additional funding being provided in the 2012-15 MTP. However, there are a number of control measures and early intervention services which have been put in place that should mean costs will begin to reduce.
- We are now forecasting a £3m potential net pressure against the Asylum Service. This pressure is in respect of both unaccompanied asylum seeking children and those eligible under the care leaving legislation. At this stage Kent is still to receive notification of the Gateway Grant, but this reported position assumes the same level of funding as we received in 2011-12. Kent, along with Hillingdon and Solihull Councils, has jointly written to the Minister of State for Immigration expressing their continued frustration of not being able to agree a resolution that ensures adequate funding levels. Until there is more certainty around a resolution it is prudent to report this pressure, but at time of writing no response had been received from the Minister. The council will continue to press the government vigorously, along with other key affected councils, to agree a means of funding which enables the Council to meet its obligations to the young people affected, but which is also fair to local residents.
- Within Adult Social Care an underspend of £2.7m is forecast reflecting a continuation of the trends experienced in 2011-12 with lower than budgeted demand for direct payments, day care and OP residential care. This is partially offset by increased demand for OP nursing care and supported accommodation, domiciliary care and residential care for clients with learning disabilities. From the 1st October, the Supporting Independence Service contract has been introduced and the forecast outturn includes the estimated effect of this contract on all client groups except mental health (where the impact on this service is still being reviewed). The Supporting Independence Service contract is a new purchasing method covering the purchase of community support services, supported accommodation and supported living services. Cash limits have been transferred to reflect the service lines that the current clients have transferred to, which include a transfer from domiciliary care and supported accommodation to either the supporting independence service (reported within the Supported Accommodation A-Z budget heading) or direct payments (where clients have chosen this option instead, in order to remain with their existing service providers).
- Schools reserves are forecast to reduce by £2.3m this year as a result of 39 more schools converting to new style academy status, which allows them to take their reserves with them.
- An underspend of £3.623m is forecast within the ELS portfolio on the non-delegated budgets mainly due to the re-phasing of the Kent Youth Employment Programme mentioned above, additional special school recoupment income, additional income from traded services within the Education Psychology Service and the release of contingency held against potential in year costs resulting from the ELS restructure. These underspends are partially offset due to savings not being achieved as anticipated on an Attendance & Behaviour contract.
- An underspend is expected on the Mainstream Home to School Transport budget based on numbers requiring transport in the new academic year and Transport Integration Unit are currently working to assess the financial impact of this. Any saving resulting from this exercise will be reflected in the 2013-16 MTFP.
- The savings on the waste budgets experienced last year, mainly due to lower than budgeted waste tonnage, look set to continue in 2012-13, with a £1.958m saving forecast, although there has been a small reduction in the anticipated underspend this month due to higher waste tonnages than previously anticipated. Tonnage of 720,400 is now forecast against a budgeted figure of 730,000 tonnes.
- A £1.2m shortfall in the contribution from Commercial Services is forecast due to additional costs of restructuring and a re-phasing of the increased income target built into the current year budget, now expected to be achieved in 2013-14. This will need to be reflected in the 2013-16 MTFP. However, a compensating underspend is forecast against the financing items budgets in the Finance & Business Support portfolio in annex 7, as these funds were being held back in anticipation of this forecast shortfall.

- Also within the Finance & Business Support portfolio, savings are being made on the debt charges budget largely as a result of the re-phasing of the capital programme in 2011-12 and no new borrowing being taken in the first half of 2012-13.
- Within the C&C portfolio a £1.1m underspend is forecast which is largely due to vacancy management and delays in the opening of Gateways.
- Within the BSP&HR portfolio, pressures are currently forecast within Property & Infrastructure (+£0.6m), where savings from vacating lease hold properties have not happened as quickly as anticipated due to service transformations and restructures throughout the Council together with a more cautious approach to capitalising expenditure. There is a pressure within Human Resources (+£0.2m) due to under-delivery of challenging income targets within the Schools Personnel Service and pressures on staffing due to increased demand to support many divisional restructures and service transformations. Also, there is a pressure within ICT (+£0.3m) as a result of additional staffing costs related to continued high demand for ICT services. Management action is expected to be delivered to offset these pressures.
- We have recovered a further £4.291m to date during 2012-13 from our principal investments in the collapsed Icelandic Banks, bringing our total recovery so far to £33.509m, of which £13.682m relates to our £18.350m investment with the UK registered Heritable Bank, £7.976m relates to our £17m investment with Landsbanki and £11.851m relates to our £15m investment with Glitnir.

1.4.2 **Capital:**

- The latest forecast capital position is a variance of -£9.223m. This is made up of an unfunded variance of +£1.238m, re-phasing to later years of -£21.428m, funded variances of £12.407m and project underspends of -£1.440m. Further detail is provided in the annexes that follow.

2. OVERALL MONITORING POSITION (excluding budgets delegated to schools)

2.1 Revenue

The net projected variance against the combined portfolio revenue budgets is an underspend of -£6.000m after management action. Section 3 of this report provides the detail, which is summarised in Table 1a below.

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

Portfolio	Budget	Gross Variance	Proposed Management Action	Net Variance
	£k	£k	£k	£k
Education, Learning & Skills	**+65,008**	**-3,623**	**0**	**-3,623**
Specialist Children's Services	**+150,818**	**+4,983**	**0**	**+4,983**
Specialist Children's Services - Asylum	**+280**	**+3,000**	**0**	**+3,000**
Adult Social Care & Public Health	**+337,083**	**-2,697**	**0**	**-2,697**
Environment, Highways & Waste	**+155,113**	**-774**	**0**	**-774**
Customer & Communities	**+81,479**	**-1,147**	**0**	**-1,147**
Regeneration & Economic Development	**+3,669**	**0**	**0**	**0**
Finance & Business Support	**+63,313**	**-5,448**	**0**	**-5,448**
Business Strategy, Performance & Health Reform	**+57,317**	**+848**	**-848**	**0**
Democracy & Partnerships	**+7,483**	**-294**	**0**	**-294**
TOTAL (excl Schools)	**+921,563**	**-5,152**	**-848**	**-6,000**
Schools (ELS portfolio)	*0*	*+2,286*	*0*	*+2,286*
TOTAL	**+921,563**	**-2,866**	**-848**	**-3,714**

2.2 **Capital**

The Capital Programme 2012-15 has an approved budget of £621.362m, excluding PFI. The forecast outturn against this budget is £612.139m, giving a variance of -£9.223m. This is made up of an unfunded variance of +£1.238m, rephasing to later years of -£21.428m, funded variances of +£12.407m and project underspends of -£1.440m.

3. REVENUE

3.1 Virements/changes to budgets

3.1.1 Directorate cash limits have been adjusted to include:

- the inclusion of a number of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set or adjustments to the level of grant allocation assumed in the budget following confirmation from the awarding bodies. These are detailed in Appendix 1.

3.1.2 All other changes to cash limits reported this quarter are considered "technical adjustments" i.e. where there is no change in policy, including allocation of grants and previously unallocated budgets and savings targets where further information regarding allocations and spending plans has become available since the budget setting process, and where adjustments have been necessary to better reflect the split of services across the A-Z budget headings.

3.1.3 Specialist Children's Services is currently going through a restructure and cash limits will need to be realigned later in the year, once the new structure is finalised and in place. This will impact on the variances reflected within this report against the individual A-Z budget lines of the SCS portfolio, but not on the overall position for the portfolio.

3.2 Forecast Revenue Position before Management Action

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

			Directorate					
Portfolio	**Budget**	**Variance**	ELS	FSC	E&E	C&C	BSS	FI
	£k	**£k**	£k	£k	£k	£k	£k	£k
Education, Learning & Skills	**+65,008**	**-3,623**	-3,623					
Specialist Children's Services	**+150,818**	**+4,983**	0	+4,983				
Specialist Children's Services - Asylum	**+280**	**+3,000**		+3,000				
Adult Social Care & Public Health	**+337,083**	**-2,697**		-2,697				
Environment, Highways & Waste	**+155,113**	**-774**			-774			
Customer & Communities	**+81,479**	**-1,147**				-1,147		
Regeneration & Economic Development	**+3,669**	**0**			0		0	
Finance & Business Support	**+63,313**	**-5,448**					-266	-5,182
Business Strategy, Performance & Health Reform	**+57,317**	**+848**		0			+848	0
Democracy & Partnerships	**+7,483**	**-294**					-144	-150
SUB TOTAL (excl Schools)	**+921,563**	**-5,152**	-3,623	+5,286	-774	-1,147	+438	-5,332
Schools (ELS portfolio)	*0*	*+2,286*	*+2,286*					
TOTAL	**+921,563**	**-2,866**	-1,337	+5,286	-774	-1,147	+438	-5,332

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

	CASH LIMIT			VARIANCE		
Portfolio	**Gross**	**Income**	**Net**	**Gross**	**Income**	**Net**
	£k	£k	£k	£k	£k	£k
Education, Learning & Skills	+184,085	-119,077	**+65,008**	-3,845	+222	**-3,623**
Specialist Children's Services	+201,175	-50,357	**+150,818**	+5,110	-127	**+4,983**
Specialist Children's Services - Asylum	+14,901	-14,621	**+280**	+123	+2,877	**+3,000**
Adult Social Care & Public Health	+450,844	-113,761	**+337,083**	-5,589	+2,892	**-2,697**
Environment, Highways & Waste	+179,538	-24,425	**+155,113**	-814	+40	**-774**
Customer & Communities	+133,746	-52,267	**+81,479**	-1,650	+503	**-1,147**
Regeneration & Economic Development	+5,729	-2,060	**+3,669**	+18	-18	**0**
Finance & Business Support	+170,455	-107,142	**+63,313**	-7,069	+1,621	**-5,448**
Business Strategy, Performance & Health Reform	+98,634	-41,317	**+57,317**	+3,972	-3,124	**+848**
Democracy & Partnerships	+7,743	-260	**+7,483**	-227	-67	**-294**
SUB TOTAL (excl Schools)	+1,446,850	-525,287	**+921,563**	-9,971	+4,819	**-5,152**
Schools (ELS portfolio)	*+746,533*	*-746,533*	***0***	*+2,286*	*0*	***+2,286***
TOTAL	+2,193,383	-1,271,820	**+921,563**	-7,685	+4,819	**-2,866**

A reconciliation of the above gross and income cash limits to the approved budget is detailed in **Appendix 1**.

3.3 Table 2 below details all projected revenue variances over £100k, in size order (shading denotes that a pressure/saving has an offsetting entry which is directly related). Supporting detail to each of these projected variances is provided in individual Directorate reports as follows:

Annex 1 **Education, Learning & Skills**
incl. Education, Learning & Skills and elements of Specialist Children's Services portfolios

Annex 2 **Families & Social Care – Children's Services**
incl. Specialist Children's Services portfolio

Annex 3 **Families & Social Care – Adult Services**
incl. Adult Social Care & Public Health portfolio and elements of Business Strategy, Performance & Health Reform portfolio

Annex 4 **Enterprise & Environment**
incl. Environment, Highways & Waste portfolio and elements of Regeneration & Economic Development portfolios

Annex 5 **Customer & Communities**
incl. Customer & Communities portfolio

Annex 6 **Business Strategy & Support**
incl. elements of Regeneration & Economic Development, Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios

Annex 7 **Financing Items**
incl. elements of the Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves following 39 schools converting to academies	+2,286	ELS	14-19 year olds (gross) - Kent Employment project	-1,930
ELS	Individual Learner Support (income) - Minority Communities Achievement Service reduced buy back from schools	+1,347	ELS	Individual Learner Support (gross) - Minority Communities Achievement Service reduced buy back from schools	-1,347
ELS	Schools' Other Services (gross) - cleaning and refuse contracts	+689	ELS	ELS Strategic Management & Directorate budgets (gross) - release of restructure contingency	-800
ELS	Schools' Non Delegated Staff costs (income) - excepted items reduced buy back from schools	+571	ELS	Schools' Other Services (income) - cleaning and refuse contracts	-772
ELS	Attendance & Behaviour (gross) - unachievable contract saving	+550	ELS	Special School & Hospital Recoupment (income) - additional income from other local authorities for places at our special schools	-712
ELS	Attendance & Behaviour (gross) - PRUs additional staffing & premises costs (matched by income from schools & academies)	+385	ELS	Schools' Non Delegated Staff costs (gross) - excepted items reduced buy back from schools	-571
ELS	Schools' Teachers Pensions costs - capitalisation costs	+336	ELS	Education Psychology Service (income) - income from traded service with schools and other customers	-547
ELS	Statemented Pupils (income) - reduced income from other local authorities for statemented support in our schools	+313	ELS	Attendance & Behaviour (income) - PRUs additional income from schools & academies	-385
ELS	Independent Special School Placements (income) - reduction in joint funded places income	+290	ELS	Statemented Pupils (gross) - reduced spend on statemented support for other local authority pupils in our schools	-313
ELS	ELS Strategic Management & Directorate budgets (gross) - academy converter legal costs	+285	ELS	Independent Special School Placements (gross) - reduction in joint funded places spend	-290
ELS	School Improvement Service (income) - under recovery of expected income	+189	ELS	ELS Strategic Management & Directorate budgets (gross) - Participation by Rights	-222
			ELS	Individual Learner Support (gross) - Early Years training	-215
			ELS	Early Years & Childcare (income) - income from course fees, training and support	-140
	ELS PORTFOLIO TOTAL	**+7,241**		**ELS PORTFOLIO TOTAL**	**-8,244**
SCS	Asylum - forecast shortfall in funding, awaiting resolution with Government	+3,000	SCS	Children's social care staffing - Gross - Staffing	-1,352
SCS	Fostering - Gross - Independent - forecast weeks higher than budgeted	+2,897	SCS	Fostering - Gross - Independent - forecast unit cost lower than budgeted	-569
SCS	Residential - Gross - Non Dis Independent Sector - forecast weeks higher than budgeted	+2,369	SCS	Preventative Children's services - Gross - management action and more detailed guidance on Section 17 payments	-565
SCS	Children's social care staffing - Gross - New County Referral Unit	+1,279	SCS	Preventative Children's services - Gross - Independent sector day care dis - reduction in core activity due to a shift to direct payments	-500

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
SCS	Preventative Children's services - Gross - Direct Payments - Forecast weeks/unit costs higher than budgeted (shift from Ind day care disability)	+492	SCS	Preventative Children's services - Gross - delay in investment in prevention strategy spend	-500
SCS	Fostering - Gross - Related foster payments - increase in reward payments	+437	SCS	Residential - Gross - Non Dis Independent Sector - forecast unit cost lower than budgeted	-494
SCS	Residential - Gross - Dis Independent Sector - Increase in high cost placements	+425	SCS	Leaving care - Gross - decrease in demand as 16-18 yr olds remaining in foster care, stricter controls around S24 payments	-477
SCS	Fostering - Gross - Non-related in house - forecast weeks higher than budgeted	+402	SCS	Fostering - Gross - Kinship non LAC - move to related fostering	-320
SCS	Children's centres - Gross - Various small overspends	+360	SCS	Early Years - Gross - Children's centre development team - release of uncommitted budget	-300
SCS	Fostering - Gross - Related foster payments - drive to move children from Kinship to Related Fostering	+320	SCS	Fostering - Gross - Kinship non LAC - move to SGO	-264
SCS	Leaving care - Gross - VAT liability	+295	SCS	Preventative Children's services - Gross - Costs re-classified as fostering	-235
SCS	Adoption - Gross - Increase in Special Guardianship Orders	+264	SCS	Residential - Gross - KCC residential - increase in income from District Health Authorities	-211
SCS	Fostering - Gross - Non-related in house - fostering costs moved from S.17	+235	SCS	Preventative Children's services - Gross - Costs re-classified as legal costs	-150
SCS	Preventative Children's services - Gross - increased cost of MASH due to lease charges	+188	SCS	Fostering - Gross - Non-related in house - forecast unit cost lower than budgeted	-150
SCS	Fostering - Gross - Non-related in house - enhanced payments for carers of disabled children	+186	SCS	Preventative Children's services - Gross - Independent sector day care non dis- renegotiated day care rate	-140
SCS	Safeguarding - Gross - staffing	+178	SCS	Residential - Gross - Dis Independent Sector - reduction in the overall number of placements	-128
SCS	Adoption - Gross - Increase in cost of placements	+168	SCS	Children's centres - Income - Various income for utilities, activities etc	-115
SCS	Children's Support Services - Gross - Staffing (Out of Hours Team)	+150			
SCS	Legal Charges - Gross - costs moved from S.17	+150			
SCS	Fostering - Gross - County fostering team - increase in number of staff	+148			
SCS	Residential - Income - Non Dis Independent Sector - reduction in income for placements from Health	+147			
SCS	Legal Charges - Gross - increased demand	+135			
SCS	Children's centres - Gross - Various spend on utilities, activities etc	+115			
	SCS PORTFOLIO TOTAL	**+14,340**		**SCS PORTFOLIO TOTAL**	**-6,470**

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Domiciliary Care - Older People Income: under-recovery of community service income due to reduced activity	+1,525	ASCPH	Residential Care - Older People Gross: release of contigency to help fund pressures on nursing care	-1,345
ASCPH	Nursing Care - Older People Gross: forecast number of weeks higher than affordable level	+1,069	ASCPH	Direct Payments - Older People Gross: forecast number of weeks lower than affordable level	-1,337
ASCPH	Domiciliary Care - Learning Disability Gross: forecast unit cost higher than affordable level	+1,051	ASCPH	Residential Care - Learning Disability Gross: preserved rights number of weeks forecast to be lower than affordable level	-1,282
ASCPH	Supported Accomodation - Learning Disability Income: forecast unit charge lower than affordable level	+787	ASCPH	Residential Care - Older People Gross: forecast number of weeks lower than affordable level	-1,131
ASCPH	Residential Care - Learning Disability Gross: forecast number of weeks greater than affordable level	+755	ASCPH	Direct Payments - Learning Disability Gross: forecast number of weeks lower than affordable level	-1,037
ASCPH	Supported Accomodation - Learning Disability Gross: forecast number of weeks higher than affordable level	+752	ASCPH	Domiciliary Care - Older People Gross: forecast number of hours lower than affordable level	-962
ASCPH	Direct Payments - Older People Gross: forecast unit cost higher than affordable level	+674	ASCPH	Residential Care - Physical Disabiltiy Gross: forecast number of weeks lower than affordable level	-860
ASCPH	Residential Care - Older People Income: lower income resulting from the placing of less permanent clients in in-house units	+653	ASCPH	Domiciliary Care - Learning Disability Gross: forecast number of hours lower than affordable level	-815
ASCPH	Residential Care - Learning Disability Gross: preserved rights unit cost forecast to be higher than affordable level	+646	ASCPH	Domicilary Care - Physical Disability Gross: forecast number of hours lower than affordable level	-692
ASCPH	Nursing Care - Older People Gross: forecast unit cost higher than affordable level	+646	ASCPH	Day Care - Older People Gross: savings from re-commissioning strategies in both in-house & external services	-645
ASCPH	Residential Care - Older People Income: forecast number of weeks lower than affordable level	+614	ASCPH	Assessment Adult's Social Care Staffing Gross: delay in recruitment of known vacancies	-584
ASCPH	Domicilary Care - Physical Disability Gross: forecast unit cost higher than affordable level	+571	ASCPH	Direct Payments - Physical Disability Gross: forecast number of weeks lower than affordable level	-580
ASCPH	Residential Care - Older People Income: forecast unit charge lower than affordable level	+566	ASCPH	Domiciliary Care - Older People Gross: Savings from the Kent Enablement at Home service as a result of forecast activity below budgeted level	-574
ASCPH	Residential Care - Learning Disability Income: preserved rights unit charge forecast is lower than affordable level	+403	ASCPH	Supported Accommodation - Learning Disability Gross: forecast unit cost lower than budgeted level	-541
ASCPH	Domiciliary Care - Older People Gross: forecast unit charge higher than affordable level	+380	ASCPH	Nursing Care - Older People Income: forecast number of weeks higher than affordable level	-456
ASCPH	Domiciliary Care - Learning Disability Income: changing client profile in the Independent Living Service leading to reduced levels of support for those clients in receipt of external funding	+352	ASCPH	Supported Accommodation - Learning Disability Gross: expected drawdown from social care costs reserve	-444
ASCPH	Residential Care - Learning Disability Gross: delay in the review of in-house units	+269	ASCPH	Domiciliary Care - Learning Disability Income: over-recovery of community service income compared to budgeted level	-420

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Direct Payments - Learning Disability Income: forecast unit charge lower than affordable level	+248	ASCPH	Residential Care - Learning Disability Income: forecast unit charge greater than affordable level	-419
ASCPH	Residential Care - Older People Gross: integrated care centre health costs to be recharged to the PCT	+240	ASCPH	Residential Care - Older People Gross: preserved rights forecast number of weeks lower than affordable level	-405
ASCPH	Direct Payments - Physical Disability Gross: one-off payments in excess of budgeted level	+216	ASCPH	Nursing Care - Older People Income: forecast unit charge higher than affordable level	-390
ASCPH	Residential Care - Mental Health Gross: unit cost forecast to be higher than affordable level	+199	ASCPH	Domiciliary Care - Older People Gross: savings on block contracts	-356
ASCPH	Residential Care - Physical Disabiltiy Gross: forecast unit cost is higher than affordable level	+192	ASCPH	Day Care - Learning Disability Gross: staffing savings on in-house service from modernisation strategy & reduced client numbers	-343
ASCPH	Domiciliary Care - Learning Disability Gross: pressure on Extra Care Sheltered Housing	+172	ASCPH	Residential Care - Older People Income: integrated care centre health costs to be recharged to the PCT	-240
ASCPH	Direct Payments - Older People Income: forecast number of weeks lower than affordable level	+170	ASCPH	Other Adult Services Gross: Learning Disability Development Fund underspend resulting from review of payments to organisations and redeployment of staff	-192
ASCPH	Residential Care - Older People Gross: forecast unit cost higher than affordable level	+155	ASCPH	Direct Payments - Older People Income: forecast unit charge higher than affordable level	-177
ASCPH	Residential Care - Older People Gross: staffing pressure on in-house units due to absences and vacancy cover	+152	ASCPH	Residential Care - Learning Disability Gross: forecast unit cost lower than affordable level	-150
ASCPH	Nursing Care - Older People Gross: additional nursing care to be recharged to health (RNCC)	+149	ASCPH	Nursing Care - Older People Income: additional nursing care to be recharged to health (RNCC)	-149
ASCPH	Residential Care - Learning Disability Income: preserved rights number of weeks forecast to be lower than affordable level	+141	ASCPH	Supported Accommodation - Physical Disability/Mental Health Income: forecast unit charge higher than affordable level	-141
ASCPH	Day Care - Learning Disability Gross: pressure on the commissioning of external day care services	+135	ASCPH	Domiciliary Care - Older People Gross: savings on the provision of domi care to clients within sheltered accommodation	-138
ASCPH	Strategic Management & Directorate Support Gross: estimated legal charges pressure based on 11-12 outturn.	+133	ASCPH	Residential Care - Older People Income: additional income received from other local authorities for in-house units	-113
ASCPH	Strategic Management & Directorate Support Gross: staffing pressure on Operational Support Unit.	+125	ASCPH	Direct Payments - Physical Disability Income: forecast unit charge higher than affordable level	-101
ASCPH	Domiciliary Care - Older People Gross: pressure on the provision of enablement services by external providers	+122			
ASCPH	Domicilary Care - Older People Gross: estimated contribution to the bad debt provision to cover rising client debt levels	+111			
ASCPH	Contributions to Voluntary Organisations Gross: review and commissioning of new services to support transformation	+111			
ASCPH	Strategic Management & Directorate Support Gross: staffing pressure on Strategic Commissioning.	+110			

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Residential Care - Physical Disabiltiy Income: forecast number of weeks lower than affordable level	+110			
ASCPH	Direct Payments - Learning Disability Gross: forecast unit cost higher than affordable level	+100			
	ASC&PH PORTFOLIO TOTAL	**+14,804**		**ASC&PH PORTFOLIO TOTAL**	**-17,019**
EHW	Landfill Tax - Additional waste (approx. 21,500 tonnes) sent to landfill due to extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+1,372	EHW	Disposal Contracts - reduced level of residual waste being processed at the Allington Waste to Energy plant and sent to landfill due to extended planned maintenance	-2,831
EHW	Commercial Services - shortfall in contribution due to approved costs of restructure and reorganisation to implement consultants' recommendations	+640	EHW	Highways: Streetlight energy	-540
EHW	Highways: Highways Drainage - additional costs due to exceptional wet weather conditions	+500	EHW	Payments to Waste Collection Authorities (District Councils) - reduced tonnage meaning reduced level of recycling credits paid to Districts	-462
EHW	Disposal Contracts - additional volumes of waste (approx 21,500 tonnes) sent to landfill as a result of the extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+475	EHW	Highways: Road Safety - increased income for speed awareness courses to cover increased costs	-459
EHW	Recycling Contracts and Composting - increased level of waste	+436	EHW	Household Waste Recycling Centres - additional income from textiles contract	-390
EHW	Commercial Services - rephasing of delivery of increased income target into 2013-14	+430	EHW	Highways: Traffic Management - Permit Scheme income	-326
EHW	Highways: Road Safety - increased speed awareness costs offset by increased income	+332	EHW	Highways:Traffic Management - contract saving	-260
EHW	Highways: Tree maintenance, grass cutting and weed control - Tree stump removal	+252	EHW	Highways: Traffic Management - s74 and road closure income	-206
EHW	Transport Services: Freedom Pass - change of education transport policy	+246	EHW	Transport Services: Concessionary Fares - reduced usage	-205
EHW	Highways: General maintenance and emergency response - dual carriageway maintenance	+232	EHW	Haulage & Transfer Stations - waste tonnage below affordable level	-193
EHW	Highways: Tree maintenance, grass cutting and weed control - Additional weed control activity due to exceptional adverse weather	+216	EHW	Highways: Highways Improvements - savings from procurement exercise on resurfacing budget to offset drainage pressures	-179
EHW	Highways: Highways Drainage - backlog of scheduled cleaning	+200	EHW	Strategic Management & Directorate Support - saving on feasibility studies for major Transportation projects	-175
EHW	Strategic Management & Directorate Support Budgets - ICT development costs	+150	EHW	Household Waste Recycling Centres - income from lead acid batteries	-120
EHW	Highways: Tree maintenance, grass cutting and weed control - Shrub maintenance	+150	EHW	Highways: General maintenance and emergency response - depots maintenance and energy	-111

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Commercial Services - shortfall in contribution due to one off restructuring costs	+150	EHW	Planning Applications - staffing vacancies offsetting reduced income from planning applications	-104
EHW	Highways: Traffic Management - Lane rental scheme development costs	+145			
EHW	Transport Services: Freedom Pass - increased usage	+145			
EHW	Planning Applications - under recovery of income due to reduced number of planning applications; offset by vacancies within staffing	+122			
EHW	Highways: General maintenance and emergency response - relocation of Transport Integration Team	+120			
EHW	Highways: Road Safety - reduced income for bike training	+109			
	EH&W PORTFOLIO TOTAL	**+6,422**		**EH&W PORTFOLIO TOTAL**	**-6,561**
C&C	Contact Centre & Consumer Direct: reduction in income linked to reduced call volumes for Consumer Direct	+446	C&C	Contact Centre & Consumer Direct: reduced staff numbers in line with reduced call volumes for Consumer Direct	-369
			C&C	Supported Independence & Supported Employment: staffing underspend within Kent Supported Employment	-228
			C&C	Registration Service: staffing savings pending restructure of service	-165
			C&C	Gateways: re-phasing of opening and change in specification of Swanley and Herne Bay gateways	-159
			C&C	Trading Standards: staff vacancy savings pending restructure of service	-156
			C&C	Youth Offending Service: staff vacancy savings pending notification of future year funding levels from Youth Justice Board	-140
			C&C	Community Wardens: staff vacancies	-134
	C&C PORTFOLIO TOTAL	**+446**		**C&C PORTFOLIO TOTAL**	**-1,351**
F&BS	transfer of forecast underspend on Insurance Fund to the Insurance reserve	+690	F&BS	savings on debt charges due to re-phasing of capital programme in 11-12, together with no new borrowing in 12-13	-3,895
F&BS	Increase in MRP	+403	F&BS	Earmarked funding held within unallocated budgets to offset anticipated shortfall in Commercial Services	-1,220
F&BS	Contribution to economic downturn reserve of 2012-13 write down of discount saving from 2008-09 debt restructuring	+159	F&BS	Reduction in anticipated insurance claims	-690
			F&BS	underspend on leases	-400
			F&BS	Finance & Procurement Gross - staffing underspend	-285
			F&BS	2012-13 write down of discount saving from 2008-09 debt restructuring	-159
	F&BS PORTFOLIO TOTAL	**+1,252**		**F&BS PORTFOLIO TOTAL**	**-6,649**

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
BSPHR	ICT Gross: Information Systems costs of additional pay as you go activity	+2,786	BSPHR	ICT Income: Information Systems income from additional pay as you go activity	-2,786
BSPHR	Property & Infrastructure Gross - extension to leasehold payments; more cautious approach to capitalising expenditure	+1,299	BSPHR	Property and Infrastructure Income - Use of Local Authority Capital Maintenance Grant to fund revenue expenditure previously categorised as capital	-700
BSPHR	Governance & Law Income - reduced income due to revised business objectives (matched by reduced staffing costs)	+464	BSPHR	Governance & Law Gross - reduced staffing due to revised business objectives (matched by reduced income)	-490
BSPHR	Human Resources Income - under recovery of income target by Schools Personnel Service	+420	BSPHR	Human Resources Gross - underspend on Schools Personnel Service mainly on salaries, partially off-setting under delivery of income target	-310
BSPHR	Human Resources Gross - pressure on Employee Services budget mainly on staffing	+406	BSPHR	Business Strategy Gross - staffing underspend	-255
BSPHR	ICT Gross: additional staffing expenditure due to the continued high demand for ICT services	+314	BSPHR	Human Resources Income - increased Employee Services income	-227
			BSPHR	Human Resources Income - increased income relating to Rewards	-198
	BSP&HR PORTFOLIO TOTAL	**+5,689**		**BSP&HR PORTFOLIO TOTAL**	**-4,966**
			D&P	Reduction in External Audit Fee	-150
	D&P PORTFOLIO TOTAL	**+0**		**D&P PORTFOLIO TOTAL**	**-150**
		+50,194			**-51,410**

3.4 **Key issues and risks**

3.4.1.1 **Education, Learning & Skills portfolio:** Forecast (excl. schools) **-£3.623m**

There is significant re-phasing of the Kent Youth Employment Programme as grants to employers for placements of unemployed young people are only made following completion of 6 months and 12 months in placements. In addition, there is a net surplus on traded activity within the Education Psychology Service, additional special school recoupment income, and the release of contingency held against potential in year costs resulting from the ELS restructure. These underspends are partially offset by additional capitalised pension costs for teachers and legal costs resulting from schools converting to academies. Also, it has not been possible to generate the anticipated savings on an Attendance & Behaviour contract. This has implications for the 2013-14 budget and alternative savings will need to be found. Further details are provided in Annex 1.

3.4.1.2 **Education, Learning & Skills portfolio – Schools Delegated:** Forecast **+£2.286m**

The first monitoring returns from schools are currently being collected, therefore this forecast relates entirely to the reduction in schools reserves resulting from an anticipated 39 schools converting to academy status and taking their reserves with them. An update on the first monitoring returns from schools will be provided in the next exception report.

3.4.2.1 **Specialist Children's Services portfolio:** Forecast **+£4.983m**

There has been a continuation of the pressures experienced during 2011-12 mainly on Fostering, Residential Children's Services and Adoption. A pressure arising from the new county referral unit, which has been set up in advance of the main SCS restructure is offset by underspending against other Children's Social Care staffing. In addition, there has been a shift in providing independent sector day care and short breaks to children with a disability to providing direct payments instead. Further details are provided in Annex 2.

3.4.2.2 **Specialist Children's Services portfolio - Asylum:** Forecast **+£3.000m**
This potential pressure is in respect of both unaccompanied asylum seeking children and those eligible under the care leaving legislation and assumes the same level of funding as we received in 2011-12 for the Gateway Grant. Kent, along with Hillingdon and Solihull Councils, has jointly written to the Minister of State for Immigration expressing their continued frustration of not being able to agree a resolution that ensures adequate funding levels. Until there is more certainty around a resolution it is prudent to report this pressure, but at time of writing no response had been received from the Minister. The Council will continue to press the government vigorously, along with other key affected councils, to agree a means of funding which enables the Council to meet its obligations to the young people affected, but which is also fair to local residents.

3.4.3 **Adult Social Care & Public Health portfolio:** Forecast **-£2.697m**
There is a continuation of the trends experienced in 2011-12 with lower than budgeted demand for direct payments, day care and Older People residential care. These underspends are partially offset by increased demand for OP nursing care and supported accommodation, domiciliary care and residential care for clients with learning disabilities. Further details are provided in Annex 3.

3.4.4 **Environment, Highways & Waste portfolio:** Forecast **-£0.774m**
There is an underspend on the waste budgets of just under £2m, reflecting a continuation of the savings experienced in 2011-12 as a result of lower than budgeted waste tonnage and new income streams from recyclates. However this is offset by a £1.2m anticipated shortfall in the contribution from Commercial Services due to additional approved costs of restructuring to implement consultants' recommendations and a re-phasing of the increased income target built into the current year budget, now expected to be achieved in 2013-14. Within Highways and Transportation, additional costs of dual carriageway maintenance, shrub maintenance, tree stump removal and additional weed control and drainage costs as a result of the exceptionally rainy weather, together with development costs for a lane rental scheme are largely offset by additional income from the Permit Scheme and lower than anticipated costs of streetlight energy. Further details are provided in Annex 4.

3.4.5 **Customer & Communities portfolio:** Forecast **-£1.147m**
This underspend is largely due to staffing savings within Kent Supported Employment, Trading Standards, Registration, Youth Offending Service and Community Wardens, as vacancies are being held in anticipation of future funding reductions and/or savings being approved as part of the 2013-16 MTFP, in order to minimise the impact of redundancies wherever possible, but only where the impact on front line delivery has been negligible or fully mitigated. However, there are some, largely one-off, emerging pressures within the Libraries, Registration & Archives Service, which need to be investigated further and quantified, that may offset part of this underspending and an update will be provided in the next monitoring report. Also, there is a delay in the opening of the Herne Bay and Swanley Gateways providing a saving on running costs in this financial year. In addition, there is a reduction in the call volumes being experienced within Consumer Direct resulting in a loss of income, as income is calculated on a price per call, however this is offset by reduced staffing costs in line with the reduction in call volumes. Further details are provided in Annex 5.

3.4.6 In the Business Strategy & Support directorate, the key issues by portfolio are:

3.4.6.1 **Finance & Business Support portfolio**: Forecast **-£0.266m**
This underspend is as a result of many appointments being made to the new structure at the bottom of the grade, whereas the budget is set at the mid-point of grade.

3.4.6.2 **Business Strategy, Performance & Health Reform portfolio**: Forecast **+£0.848m**
Pressures are forecast within Property & Infrastructure where savings from vacating lease hold properties have not happened as quickly as anticipated due to changes in requirements as a result of service transformations and restructures throughout the Council, together with a more cautious approach to capitalising expenditure in accordance with accounting requirements. Dedicated resources have now been put in place to programme manage the New Work Spaces initiative which will give greater clarity on timelines for coming out of properties. A pressure is also forecast within Human Resources due to the under-delivery of challenging income targets within the Schools Personnel Service and pressures on staffing within Employee Services due to increased demand to support many divisional restructures and service transformations. Also, a pressure is forecast within ICT as a result of additional staffing due to continued high demand for ICT services. These pressures are partially offset by staffing vacancy savings within Business

Strategy due to delays in recruitment. In addition, there is a shortfall in income within Governance & Law and a compensating underspend on staffing and related costs, which reflects the impact of the Evolution, Efficiency & Enterprise project, which is seeking to reduce the cost of legal services to the council. Management action is expected to be delivered to offset these pressures.

3.4.6.3 **Democracy & Partnerships portfolio**: Forecast **-£0.144m**

This forecast underspend is made up of a number of small variances, mainly within Finance – Internal Audit.

Further details are provided in Annex 6.

3.4.7 The key issues within the Financing Items budgets are:

3.4.7.1 **Finance & Business Support portfolio:** Forecast **-£5.182m**.

There are savings on the net debt charges budget as a result of deferring borrowing in 2011-12 due to the re-phasing of the capital programme, cash balances have been relatively high and no new borrowing has been taken in the first half of 2012-13. The current year write down of the discount saving from the debt restructuring undertaken in 2008-09 is being transferred to the Economic Downturn reserve as planned and there are savings on the leases budget reflecting a continuation of the trend in recent years. A forecast underspend against the insurance fund will be transferred to the insurance reserve at year end in line with usual practice. In addition, unallocated funds were being held back in anticipation of the shortfall in the Commercial Services contribution reported within the EH&W portfolio and these have now been released in order to offset this pressure.

3.4.7.2 **Democracy & Partnerships portfolio:** Forecast **-£0.150m**.

This underspend relates to the external audit fee where a combination of outsourcing of the Audit Commission's in-house Audit Practice and their own internal efficiency savings means that the Audit Commission is able to pass on significant reductions in audit fees this year to audited bodies. These lower fees are fixed for five years irrespective of inflation, and will help public bodies at a time when budgets are under pressure

Further details are provided in Annex 7.

3.4.8 By the end of the financial year, management action is expected to be delivered to achieve a balanced budget within the Business Strategy, Performance & Health Reform portfolios, with an overall underspend for the authority of -£6.000m forecast at this stage. In the context of a savings requirement of £100m and on the back of delivering a £95m saving target last year, this is a very promising position at this stage of the year. The forecasts show that the vast majority of the £100m savings are on track to be delivered. The intention remains that where delivery proves to be unlikely, that equivalent savings elsewhere within the relevant portfolio will be made as appropriate. The position will be closely monitored throughout the remainder of the financial year and every effort will be made to ensure that we remain within a balanced position.

3.5 Implications for future years/MTFP

3.5.1 The key issues and risks identified above will need to be addressed in directorate medium term plans (MTFP) for 2013-16. Although most pressures, excluding those within Specialist Children's Services (SCS), are forecast to be largely offset by underspending or management action this year, some of the underspending and management action is likely to be one-off or not sustainable for the longer term. There are other pressures which, although not hugely significant this year, will also need addressing in the MTFP. These are detailed in the Annex reports. With regard to the pressures within SCS, controls and early intervention services have been put in place, which are expected to reduce the financial pressure on these services over the medium term.

4. CAPITAL

4.1 The Capital Programme 2012-15 has an approved budget of £621.362m, excluding PFI. The forecast outturn against this budget is £612.139m, giving a variance of -£9.223m. This is made up of an unfunded variance of +£1.238m, rephasing to later years of -£21.428m, funded variances of +£12.407m and project underspends of -£1.440m.

4.2 Table 1 – Revised approved budget

		Portfolios						
	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customer & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens Services
	£m	£m	£m	£m	£m	£m	£m	£m
Approved budget last reported to Cabinet	621.312	21.468	33.211	13.501	274.096	173.875	104.392	0.769
Approvals made since last reported to Cabinet	0.050	0.000	0.000	0.050	0.000	0.000	0.000	0.000
Revised approved budget excl PFI	621.362	21.468	33.211	13.551	274.096	173.875	104.392	0.769

4.3 Table 2 – Funded and Revenue Funded Variances

	Portfolios							
	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customer & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens Services
	£m	£m	£m	£m	£m	£m	£m	£m
Cabinet to approve cash limit changes								
Academies	1.564				1.564			
Shepway Sports Centre - LD Strategy	0.030	0.030						
Integrated Transport	-0.013					-0.013		
Highway Major Maintenance (REV)	6.000					6.000		
Dartford & Gravesham NHS Trust Capital Cont'n	0.128			0.128				
Modernisation of Assets	-0.061		-0.061					
ERP Phase 1	0.620		0.620					
Oracle Release 12	-0.120		-0.120					
No cash limit changes to be made								
Archbishop Courtenay - Primary Improvement Programme (REV)	0.040				0.040			
Primary Improvement programme - Other Projects	0.024				0.024			
Basic Need Programme	-0.073				-0.073			
Modernisation Programme	0.049				0.049			
Ashford, Thanet & Swale MASH (REV)	0.006							0.006
Self Funded Projects - Quarryfields (REV)	0.060							0.060
Integrated Transport	0.630					0.630		
Non TSG Land Compensation	0.185					0.185		
Member Highway Fund	-0.018					-0.018		
A2 Cyclopark	0.018					0.018		
A2 Cyclopark (REV)	0.012					0.012		
Victoria Way	0.033					0.033		
Drovers Roundabout	1.451					1.451		
Highway Major Maintenance	0.950					0.950		
Member Highway Fund (REV)	0.377					0.377		
Energy Water Efficiency	0.286					0.286		
Youth Vehicles (REV)	0.141			0.141				
Public Rights of Way (REV)	0.063			0.063				
Tonbridge Youth Facility (REV)	0.025			0.025				
Total	12.407	0.030	0.439	0.357	1.604	9.911	0.000	0.066

4.4 Table 3 – Summary of variance

		Portfolios						
	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customer & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens Services
	£m	£m	£m	£m	£m	£m	£m	£m
Unfunded variance	**1.238**	**0.000**	**0.000**	**0.000**	**0.000**	**0.120**	**0.000**	**1.118**
Funded variance (from table 2)	4.447	0.030	0.439	0.128	1.564	2.286	0.000	0.000
Variance to be funded from revenue (from table 2)	7.960	0.000	0.000	0.229	0.040	7.625	0.000	0.066
Project Underspend	-1.440	0.000	-0.700	0.000	0.000	-0.456	-0.284	0.000
Rephasing (beyond 2012-15)	**-21.428**	**-1.418**	**0.000**	**0.000**	**0.000**	**-3.700**	**-16.310**	**0.000**
Total variance	-9.223	-1.388	-0.261	0.357	1.604	5.875	-16.594	1.184

4.5 Summary of schemes with real variance over £0.100m and proposed actions to mitigate:

4.5.1 The following schemes have been identified which show a real unfunded variance in excess of £0.100m:

- A28 Chart Road - EHW (Real overspend in later years of +£1.600m). This project is likely to be delivered in phases, as funding streams are confirmed. The initial phase has funding approval in principle from the Growing Places Fund. It is unlikely to require planning consent on land and should therefore be able to deliver soon. Other phases are likely to be related to the rate of development in South Ashford. The forecast overspend is anticipated to be funded from developer contributions.

- MASH - SCS – (Real overspend +£1.118m) Latest MASH estimates show a forecast variance of £1.124m in 2012-13, £0.006m of this is to be funded from a revenue contribution. This reflects a continuing pressure and has increased by £0.024m since last reported to Cabinet mainly due to additional consultancy fees. There is anticipated external funding of £0.800m which is awaiting confirmation from the NHS. If this is forthcoming there remains an unfunded variance of £0.318m, the funding of which is yet to be resolved.

- Coldharbour Gypsy site - EHW: (Real overspend +£0.120m) The overspend is mainly due to unplanned works to be carried out by utility companies to avoid any damage to the existing cables and pipes. The initial survey did not pick up these anomalies. Action is being taken to find additional external funding to cover the overspend.

4.6 Summary of schemes whereby completion is delayed and impact on delivery:

- Regional Growth Fund – REG: The rephasing of -£9.710m into 2016-17 is due to the re-profiling of the programme based on the best estimates of applications expected for the Expansion East Kent Fund.

- Broadband- REG: - £5.000m has been rephased to beyond 2012-15. This is due to delays at a national level in finalising the BDUK procurement framework and the UK state aid notification with the EU. As a result, suppliers are now informing Government it will be necessary to extend the implementation window beyond March 2015.

- Sandwich Sea Defence – EHW: (Re-phasing beyond 2012-15 -£1.016m). The schedule of planned contributions from KCC now reflects the anticipated progression of the scheme, giving more realistic phasing, as was reported in the last exception report to Cabinet.

- Drovers Roundabout-M20 J9 and Victoria Way – EHW: (Risk) These schemes have been classed as amber due to the risk around these. As previously reported contractors' claims assessments and the negotiations are still ongoing. The assessment and the negotiation are showing good progress, however the full extent of the final costs have not yet been resolved.

- Community Care Centre – Thameside Eastern Quarry/Ebbsfleet - ASC&PH: (Rephasing beyond 2012-15 -£1.418m). This is due to the housing development relating to this project not progressing at the expected rate. There has also been a budget refreshment to the Ebbsfleet project resulting in a reduction of £0.321m to the cash limit in 2015-16.

- Information Technology Strategy/Modernisation of Assets - ASC&PH: As a result of the decision to postpone the implementation of the Adults Integration Solution (AIS) workstream to all localities, pending further conclusive outcomes, coupled with an over-arching strategic review scheduled to be carried out by the Authority's Director of ICT, the Directorate has decided to show prudency and delay elements of this project into 2013-14.

- Tunbridge Wells Library – C&C: (Rephasing) Practical completion is now likely to occur in the next financial year - hence the Amber status - and this is due to a combination of issues including protracted procurement and contractual processes. This is a listed building and there is a potential risk that once work commences, issues could be encountered which may increase the scope and costs of works. However, a contingency has been built in as part of the procurement process and this has been increased slightly in an attempt to mitigate any such risks.

- Edenbridge Community Centre – C&C: (Rephasing - no change from prior month). The contractor has submitted an extension of time request in relation to the construction of the Edenbridge Centre and the associated housing development. The impact of this is that the opening of the centre has moved from October 2012 to January 2013. The fixed price Design and Build contract means that there are no financial risks to KCC in relation to the build or this claim but as the estimated completion date has been extended, an AMBER status has been applied.

4.7 Summary of projects by Status

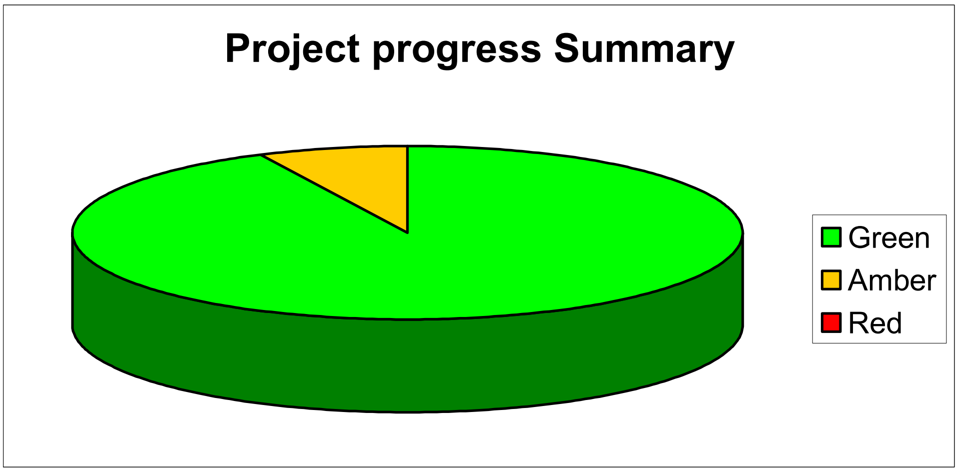
4.7.1 All projects within the capital programme have been assigned a Red, Amber or Green status using the following assessments:

4.7.2 Green – Projects on time and budget
Amber – Projects either delayed, or over [1]budget
Red – Projects both delayed and over budget

4.7.3 Table 5 – Project Progress summary by Directorate

	Green - number of schemes	Amber - number of schemes	Red - number of schemes	Total Number of Schemes
ELS	58	0	0	58
FSC	16	3	0	19
E&E	30	5	0	35
C&C	21	2	0	23
BSS	31	2	0	33
	156	**12**	**0**	**168**

1 Only show as over budget if unfunded and above £100k or 10% of project budget. Any considered amendments to projects, for which additional funding is available would not be deemed as over budget.



4.8 Across the capital programme we may need to set up a provision for between £2.5m - £4.5m.

5. FINANCIAL HEALTH

5.1 The latest Financial Health indicators, including cash balances, our long term debt maturity, outstanding debt owed to KCC, the percentage of payments made within 20 and 30 days and the recent trend in inflation indices (RPI & CPI) are detailed in **Appendix 2**.

5.2 The latest monitoring of Prudential Indicators is detailed in **Appendix 3**.

6. RISK MANAGEMENT

6.1 The risk management work plan continues to be implemented across the Authority, with all previous risk management audit recommendations due to be completed, or systems in place by end of Q3 2012-13.

6.2 KCC's Risk Management Policy was updated to reflect the new governance arrangements and approved by Governance & Audit Committee on 25th September 2012.

6.3 The annual refresh of the Corporate Risk Register is underway. Meetings have been held with Cabinet Members and the Corporate Management Team to gain their views on the most significant areas of concern for KCC, with key messages being fed back to Corporate Board. An updated register will be produced to reflect the feedback received, including agreement on the critical actions required to mitigate these risks. In addition, progress against mitigating actions listed in the current version of the Corporate Risk Register is being checked, with findings to be reported via the Quarterly Performance Report to Corporate Board and Cabinet. Insufficient progress against actions will trigger referral to the Performance & Evaluation Board for support and challenge as appropriate.

6.4 Divisional and directorate risk registers are being re-established / refreshed across the Authority, with regular monitoring mechanisms established. Reporting lines have been established with Cabinet Committees and directorate risk registers are due to be reported to them in January 2013.

6.5 The Risk Management database is now being piloted and will act as an important central repository for key risk information across the Authority, which will aid the corporate risk team in gaining oversight of significant risks, providing analysis of interdependencies and monitoring progress against mitigating actions.

6.6 Governance & Audit Committee members received a briefing on KCC's approach to Risk management in September 2012 and a series of Risk Management "webinars" are scheduled to run from November 2012 onwards. A Business Intelligence training session, including performance and risk management, is being piloted in Q3 and will run alongside the Financial Management Development Programme in 2013-14.

6.7 Risk management is being embedded in the business planning process, with headline risks to services and mitigating actions being included in 2013-14 business plans.

7. REVENUE RESERVES

7.1 The table below reflects the projected impact of the current forecast spend and activity for 2012-13 on our revenue reserves:

Account	Actual Balance at 31/3/12 £m	Projected Balance at 31/3/13 £m	Movement £m
Earmarked Reserves	141.3	117.0	-24.3
General Fund balance	31.7	31.7	-
Schools Reserves *	59.1	56.8	-2.3

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

7.2 The reduction of £24.3m in earmarked reserves includes the contribution to a new council tax equalisation reserve of £7.5m, and a £2m contribution to the Invest to Save reserve, together with the £5m drawdown from reserves, which were all approved as part of the 2012-13 budget, as well as other planned movements in reserves such as IT Asset Maintenance, earmarked reserve to support the 2012-13 budget, Kingshill Smoothing, prudential equalisation, economic downturn reserve, revenue reserve to support projects previously classified as capital eg Member Highway Fund, Elections, repairs and renewals funds and PFI equalisation reserves, together with the anticipated movements in the Insurance Reserve, Regeneration Fund, dilapidations, NHS support for social care, rolling budget and restructure reserves.

7.3 The reduction of £2.3m in the schools reserves is due to an anticipated 39 schools converting to academy status and therefore taking their reserves with them. The value of school reserves is very difficult to predict at this stage in the year as we only get monitoring returns from schools after 6 months, 9 months and outturn. The first monitoring returns from schools are currently being collated and further updates will be provided in future monitoring reports.

8. STAFFING LEVELS

8.1 The following table provides a snapshot of the staffing levels by directorate as at 30 September 2012 compared to the numbers as at 31 March 2012 and 30 June 2012, based on active assignments. Between 31 March 12 and 30 September 12, there has been a reduction of 1,411.30 FTEs of which 1,088.09 were in schools and 323.21 were non-schools.

					Difference	
		Mar-12	**Jun-12**	**Sep-12**	**Number**	**%**
KCC	Assignment count	44,226	42,875	41,586	-2,640	-5.97%
	Headcount (inc. CRSS)	37,399	36,226	35,216	-2,183	-5.84%
	Headcount (exc. CRSS)	33,274	32,061	31,201	-2,073	-6.23%
	FTE	**24,389.61**	**23,514.33**	**22,978.31**	**-1,411.30**	**-5.79%**
KCC - Non Schools	Assignment count	13,901	13,671	13,440	-461	-3.32%
	Headcount (inc. CRSS)	12,652	12,430	12,237	-415	-3.28%
	Headcount (exc. CRSS)	10,865	10,613	10,447	-418	-3.85%
	FTE	**9,186.64**	**8,971.02**	**8,863.43**	**-323.21**	**-3.52%**
BSS	Assignment count	1,673	1,559	1,574	-99	-5.92%
	Headcount (inc. CRSS)	1,665	1,555	1,569	-96	-5.77%
	Headcount (exc. CRSS)	1,646	1,540	1,552	-94	-5.71%
	FTE	**1,523.86**	**1,427.96**	**1,443.80**	**-80.06**	**-5.25%**
ELS	Assignment count	1,646	1,589	1,527	-119	-7.23%
	Headcount (inc. CRSS)	1,585	1,526	1,470	-115	-7.26%
	Headcount (exc. CRSS)	1,295	1,237	1,187	-108	-8.34%
	FTE	**990.93**	**947.65**	**917.46**	**-73.47**	**-7.41%**
C&C	Assignment count	3,971	3,941	3,832	-139	-3.50%
	Headcount (inc. CRSS)	3,415	3,398	3,319	-96	-2.81%
	Headcount (exc. CRSS)	2,274	2,239	2,166	-108	-4.75%
	FTE	**1,730.35**	**1,706.67**	**1,657.95**	**-72.40**	**-4.18%**
E&E	Assignment count	1,205	1,198	1,174	-31	-2.57%
	Headcount (inc. CRSS)	1,190	1,184	1,160	-30	-2.52%
	Headcount (exc. CRSS)	1,079	1,072	1,046	-33	-3.06%
	FTE	**1,028.29**	**1,026.00**	**999.94**	**-28.35**	**-2.76%**
FSC	Assignment count	5,406	5,384	5,333	-73	-1.35%
	Headcount (inc. CRSS)	4,897	4,865	4,819	-78	-1.59%
	Headcount (exc. CRSS)	4,611	4,560	4,532	-79	-1.71%
	FTE	**3,913.21**	**3,862.74**	**3,844.28**	**-68.93**	**-1.76%**
Schools	Assignment count	30,325	29,204	28,146	-2,179	-7.19%
	Headcount (inc. CRSS)	24,932	23,960	23,125	-1,807	-7.25%
	Headcount (exc. CRSS)	22,487	21,517	20,815	-1,672	-7.44%
	FTE	**15,202.97**	**14,543.31**	**14,114.88**	**-1,088.09**	**-7.16%**

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.

9. RECOMMENDATIONS

Cabinet is asked to:

9.1 **Note** the latest monitoring position on both the revenue and capital budgets.

9.2 **Note** that residual pressures are currently forecast within the SCS portfolio and that management action is expected to be delivered within the BSP&HR portfolio.

9.3 **Agree,** pending approval of the Kent Lane Rental Scheme by the Department of Transport, that surplus funds from the scheme be transferred to a new specific earmarked reserve and drawn down as expenditure is incurred in line with initiatives approved by a Board set up to oversee the administration of the surplus revenues. The Board is to include representatives from each utility area (i.e. gas, communications, water and electricity) and Kent County Council. Further details are provided in section 1.1.3.2.2.d of annex 4.

9.4 **Note** and **agree** the changes to the capital programme, as detailed in section 4.3.

9.5 **Note** the latest Financial Health Indicators and Prudential Indicators as reported in appendix 2 and appendix 3 respectively.

9.6 **Note** the directorate staffing levels as at the end of September 2012 as provided in section 8.

APPENDIX 1

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

	CASH LIMIT			
Portfolio	**Gross**	**Income**	**Net**	
	£k	£k	£k	
ELS Schools	742,696	-742,696	0	
ELS	178,292	-116,651	61,641	
SCS	218,613	-64,255	154,358	
ASC&PH	451,345	-114,320	337,025	
EH&W	179,811	-24,517	155,294	
C&C	136,873	-54,674	82,199	
R&ED	5,660	-1,990	3,670	
F&BS	170,708	-107,141	63,567	
BSP&HR	100,388	-44,126	56,262	
D&P	7,807	-260	7,547	
Per Q1 report	2,192,193	-1,270,630	921,563	
Subsequent changes:				
				Changes to grant/income allocations:
ELS	2,956	-2,956	0	Schools delegated: Former YPLA grant (now EFA): correction to initial cash limit
ELS	-1,443	1,443	0	Schools delegated: Former YPLA grant (now EFA): reduction for summer/autumn term academy converters
ELS	345	-345	0	Early Years & childcare: DfE grant for 2 year old trial
ELS	17,144	-17,144	0	final adjustments to DSG settlement
ELS	-15,205	15,205	0	DSG adjustment for academy converters
C&C	-1,410	1,410	0	Community Learning Services: reduction in funding levels from Skills Funding Agency/ Education Funding Agency/employers and learners
C&C	-120	120	0	Gateways: unsuccessful bid for Interreg funding for multi channel project. Revised bid submitted but unlikely that funding will be received this financial year.
C&C	247	-247	0	Sports: funding for Olympic projects from GLA, Beacon funding, other countries
C&C	103	-103	0	Arts Development: additional Arts Council England funding
C&C	44	-44	0	Libraries: additional funding for Prison Library Service from National Offender Management Service
C&C	75	-75	0	Libraries: Interreg grant for Folkestone Library & Museum project
C&C	14	-14		Libraries: Funding from Folkestone Town Council for Folkestone Library & Museum project
R&E	70	-70	0	Development Staff & Projects: Heritage Lottery Funding for Folkestone HLF Development project
				Technical Adjustments:
All	-804	804	0	removal of recharging for training following centralisation of budgets
All	-196	196	0	removal of charging for room hire following centralisation of budgets
ELS	951	-951	0	Attendance & Behaviour - gross & income realignment to reflect income from schools for PRU places

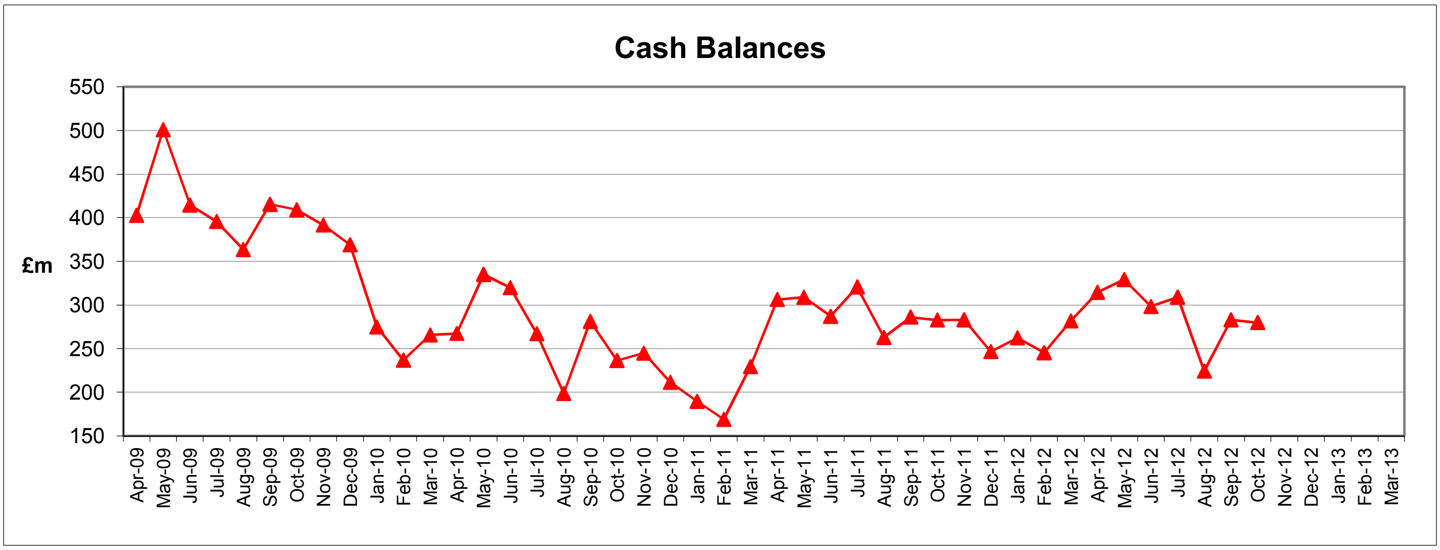
	CASH LIMIT			
Portfolio	**Gross**	**Income**	**Net**	
	£k	£k	£k	
SCS	1	-1	0	to correct roundings in budget build/gross and income realignment
SCS	-146	146	0	correction to budget build gross and income budgets for Commissioning Unit
ASC&PH	3	-3	0	Strategic Management & Directorate Support: correction to budget build to remove positive income budget
ASC&PH	-11	11	0	OP Residential/OP Day Care: removal of income budgets in respect of closed homes
ASC&PH	-511	511	0	Other Adult Services: correction to historic Whole System Demonstrator cash limits
EHW	-92	92	0	tfr to Soft Landscaping & Trees from E&E Directorate Held contingency to correct overstated income budget
C&C	-372	372	0	Youth Service budget realignment, largely as a result of moving from existing service provision to a commissioned service for final 3 months of the year
C&C	32	-32	0	Gross and income realignment required as part of Archives budget restructure and integration into Libraries Service
C&C	-282	282	0	Gateways: reversal of part of Q1 adjustment for Improvement & Efficiency South East funding for multichannel partnership working - receipt in advance from 2011-12, as part of this was already reflected in 12-13 budget build
C&C	-157	157	0	Contact Centre: realignment of budget for Kent Contact & Assessment Service as part of this service is no longer provided by Contact Centre
C&C	-405	405	0	removal of recharging for Highways services now provided direct by Contact Centre
C&C	183	-183	0	correction to external lettings budgets within Youth Service prior to tfr to Corporate Landlord
BSP&HR	236	-236	0	further gross and income realignment iro Corporate Landlord (Schools Personnel Service & Ashford Gateway recharges)
BSP&HR	-20	20	0	realignment of HR gross and income budgets
BSP&HR/ASC&PH	-40	40	0	removal of recharging for adults safeguarding service
Revised Budget	2,193,383	-1,271,820	921,563	

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 (£16.84m), balances of schools in the corporate scheme (£44.4m), 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 2010 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 to fund new capital expenditure (i.e. internalising the debt). The dip in cash balances in August 2012 reflects the repayment of £55m of maturing PWLB loan.

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
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
2011-12	306.3	308.9	287.0	320.9	262.9	286.2	282.9	283.1	246.7	262.4	245.3	281.7
2012-13	314.6	329.2	298.4	309.1	224.2	283.1	280.0					



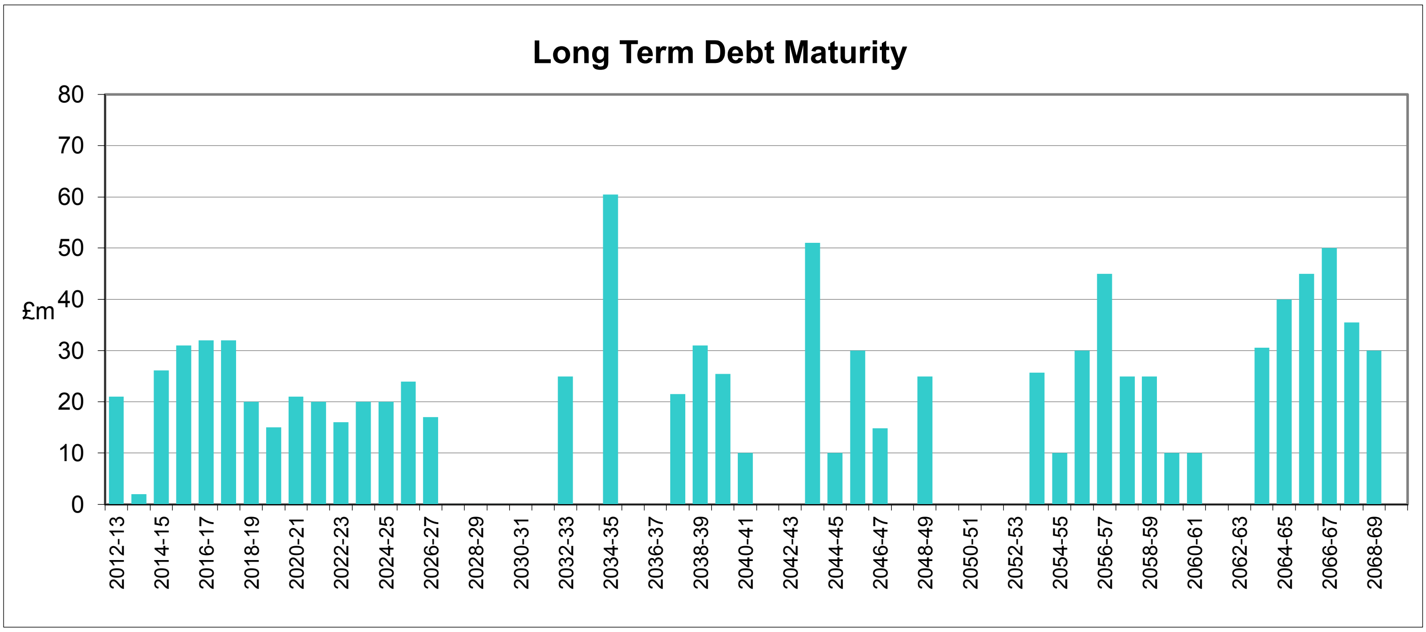
2. LONG TERM DEBT MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £44.3m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) and Magistrates Courts (£0.827m). These bodies make regular payments of principal and interest to KCC to service this debt.
The graph shows total principal repayments due in each financial year. Small maturities indicate repayment of principal for annuity or equal instalment of principal loans, where principal repayments are made at regular intervals over the life of the loan. The majority of loans have been taken on a maturity basis so that principal repayments are only made at the end of the life of the loan. These principal repayments will need to be funded using available cash balances (i.e. internalising the debt), by taking new external loans or by a combination of the available options.

The total debt principal to be repaid in 2012-13 is £77.021m, £75m maturity loan and £2.021m relating to small annuity and equal instalment of principal loans.

£55m PWLB maturity loan was repaid in August from cash balances and £1.021m relating to equal instalment loans has been repaid from cash balances, hence the figure in the table of £21.000m represents the remaining debt still to be repaid in this financial year.

Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2012-13	21.000	*2024-25*	20.001	*2036-37*	0.000	*2048-49*	25.000	*2060-61*	10.000
2013-14	2.015	*2025-26*	24.001	*2037-38*	21.500	*2049-50*	0.000	*2061-62*	0.000
2014-15	26.193	*2026-27*	17.001	*2038-39*	31.000	*2050-51*	0.000	*2062-63*	0.000
2015-16	31.001	*2027-28*	0.001	*2039-40*	25.500	*2051-52*	0.000	*2063-64*	30.600
2016-17	32.001	*2028-29*	0.001	*2040-41*	10.000	*2052-53*	0.000	*2064-65*	40.000
2017-18	32.001	*2029-30*	0.001	*2041-42*	0.000	*2053-54*	25.700	*2065-66*	45.000
2018-19	20.001	*2030-31*	0.001	*2042-43*	0.000	*2054-55*	10.000	*2066-67*	50.000
2019-20	15.001	*2031-32*	0.000	*2043-44*	51.000	*2055-56*	30.000	*2067-68*	35.500
2020-21	21.001	*2032-33*	25.000	*2044-45*	10.000	*2056-57*	45.000	*2068-69*	30.000
2021-22	20.001	*2033-34*	0.000	*2045-46*	30.000	*2057-58*	25.000	*2069-70*	0.000
2022-23	16.001	*2034-35*	60.470	*2046-47*	14.800	*2058-59*	25.000		
2023-24	20.001	*2035-36*	0.000	*2047-48*	0.000	*2059-60*	10.000	**TOTAL**	**1,033.288**



3. OUTSTANDING DEBT OWED TO KCC

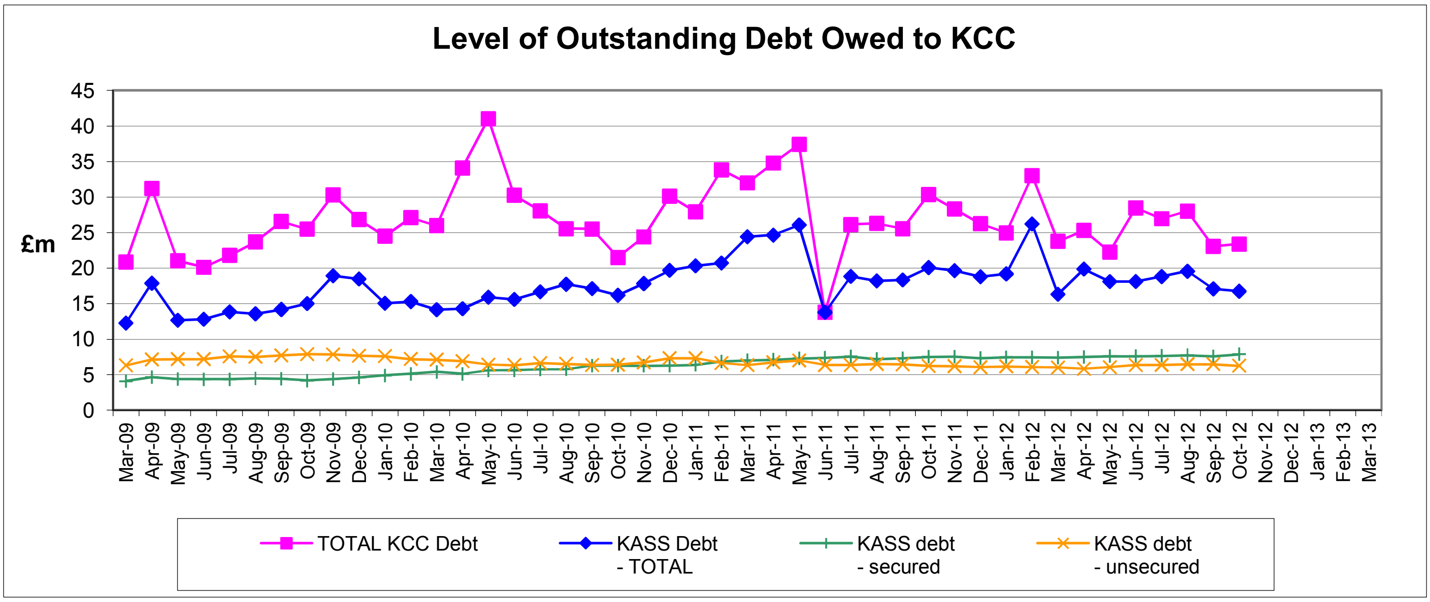
The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 30 days. The main element of this relates to Adult Social Services and this is also identified separately, together with a split of how much of the Social Care debt is secured (i.e. by a legal charge on the clients' property) and how much is unsecured.

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care debt £m	FSC Sundry debt £m	**TOTAL FSC debt £m**	All Other Directorates Debt £m	**TOTAL KCC Debt £m**
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**

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care debt £m	FSC Sundry debt £m	**TOTAL FSC debt £m**	All Other Directorates Debt £m	**TOTAL KCC Debt £m**
April 11	7.124	6.759	13.883	10.776	**24.659**	10.131	**34.790**
May 11	7.309	7.023	14.332	11.737	**26.069**	11.338	**37.407**
June 11	7.399	6.381	13.780	*	**13.780**	*	**13.780**
July 11	7.584	6.385	13.969	4.860	**18.829**	7.315	**26.144**
Aug 11	7.222	6.531	13.753	4.448	**18.201**	8.097	**26.298**
Sept 11	7.338	6.467	13.805	4.527	**18.332**	7.225	**25.557**
Oct 11	7.533	6.241	13.774	6.304	**20.078**	10.276	**30.354**
Nov 11	7.555	6.215	13.770	5.886	**19.656**	8.671	**28.327**
Dec 11	7.345	6.063	13.408	5.380	**18.788**	7.469	**26.257**
Jan 12	7.477	6.185	13.662	5.518	**19.180**	5.792	**24.972**
Feb 12	7.455	6.102	13.557	12.661	**26.218**	6.800	**33.018**
Mar 12	7.411	6.018	13.429	2.881	**16.310**	7.476	**23.786**
April 12 #	7.509	5.836	13.345	6.530	**19.875**	5.445	**25.320**
May 12 #	7.615	6.068	13.683	4.445	**18.128**	4.146	**22.274**
June 12 #	7.615	6.384	13.999	4.133	**18.132**	10.353	**28.485**
July 12 #	7.674	6.392	14.066	4.750	**18.816**	8.145	**26.961**
Aug 12	7.762	6.491	14.253	5.321	**19.574**	8.452	**28.026**
Sept 12	7.593	6.506	14.099	3.002	**17.101**	5.974	**23.075**
Oct 12	7.893	6.280	14.173	2.574	**16.747**	6.653	**23.400**
Nov 12							
Dec 12							
Jan 13							
Feb 13							
March 13							

* *The June 2011 sundry debt figures are not available due to a system failure, which meant that the debt reports could not be run and as these reports provide a snapshot position at the end of the month, they cannot be run retrospectively.*

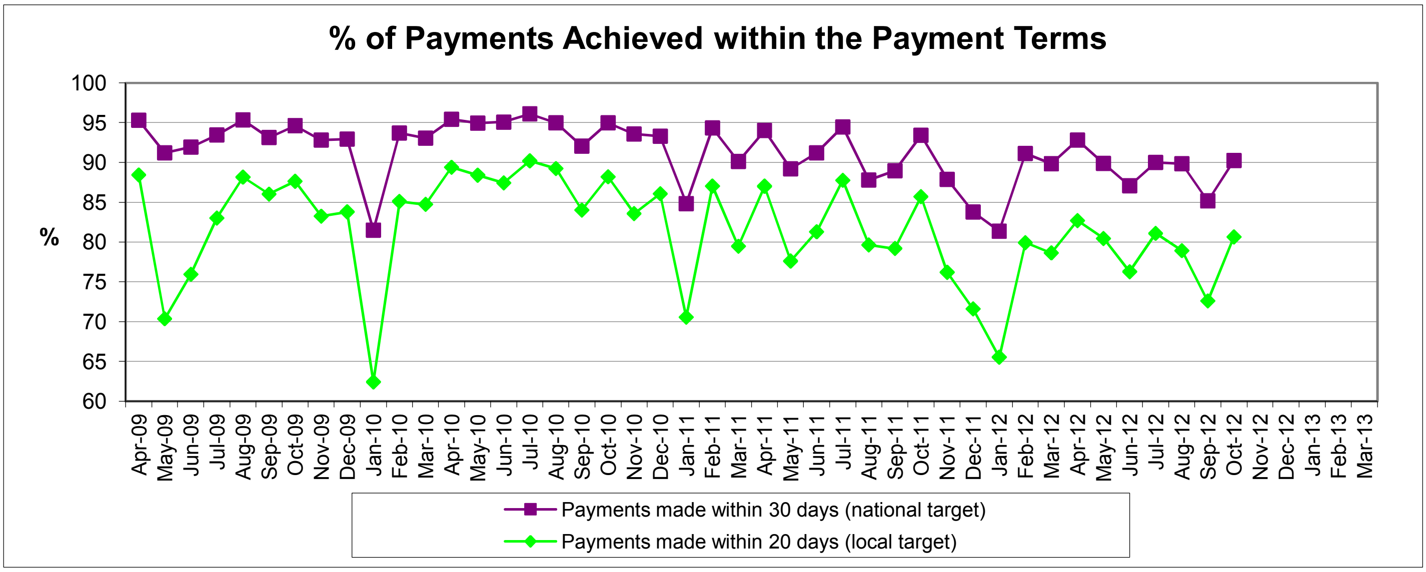
The previously reported secured and unsecured social care debt figures for April to July 2012 have been amended slightly following a reassessment of some old debts between secured and unsecured.



4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

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

	2009-10		2010-11		2010-11		2012-13	
	Paid within **30 days** %	Paid within **20 days** %	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	95.3	88.4	95.4	89.4	94.0	87.0	92.8	82.7
May	91.2	70.4	95.0	88.4	89.2	77.6	89.9	80.4
June	91.9	75.9	95.1	87.4	91.2	81.3	87.1	76.3
July	93.5	83.0	96.1	90.2	94.5	87.7	90.0	81.1
August	95.3	88.2	95.0	89.2	87.8	79.7	89.8	78.9
September	93.1	86.0	92.0	84.0	89.0	79.2	85.2	72.6
October	94.6	87.6	95.0	88.2	93.4	85.7	90.2	80.6
November	92.8	83.3	93.6	83.6	87.9	76.2		
December	92.9	83.8	93.3	86.1	83.8	71.6		
January	81.5	62.4	84.8	70.6	81.4	65.5		
February	93.7	85.1	94.3	87.0	91.1	79.9		
March	93.0	84.7	90.1	79.5	89.8	78.6		



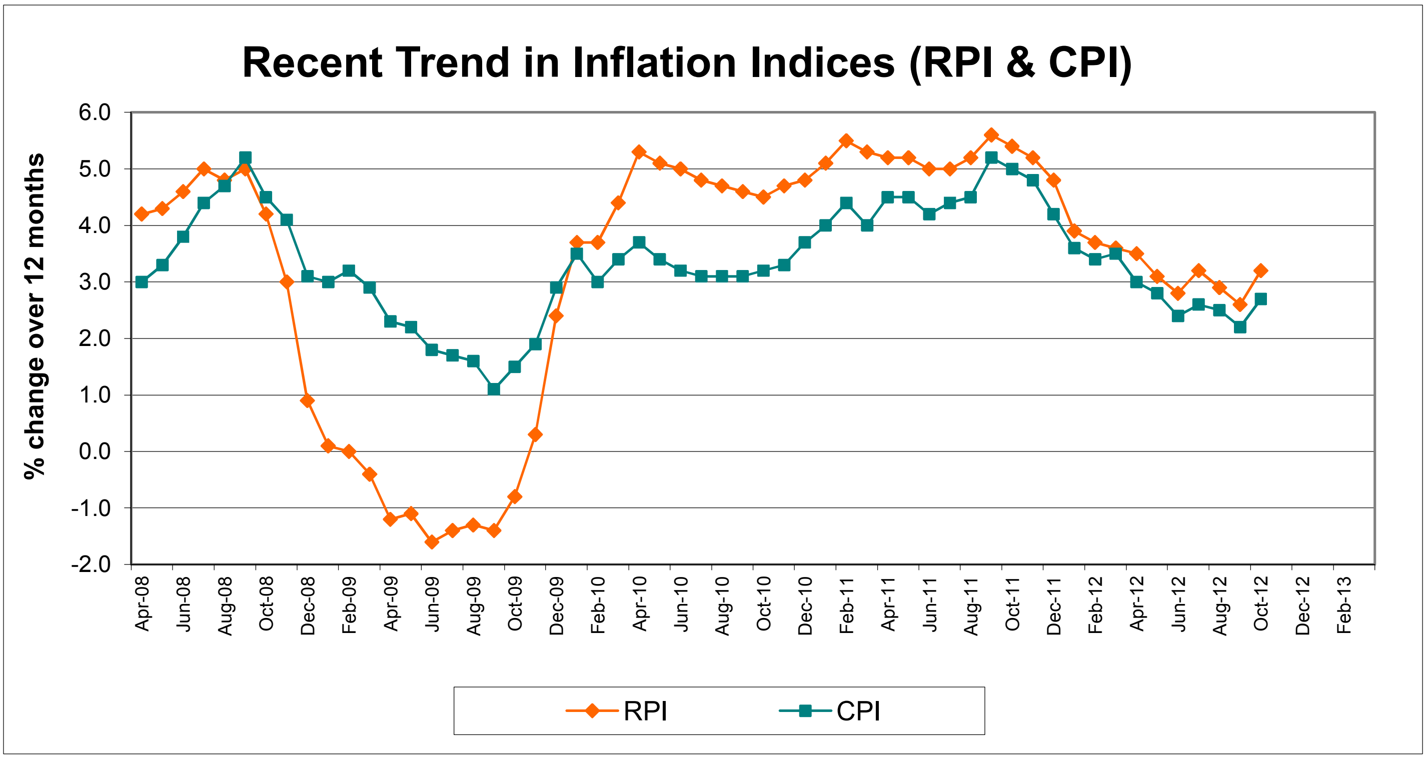
The percentages achieved for January were lower than other months due to the Christmas break. This is evident in both 2009-10, 2010-11 and 2011-12. This position was exacerbated in 2009-10 due to snow. The 2012-13 year to date figure for invoices paid within 20 days is 79.2%, and within 30 days is 89.5%. This compares to overall performance in previous years as follows:

	20 days	30 days
2009-10	81.9%	92.6%
2010-11	85.4%	93.4%
2011-12	79.2%	89.4%
2012-13 to date	79.2%	89.5%

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		2011-12		2012-13	
	Percentage Change over 12 months									
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
April	4.2	3.0	-1.2	2.3	5.3	3.7	5.2	4.5	3.5	3.0
May	4.3	3.3	-1.1	2.2	5.1	3.4	5.2	4.5	3.1	2.8
June	4.6	3.8	-1.6	1.8	5.0	3.2	5.0	4.2	2.8	2.4
July	5.0	4.4	-1.4	1.7	4.8	3.1	5.0	4.4	3.2	2.6
August	4.8	4.7	-1.3	1.6	4.7	3.1	5.2	4.5	2.9	2.5
September	5.0	5.2	-1.4	1.1	4.6	3.1	5.6	5.2	2.6	2.2
October	4.2	4.5	-0.8	1.5	4.5	3.2	5.4	5.0	3.2	2.7
November	3.0	4.1	0.3	1.9	4.7	3.3	5.2	4.8		
December	0.9	3.1	2.4	2.9	4.8	3.7	4.8	4.2		
January	0.1	3.0	3.7	3.5	5.1	4.0	3.9	3.6		
February	0.0	3.2	3.7	3.0	5.5	4.4	3.7	3.4		
March	-0.4	2.9	4.4	3.4	5.3	4.0	3.6	3.5		



2012-13 Qtr 2 Monitoring of Prudential Indicators

1. Estimate of capital expenditure (excluding PFI)

Actual 2011-12 £265.761m

Original estimate 2012-13 £278.885m

Revised estimate 2012-13 £256.344m (this includes the rolled forward re-phasing from 2011-12)

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

	2011-12 Actual	2012-13 Original Estimate	2012-13 Forecast as at 31-10-12
	£m	£m	£m
Capital Financing Requirement	1,495.873	1,538.083	1,521.559
Annual increase in underlying need to borrow	22.273	21.939	25.686

In the light of current commitments and planned expenditure, forecast net borrowing by the Council will not exceed the Capital Financing Requirement.

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

Actual 2011-12	12.85%
Original estimate 2012-13	11.77%
Revised estimate 2012-13	14.06%

4. Operational Boundary for External Debt

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

The operational boundary for debt will not be exceeded in 2012-13

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

	Prudential Indicator 2012-13	Position as at 31.10.12
	£m	£m
Borrowing	1,154	989
Other Long Term Liabilities	0	0
	1,154	989

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

	Prudential Indicator 2012-13 £m	Position as at 31.10.12 £m
Borrowing	1,198	1,033
Other Long Term Liabilities	0	0
	1,198	1,033

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 revised limits for 2012-13 are:

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

	£m
Borrowing	1,195
Other long term liabilities	0
	1,195

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

	£m
Borrowing	1,238
Other long term liabilities	0
	1,238

The additional allowance over and above the operational boundary has not needed to be utilised and external debt, has and will be 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 has determined the following upper limits for 2012-13

Fixed interest rate exposure	100%
Variable rate exposure	50%

These limits have been complied with in 2012-13.

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 31.10.12
	%	%	%
Under 12 months	10	0	2
12 months and within 24 months	25	0	0.2
24 months and within 5 years	40	0	8.6
5 years and within 10 years	30	0	10.4
10 years and within 20 years	30	10	11.8
20 years and within 30 years	30	5	14.4
30 years and within 40 years	30	5	12.7
40 years and within 50 years	40	10	17.5
50 years and within 60 years	40	10	22.4

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

Indicator	Actual
£50m	£10m

EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY SEPTEMBER 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 1 monitoring report to reflect the agreed split of the Early Years and Childcare budget, with a transfer of £3.192m from the SCS portfolio within the FSC directorate (reported in annex 2), to the ELS portfolio/directorate, leaving budget only for Childrens Centre Development within the SCS portfolio within FSC directorate. There have also been a number of other technical adjustments to budget.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary and include a net increase of £1.9m in DSG as a result of the final settlement and schools converting to academies.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Education, Learning & Skills portfolio							
Delegated Budget:							
Schools Delegated Budgets	746,533	-746,533	0	2,286	0	2,286	Drawdown for expected academy converters
TOTAL DELEGATED	746,533	-746,533	0	2,286	0	2,286	
Non Delegated Budget:							
ELS Strategic Management & directorate support budgets	11,084	-7,660	3,424	-1,011	23	-988	Restructure contingency not required; legal costs pressure; participation by rights underspend
Services for Schools:							
- PFI Schools Schemes	23,810	-23,810	0	0	0	0	
- Schools' Meals	566	-566	0	23	-23	0	
- Schools' Non Delegated Staff Costs	2,692	-2,589	103	-557	571	14	Reduced traded service with schools for excepted items (gross and income)
- Schools' Other Services	7,113	-6,646	467	619	-713	-94	Increased cleaning and refuse contracts (gross and income)
- Schools' Redundancy Costs	1,232	-1,232	0	0	0	0	
- School Improvement Services	18,292	-13,579	4,713	-51	240	189	Unachievable income target
- Special School & Hospital Recoupment	1,660	-2,460	-800	56	-712	-656	Additional recoupment from OLA pupils in Kent schools
- Schools' Teachers Pension Costs	7,829	-2,684	5,145	336	-21	315	Increased capitalisation costs
	63,194	-53,566	9,628	426	-658	-232	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Education, Learning & Skills portfolio							
Children's Services - Education & Personal							
- 14 - 19 year olds	5,270	-1,650	3,620	-1,878	-51	-1,929	Kent Employment project costs to span more than one year
- Attendance & Behaviour	19,723	-18,909	814	935	-385	550	Unachievable contract saving; Additional spend and income for PRU places
- Connexions	6,787	0	6,787	0	0	0	
- Early Years & Childcare	8,932	-5,335	3,597	-49	-140	-189	Income from schools and academies
- Education Psychology Service	2,915	-13	2,902	-140	-517	-657	Vacancies & reduced TRP costs; additional income for traded service
- Free School Meals	1,288	-1,288	0	0	0	0	
- Individual Learner Support	10,378	-9,182	1,196	-1,560	1,347	-213	Early Years training provided elsewhere within existing resources; Reduced traded service with schools for MCAS
- Statemented Pupils	7,618	-7,618	0	-313	313	0	Reduced costs and income from other local authorities placements
- Independent Special School Placements	12,324	-12,324	0	-290	290	0	Reduced costs and income from joint funded places
	75,235	-56,319	18,916	-3,295	857	-2,438	
Transport Services							
- Home to College Transport	1,973	-367	1,606			0	
- Mainstream HTST	13,600	-584	13,016			0	
- SEN HTST	17,272	0	17,272			0	
	32,845	-951	31,894	0	0	0	
Assessment Services							
- Assessment of Children's Educational Needs	1,727	-581	1,146	35		35	
TOTAL NON DELEGATED	184,085	-119,077	65,008	-3,845	222	-3,623	
Total ELS portfolio	**930,618**	**-865,610**	**65,008**	**-1,559**	**222**	**-1,337**	
Specialist Children's Services portfolio							
Early Years Education	42,276	-40,500	1,776			0	
Total SCS portfolio	**42,276**	**-40,500**	**1,776**	**0**	**0**	**0**	
Total ELS directorate controllable	**972,894**	**-906,110**	**66,784**	**-1,559**	**222**	**-1,337**	
Assumed Mgmt Action							
- ELS portfolio						**0**	
- SCS portfolio						**0**	
Total ELS after mgmt action	**972,894**	**-906,110**	**66,784**	**-1,559**	**222**	**-1,337**	

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

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

Education, Learning & Skills portfolio:

Delegated Budgets

1.1.3.1 Schools Delegated Budgets: Gross +£2,286k
The forecast £2.286m drawdown of schools reserves shown in table 1 represents the estimated reduction in reserves resulting from 39 schools converting to academies, including 23 schools which converted to academies by the end of September 2012 and a further 16 expected to convert before the end of March 2013. The six monthly monitoring information is currently being collected from schools and the forecast movement on school reserves arising from this will be included in the next exception report.

Non Delegated Budgets

1.1.3.2 ELS Strategic Management & Directorate Support Budgets: Gross -£1,011k, Income +£23k, Net -£988k
The ELS Strategic Management & Directorate Support budget is reporting a gross underspend of £1,011k. However within this there is a pressure of £285k for Legal Services due to the legal costs incurred when schools convert to academies. It had been anticipated that academy legal costs would reduce significantly in 2012-13 as approximately 2/3rds of secondary schools had already converted or were in the process of converting during 2011-12. However there is an increase in the number of primary schools converting which contributes towards the overall pressure.

As reported in the last exception report there is an underspend of £222k on the Participation by Rights budget within the Advocacy and Entitlement Unit. This budget will not be spent in 2012-13 and will, in part, offset the pressure on the Attendance and Behaviour service due to an unachievable contract saving reported in the first quarter. In addition there is a reported underspend on the contingency budget of £800k. Savings attributed to the ELS restructure were phased over three years in the MTFP (2011-12 to 2013-14) but as the new structures took effect from early 2012-13 most of the savings will be achieved by the end of year two with the balance of the cash limit held to fund any in year contingencies that arise as a result of the restructure. This has not been required as yet and the declared underspend will also partly off set the pressure on the Attendance and Behaviour service as well as the pressure, mentioned above, on legal services. There are a number of other gross variances totalling -£274k, all of which are less than £100k in value, including -£173k for staff vacancies across several different units and -£79k for Choice Advisers.

1.1.3.3 **Services for Schools:**

a. Schools' Non Delegated Staff Costs: Gross -£557k, Income +£571k, Net Nil
The budget for excepted items (maternity, public duties and suspensions) was delegated to schools from April 2012 as part of the further delegation exercise. This service was offered to schools under buy back arrangements and at the time the budget was set the levels of buy back from schools was unknown so gross and income cash limits were set for the total value of the delegation. However the level of buy back is less than the level of budget delegated leading to a gross underspend of -£571k and an under recovery of income of +£571k. There are minor other gross variances totalling +£14k.

b. Schools' Other Services: Gross +£619k, Income -£713k, Net -£94k
The gross pressure on this budget is mainly due to an increase in school cleaning and refuse contract costs (+£689k) which as a traded service has generated an additional £772k of income. All other variances are less than £100k in value.

c. School Improvement Services: Gross -£51k, Income +£240k, Net +£189k
The Workforce and Development budget was set an ambitious income target to become self funded during 2012-13 and whilst it is making significant strides to achieve this, the service is still struggling to achieve the necessary income to cover the costs of the team resulting in a +£189k under-recovery of income.

d. Special School & Hospital Recoupment: Gross +£56k, Income -£712k, Net -£656k
This service is forecasting additional income from other local authorities for their pupils in our special schools of -£712k.

e. Schools' Teachers Pension Costs: Gross +£336k, Income -£21k, Net +£315k
There is a forecast pressure of +£336k due to additional annual pension capitalisation costs.

1.1.3.4 **Children's Services – Education & Personal:**

a. 14 – 19 Year Olds: Gross -£1,878k, Income -£51k, Net -£1,929k
A roll over of £2m from 2011-12 to 2012-13 was agreed for the Kent Youth Employment programme from the Big Society Fund which was launched at the end of the 2011-12 financial year and its purpose is to encourage Kent businesses to recruit unemployed young people who have been unemployed for a significant period. The scheme involves the payment of grants to employers but as the payments are only made following completion of 6 months and 12 months in placements, a significant amount of the gross budget (£1,930k) will not be spent in 2012-13. (Any underspend on this budget, which is a strategic priority of the Council, will need to be rolled forward to be spent on placements which straddle the financial year but it should be noted that the scheme will continue to run until 2015-16).

b. Attendance & Behaviour: Gross +£935k, Income -£385k, Net +£550k
As part of the overall ELS savings target for 2012-13, a savings target was assigned to an Attendance and Behaviour contract which it has subsequently not been possible to generate, leading to a £550k pressure on this budget line. The remaining gross pressure of +£385k and the income variance of -£385k relate to additional spend for staffing and premises costs at Pupil Referral Units (PRU), offset by income from schools and academies for PRU places.

c. Early Years & Childcare: Gross -£49k, Income -£140k, Net -£189k
Additional income of £140k has been generated on this budget line from courses fees from schools and academies, charges to academies and other organisations for training and support from Early Years staff and cancellation charges for non attendance at free courses.

d. Education Psychology Service: Gross -£140k, Income -£547k, Net -£657k
During 2012-13 the Kent Educational Psychology Service has begun to offer a range of traded services – as part of EduKent – that schools and other customers can purchase whilst continuing to provide statutory services to schools which are not chargeable. The income variance of £547k reflects the current level of buy back for the traded services. The gross underspend is due to a number of variances all less than £100k including staff vacancies and delays on the Technology Refresh Programme.

e. Individual Learner Support: Gross -£1,560k, Income +£1,347k, Net -£213k
The budget for Minority Communities Achievement Service (MCAS) was delegated to schools from April 2012 as part of the further delegation exercise. This service was offered to schools under buy back arrangements and at the time the budget was set the levels of buy back from schools was unknown so gross and income cash limits were set for the total value of the delegation. However the level of buy back is less than the level of budget delegated and whilst some income has been secured from other sources there is a gross underspend of -£1,347k and an under recovery of income of +£1,347k.

In addition there is a forecast gross underspend on this budget line of -£215k, due to early years training previously supported by the Early Years Inclusion and Equalities budget being provided elsewhere in the directorate, within existing resources.

f. Statemented Pupils: Gross -£313k, Income +£313k, Net Nil
The forecast income from other local authorities for Statemented support of their children in our schools has reduced by £313k. There is a corresponding gross underspend of -£313k.

g. Independent Special School Placements: Gross -£290k, Income +£290k, Net Nil
The number of placements for which the Council is lead partner and receives funding from other agencies has reduced by £290k. This has a corresponding impact on gross spend which is now showing an underspend of the same value.

1.1.3.5 **Transport Services:**

a. Mainstream HTST
An underspend is expected on the Mainstream Home to School Transport budget based on numbers requiring transport in the new academic year, as reported in section 2.2 below. Transport Integration Unit are currently working to assess the financial impact of this and until this exercise is complete a balanced position is currently included within the overall forecast. Any saving resulting from this exercise will be reflected in the 2013-16 MTFP.

Specialist Children's Services portfolio:

1.1.3.6 Early Years Education
The latest forecast suggests an overspend of around £0.3m on payments to PVI providers for 3 and 4 year olds as overall the actual hours provided exceeds the budgeted number of hours for summer and autumn terms as per section 2.3. As this budget is funded entirely from DSG, any deficit will be carried forward to the next financial year in accordance with the regulations.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER
(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves following 39 schools converting to academies	+2,286	ELS	14-19 year olds (gross) - Kent Employment project	-1,930
ELS	Individual Learner Support (income) - Minority Communities Achievement Service reduced buy back from schools	+1,347	ELS	Individual Learner Support (gross) - Minority Communities Achievement Service reduced buy back from schools	-1,347
ELS	Schools' Other Services (gross) - cleaning and refuse contracts	+689	ELS	ELS Strategic Management & Directorate budgets (gross) - release of restructure contingency	-800
ELS	Schools' Non Delegated Staff costs (income) - excepted items reduced buy back from schools	+571	ELS	Schools' Other Services (income) - cleaning and refuse contracts	-772
ELS	Attendance & Behaviour (gross) - unachievable contract saving	+550	ELS	Special School & Hospital Recoupment (income) - additional income from other local authorities for places at our special schools	-712
ELS	Attendance & Behaviour (gross) - PRUs additional staffing & premises costs (matched by income from schools & academies)	+385	ELS	Schools' Non Delegated Staff costs (gross) - excepted items reduced buy back from schools	-571
ELS	Schools' Teachers Pensions costs - capitalisation costs	+336	ELS	Education Psychology Service (income) - income from traded service with schools and other	-547
ELS	Statemented Pupils (income) - reduced income from other local authorities for statemented support in our schools	+313	ELS	Attendance & Behaviour (income) - PRUs additional income from schools & academies	-385
ELS	Independent Special School Placements (income) - reduction in joint funded places income	+290	ELS	Statemented Pupils (gross) - reduced spend on statemented support for other local authority pupils in our schools	-313
ELS	ELS Strategic Management & Directorate budgets (gross) - academy converter legal costs	+285	ELS	Independent Special School Placements (gross) - reduction in joint funded places spend	-290
ELS	School Improvement Service (income) - under recovery of expected income	+189	ELS	ELS Strategic Management & Directorate budgets (gross) - Participation by Rights	-222
			ELS	Individual Learner Support (gross) - Early Years training	-215
			ELS	Early Years & Childcare (income) - income from course fees, training and support	-140
		+7,241			-8,244

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

None

1.1.5 **Implications for MTFP**:

The failure to achieve savings against the Attendance and Behaviour contract in 2012-13 has an implication for the 2013-16 MTFP of £583k and therefore alternative savings will need to be identified.

The pressure on the legal services budget of £285k will also need to be addressed as the number of schools converting to academy status continues to increase.

The current numbers of pupils travelling suggest that Mainstream Home to School Transport savings will be achieved in excess of those attributed to changes in denominational and selective transport. The Transport Integration Unit is currently working to assess the financial impact of this and the outcome of this exercise will be included in the 2013-16 MTFP.

It should be noted that the underspend on special school recoupment is for 2012-13 only as the Department for Education is changing the way that recoupment is dealt with and the income will no longer be collected by the local authority.

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

The Kent Youth Employment Programme funded from the Big Society Fund involves the payment of grants to employers for placements for unemployed young people but as the payments are only made following completion of 6 months and 12 months in placements it is forecast that £1,930k will need to be re-phased into 2013-14 (and beyond).

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

None

1.2 CAPITAL

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

1.2.2 The Education Learning & Skills Directorate has an approved budget for 2012-15 of £274.096m excluding schools (see table 1 below). The forecast outturn against this budget is £275.700m, giving a variance of +£1.604m. After adjustments for funded variances and reductions in funding, the revised variance comes to nil (see table 3).

1.2.3 Tables 1 to 3 summaries the Directorate's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet	274.096
Approvals made since last reported to Cabinet	
Revised approved budget	274.096

1.2.5 Table 2 – Funded and Revenue Funded Variances

Scheme	Portfolio	Amount £m	Reason
Cabinet to approve cash limit changes			
Academies	ELS	1.564	Academy Grant
No cash limit changes to be made			
Archbishop Courtenay - Primary Improvement Programme	ELS	0.040	Highways Revenue Contribution
Primary Improvement Programme - Other Projects	ELS	0.024	Minor changes across the programme
Basic Need Programme	ELS	-0.073	Minor changes across the programme
Modernisation Programme	ELS	0.049	Minor changes across the programme
Total		1.604	

1.2.6 Table 3 – Summary of Variance

	£m
Unfunded variance	
Funded variance (from table 2)	1.564
Variance to be funded from revenue (from table 2)	0.040
Rephasing (beyond 2012-15)	
Total variance	1.604

Main reasons for variance

1.2.7 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

Annex 1

Table 4 Scheme Name	Total Cost £m	Previous Spend £m	2012-15 approved budget £m	Later Years approved budget £m	2012-15 Forecast Spend £m	Later Years Forecast Spend £m	2012-15 Variance £m	Total Project Variance	Status
Annual Planned Enhancement Programme	26.496	0.000	26.496	0.000	26.496	0.000	0.000	0.000	
Non Delegated Devolved Capital (PRU's)	0.653	0.000	0.653	0.000	0.653	0.000	0.000	0.000	
Ryarsh Primary School	0.169	0.000	0.169	0.000	0.169	0.000	0.000	0.000	
Archbishop Courteney (Site Purchase)	5.001	4.854	0.147	0.000	0.147	0.000	0.000	0.000	
Modernisation Programme 2008/09/10	0.500	0.000	0.500	0.000	0.500	0.000	0.000	0.000	
Specialist Schools Programme 2009/10	0.350	0.013	0.337	0.000	0.337	0.000	0.000	0.000	
Other Residual Projects	-0.001	-0.001	0.000	0.000	0.000	0.000	0.000	0.000	
Special Schools Review - Phase 1	47.556	46.836	0.720	0.000	0.688	0.000	-0.032	-0.032	
Special Schools Review - Phase 2	3.000	1.677	1.323	0.000	1.355	0.000	0.032	0.032	
Vocational Education Programme	1.542	1.393	0.149	0.000	0.149	0.000	0.000	0.000	
Primary Improvement Programme	31.606	30.020	1.586	0.000	1.650	0.000	0.064	0.064	
Unit Review	3.500	0.816	2.684	0.000	2.684	0.000	0.000	0.000	
Dev Opps - Whitstable Community College	0.681	0.673	0.008	0.000	0.008	0.000	0.000	0.000	
Dev Opps - Swadelands	0.400	0.385	0.015	0.000	0.015	0.000	0.000	0.000	
Self Funded Projects	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Building Schools for the Future - Wave 3	138.438	133.154	5.284	0.000	5.284	0.000	0.000	0.000	
BSF Unit Costs	0.693	0.000	0.693	0.000	0.693	0.000	0.000	0.000	
Practical Cooking Spaces	3.695	3.693	0.002	0.000	0.002	0.000	0.000	0.000	
Academy Unit Costs	4.680	2.862	1.818	0.000	1.818	0.000	0.000	0.000	
Academy - New Line Learning	28.599	28.309	0.290	0.000	0.397	0.000	0.107	0.107	
Academy - Cornwallis Academy	35.328	33.460	1.868	0.000	1.934	0.000	0.066	0.066	
Academy - Longfield Academy	24.597	24.578	0.019	0.000	0.378	0.000	0.359	0.359	
Academy - Spires	13.694	10.440	3.254	0.000	3.254	0.000	0.000	0.000	
Academy - Sheppey	49.578	25.683	23.895	0.000	24.895	0.000	1.000	1.000	
Academy - Marsh	16.627	13.905	2.722	0.000	2.722	0.000	0.000	0.000	
Academy - Skinners	20.399	5.963	14.436	0.000	14.436	0.000	0.000	0.000	
Goat Lees Primary School	2.685	0.246	2.439	0.000	2.439	0.000	0.000	0.000	
Repton Park (Templar Barracks)	6.100	1.789	4.311	0.000	4.311	0.000	0.000	0.000	

Annex 1

Scheme Name	Total approved budget	Previous Years Spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status
Dunton Green Primary School	0.800	0.000	0.800	0.000	0.800	0.000	0.000	0.000	
Lansdowne Primary School	2.500	0.000	0.000	2.500	0.000	2.500	0.000	0.000	
Cheesemans Green PS	4.300	0.000	0.000	4.300	0.000	4.300	0.000	0.000	
Rushenden Primary School	3.000	0.000	0.000	3.000	0.000	3.000	0.000	0.000	
Leybourne Primary School	2.000	0.000	0.000	2.000	0.000	2.000	0.000	0.000	
John Wesley, Ashford	2.500	0.000	0.000	2.500	0.000	2.500	0.000	0.000	
Aylesham Primary School	1.000	0.000	0.000	1.000	0.000	1.000	0.000	0.000	
Ebbsfleet	5.100	0.000	0.000	5.100	0.000	5.100	0.000	0.000	
BN Other	31.987	0.000	31.987	0.000	31.914	0.000	-0.073	-0.073	
Modernisation Programme 2008/09/10	3.000	0.389	2.611	0.000	2.611	0.000	0.000	0.000	
Modernisation Programme 2011/12	6.512	3.590	2.922	0.000	2.971	0.000	0.049	0.049	
Modernisation Programme Future Years	19.873	0.076	19.797	0.000	19.797	0.000	0.000	0.000	
Dev Opps - St Johns PS/Kingsmead	2.017	0.030	1.987	0.000	1.987	0.000	0.000	0.000	
Dev Opps - Platt CEPS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Academy - John Wallis	7.615	0.032	7.583	0.000	7.615	0.000	0.032	0.032	
Academy -- Wilmington Enterprise	13.056	0.200	12.856	0.000	12.856	0.000	0.000	0.000	
Academy - The Knole	16.947	0.000	16.947	0.000	16.946	0.000	-0.001	-0.001	
Academy - Dover Christchurch	10.252	0.134	10.118	0.000	10.119	0.000	0.001	0.001	
Academy - Astor of Hever	11.545	0.000	11.545	0.000	11.545	0.000	0.000	0.000	
Academy - Duke of York	24.240	0.000	24.240	0.000	24.240	0.000	0.000	0.000	
Special Schools Review - Phase 2	30.000	0.065	29.935	0.000	29.935	0.000	0.000	0.000	
Folkestone Academy Playing Fields	2.256	2.256	0.000	0.000	0.000	0.000	0.000	0.000	
£5m DSG Revenue Grant - Schools Mtce	5.000	0.050	4.950	0.000	4.950	0.000	0.000	0.000	
Dev Opps - Headcorn Primary School	1.184	0.000	0.000	1.184	0.000	1.184	0.000	0.000	
Dev Opps - Bromstone Primary	3.088	0.000	0.000	3.088	0.000	3.088	0.000	0.000	
Dev Opps - Highworth Grammar	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Dev Opps - Istead Rise	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Dev Opps - Paddock Wood	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Dev Opps - Sevenoaks Primary	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Dev Opps - Whitehill Primary	0.950	0.000	0.000	0.950	0.000	0.950	0.000	0.000	
Total Education, Learning and Skills	677.288	377.570	274.096	25.622	275.700	25.622	1.604	1.604	

1.2.8 Status:
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget

1.2.9 Assignment of Green/Amber/Red Status

1.2.10 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.11 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why.

1.2.12 No projects currently have been assigned the red or amber status.

Key issues and Risks

1.2.13 There are a number of large programmes of work within the approval to plan section of the monitoring where we continue to forecast at cash limit until individual projects have been submitted for approval to spend & have individual cash limits. These major programmes of work are Basic Need for Future years (£26.608m), Special Schools Review Phase 2 (£29.805m) & Modernisation Programme for Future Years (£19.698m).

1.2.14 There is significant rephasing within the 2012-15 budget (2012/13 -£25.612m, 2013/14 +£22.365m & 2014/15 +£3.247m). Most of the re phasing relates to the BSF & Academy Schools programmes. In particular the Batch 2 Academies where estimated expenditure has either been re-profiled in accordance with the contracted payment schedule or in line with revised dates for contract signature. The Batch 1 Academies are now all substantially complete and the new build at the Isle of Sheppey Academy, which has suffered some delay, is also nearing completion. The exit from the BSF ICT contract is scheduled to take place within the next few days which will crystallise the outstanding BSF ICT payments.

1.2.15 DSG Maintenance Programme – the rephasing of £1.881m from 2012/13 to 2013/14 is due to the nature of some works & the schools ability to fund their contribution. The £5m budget has yet to be fully allocated. The Schools Capital Group agreed to extend the completion date to 31st March 2014 to allow the unallocated balance, to continue to be available throughout 2013/14. This will allow the opportunity to take advantage of school holidays for works to be undertaken minimising the disruption & give schools an additional years funding towards their contributions.

1.2.16 Non Delegated Devolved Capital (Pupil Referral Units) – there is rephasing of £0.273m from 2012/13 to 2013/14. The commissioning of improvement works has been put on hold until the PRU review has completed.

1.2.17 Schools Access Initiative – the rephasing of £0.256m from 2012/13 to 2013/14 is due to the nature of the programme. This is a reactive programme which must respond to the needs of children with specific needs. It is dependent upon specific ad-hoc school demands. The work is often programmed to be carried out during school holiday periods to avoid disruption to the operations of the schools.

1.2.18 Modular Classrooms – there is rephasing of £0.751m from 2012/13 to 2013/14. Previous assumptions had been made based on the average spend per classroom as well as assuming that in all instances additional classrooms would be needed. In some instances we have been able to adapt existing accommodation rather than provide new classrooms and one project (Ethelbert Road) did not proceed as a result of further negotiations with the school and agreement that any additional accommodation would not be needed until a later date, this scheme will now be part of the 2013-15 BN programme.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2006-07 as at 31-3-07	2007-08 as at 31-3-08	2008-09 as at 31-3-09	2009-10 as at 31-3-10	2010-11 as at 31-3-11	2011-12 as at 31-3-12	2012-13 projection
Total number of schools	596	575	570	564	538	497	458
Total value of school reserves	£74,376k	£79,360k	£63,184k	£51,753k	£55,190k	£59,088k	£56,802k
Number of deficit schools	15	15	13	23	17	7	11
Total value of deficits	£1,426k	£1,068k	£1,775k	£2,409k	£2,002k	£833k	£330k

Comments:

- The information on deficit schools for 2012-13 has been obtained from the schools budget submissions. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end.

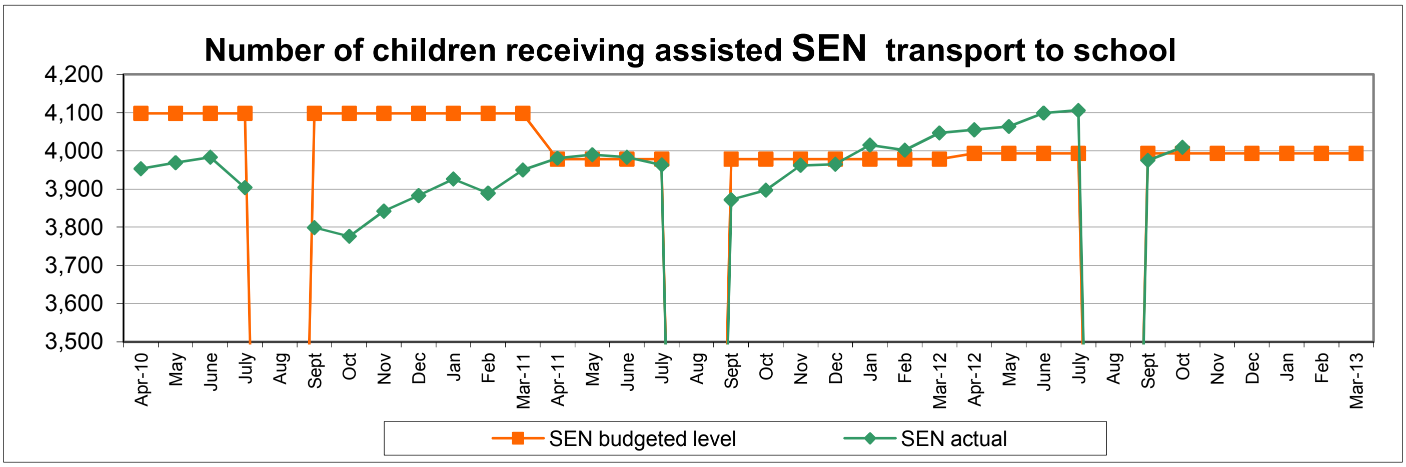
- KCC has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority. School’s Financial Services 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.

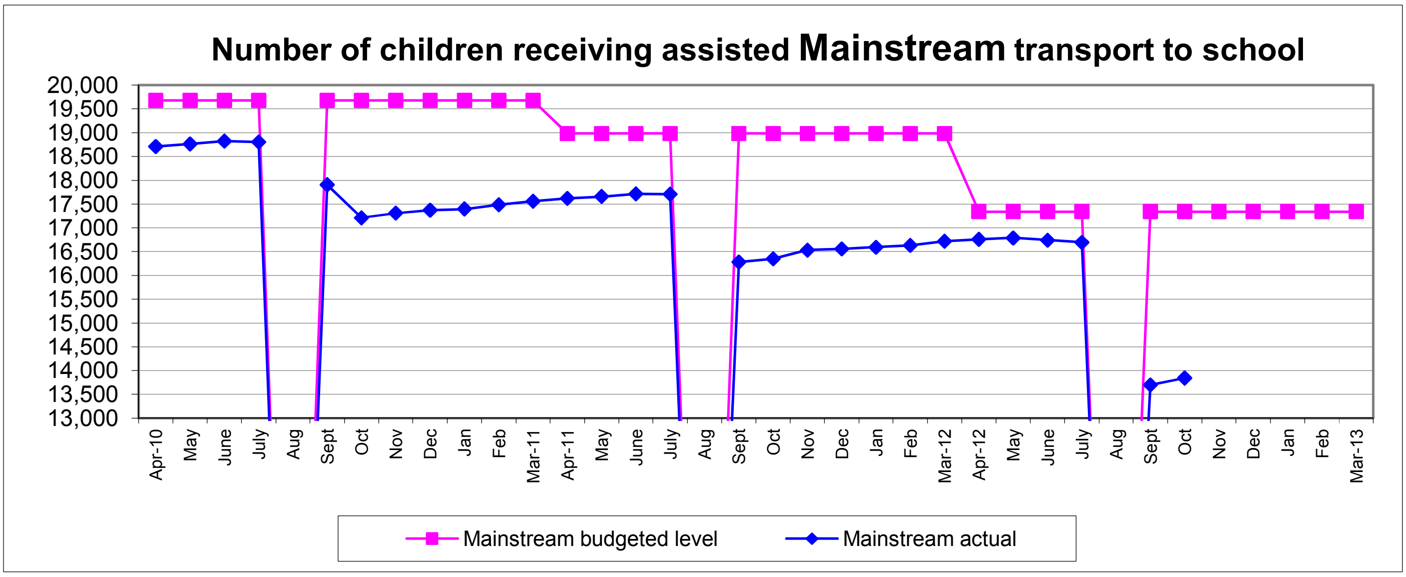
- The number of schools is based on the assumption that 39 schools (including 7 secondary schools and 32 primary schools) will convert to academies before the 31st March 2013 in line with the government’s decision to fast track outstanding schools to academy status.

- The estimated drawdown from schools reserves of £2,286k represents the estimated reduction in reserves resulting from 39 schools converting to academy status, however the value of school reserves and deficits are very difficult to predict at this stage in the year and further updates will be provided in future monitoring reports once we have collated the first monitoring returns from schools.

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

	2010-11				2011-12				2012-13			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
April	4,098	3,953	19,679	18,711	3,978	3,981	18,982	17,620	3,993	4,055	17,342	16,757
May	4,098	3,969	19,679	18,763	3,978	3,990	18,982	17,658	3,993	4,064	17,342	16,788
June	4,098	3,983	19,679	18,821	3,978	3,983	18,982	17,715	3,993	4,099	17,342	16,741
July	4,098	3,904	19,679	18,804	3,978	3,963	18,982	17,708	3,993	4,106	17,342	16,695
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sept	4,098	3,799	19,679	17,906	3,978	3,872	18,982	16,282	3,993	3,975	17,342	13,698
Oct	4,098	3,776	19,679	17,211	3,978	3,897	18,982	16,348	3,993	4,009	17,342	13,844
Nov	4,098	3,842	19,679	17,309	3,978	3,962	18,982	16,533	3,993		17,342	
Dec	4,098	3,883	19,679	17,373	3,978	3,965	18,982	16,556	3,993		17,342	
Jan	4,098	3,926	19,679	17,396	3,978	4,015	18,982	16,593	3,993		17,342	
Feb	4,098	3,889	19,679	17,485	3,978	4,002	18,982	16,632	3,993		17,342	
Mar	4,098	3,950	19,679	17,559	3,978	4,047	18,982	16,720	3,993		17,342	



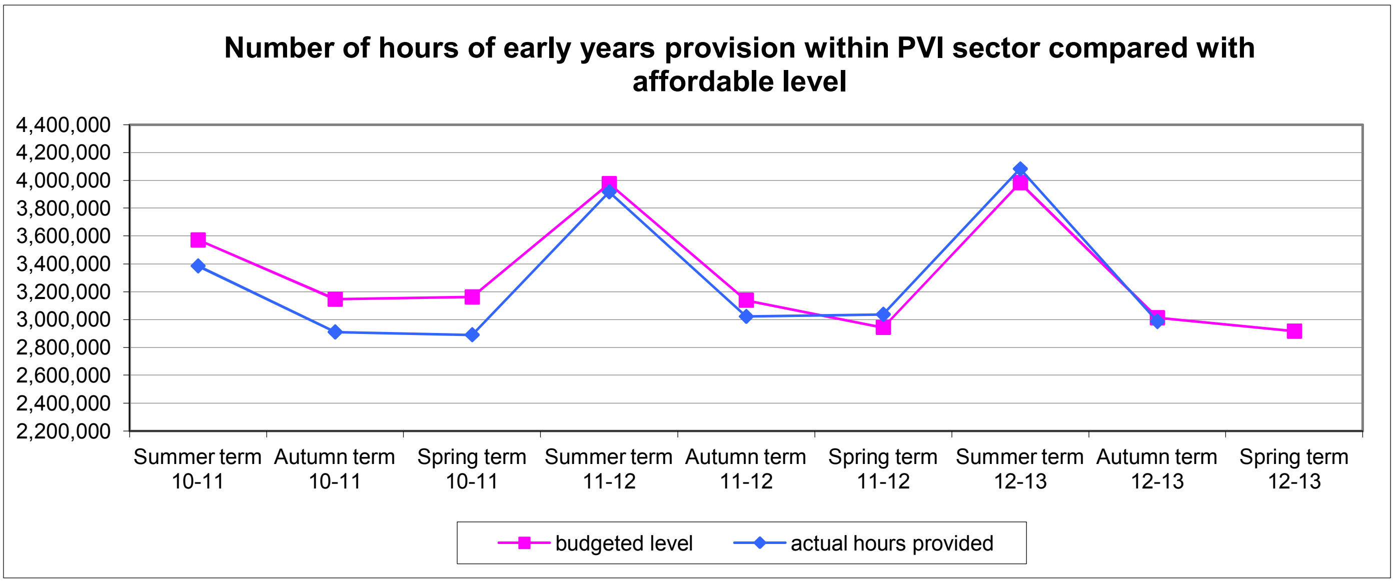


Comments:

- **SEN HTST** – Although the number of children travelling is higher than the budgeted level, there are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel, and therefore no variance is being declared on this budget at this stage.
- **Mainstream HTST** - An underspend is expected on the Mainstream Home to School Transport budget based on the current numbers requiring transport in the new academic year and Transport Integration Unit are currently working to assess the financial impact of this. Any saving resulting from this exercise will be reflected in the 2013-16 MTFP.

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

	2010-11		2011-12		2012-13	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided
Summer term	3,572,444	3,385,199	3,976,344	3,917,710	3,982,605	4,082,870
Autumn term	3,147,387	2,910,935	3,138,583	3,022,381	3,012,602	2,986,620
Spring term	3,161,965	2,890,423	2,943,439	3,037,408	2,917,560	
	9,881,796	**9,186,557**	**10,058,366**	**9,977,499**	**9,912,767**	**7,069,490**



Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The current activity shows 74,283 hours above the affordable level for the summer and autumn terms, which suggests an overspend of £0.301m on this budget which has been mentioned in section 1.1.3.6 of this annex. As this budget is funded entirely from DSG, any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere in the directorate budget, therefore this overspend will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.
- The figures for actual hours provided are constantly reviewed and updated, so will always be subject to change.

FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY
CHILDREN'S SERVICES SUMMARY
SEPTEMBER 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 1 report to reflect the agreed split of the Early Years and Childcare budget, with a transfer of -£3.192m from the SCS portfolio within this directorate to the ELS portfolio/directorate reported in annex 1, leaving only the budget for 'Children's Centre Development' within the SCS portfolio within this directorate. There have also been a number of other technical adjustments to budget.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Specialist Children's Services portfolio							
Strategic Management & Directorate Support Budgets	4,436	-175	4,261	-84		-84	
Children's Services:							
- Education & Personal							
- Children's Centres	17,630	0	17,630	475	-115	360	Various
- Early Years & Childcare	533	0	533	-300		-300	release of uncommitted budget
- Virtual School Kent	2,641	-704	1,937	56	-6	50	
	20,804	-704	20,100	231	-121	110	
- Social Services							
- Adoption	8,321	-49	8,272	432		432	Increase in placements, SGO
- Asylum Seekers	14,901	-14,621	280	123	2,877	3,000	forecast shortfall in funding, awaiting resolution with Govt
- Childrens Support Services	2,480	-1,043	1,437	107	55	162	OOH team staffing
- Fostering	34,320	-237	34,083	3,312	-5	3,307	Increase in demand reduced unit cost, enhanced payments, related reward payment, increase in staffing
- Leaving Care (formerly 16+)	5,127	0	5,127	-78		-78	
- Legal Charges	6,315	0	6,315	285		285	Increased demand
- Preventative Children's Services	19,537	-4,370	15,167	-1,507		-1,507	reduction in S17 payments, MASH lease, delay in investment in prevention strategy spend
- Residential Children's Services	13,750	-2,144	11,606	2,307	-38	2,269	Increase in weeks/lower unit cost, high cost placements

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Safeguarding	4,637	-316	4,321	178	-35	143	Staffing
	109,388	-22,780	86,608	5,159	2,854	8,013	
Assessment Services							
- Children's Social Care Staffing	39,172	-819	38,353	-73	17	-56	
Total SCS portfolio	**173,800**	**-24,478**	**149,322**	**5,233**	**2,750**	**7,983**	
Assumed Management Action							
- SCS portfolio						**0**	
Forecast after Mgmt Action				**5,233**	**2,750**	**7,983**	

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

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

Specialist Children's Services portfolio:

Specialist Children's Services is currently going through a restructure and cash limits will need to be realigned later in the year once the new structure is finalised and in place. This will impact on the variances reflected within this report against the individual budget lines of the SCS Portfolio, but not on the overall position for the portfolio.

1.1.3.1 Children's Centres: Net +£360k (+£475k Gross, -£115k Income)

There is a forecast gross pressure on Children's Centres of +£360k, this is due to various small variances spread over the 97 centres. We are in the process of reviewing this pressure. There is also a further gross pressure of +£115k which has a corresponding income variance -£115k, which relates to where the centres receive income for shared costs, rental of rooms, activities etc, all of which also incur expenditure.

1.1.3.2 Early Years & Childcare: Gross -£300k

An underspend of -£300k has been forecast on the Early Years, Children's centre development team from the release of uncommitted budget to offset pressures elsewhere within SCS.

1.1.3.3 Adoption: Gross +£432k

The current forecast variance of +£432k includes a pressure of +£168k for an increase in the cost of placements. In addition, there is a pressure of +£264k relating to special guardianship orders (SGO), this is due to the need to secure a permanent placement for a child where adoption is not suitable or required.

1.1.3.4 Asylum Seekers – Net +£3,000k (+£123k gross, +£2,877k income)

We are now forecasting a potential net pressure of £3,000k against the Asylum Service. This pressure is in respect of both unaccompanied asylum seeking children and those eligible under the care leaving legislation.

At this stage Kent is still to receive notification of the Gateway Grant, but this reported position assumes the same level of funding as we received in 2011-12.

Kent, along with Hillingdon and Solihull Councils, have jointly written to the Minister of State for Immigration expressing their continued frustration of not being able to agree a resolution that ensures adequate funding levels.

Until there is more certainty around a resolution it is prudent to report this pressure, but at time of writing no response had been received from the Minister. The council will continue to press the government vigorously, along with other key affected councils, to agree a means of funding which enables the Council to meet its obligations to the young people affected, but which is also fair to local residents.

1.1.3.5 <u>Children's Support Services: Net +£162k (+£107k Gross, +£55k Income)</u>
There is a forecast pressure on staffing of +£150k which is for the Out of Hours team, there are also other small gross variances of -£43k, and a small income variance of +£55k.

1.1.3.6 <u>Fostering: Net +£3,307k (+£3,312k Gross, -£5k Income)</u>
Non-related fostering (in house) is forecasting a gross pressure of +£656k, as a result of the forecast number of weeks of service being 1,065 higher than the affordable level of 54,872, this generates £402k of current pressure. Additionally the unit cost being -£2.57 lower than previously estimated when setting the cash limit has reduced the pressure by -£150k. There are also provisions within this forecast of +£186k for the potential implications of enhanced payments for carers of disabled children and +£235k of costs which were originally included within the Section 17 budget, but have been re-classified as fostering costs (see section 1.1.3.9). There are also various small underspends totalling -£17k, and a small income variance of -£5k.

Independent fostering is forecasting a gross pressure of +£2,328k. Again this is as a result of an increase in weeks support, which is 3,176 higher than the affordable level of 6,152 and results in a pressure of +£2,897k. However, the average weekly cost is £92.71 lower than budgeted, and this reduces the total pressure by -£569k

A gross underspend of -£577k is forecast on Kinship non LAC which is due to reduced demand. This reduction in spend has resulted in an increase in the SGO forecast of +£264k (in section 1.1.3.3 above) and +£320k on related foster payments (see below), and other small variances of -£7k.

There is a forecast gross pressure on Related foster payments of +£757k, of which +£437k is due to new legislation that came into effect on the 1st April 2011 which requires Local Authorities to pay reward payments to related foster carers. Kent's policy was that related carers only receive the maintenance element, whereas non-related carers receive both a maintenance and a fee element. At the time of calculating pressures for the 2012-13 budget Kent felt that this legislation was ambiguous, and sought legal advice to clarify our position. We have since had confirmation that we must apply this. The remaining +£320k is due to an increase in demand resulting from the drive to move children from Kinship to Related foster payments (and SGO see section 1.1.3.3).

The county fostering team is forecasting a gross pressure of +£148k, due to an increase in the number of staff following the restructure.

1.1.3.7 <u>Leaving Care (formerly 16+): Gross -£78k</u>
An underspend of -£477k is forecast on leaving care/Section 24. This is partly due to fewer than anticipated 16-18 year olds using this service as they are remaining in foster care, and also stricter controls around S24 payments (*assistance provided to a child aged 16+ who leaves local authority care*). There is also a forecast pressure of +£295k due to a VAT liability dating back to 2009 relating to the contract with Catch 22. In addition there are other small variances totalling +£104k.

1.1.3.8 <u>Legal Charges: Gross +£285k</u>
There is a pressure forecast on the legal budget of +£285k, of which +£135k is due to demand being greater than that budgeted for and +£150k is spend which has moved from the Section 17 budget (see section 1.1.3.9)

1.1.3.9 <u>Preventative Children's Services: Gross -£1,507k</u>
There is a forecast underspend of -£929k on the Section 17 *(Provision of services for children in need, their families and others)* budget. -£235k of this is due to spend being re-classified as fostering costs and a further -£150k has been re-classified as legal costs, both of which had previously been classified as Section 17. These costs are now included in sections 1.1.3.6 and 1.1.3.8 respectively. Please note that budgets will be realigned as part of the SCS restructure to reflect this change in classification. A further underspend has been forecast of -£565k due to management action and more detailed guidance being issued to district teams on when they can make Section 17 payments. There are also other small gross variances of +£21k on the section 17 budget.

There is a forecast underspend of -£140k on Independent sector day care and short breaks as a result of renegotiated day care costs.

Independent sector day care and short breaks for disabled children has a forecast underspend of -£358k, of which there is an underspend of -£500k on core activity as a result of a shift to providing direct payments instead (see below). In addition there is a forecast pressure of +£188k due to lease charges on the MASH (Multi Agency Specialist Hubs). There are other small variances totalling -£46k on independent sector day care for disabled children.

There is a forecast underspend of -£500k on the investment in prevention strategy budget allocated in the 12-15 MTFP due to a delay in the business cases and projects.

Direct payments has a forecast pressure of +£492k, this is due to the number of forecast weeks being 5,845 higher than budgeted, and the forecast rate being £7.25 higher than the budgeted rate.

There are also other small variances totalling -£72k

1.1.3.10 Residential Children's Services: Net +£2,269k (+£2,307k Gross, -£38k Income)

Of the pressure within residential services, +£2,022k (+£1,875k Gross, +£147k Income) relates to non disabled independent sector residential provision. The forecast number of weeks of service is 796 higher than the affordable level of 1,892, which generates +£2,369k of current pressure. Additionally the unit cost being -£261.30 lower than previously estimated when setting the cash limit has reduced this pressure by -£494k. The income variance of +£147k is due to a reduction in income for placements from health.

The budget for independent residential care for disabled children is showing a pressure of +£321k (+£297k Gross, +£24k Income). This is due to an increase in high cost placements of +£425k, and an underspend of -£128k due to a reduction in the overall number of placements. There is also a small income variance of +£24k.

KCC residential care for disabled children shows a forecast underspend of -£230k. Of this, -£211k is due to an increase in income from District Health Authorities for an increased number of children attracting external income. The expenditure related to the DHA income is offset by lower than expected expenditure generally. There are other small gross variances totalling -£19k

There is a further forecast gross variance on Residential care for Non-LAC of +£81k due to an increase in placements, and a small income variance of +£2k.

There is also a small gross pressure forecast on secure accommodation of +£73k

1.1.3.11 Safeguarding: Gross Net +£143k (+£178k Gross, -£35k Income)

The safeguarding service is projecting a pressure of +£178k on staffing, this will be resolved as part of the SCS restructure. There is also a small income variance of -£35k

1.1.3.12 Assessment Services – Children's social care staffing – -£56k (-£73k Gross, +£17k income)

There is currently a forecast pressure on this budget of +£1,279k for the new county referral unit which has been set up in advance of the main restructure. However this is now being offset by a forecast underspend of -£1,352k on other staffing, which will be resolved as part of the SCS restructure. There is also a small income variance of +£17k.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER
(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
SCS	Asylum - forecast shortfall in funding, awaiting resolution with Government	+3,000	SCS	Children's social care staffing - Gross - Staffing	-1,352
SCS	Fostering - Gross - Independent - forecast weeks higher than budgeted	+2,897	SCS	Fostering - Gross - Independent - forecast unit cost lower than budgeted	-569
SCS	Residential - Gross - Non Dis Independent Sector - forecast weeks higher than budgeted	+2,369	SCS	Preventative Children's services - Gross - management action and more detailed guidance on Section 17 payments	-565
SCS	Children's social care staffing - Gross - New County Referral Unit	+1,279	SCS	Preventative Children's services - Gross - Independent sector day care dis - reduction in core activity due to a shift to direct payments	-500
SCS	Preventative Children's services - Gross - Direct Payments - Forecast weeks/unit costs higher than budgeted (shift from Ind day care disability)	+492	SCS	Preventative Children's services - Gross - delay in investment in prevention strategy spend	-500
SCS	Fostering - Gross - Related foster payments - increase in reward payments	+437	SCS	Residential - Gross - Non Dis Independent Sector - forecast unit cost lower than budgeted	-494
SCS	Residential - Gross - Dis Independent Sector - Increase in high cost placements	+425	SCS	Leaving care - Gross - decrease in demand as 16-18 yr olds remaining in foster care, stricter controls around S24 payments	-477
SCS	Fostering - Gross - Non-related in house - forecast weeks higher than budgeted	+402	SCS	Fostering - Gross - Kinship non LAC - move to related fostering	-320
SCS	Children's centres - Gross - Various small overspends	+360	SCS	Early Years - Gross - Children's centre development team - release of uncommitted budget	-300
SCS	Fostering - Gross - Related foster payments - drive to move children from Kinship to Related Fostering	+320	SCS	Fostering - Gross - Kinship non LAC - move to SGO	-264
SCS	Leaving care - Gross - VAT liability	+295	SCS	Preventative Children's services - Gross - Costs re-classified as fostering	-235
SCS	Adoption - Gross - Increase in Special Guardianship Orders	+264	SCS	Residential - Gross - KCC residential - increase in income from District Health Authorities	-211
SCS	Fostering - Gross - Non-related in house - fostering costs moved from S.17	+235	SCS	Preventative Children's services - Gross - Costs re-classified as legal costs	-150
SCS	Preventative Children's services - Gross - increased cost of MASH due to lease changes	+188	SCS	Fostering - Gross - Non-related in house - forecast unit cost lower than budgeted	-150
SCS	Fostering - Gross - Non-related in house - enhanced payments for carers of disabled children	+186	SCS	Preventative Children's services - Gross - Independent sector day care non dis- renegotiated day care rate	-140
SCS	Safeguarding - Gross - staffing	+178	SCS	Residential - Gross - Dis Independent Sector - reduction in the overall number of placements	-128

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
SCS	Adoption - Gross - Increase in cost of placements	+168	SCS	Children's centres - Income - Various income for utilities, activities etc	-115
SCS	Children's Support Services - Gross - Staffing (Out of Hours Team)	+150			
SCS	Legal Charges - Gross - costs moved from S.17	+150			
SCS	Fostering - Gross - County fostering team - increase in number of staff	+148			
SCS	Residential - Income - Non Dis Independent Sector - reduction in income for placements from Health	+147			
SCS	Legal Charges - Gross - increased demand	+135			
SCS	Children's centres - Gross - Various spend on utilities, activities etc	+115			
		+14,340			-6,470

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

Although there was a continued increase of looked after children between April and June, it is anticipated that a number of control measures and early intervention services which have been put in place should mean that costs overall will begin to reduce, as well as a new staffing structure. There is evidence that the looked after children numbers of children in care have begun to reduce in the second quarter as illustrated in section 2.1, however it is too early to confirm whether this trend will continue.

1.1.5 **Implications for MTFP**:

The 2013-14 budget proposals that went out for consultation had significant savings targets associated with the Looked After Children Strategy and a fundamental transformation of procedures in Children's Services. Those targets assume that the 2012-13 budget for Specialist Children's Services does not overspend.

However, as the quarter 2 position, excluding Asylum, has only improved slightly from the position reported in quarter 1, with a £4.983m pressure still reported (and a further £3m pressure reported for Asylum), there must be concern that the savings targets in the 2013-14 budget proposals that went for consultation are not achievable in full. This position is being closely monitored in order that the final proposed budget reflects a realistic forecast of spending in 2013-14.

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

None

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

Controls have been put in place which we believe will help to reduce some of this financial pressure during the year, these include:

- *Access to Resource Panels chaired by Assistant Directors, to ensure that there is consistent decision making with regard to new placements for children in care.*
- *Placement Panels to review the status and placement of current children in care.*
- *New guidance and expenditure limits applied to Section 17 expenditure and transport costs.*
- *New commissioning framework being drawn up to reduce the costs of Independent Fostering placements.*
- *Recruitment of more in-house foster carers and potential adopters.*
- *Better contract management.*
- *Improved joint working with Legal through a Service Level Agreement.*

Structural changes are being implemented which will ensure that there are smaller teams with better management oversight, and clearer delineated accountability for case work decisions. New Access to Resources Team is being established, which will help maximise commissioning potential, and ensure best value.

In addition to the above, new commissioning frameworks have been developed for Early Intervention Services and Disabled Children's Services which will enhance early intervention, and therefore reduce the need for ongoing higher costs.

1.2 CAPITAL

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

1.2.2 The Specialist Childrens Services portfolio has an approved budget for 2012-15 of £0.769m (see table 1 below). The forecast outturn against this budget is £1.953m, giving a variance of £1.184m. After adjustments for funded variances and reductions in funding, the revised variance comes to £1.118m (see table 3).

1.2.3 Tables 1 to 3 summaries the portfolio's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet	0.769
Approvals made since last reported to Cabinet	0.000
Revised approved budget	0.769

1.2.5 Table 2 – Funded and Revenue Funded Variances

Scheme	Amount £m	Reason
Cabinet to approve cash limit changes		
No cash limit changes to be made		
Ashford, Thanet & Swale MASH	0.006	Revenue contribution
Self Funded Projects - Quarry fields	0.060	Revenue contribution
Total	0.066	

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	**1.118**
Funded variance (from table 2)	0.000
Variance to be funded from revenue (from table 2)	0.066
Rephasing (beyond 2012-15)	**0.000**
Total variance	**1.184**

Main reasons for variance

1.2.7 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

1.2.8 Table 4 – Scheme Progress

Scheme Name	Total approved budget	Previous Spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status Red/Amber/ Green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = e-c	(h) = b+e+f-a	
Ashford, Thanet & Swale MASH	15.826	15.843	-0.017	0.000	1.107	0.000	1.124	1.124	Overspend
TSB2 Short Breals Pathfinder Programme	0.532	0.117	0.415	0.000	0.415	0.000	0.000	0.000	
Early Years & Childrens Centres	41.955	41.901	0.054	0.000	0.054	0.000	0.000	0.000	
Self Funded Projects (Quarryfields)	0.264	0.198	0.066	0.000	0.126	0.000	0.060	0.060	
Service Redesign	0.251	0.000	0.251	0.000	0.251	0.000	0.000	0.000	
TOTAL Specialist Childrens Services	58.828	58.059	0.769	0.000	1.953	0.000	1.184	1.184	

1.2.8 Status:
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget

1.2.9 <u>Assignment of Green/Amber/Red Status</u>

1.2.10 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.11 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why

1.2.12 MASH - Latest MASH estimates show a forecast variance of £1.124m in 2012-13. This reflects a continuing pressure and has increased by £0.024m since last reported to Cabinet mainly due to additional consultancy fees. £0.006m of the overspend is to be funded from a revenue contribution, and there is anticipated external funding of £0.800m which is awaiting confirmation from the NHS. If this is forthcoming there remains an unfunded variance of £0.318m, the funding of which is yet to be resolved.

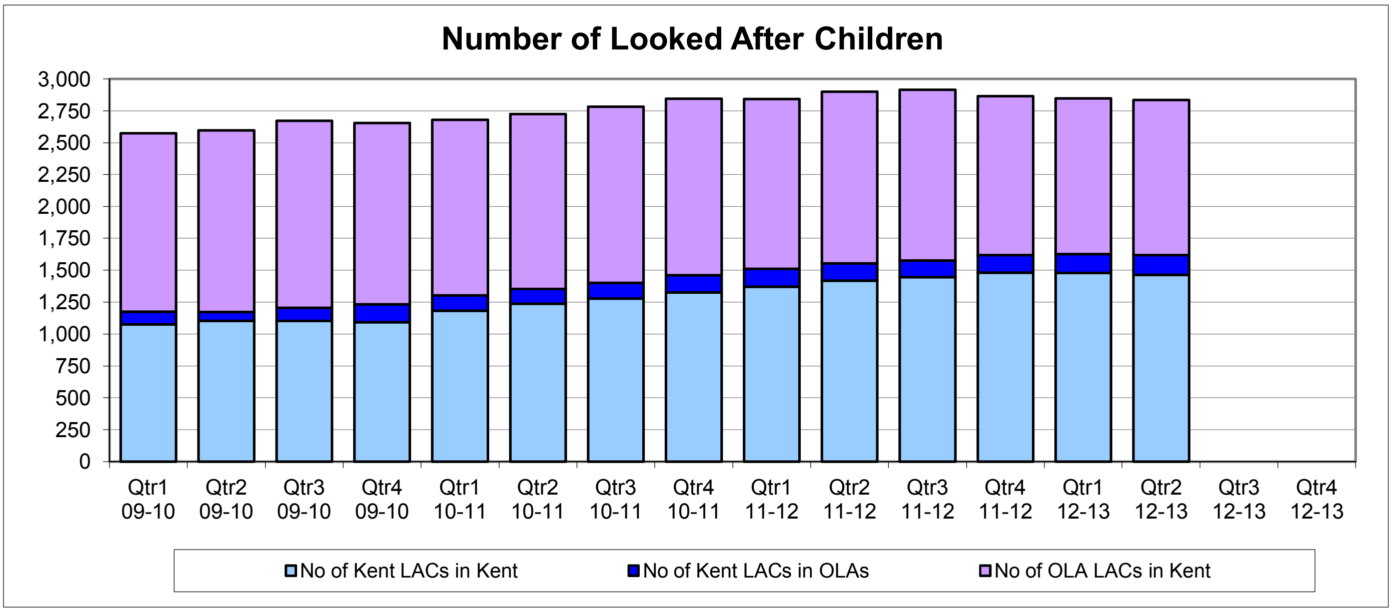
Key issues and Risks

1.2.13 MASH – until the funding of £0.800m is confirmed from the NHS there is a risk around this.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 **Numbers of Looked After Children (LAC**) (excluding Asylum Seekers):

	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
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**
2011-12					
Apr – Jun	1,371	141	**1,512**	1,330	**2,842**
Jul – Sep	1,419	135	**1,554**	1,347	**2,901**
Oct – Dec	1,446	131	**1,577**	1,337	**2,914**
Jan – Mar	1,480	138	**1,618**	1,248	**2,866**
2012-13					
Apr – Jun	1,478	149	**1,627**	1,221	**2,848**
Jul – Sep	1,463	155	**1,618**	1,216	**2,834**
Oct – Dec					
Jan – Mar					



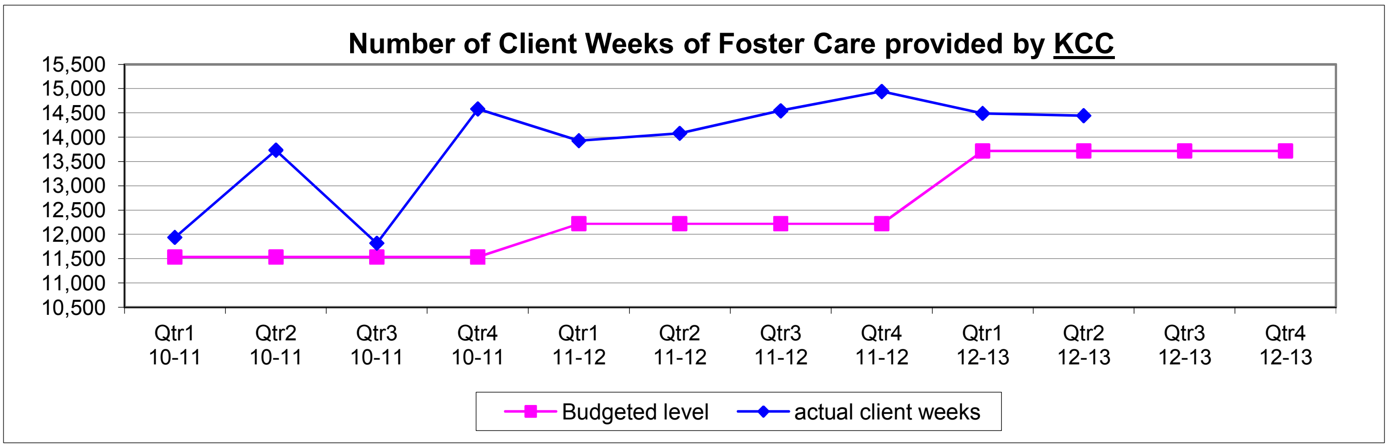
Comments:

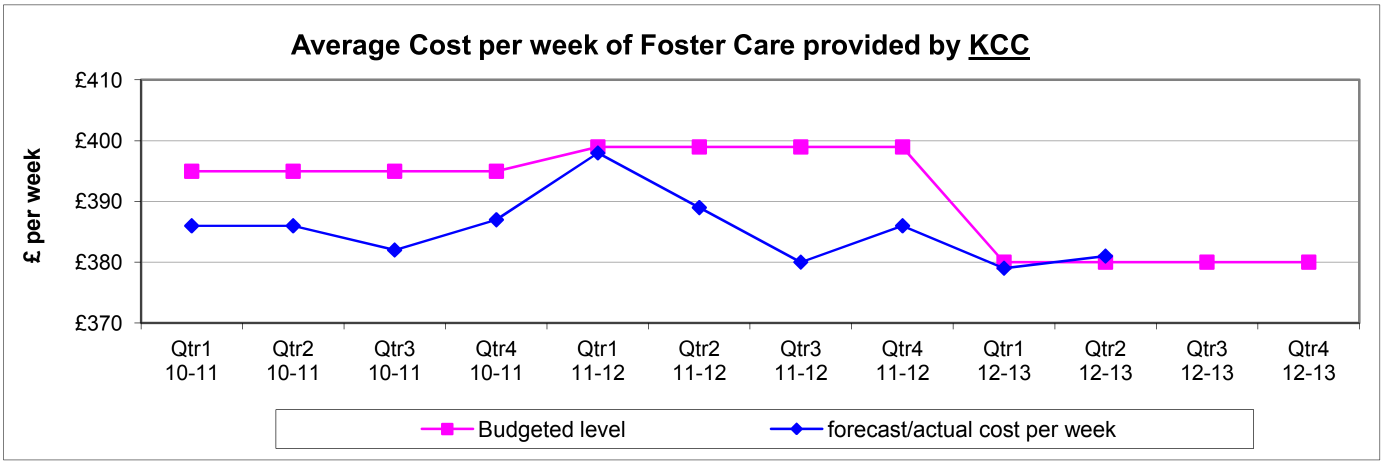
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The 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 reduced by 9 this quarter, there could have been more (or less) during the period.
- The increase in the number of looked after children since the 12-13 budget was set has placed additional pressure on the services for looked after children, including fostering and residential care.

- The OLA LAC information has a confidence rating of 75% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. This confidence rating is based upon the percentage of children in this current cohort where the OLA has satisfactorily responded to recent MIU requests.

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

	2010-11				2011-12				2012-13			
	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	forecast
Apr - June	11,532	11,937	£395	£386	12,219	13,926	£399	£398	13,718	14,487	£380	£379
July - Sep	11,532	13,732	£395	£386	12,219	14,078	£399	£389	13,718	14,440	£380	£377
Oct - Dec	11,532	11,818	£395	£382	12,219	14,542	£399	£380	13,718		£380	
Jan - Mar	11,532	14,580	£395	£387	12,219	14,938	£399	£386	13,718		£380	
	46,128	**52,067**	**£395**	**£387**	**48,876**	**57,484**	**£399**	**£386**	**54,872**	**28,927**	**£380**	**£377**





Comments:

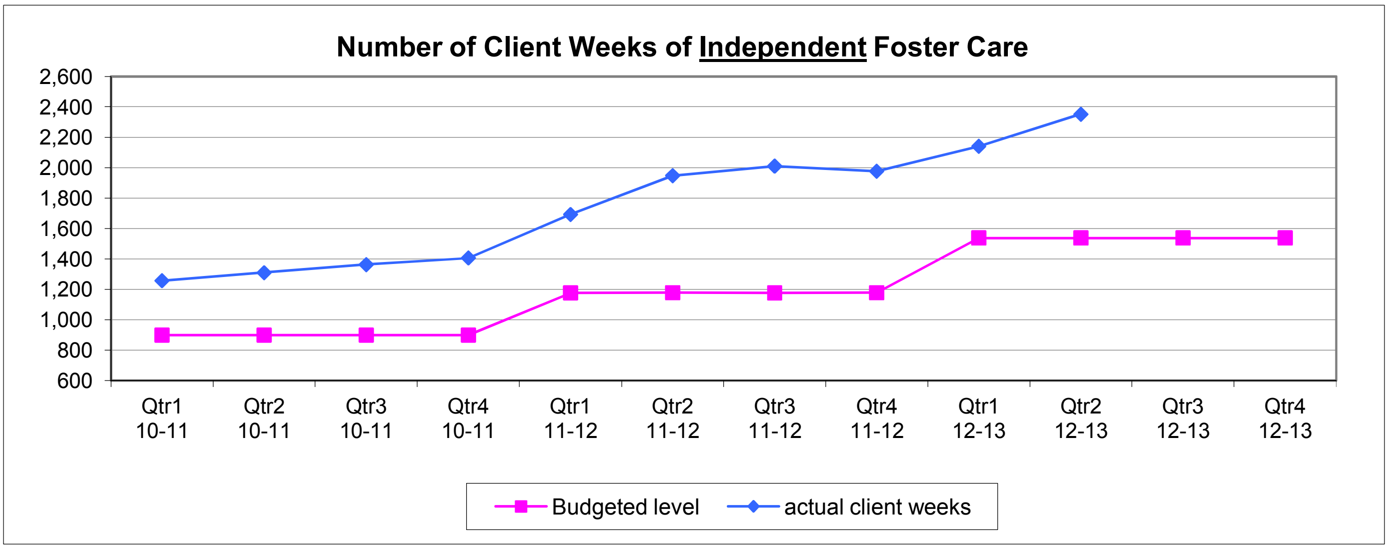
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- In addition, the 2012-13 budgeted level represents the level of demand as at the 2011-12 3rd quarter's full monitoring report, which is the time at which the 2012-13 budget was set and approved. However, since that time, the service has experienced continued demand on this service.
- The forecast number of weeks is 55,937 (excluding asylum), which is 1,065 weeks above the affordable level. This forecast number of weeks is lower than the YTD activity would suggest due to

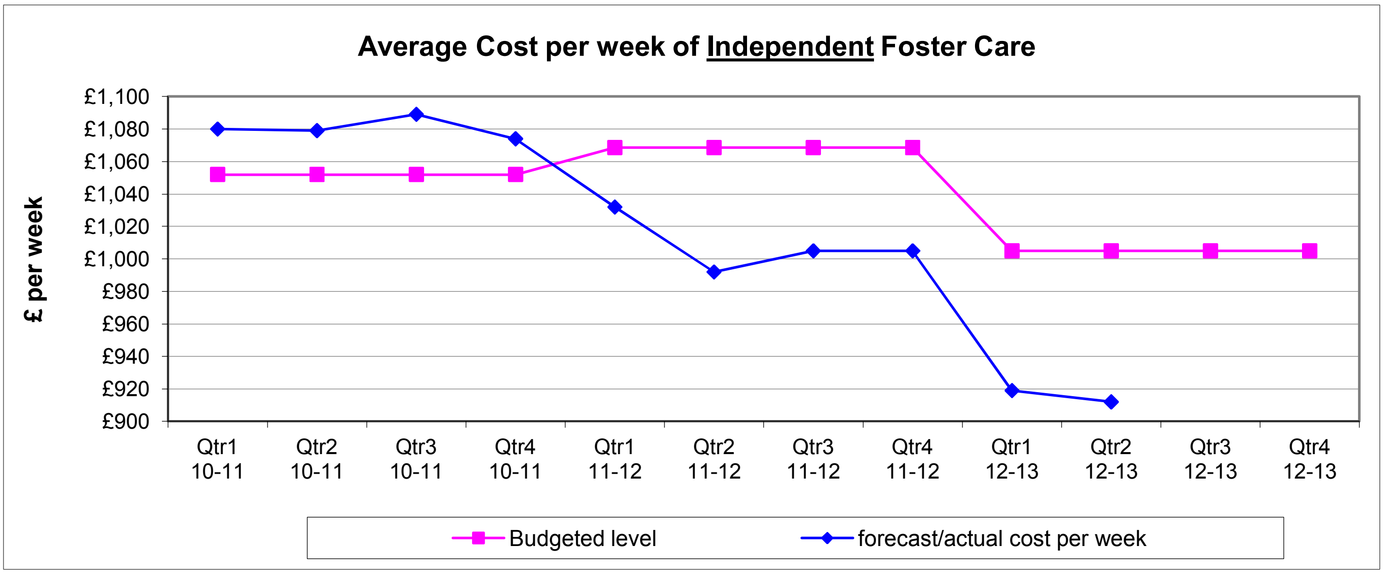
an anticipated reduction in the number of children in in-house fostering for the remainder of the year in response to the controls put in place to help reduce the pressures on the SCS budgets (see section 1.1.7), and problems finding suitable in-house placements. At the forecast unit cost of £377.25 per week, this increase in activity gives a pressure of £402k.

- The forecast unit cost of £377.25 is -£2.75 below the budgeted level and when multiplied by the budgeted number of weeks, gives an underspend of -£150k.
- Overall therefore, the combined gross pressure on this service for both under and over 16's (and those with a disability) is +£252k (£402k - £150k), as reported in sections 1.1.3.6.

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

	2010-11				2011-12				2012-13			
	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	forecast
Apr - June	900	1,257	£1,052	£1,080	1,177	1,693	£1,068.60	£1,032	1,538	2,141	£1,005	£919
July - Sep	900	1,310	£1,052	£1,079	1,178	1,948	£1,068.60	£992	1,538	2,352	£1,005	£912
Oct - Dec	900	1,363	£1,052	£1,089	1,177	2,011	£1,068.60	£1,005	1,538		£1,005	
Jan - Mar	900	1,406	£1,052	£1,074	1,178	1,977	£1,068.60	£1,005	1,538		£1,005	
	3,600	**5,336**	**£1,052**	**£1,074**	**4,710**	**7,629**	**£1,068.60**	**£1,005**	**6,152**	**4,493**	**£1,005**	**£912**



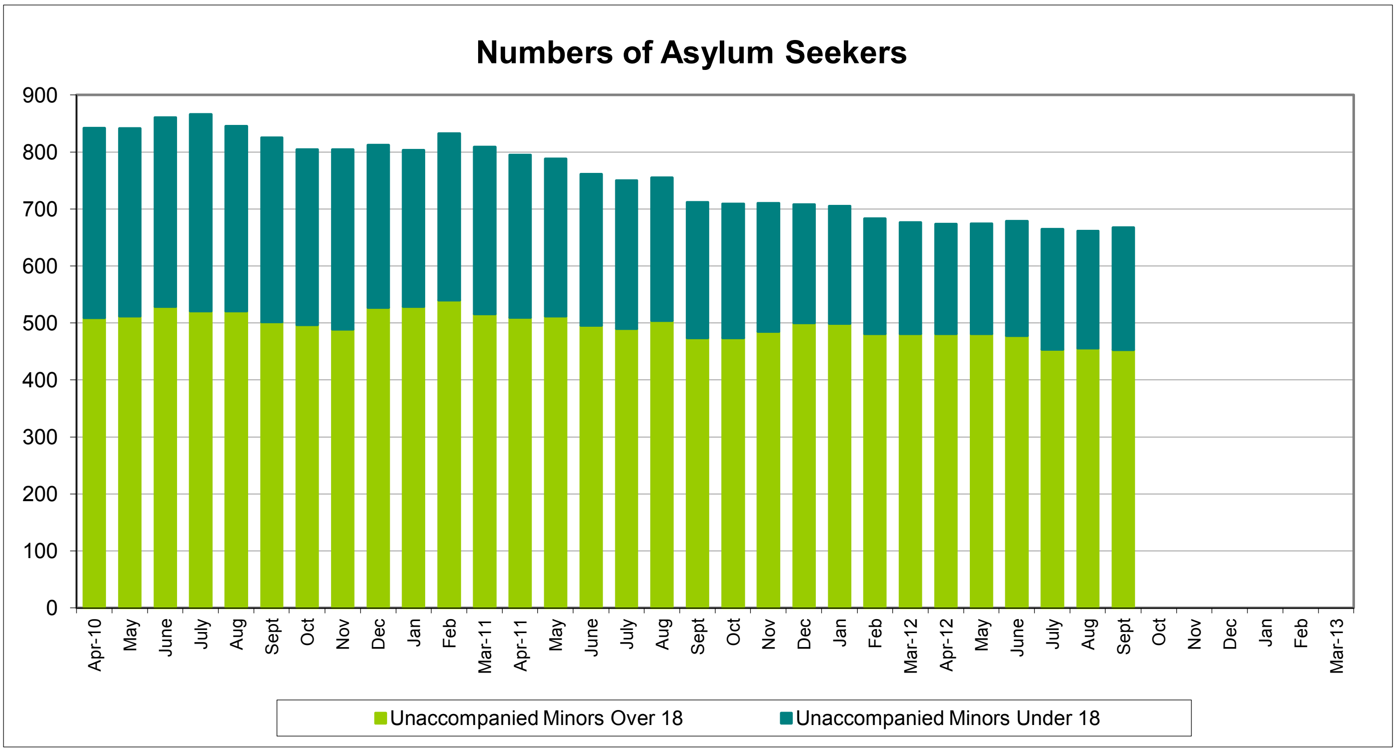


Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- For the 2012-13 budget further significant funding has been made available based on the actual level of demand at the 3rd quarter's monitoring position for 2011-12, the time at which the 2012-13 budget was set and approved. However, since that date the service has experienced continued demand on this service.
- The forecast number of weeks is 9,328 (excluding asylum), which is 3,176 weeks above the affordable level. The forecast number of weeks is higher than the YTD activity would suggest due to an increase in the number of IFA placements reflecting the difficulty in finding in-house placements. At the forecast unit cost of £912.29, this increase in activity give a pressure of £2,897k.
- The forecast unit cost of £912.29 is an average and is -£92.71 below the budgeted level and when multiplied by the budgeted number of weeks gives a saving of -£569k
- Overall therefore, the combined forecast gross pressure on this service and is +£2,328k (+£2,897k increased demand and -£569k lower unit cost), as reported in sections 1.1.3.6.

2.3 **Numbers of Unaccompanied Asylum Seeking Children (UASC)**:

	2010-11			**2011-12**			**2012-13**		
	Under 18	Over 18	**Total Clients**	Under 18	Over 18	**Total Clients**	Under 18	Over 18	**Total Clients**
April	333	509	**842**	285	510	**795**	192	481	**673**
May	329	512	**841**	276	512	**788**	193	481	**674**
June	331	529	**860**	265	496	**761**	200	478	**678**
July	345	521	**866**	260	490	**750**	210	454	**664**
August	324	521	**845**	251	504	**755**	205	456	**661**
September	323	502	**825**	238	474	**712**	214	453	**667**
October	307	497	**804**	235	474	**709**			
November	315	489	**804**	225	485	**710**			
December	285	527	**812**	208	500	**708**			
January	274	529	**803**	206	499	**705**			
February	292	540	**932**	202	481	**683**			
March	293	516	**809**	195	481	**676**			

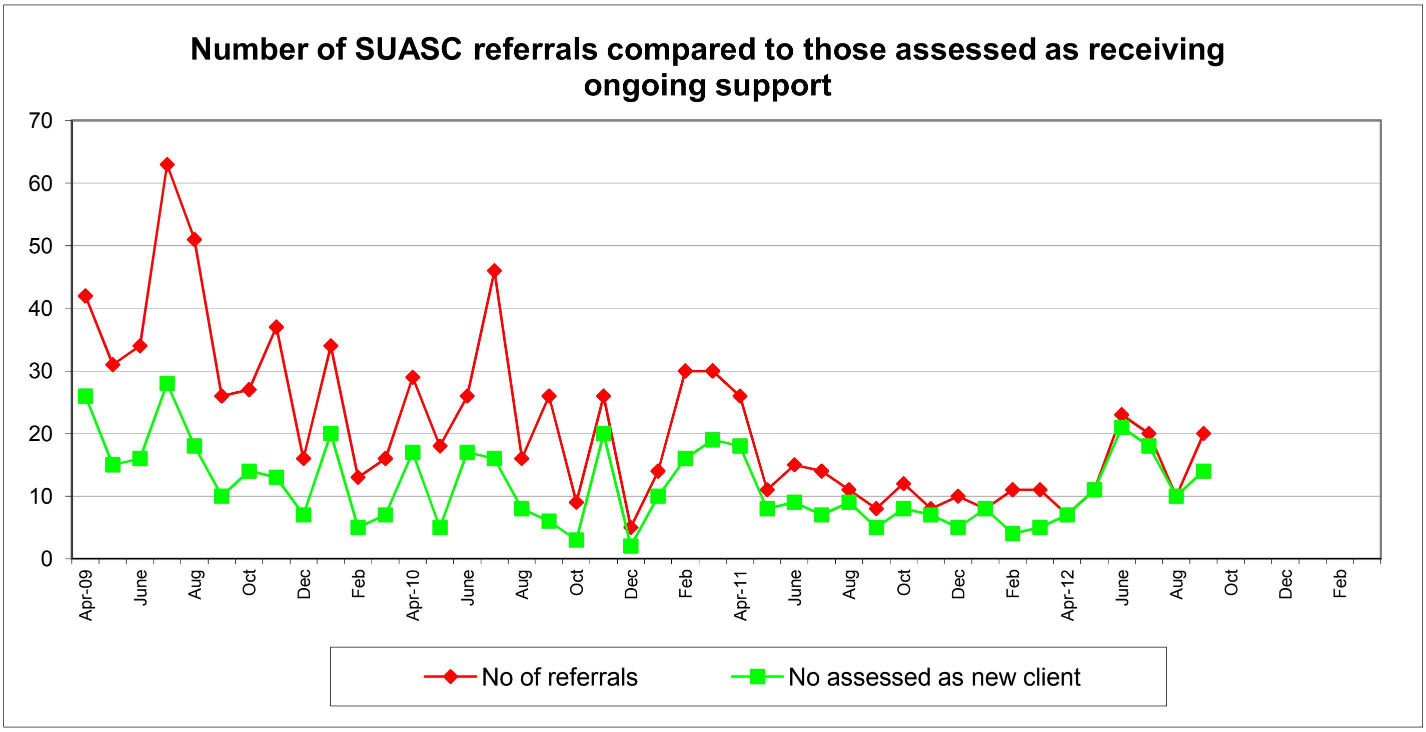


Comment:

- The overall number of children has remained fairly static so far this year. The current number of clients supported is below the budgeted level of 690.
- The budgeted number of referrals for 2012-13 is 15 per month, with 9 (60%) being assessed as under 18.
- Despite improved partnership working with the UKBA, the numbers of over 18's who are All Rights of appeal Exhausted (ARE) have not been removed as quickly as originally planned.
- In general, the age profile suggests the proportion of over 18s is decreasing slightly and, in addition, the age profile of the under 18 children has increased
- 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.

2.4 **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**:

	2009-10			2010-11			2011-12			2012-13		
	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	42	26	62%	29	17	59%	26	18	69%	7	7	100%
May	31	15	48%	18	5	28%	11	8	73%	11	11	100%
June	34	16	47%	26	17	65%	15	9	60%	23	21	91%
July	63	28	44%	46	16	35%	14	7	50%	20	18	90%
Aug	51	18	35%	16	8	50%	11	9	82%	10	10	100%
Sept	26	10	38%	26	6	23%	8	5	62%	20	14	70%
Oct	27	14	52%	9	3	33%	12	8	67%			
Nov	37	13	35%	26	20	77%	8	7	88%			
Dec	16	7	44%	5	2	40%	10	5	50%			
Jan	34	20	59%	14	10	71%	8	8	100%			
Feb	13	5	38%	30	16	53%	11	4	36%			
Mar	16	7	44%	30	19	63%	11	5	45%			
	390	**179**	**46%**	**275**	**139**	**51%**	**145**	**93**	**64%**	**91**	**81**	**89%**



Comments:

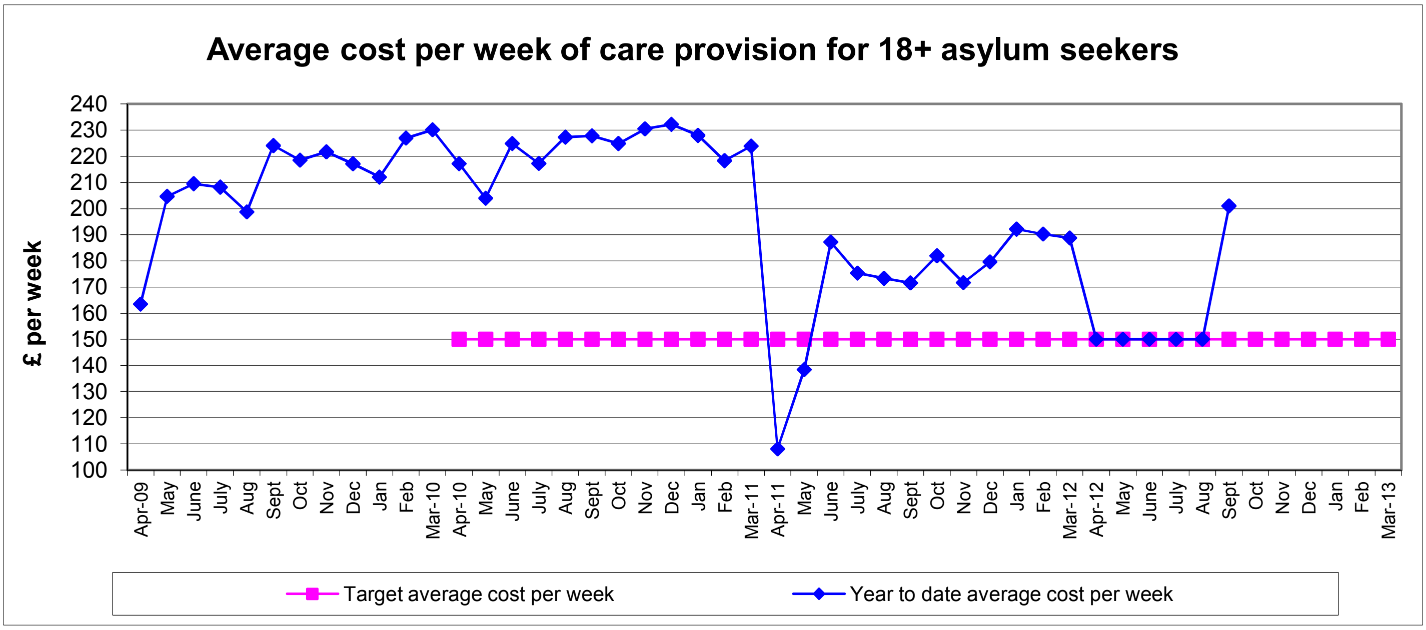
- In general, referral rates have been lower since September 2009 which coincides with the French Government's action to clear asylum seeker camps around Calais. The average number of referrals per month is now 15, which equals the budgeted number of 15 referrals per month.

- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average number assessed as new clients is now 89%.

- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is currently 13.5 i.e a 50% increase.

2.5 Average monthly cost of Asylum Seekers Care Provision for 18+ Care Leavers:

	2009-10		2010-11		2011-12		2012-13	
	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	Year to date average weekly cost £p
April		163.50	150.00	217.14	150.00	108.10	150.00	150.00
May		204.63	150.00	203.90	150.00	138.42	150.00	150.00
June		209.50	150.00	224.86	150.00	187.17	150.00	150.00
July		208.17	150.00	217.22	150.00	175.33	150.00	150.00
August		198.69	150.00	227.24	150.00	173.32	150.00	150.00
September		224.06	150.00	227.79	150.00	171.58	150.00	200.97
October		218.53	150.00	224.83	150.00	181.94	150.00	
November		221.64	150.00	230.47	150.00	171.64	150.00	
December		217.10	150.00	232.17	150.00	179.58	150.00	
January		211.99	150.00	227.96	150.00	192.14	150.00	
February		226.96	150.00	218.30	150.00	190.25	150.00	
March		230.11	150.00	223.87	150.00	188.78	150.00	



Comments:

- The local authority has agreed that the funding levels for the unaccompanied Asylum Seeking childrens Service 18+ grant 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. In 2011-12 UKBA changed their grant rules and now only fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process if the LA carries out a Human Rights Assessment before continuing support. The LA has continued to meet the cost of the care leavers in order that it can meet it statutory obligations to those young people under the Leaving Care Act until the point of removal.
- As part of our partnership working with UKBA, most UASC in Kent are now required to report to UKBA offices on a regular basis, in most cases weekly. The aim is to ensure that UKBA have regular contact and can work with the young people to encourage them to make use of the voluntary methods of return rather than forced removal or deportation. As part of this arrangement any young person who does not report as required may have their Essential living allowance discontinued. As yet this has not resulted in an increase in the number of AREs being removed. The number of AREs supported has continued to remain steady, but high. Moving clients on to the pilot housing scheme was slower than originally anticipated, however all our young people, who it was appropriate to move to lower cost accommodation, were moved by the end of 2010-11. However there remain a number of issues:

- For various reasons, some young people have not yet moved to lower cost properties, mainly those placed out of county. These placements are largely due to either medical/mental health needs or educational needs.
- We are currently experiencing higher than anticipated level of voids, properties not being fully occupied. Following the incident in Folkestone in January 2011, teams are exercising a greater caution when making new placements into existing properties. This is currently being addressed by the Accommodation Team.
- We are still receiving damages claims relating to closed properties.

- As part of our strive to achieve a net unit cost of £150 or below, we will be insisting on take-up of state benefits for those entitled.

FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY
ADULTS SERVICES SUMMARY
SEPTEMBER 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 1 monitoring report to reflect a number of technical adjustments to budget including the centralisation of training budgets and room hire budgets.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Adult Social Care & Public Health portfolio							
Strategic Management & Directorate Support Budgets	9,968	-1,069	8,899	369	-23	346	Estimated legal charge pressure; staffing pressure
Adults & Older People:							
- Direct Payments							
- Learning Disability	12,769	-547	12,222	-973	272	-701	Activity below budget level; income unit charge lower than budget
- Mental Health	710	0	710	4	0	4	
- Older People	6,924	-787	6,137	-625	-7	-632	Activity & unit cost below budget level
- Physical Disability	9,580	-374	9,206	-384	-73	-457	Activity below budget level
Total Direct Payments	29,983	-1,708	28,275	-1,978	192	-1,786	
- Domiciliary Care							
- Learning Disability	5,268	-1,532	3,736	480	-67	413	Unit cost above budget level & activity below budget level; additional pressure on extra care housing clients
- Mental Health	532	-114	418	-43	2	-41	
- Older People	44,431	-12,405	32,026	-1,417	1,493	76	Activity for P&V & in-house below budget level; saving on block contracts; income charge higher than budget level
- Physical Disability	7,403	-595	6,808	-94	-62	-156	Activity higher than budget level and unit cost below budget level
Total Domiciliary Care	57,634	-14,646	42,988	-1,074	1,366	292	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Nursing & Residential Care							
- Learning Disability	75,668	-6,456	69,212	173	59	232	Activity above affordable level & Unit cost below budget level for IS; activity below budget level for preserved rights. Delay in review of in-house units
- Mental Health	7,243	-692	6,551	201	-66	135	Unit cost higher than budget level
- Older People - Nursing	46,473	-24,335	22,138	1,794	-960	834	Activity & unit cost above budget level; income charge higher than budget level
- Older People - Residential	84,618	-35,644	48,974	-2,403	1,407	-996	Activity lower than budget level; higher unit cost; in-house staffing pressure; release of contingency; income activity & unit charge lower than budget level
- Physical Disability	13,813	-1,969	11,844	-627	187	-440	Activity lower than budget level; higher unit cost
Total Nursing & Residential Care	227,815	-69,096	158,719	-862	627	-235	
- Supported Accommodation							
- Learning Disability	33,370	-3,645	29,725	-424	728	304	Activity above affordable level & Unit cost below budget level; transfer from reserve; income charge lower than budget
- Physical Disability/Mental Health	2,802	-279	2,523	-90	-141	-231	Income charge higher than budget level
Total Supported Accommodation	36,172	-3,924	32,248	-514	587	73	
- Other Services for Adults & Older People							
- Contributions to Vol Orgs	15,708	-1,793	13,915	111	72	183	Investment in new services
- Day Care							
- Learning Disability	13,187	-237	12,950	-208	52	-156	Staffing savings due to In-house modernisation strategy & reduction in activity; Independent sector saving
- Older People	3,354	-100	3,254	-645	13	-632	re-commissioning strategies
- Physical Disability/Mental Health	1,320	-5	1,315	-80	-2	-82	
Total Day Care	17,861	-342	17,519	-933	63	-870	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Other Adult Services	12,692	-16,990	-4,298	-175	-19	-194	Learning disability development fund staffing & commissioning underspend
- Safeguarding	1,075	-196	879	-46	-8	-54	
Total Other Services for A&OP	47,336	-19,321	28,015	-1,043	108	-935	
- Assessment Services							
- Adult's Social Care Staffing	41,454	-3,940	37,514	-584	132	-452	vacancies: minor income pressures
Community Services:							
- Public Health Management & Support	376	0	376	97	-97	0	
- Public Health	106	-57	49	0	0	0	
Total ASC&PH portfolio	**450,844**	**-113,761**	**337,083**	**-5,589**	**2,892**	**-2,697**	
Business Strategy, Performance & Health Reform portfolio							
- Public Health (LINk, Local Healthwatch & Health Reform)	**758**	**-60**	**698**	**16**	**-16**	0	
Total FSC ADULTS controllable	**451,602**	**-113,821**	**337,781**	**-5,573**	**2,876**	**-2,697**	
Assumed Management Action							
- ASC&PH portfolio						**0**	
- BSP&HR portfolio						**0**	
Forecast after Mgmt Action				**-5,573**	**2,876**	**-2,697**	

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

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

Adult Social Care & Public Health portfolio:

From the 1st October, the Supporting Independence Service contract has been introduced and the forecast reported within this monitoring report includes the estimated effect of this contract on all client groups except mental health (where the impact on this service is still being reviewed). The Supporting Independence Service contract is a new purchasing method covering the purchase of community support services, supported accommodation and supported living services. Cash limits have been transferred to reflect the service lines that the current clients have been transferred to, which include a transfer from domiciliary care and supported accommodation to either the supporting independence service (reported within the Supported Accommodation A-Z budget heading) or direct payments (where clients have chosen this option instead, in order to remain with their existing service providers).

1.1.3.1 Strategic Management & Directorate Support Budgets +£346k (+£369K Gross, -£23k Income)
The gross pressure of £369k relates to the estimated pressure from legal charges assuming a similar level of activity as in 2011-12 (+£133k), along with staffing pressures in both Strategic Commissioning Services (+£110k) and the Operational Support Unit (+£125k). Both units were allocated staff savings as part of the 2012-15 MTP, which they hope to achieve via their recent restructures but the full impact of the saving will not be achieved until 2013-14.

1.1.3.2 **Direct Payments -£1,786k (-£1,978k Gross, +£192k Income):**

The significant under spend on this service primarily relates to slower than budgeted increase in activity funded through the 2012-15 MTP. As can be seen from the activity in section 2.1, the number of clients continues to grow at a lower rate than had been budgeted.

a. Learning Disability -£701k (-£973k Gross, +£272k Income)

The forecast underspend against the gross service line of £973k is generated as a result of the forecast activity weeks being 4,211 (-£1,037k) lower than the affordable level, partially offset by the forecast unit cost being higher than the affordable by £1.91 (+£100k). The remaining variance of -£36k relates primarily to under spending on payments to carers.

This service is forecasting an under recovery of income of +£272k, as the actual average unit income being charged is £4.75 lower than the budgeted level resulting in a shortfall of +£248k plus a minor variance due to the reduced level of activity (+£24k).

b. Older People -£632k (-£625k Gross, -£7k Income)

The budget is forecast to under spend by £625k on gross expenditure. The number of weeks is forecast to be 9,242 fewer than budgeted, generating a saving of -£1,337k, which is partially offset by the unit cost being higher than budgeted by £12.83 and therefore generating a pressure of +£674k. The balance of the variance relates to minor pressures on one-off payments and payments to carers (+£38k).

The lower than budgeted number of weeks leads to a shortfall in income of +£170k, however this is more than offset by unit income being £3.37 higher than budgeted resulting in a saving of -£177k.

d. Physical Disability -£457k (-£384k Gross, -£73k income)

The forecast number of weeks of care provided is 3,215 lower than anticipated generating a forecast under spend of -£580k, along with additional savings achieved through a marginally lower than budgeted unit cost (-£22k). These savings are partially offset, predominately by the number of one-off payments being in excess of the budgeted level (+£216k) along with minor pressure on payments to carers (+£2k).

The lower than budgeted number of weeks leads to a shortfall in income of +£28k however this is more than offset by a £1.91 higher than budgeted unit income resulting in a saving of -£101k.

1.1.3.3 **Domiciliary Care +£292k (-£1,074k Gross, +£1,366k Income):**

a. Learning Disability +£413k (+£480k Gross, -£67k Income)

The overall forecast is a pressure against the gross of £480k, coupled with an over recovery of income by £67k. The number of hours is forecast to be 58,869 lower than the affordable level, generating a -£815k forecast under spend. The forecast unit cost is £4.35 higher than the affordable level, increasing the forecast by +£1,051k. The remaining variance of +£244k against gross, is comprised of a pressure on Extra Care Sheltered Housing of +£172k and other minor variances less than £100k each.

The income variance of -£68k reflects an over-recovery of client income of -£420k for community services partly resulting from the re-assessment of clients contributions, partially offset by an under-recovery of income of +£352k within the Independent Living Service due to the placing of fewer clients where income is received from the supporting people service and Health.

b. Older People +£76k (-£1,417k Gross, +£1,493k Income)

The overall forecast is an under spend against gross of -£1,417k, coupled with an under recovery of income of £1,493k. The number of hours is forecast to be 64,487 lower than the affordable hours generating a -£962k forecast under spend. The forecast unit cost is £0.16 higher than the affordable level, partially offsetting this initial forecast underspend by +£380k.

The Kent Enablement at Home (KEAH) in house service is forecasting a gross under spend of -£574k, which is the cumulative effect of less hours of service than budgeted being forecast, and resultant savings in staffing costs. This is in contrast to the purchase of externally provided enablement services where a pressure of +£122k is currently being forecast. A saving of -£356k is also forecast against block domiciliary contracts, as a result of savings on non-care related costs, and where negotiations to have an element of unused hours refunded have been successful, along with a underspend of -£138k for those clients in Sheltered Accommodation.

The remaining gross variance of +£111k relates to the estimated contribution to the bad debt provision resulting from the increase in outstanding client debt this financial year reported in section 3.

The income variance of +£1,493k reflects the under-recovery of client income of +£1,525k which is largely due to the reduced activity, marginally offset by minor variances of -£32k.

d. Physical Disability -£156k (-£94k Gross, -£62k Income)

The gross variance is caused by a forecast of 49,028 hours below the affordable level, creating a -£692k saving, which is offset by a unit cost variance of £1.10 greater than affordable level, causing a pressure of +£571k. The remaining gross pressure (+£27k), and income variance (-£62k) are due to variances on a number of other budgets within this heading, all below £100k.

This forecast is based on actual client activity for the first half year and an assumed reduction for the remainder of the year of approximately 10,000 hours of domiciliary care, based on previous trends.

1.1.3.4 **Nursing & Residential Care -£235k (-£862k Gross, +£627k Income):**

a. Learning Disability +£232k (+£173k Gross, +£59k Income)

A gross pressure of +£173k, coupled with an under recovery of income of £59k generates the above net forecast variance. The forecast level of client weeks is 615 higher than the affordable level generating a +£755k forecast pressure. The gross unit cost is currently forecast to be £3.79 lower than the affordable level, which generates a -£150k forecast under spend. The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.

There are variances on the preserved rights budgets where activity is forecast to be 1,457 weeks lower than affordable creating a saving of -£1,282k offset by a unit cost variance totalling +£646k. In addition, a further saving of -£85k has been generated from a release of a provision no longer required.

There is a +£269k pressure resulting from delays in the review of in-house units and a consequential delay in delivering the budgeted savings. The balance of the gross pressure relates to additional nursing care to be recharged to health (Registered Nursing Care Contribution - RNCC) (+£20k).

The forecast income variance of +£59k is due to a number of compensating variances within residential care. The additional forecast client weeks for residential care add -£55k of income, and the actual income per week is higher than the expected level by £9.74 which generates a further over-recovery in income of -£419k.

The reduction in client weeks compared to the affordable level for preserved rights residential care creates a loss of +£141k of income, coupled with a lower actual income per week than the expected level of £13.27 which generates an under-recovery in income of +£403k.

The remaining income variance of -£11k relates to in house provision and RNCC.

b. Mental Health +£135k (+£201k Gross, -£66k Income)

The forecast gross pressure of £201k is primarily due to the residential care gross unit cost being £19.29 higher than the budgeted level creating a pressure of £199k.

c. Older People - Nursing +£834k (+£1,794k Gross, -£960k Income)

There is a forecast pressure of +£1,794k on gross and an over recovery of income of -£960k, leaving a net pressure of +£834k. The forecast client weeks is 2,254 higher than the affordable level, which generates a pressure of +£1,069k coupled with the unit cost forecast to be £7.93 higher than budget, which gives a gross pressure of +£646k. The remaining gross variance of +£79k relates to additional nursing care to be recharged to health (RNCC) of +£149k partially offset by minor variances on preserved rights and unrealised creditors (-£70k).

The increased activity in nursing care has resulted in a -£456k over-recovery of income, along with an increase in the average unit income being recouped from clients totalling -£390k. Forecast reimbursement from health for RNCC of -£149k along with minor variances on preserved rights (+£35k) form the balance of the income variance.

d. Older People - Residential -£996k (-£2,403k Gross, +£1,407k Income)

This service is reporting a gross under spend of £2,403k, along with an under recovery of income of £1,407k. The forecast level of client weeks is 2,865 lower than the affordable levels, which generates a forecast under spend of -£1,131k. This under spend is partially offset by the unit cost being £1.03 higher than the affordable levels creating a +£155k pressure.

A gross underspend is also forecast for Preserved Rights of -£394k mainly due to a lower than affordable level of activity of 948 weeks creating a -£405k under spend, offset by a +£11k minor pricing pressure.

A gross variance of +£392k is forecast against the In-house provisions, including Integrated Care centres (ICC). The pressure on this service is mainly due to the use of agency staff to cover staff absences and vacancies (+152k), along with costs associated with the integrated care centres which are due to be recharged to the PCT (+£240k, see below for compensating income variance).

Contingency funding was held against this service to help compensate for possible volatility in the forecast for both residential and nursing care because of the impact of the Modernisation agenda. This funding has now been released, resulting in a -£1,345k underspend, to help offset the increases seen in nursing care, as detailed above. The balance of the underspend relates to unrealised creditors totalling -£80k.

On the income side, the reduction in activity results in a +£614k shortfall in client income, along with a lower than budgeted average unit income being charged which has increased this shortfall by +£566k. In addition, there is a forecast under recovery of client income of +£653k for the In-house service, mainly due to less permanent clients being placed in the homes because of the OP Modernisation Strategy, which is partially offset by -£113k additional contributions from other local authorities. The remaining income variance predominately relates to the recharge of costs associated with the integrated care centres to the PCT (-£240k) along with other smaller variances each below £100k (-£73k).

e. Physical Disability -£440k (-£627k Gross, +£187k Income)

A gross under spend of £627k, along with an under recovery of income of £187k, is reported for this budget. The forecast level of client weeks of service is 992 lower than the affordable level, giving a forecast under spend of -£860k. The forecast unit cost is currently £13.58 higher than the affordable level, which reduces that under spend by +£192k. The under spend is further offset by other minor pressures totalling +£41k relating the Preserved Rights service, RNCC clients and unrealised creditors.

The reduced activity is forecast to lower income by +£110k, along other minor pressures totalling +£77k.

1.1.3.5 **<u>Supported Accommodation +£73k (-£514k Gross, +£587k Income):</u>**

a. <u>Learning Disability +£304k (-£424k Gross, +£728k Income)</u>
A gross underspend of -£424k, offset with an under recovery of income of £728k generates the above net variance. The forecast level of client weeks is 830 higher than the affordable level generating a forecast pressure of +£752k. The gross unit cost is currently forecast to be -£20.07 lower than the affordable level, which generates a saving of -£541k. The forecast also includes a expected draw down of -£444k from the Social Care costs reserve for potential liabilities relating to ordinary residence and the remaining gross variances, totalling -£191k are each less than £100k, across other services including group homes, link placements and resource centres.

The increased activity creates a minor over recovery of income (-£52k); however the average unit income is forecast to be +£29.21 lower than budgeted so creating a +£787k under recovery of income. The reduction in unit income is partly due to a reduction in expected income from continuing health care i.e. those clients funded by health. The remaining income variance (-£7k) is on several services under this heading, each below £100k.

b. <u>Physical Disability / Mental Health -£231k (-£90k Gross, -£141k Income)</u>
The is a small over recovery of income of -£141k forecast for both Physical Disability and Mental Health primarily due to a higher than budgeted weekly income per client.

1.1.3.6 **<u>Other Services for Adults & Older People -£935k (-£1,043k Gross, +£108k Income):</u>**

a. <u>Contributions to Voluntary Organisations +£183k (+£111k Gross, +£72k Income)</u>
Various contracts with voluntary organisations are currently being reviewed/re-negotiated or re-commissioned along with investment in new services to support the transformation agenda (including expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community). The current effect of this is an anticipated pressure of +£111k. The income variance of +£72k is because the profile of payments to voluntary organisations in the current year is more focused on social care rather than health, resulting in reduced contributions from PCTs.

b. <u>Day Care -£870k (-£933k Gross, +£63k Income)</u>
A reduction in staffing levels due to the continued non-recruitment and re-deployment to posts in preparation for modernisation and a reduction in client numbers results in an under spend of -£343k for Learning Disability in-house provision. This is partially offset by a pressure on the commissioning of external learning disability day care services (+£135k). The balance of the gross under spend is mainly due to a number of re-commissioning strategies for in-house and independently provided services across the Older People client group (-£645k) and other minor variances across the other client groups (-£80k). The income pressure of +£63k results from a reduction in health contributions based on the current client profile.

c. <u>Other Adult Services -£194k (-£175k Gross, -£19k Income)</u>
The learning disability development fund is currently forecasting a gross under spend of -£192k due to contracts with organisations being reviewed or renegotiated along with the redeployment of staff following the recent FSC restructure of strategic commissioning and operational support. The balance of the gross variance (+£17k) relates to a number of minor variances on other budget lines.

1.1.3.7 **<u>Assessment Services – Adult's Social Care staffing -£452k (-£584k Gross, +£132k Income):</u>**
The gross underspend of -£584k reflects the current staffing forecast, representing 1.4% of the overall budget for assessment staffing services, and results from the delay in recruitment of known vacancies. The forecast reduction in income of +£132k is due to many minor variances all individually less than £100k.

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

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Domiciliary Care - Older People Income: under-recovery of community service income due to reduced activity	+1,525	ASCPH	Residential Care - Older People Gross: release of contigency to help fund pressures on nursing care	-1,345
ASCPH	Nursing Care - Older People Gross: forecast number of weeks higher than affordable level	+1,069	ASCPH	Direct Payments - Older People Gross: forecast number of weeks lower than affordable level	-1,337
ASCPH	Domiciliary Care - Learning Disability Gross: forecast unit cost higher than affordable level	+1,051	ASCPH	Residential Care - Learning Disability Gross: preserved rights number of weeks forecast to be lower than affordable level	-1,282
ASCPH	Supported Accomodation - Learning Disability Income: forecast unit charge lower than affordable level	+787	ASCPH	Residential Care - Older People Gross: forecast number of weeks lower than affordable level	-1,131
ASCPH	Residential Care - Learning Disability Gross: forecast number of weeks greater than affordable level	+755	ASCPH	Direct Payments - Learning Disability Gross: forecast number of weeks lower than affordable level	-1,037
ASCPH	Supported Accomodation - Learning Disability Gross: forecast number of weeks higher than affordable level	+752	ASCPH	Domiciliary Care - Older People Gross: forecast number of hours lower than affordable level	-962
ASCPH	Direct Payments - Older People Gross: forecast unit cost higher than affordable level	+674	ASCPH	Residential Care - Physical Disabiltiy Gross: forecast number of weeks lower than affordable level	-860
ASCPH	Residential Care - Older People Income: lower income resulting from the placing of less permanent clients in in-house units	+653	ASCPH	Domiciliary Care - Learning Disability Gross: forecast number of hours lower than affordable level	-815
ASCPH	Residential Care - Learning Disability Gross: preserved rights unit cost forecast to be higher than affordable level	+646	ASCPH	Domicilary Care - Physical Disability Gross: forecast number of hours lower than affordable level	-692
ASCPH	Nursing Care - Older People Gross: forecast unit cost higher than affordable level	+646	ASCPH	Day Care - Older People Gross: savings from re-commissioning strategies in both in-house & external services	-645
ASCPH	Residential Care - Older People Income: forecast number of weeks lower than affordable level	+614	ASCPH	Assessment Adult's Social Care Staffing Gross: delay in recruitment of known vacancies	-584
ASCPH	Domicilary Care - Physical Disability Gross: forecast unit cost higher than affordable level	+571	ASCPH	Direct Payments - Physical Disability Gross: forecast number of weeks lower than affordable level	-580
ASCPH	Residential Care - Older People Income: forecast unit charge lower than affordable level	+566	ASCPH	Domiciliary Care - Older People Gross: Savings from the Kent Enablement at Home service as a result of forecast activity below budgeted level	-574

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Residential Care - Learning Disability Income: preserved rights unit charge forecast is lower than affordable level	+403	ASCPH	Supported Accommodation - Learning Disability Gross: forecast unit cost lower than budgeted level	-541
ASCPH	Domiciliary Care - Older People Gross: forecast unit charge higher than affordable level	+380	ASCPH	Nursing Care - Older People Income: forecast number of weeks higher than affordable level	-456
ASCPH	Domiciliary Care - Learning Disability Income: changing client profile in the Independent Living Service leading to reduced levels of support for those clients in receipt of external funding	+352	ASCPH	Supported Accommodation - Learning Disability Gross: expected drawdown from social care costs reserve	-444
ASCPH	Residential Care - Learning Disability Gross: delay in the review of in-house units	+269	ASCPH	Domiciliary Care - Learning Disability Income: over-recovery of community service income compared to budgeted level	-420
ASCPH	Direct Payments - Learning Disability Income: forecast unit charge lower than affordable level	+248	ASCPH	Residential Care - Learning Disability Income: forecast unit charge greater than affordable level	-419
ASCPH	Residential Care - Older People Gross: integrated care centre health costs to be recharged to the PCT	+240	ASCPH	Residential Care - Older People Gross: preserved rights forecast number of weeks lower than affordable level	-405
ASCPH	Direct Payments - Physical Disability Gross: one-off payments in excess of budgeted level	+216	ASCPH	Nursing Care - Older People Income: forecast unit charge higher than affordable level	-390
ASCPH	Residential Care - Mental Health Gross: unit cost forecast to be higher than affordable level	+199	ASCPH	Domiciliary Care - Older People Gross: savings on block contracts	-356
ASCPH	Residential Care - Physical Disabiltiy Gross: forecast unit cost is higher than affordable level	+192	ASCPH	Day Care - Learning Disability Gross: staffing savings on in-house service from modernisation strategy & reduced client numbers	-343
ASCPH	Domiciliary Care - Learning Disability Gross: pressure on Extra Care Sheltered Housing	+172	ASCPH	Residential Care - Older People Income: integrated care centre health costs to be recharged to the PCT	-240
ASCPH	Direct Payments - Older People Income: forecast number of weeks lower than affordable level	+170	ASCPH	Other Adult Services Gross: Learning Disability Development Fund underspend resulting from review of payments to organisations and redeployment of staff	-192
ASCPH	Residential Care - Older People Gross: forecast unit cost higher than affordable level	+155	ASCPH	Direct Payments - Older People Income: forecast unit charge higher than affordable level	-177
ASCPH	Residential Care - Older People Gross: staffing pressure on in-house units due to absences and vacancy cover	+152	ASCPH	Residential Care - Learning Disability Gross: forecast unit cost lower than affordable level	-150
ASCPH	Nursing Care - Older People Gross: additional nursing care to be recharged to health (RNCC)	+149	ASCPH	Nursing Care - Older People Income: additional nursing care to be recharged to health (RNCC)	-149

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Residential Care - Learning Disability Income: preserved rights number of weeks forecast to be lower than affordable level	+141	ASCPH	Supported Accommodation - Physical Disability/Mental Health Income: forecast unit charge higher than affordable level	-141
ASCPH	Day Care - Learning Disability Gross: pressure on the commissioning of external day care services	+135	ASCPH	Domiciliary Care - Older People Gross: savings on the provision of domi care to clients within sheltered accommodation	-138
ASCPH	Strategic Management & Directorate Support Gross: estimated legal charges pressure based on 11-12 outturn.	+133	ASCPH	Residential Care - Older People Income: additional income received from other local authorities for in-house units	-113
ASCPH	Strategic Management & Directorate Support Gross: staffing pressure on Operational Support Unit.	+125	ASCPH	Direct Payments - Physical Disability Income: forecast unit charge higher than affordable level	-101
ASCPH	Domiciliary Care - Older People Gross: pressure on the provision of enablement services by external providers	+122			
ASCPH	Domicilary Care - Older People Gross: estimated contribution to the bad debt provision to cover rising client debt levels	+111			
ASCPH	Contributions to Voluntary Organisations Gross: review and commissioning of new services to support transformation agenda	+111			
ASCPH	Strategic Management & Directorate Support Gross: staffing pressure on Strategic Commissioning.	+110			
ASCPH	Residential Care - Physical Disabiltiy Income: forecast number of weeks lower than affordable level	+110			
ASCPH	Direct Payments - Learning Disability Gross: forecast unit cost higher than affordable level	+100			
		+14,804			-17,019

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

None

1.1.5 **Implications for MTFP**:

Work is currently underway to establish how the current forecast £2.697m under spend contributes towards the delivery of the transformation programme savings already built into the MTFP.

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

None

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

Not applicable

1.2 CAPITAL

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

1.2.2 The Adult Social Care and Public Health portfolio has an approved budget for 2012-15 of £88.268m, reduced to £21.468m excluding PFI (see table 1 below). The forecast outturn against this budget is £20.080m, giving a variance of -£1.388m. After adjustments for funded variances and reductions in funding, the revised variance comes to -£1.418m (see table 3 below).

1.2.3 Tables 1 to 3 summaries the portfolio's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet excl PFI	21.468
Approvals made since last reported to Cabinet	0.000
Revised approved budget	21.468

1.2.5 Table 2 – Funded and Revenue Funded Variances

Scheme	Amount £m	Reason
Cabinet to approve cash limit changes		
Shepway Sports Centre-LD Strategy	0.030	Minor overspend to be covered by dev conts
No cash limit changes to be made		
Total	**0.030**	

1.2.6 Table 3 – Summary of Variance

	£m
Unfunded variance	**0.000**
Funded variance (from table 2)	0.030
Variance to be funded from revenue	0.000
Rephasing (beyond 2012-15)	**-1.418**
Total variance	-1.388

Main reasons for variance

1.2.7 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

Annex 3

Table 4 – Scheme Progress

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red /amber /green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
Modernisation of Assets (Adults)	0.810	0.437	0.373	0.000	0.373	0.000	0.000	0.000	
Home Support Fund	9.456	4.312	3.532	1.612	3.532	1.612	0.000	0.000	
Tunbridge Wells Respite (formerly Rusthall Site)	0.217	0.167	0.050	0.000	0.050	0.000	0.000	0.000	
Bower Mount Project	0.060	0.048	0.012	0.000	0.007	0.000	-0.005	-0.005	
MH Strategy	0.547	0.283	0.264	0.000	0.264	0.000	0.000	0.000	
Public Access	1.700	0.516	1.184	0.000	1.184	0.000	0.000	0.000	
Bearsted Dementia Project	0.025	0.025	0.000	0.000	0.000	0.000	0.000	0.000	
Folkestone Activities, Respite & Rehabilitation Care Centre	0.031	0.001	0.030	0.000	0.030	0.000	0.000	0.000	
IT Strategy (Formerly IT Infrastructure Grant - IT Related Projects)	3.121	0.924	2.197	0.000	2.197	0.000	0.000	0.000	Phasing
Dartford TC - OP Strategy - Trinity Centre, Dartford	1.121	0.122	0.999	0.000	0.999	0.000	0.000	0.000	
OP Strategy - Specialist Care Facilities (Formerly Int Care Ctre & Dorothy Lucy Ctre)	5.088	0.000	5.088	0.000	5.088	0.000	0.000	0.000	
PFI Excellent Homes for all - Development of new Social Housing	66.800	0.000	66.800	0.000	66.800	0.000	0.000	0.000	
LD Modernisation-Good Day Programme	6.749	0.427	6.322	0.000	6.357	0.000	0.035	0.035	
Community Care Centre - Thameside Eastern Quarry/Ebbsfleet	1.418	0.000	1.418	0.000	0.000	1.097	-1.418	-0.321	Phasing
TOTAL Adults Social Care and Public Health	**97.142**	**7.262**	**88.269**	**1.612**	**86.881**	**2.709**	**-1.388**	**-0.291**	

1.2.8 Status:
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget

1.2.9 Assignment of Green/Amber/Red Status

1.2.10 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.11 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why.

1.2.12 Even though the projects listed below have no overall variances to cost, they have been deemed Amber as a result of the expected delivery date slipping from what was previously scheduled to happen as part of the medium term plan process.

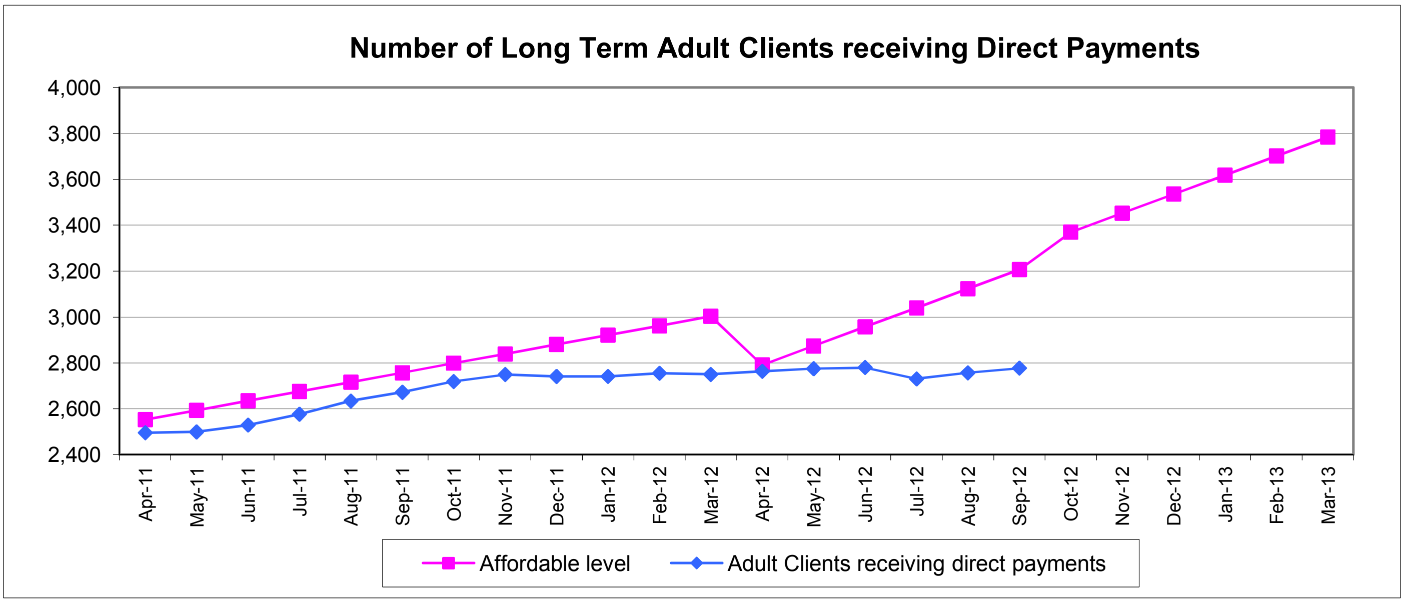
1.2.13 Information Technology Strategy/Modernisation of Assets - As a result of the decision to postpone the implementation of the Adults Integration Solution (AIS) workstream to all localities, pending further conclusive outcomes, coupled with an over-arching strategic review scheduled to be carried out by the Authority's Director of ICT, the Directorate has decided to show prudency and delay elements of this project into 2013/14.

1.2.14 Community Care Centre – Thameside Eastern Quarry/Ebbsfleet - There is re-phasing of £1.418m to 2015/16. This is due to the housing development relating to this project not progressing at the expected rate. There has also been a budget refreshment to the Ebbsfleet project resulting in a reduction of £0.321m to the cash limit in 2015-16.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2011-12			2012-13		
	Affordable Level for long term clients	Snapshot of long term adult clients receiving Direct Payments	Number of one-off payments made during the month	Affordable Level for long term clients	Snapshot of long term adult clients receiving Direct Payments	Number of one-off payments made during the month
April	2,553	2,495	137	2,791	2,759	165
May	2,593	2,499	89	2,874	2,772	145
June	2,635	2,529	90	2,957	2,778	129
July	2,675	2,576	125	3,040	2,728	145
August	2,716	2,634	141	3,123	2,756	149
September	2,757	2,672	126	3,207	2,777	117*
October	2,799	2,719	134	3,370		
November	2,839	2,749	122	3,453		
December	2,881	2,741	111	3,536		
January	2,921	2,741	130	3,619		
February	2,962	2,755	137	3,702		
March	3,003	2,750	117	3,785		
			1,459			**850**



Comments:

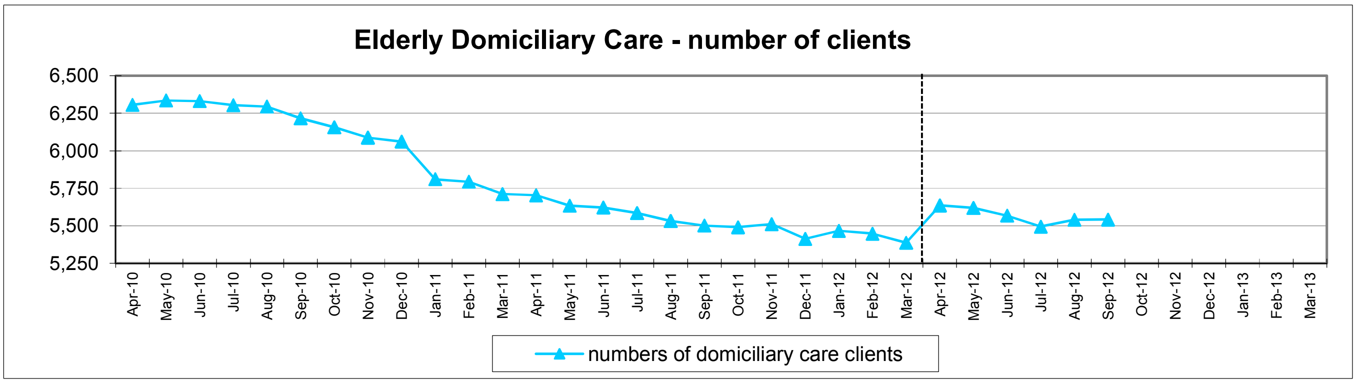
- The presentation of activity being reported for direct payments has changed from previous reports in order to separately identify long term clients in receipt of direct payments as at the end of the month plus the number of one-off payments made during the month. Please note a long term client in receipt of a regular direct payment may also receive a one-off payment if required. Only the long term clients are presented on the graph above.
- *Please note the low number of one-off payments in September may be due to delays in recording payments and will be updated in the quarter 3 full monitoring return to be reported to Cabinet in March.
- The drive to implement personalisation and allocate personal budgets has seen continued increases in direct payments over the years. There will be other means by which people can use their personal budgets and this may impact on the take up of direct payments. Whilst the overall numbers of Direct Payments are gradually increasing this is at a slower rate than the budget can afford, leading to a forecast gross under spend of -£1.978m as shown in section 1.1.3.2. It is important to note, the current forecast is based on known clients only and does not factor in future growth in this service.

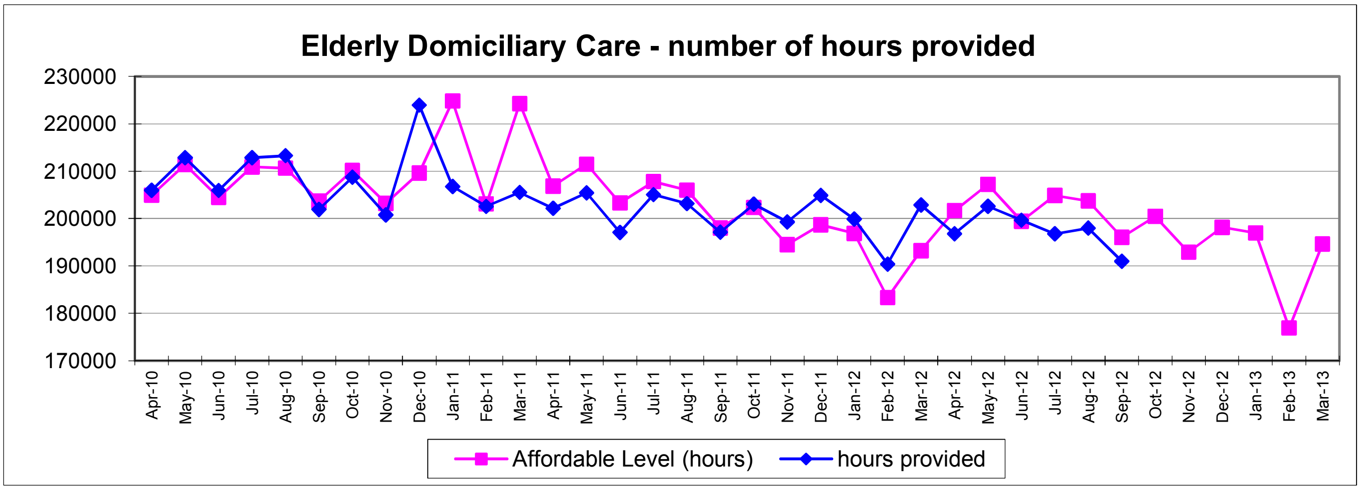
This service received a significant amount of monies in the 2012-13 Budget (£3.5m) for the predicted growth in this service.

- The affordable levels have been corrected to reflect the number of long term clients the budget can afford. The previous affordable levels represented the number of long term clients plus an estimate for the number of one payments to be made during the year. This was incorrect as there is no budget for one-off payments as these are expected to be covered by the recovery of surplus funds from existing direct payment clients and therefore any pressures resulting from one-off payments are detailed separately within section 1.1.3.2 of the report.

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

	2010-11			2011-12			2012-13		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
April	204,948	205,989	6,305	206,859	202,177	5,703	201,708	196,796	5,635
May	211,437	212,877	6,335	211,484	205,436	5,634	207,244	202,594	5,619
June	204,452	205,937	6,331	203,326	197,085	5,622	199,445	199,657	5,567
July	210,924	212,866	6,303	207,832	205,077	5,584	204,905	196,791	5,494
August	210,668	213,294	6,294	206,007	203,173	5,532	203,736	197,994	5,540
September	203,708	201,951	6,216	198,025	197,127	5,501	196,050	190,996	5,541
October	210,155	208,735	6,156	202,356	203,055	5,490	200,490		
November	203,212	200,789	6,087	194,492	199,297	5,511	192,910		
December	209,643	223,961	6,061	198,704	204,915	5,413	198,151		
January	224,841	206,772	5,810	196,879	199,897	5,466	196,982		
February	203,103	202,568	5,794	183,330	190,394	5,447	176,918		
March	224,285	205,535	5,711	193,222	202,889	5,386	194,644		
TOTAL	**2,521,376**	**2,501,274**		**2,402,516**	**2,410,522**		**2,373,183**	**1,184,828**	





Comment:

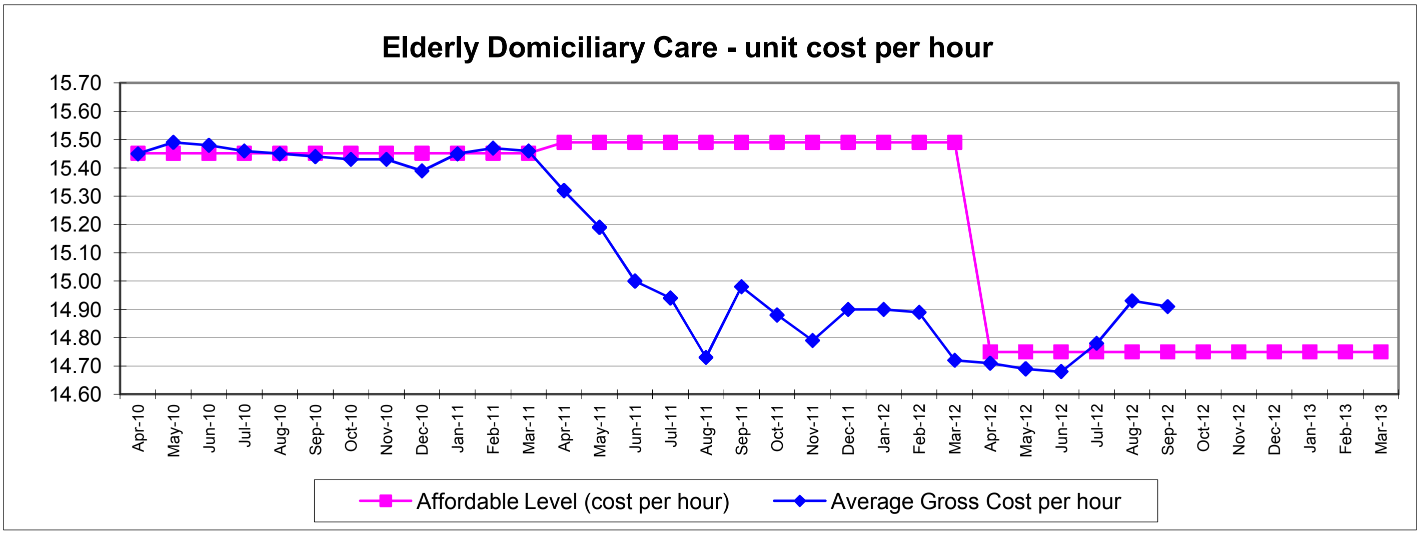
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- The current forecast is 2,308,699 hours of care against an affordable level of 2,373,183, a difference of -64,487 hours. Using the forecast unit cost of £14.91 this reduction in activity reduces the forecast by -£962k, as highlighted in section 1.1.3.3.b.
- To the end of September 1,184,828 hours of care have been delivered against an affordable level of 1,213,088 a difference of -28,260 hours. Current activity suggests that the forecast hours should be higher on this service, however further reductions in the number of hours provided have been forecast for the remainder of the year as the forecast is based on actual client activity for the first half year and an assumed reduction for the remainder of the year of approximately 13,000 hours of domiciliary

care, based on the budgeted unit cost, to deliver outstanding MTP domiciliary procurement savings of £198k.

- Please note, from April 2012 there has been a change in the method of counting clients to align with current Department of Health guidance, which states that suspended clients e.g those who may be in hospital and not receiving a current service should still be counted. This has resulted in an increase in the number of clients being recorded. For comparison purposes, using the new counting methodology, the equivalent number of clients in March 2012 would have been 5,641**. A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable**.
- Domiciliary for all client groups are volatile budgets, with the number of people receiving domiciliary care decreasing over the past few years as a result of the implementation of Self Directed Support (SDS). This is being compounded by a shift in trend towards take up of the enablement service.
- Please note the affordable level of client hours has been updated from 2,368,339 included in the Q1 monitoring report to Cabinet in September to 2,373,183 to reflect the allocation of health monies for domiciliary care and the transfer of clients to the new Supporting Independence Service, as explained in section 1.1.3.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour
April	15.452	15.45	15.49	15.32	14.75	14.71
May	15.452	15.49	15.49	15.19	14.75	14.69
June	15.452	15.48	15.49	15.00	14.75	14.68
July	15.452	15.46	15.49	14.94	14.75	14.78
August	15.452	15.45	15.49	14.73	14.75	14.93
September	15.452	15.44	15.49	14.98	14.75	14.91
October	15.452	15.43	15.49	14.88	14.75	
November	15.452	15.43	15.49	14.79	14.75	
December	15.452	15.39	15.49	14.90	14.75	
January	15.452	15.45	15.49	14.90	14.75	
February	15.452	15.47	15.49	14.89	14.75	
March	15.452	15.46	15.49	14.72	14.75	



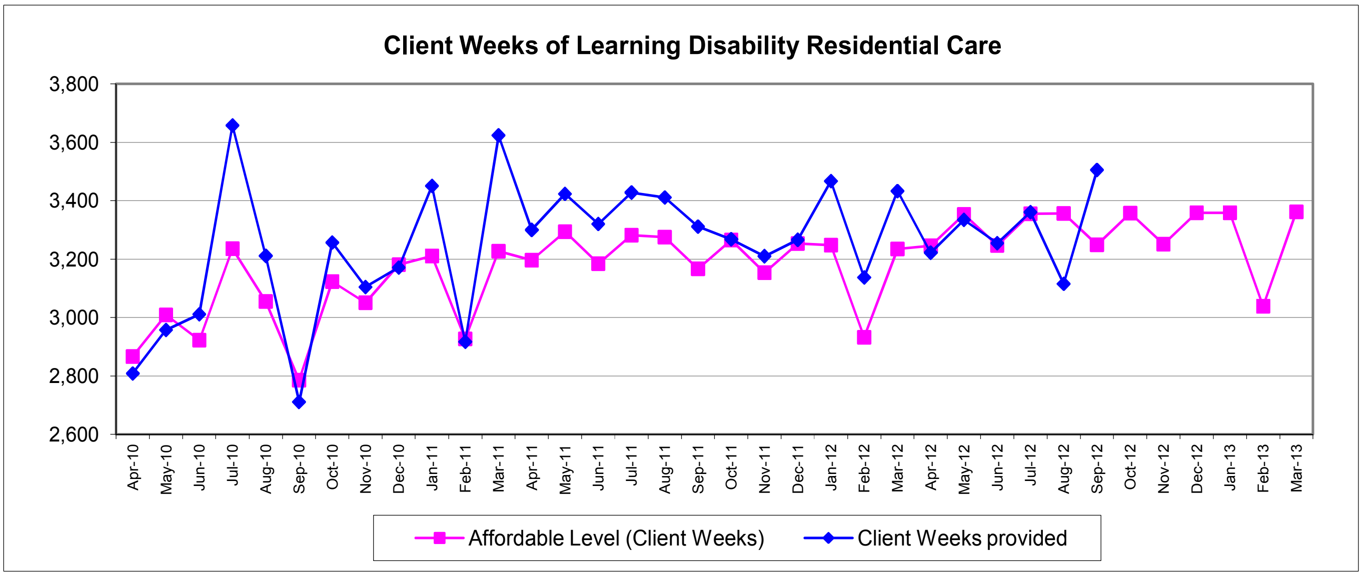
Comments:

- The unit cost has been showing an overall general reducing trend due to current work with providers to achieve savings however, the cost is also dependent on the intensity of the packages required.

- The forecast unit cost of £14.91 is higher than the affordable cost of £14.75 and this difference of +£0.16 increases the forecast by £380k when multiplied by the affordable hours, as highlighted in section 1.1.3.3.b.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided
April	2,866	2,808	3,196	3,300	3,246	3,222
May	3,009	2,957	3,294	3,423	3,353	3,334
June	2,922	3,011	3,184	3,320	3,247	3,254
July	3,236	3,658	3,282	3,428	3,355	3,361
August	3,055	3,211	3,275	3,411	3,356	3,115
September	2,785	2,711	3,167	3,311	3,249	3,505
October	3,123	3,257	3,265	3,268	3,357	
November	3,051	3,104	3,154	3,210	3,251	
December	3,181	3,171	3,253	3,266	3,359	
January	3,211	3,451	3,248	3,467	3,359	
February	2,927	2,917	2,932	3,137	3,039	
March	3,227	3,624	3,235	3,433	3,362	
TOTAL	**36,593**	**37,880**	**38,485**	**39,974**	**39,533**	**19,791**



Comments:

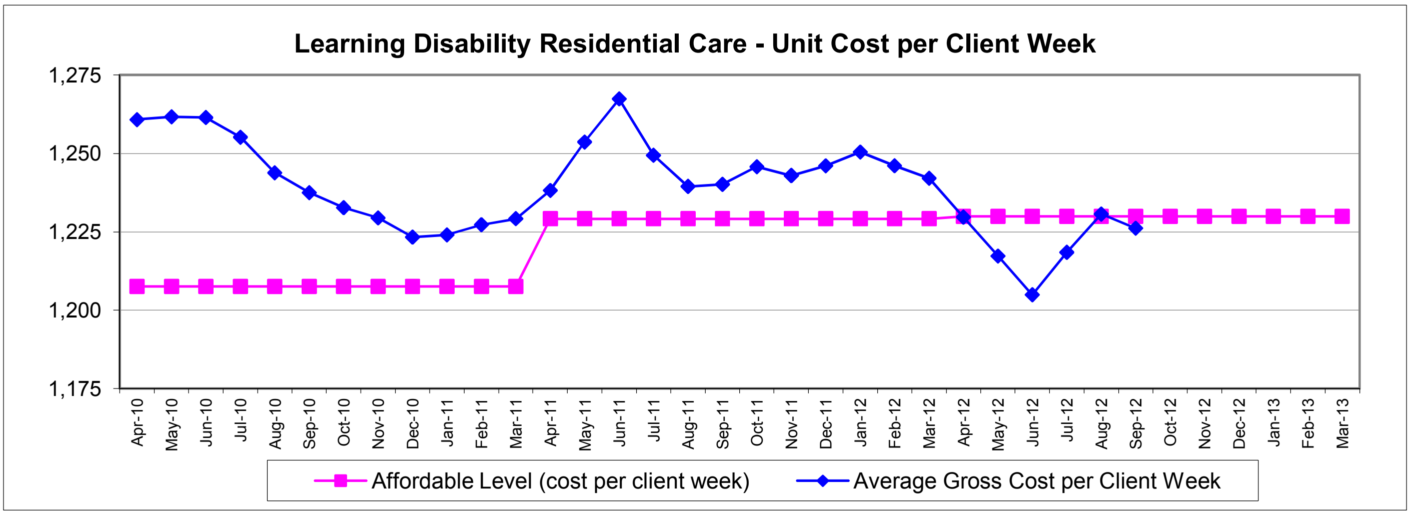
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care at the end of 2010-11 was 713, at the end of 2011-12 it was 746 and at the end of September 2012 it was 750. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and Ordinary Residence.

- The current forecast is 40,148 weeks of care against an affordable level of 39,533, a difference of +615 weeks. Using the forecast unit cost of £1,226.14 this additional activity adds £755k to the forecast, as highlighted in section 1.1.3.4.a.

- To the end of September 19,791 weeks of care have been delivered against an affordable level of 19,806, a difference of -15 weeks. The current year to date activity suggests only a minor variance however the forecast also includes 358 additional weeks of transition and provision clients (as described in section 1.1.3.4.a) i.e. clients expected to transfer to this service during this financial year and the forecast also includes approximately 300 weeks of non-permanent care services for the remainder of the year.

2.3.2 **Average gross cost per client week of learning disability residential care compared with affordable level (non preserved rights clients)**:

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April	1,207.58	1,260.82	1,229.19	1,238.24	1,229.93	1,229.69
May	1,207.58	1,261.67	1,229.19	1,253.68	1,229.93	1,217.30
June	1,207.58	1,261.46	1,229.19	1,267.40	1,229.93	1,204.91
July	1,207.58	1,255.21	1,229.19	1,249.41	1,229.93	1,218.46
August	1,207.58	1,243.87	1,229.19	1,239.50	1,229.93	1,230.65
September	1,207.58	1,237.49	1,229.19	1,240.17	1,229.93	1,226.14
October	1,207.58	1,232.68	1,229.19	1,245.76	1,229.93	
November	1,207.58	1,229.44	1,229.19	1,242.97	1,229.93	
December	1,207.58	1,223.31	1,229.19	1,246.05	1,229.93	
January	1,207.58	1,224.03	1,229.19	1,250.44	1,229.93	
February	1,207.58	1,227.26	1,229.19	1,246.11	1,229.93	
March	1,207.58	1,229.19	1,229.19	1,242.08	1,229.93	

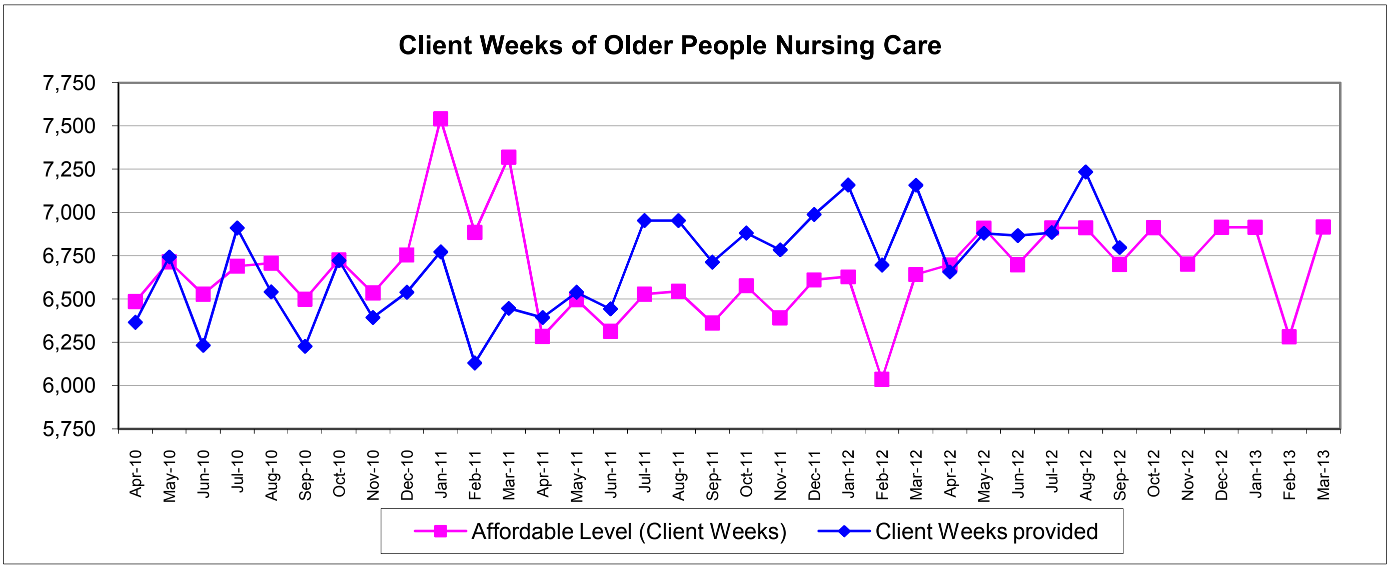


Comments:

- 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 cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases. The general increase in the average cost per week due to the complexity of clients has been offset this financial year by the price savings forecast to be achieved as part of the 2012-13 budget.
- The forecast unit cost of £1,226.14 is higher/lower than the affordable cost of £1,229.93 and this difference of -£3.79 adds/saves £150k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.4.a.
- The rise in the forecast unit cost between June and September reflects the current assumption that the service will not be able to make all of the budgeted procurement savings, with a shortfall of approx. £370k currently anticipated.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided
April	6,485	6,365	6,283	6,393	6,698	6,656
May	6,715	6,743	6,495	6,538	6,909	6,880
June	6,527	6,231	6,313	6,442	6,699	6,867
July	6,689	6,911	6,527	6,953	6,911	6,884
August	6,708	6,541	6,544	6,954	6,912	7,235
September	6,497	6,225	6,361	6,713	6,701	6,797
October	6,726	6,722	6,576	6,881	6,913	
November	6,535	6,393	6,391	6,784	6,703	
December	6,755	6,539	6,610	6,988	6,915	
January	7,541	6,772	6,628	7,159	6,915	
February	6,885	6,129	6,036	6,696	6,281	
March	7,319	6,445	6,641	7,158	6,917	
TOTAL	**81,382**	**78,016**	**77,405**	**81,659**	**81,474**	**41,319**



Comment:

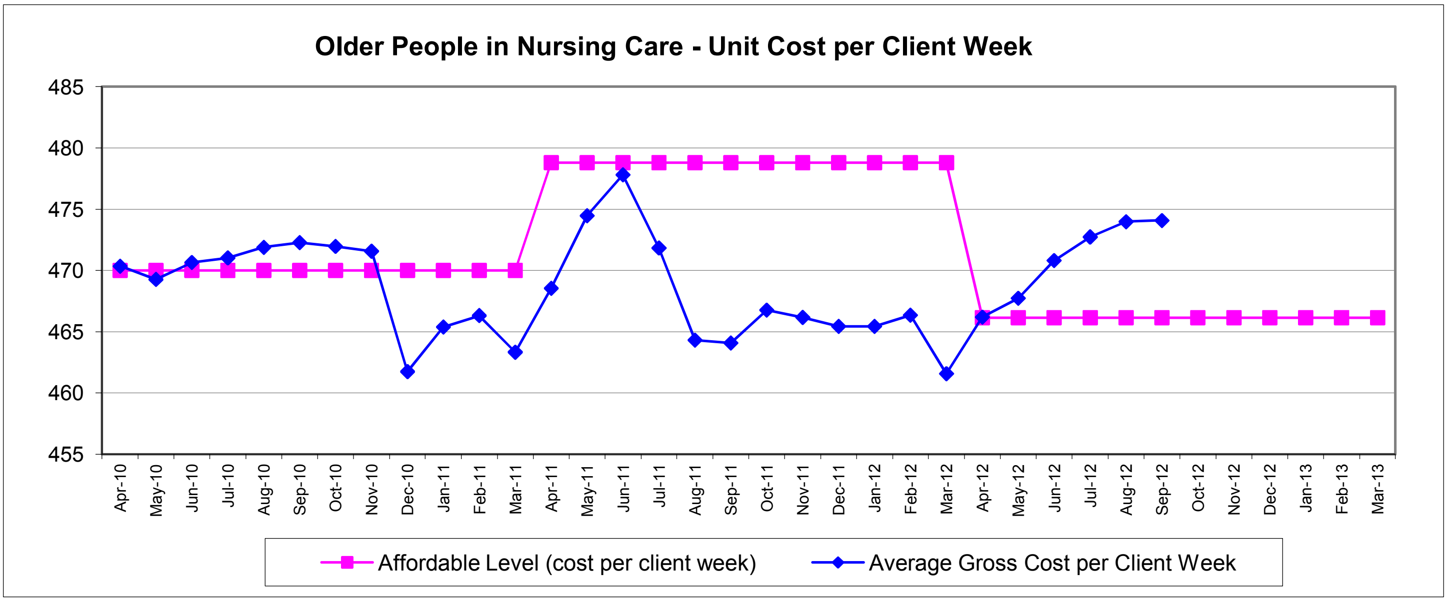
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2010-11 was 1,379, at the end of 2011-12 it was 1,479 and at the end of September 2012 it was 1,514.

- The current forecast is 83,728 weeks of care against an affordable level of 81,474, a difference of +2,254 weeks. Using the actual unit cost of £474.09, this additional activity adds +£1,069k to the forecast, as highlighted in section 1.1.3.4.c.

- To the end of September 41,319 weeks of care have been delivered against an affordable level of 40,830, a difference of +489 weeks, Current year to date activity suggests the forecast should be lower for this service however, the number of clients receiving nursing care has increased since the start of the financial year and the full year effect of these clients is forecast throughout the remainder of the financial year plus those in receipt of non-permanent care services.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**
April	470.01	470.36	478.80	468.54	466.16	466.20
May	470.01	469.27	478.80	474.48	466.16	467.74
June	470.01	470.67	478.80	477.82	466.16	470.82
July	470.01	471.03	478.80	471.84	466.16	472.74
August	470.01	471.90	478.80	464.32	466.16	473.99
September	470.01	472.28	478.80	464.09	466.16	474.09
October	470.01	471.97	478.80	466.78	466.16	
November	470.01	471.58	478.80	466.17	466.16	
December	470.01	461.75	478.80	465.44	466.16	
January	470.01	465.40	478.80	465.44	466.16	
February	470.01	466.32	478.80	466.36	466.16	
March	470.01	463.34	478.80	461.58	466.16	



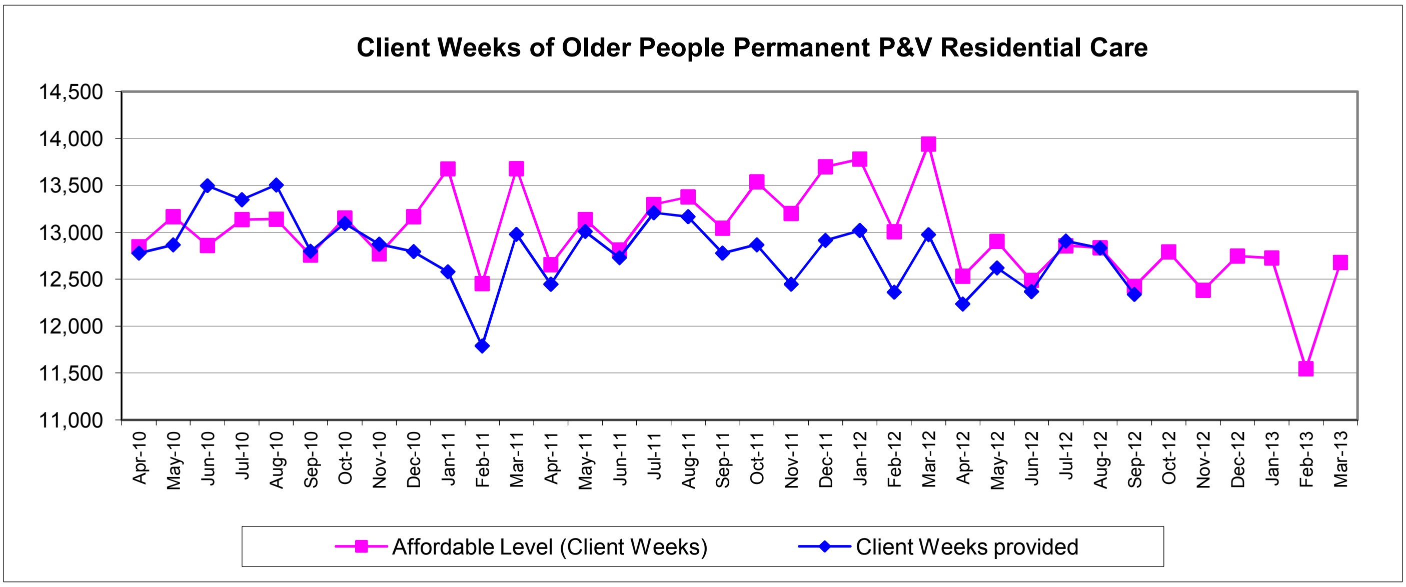
Comments:

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile and in recent months this service has seen an increase of older people requiring this more specialist care.

- The forecast unit cost of £474.09 is higher than the affordable cost of £466.16 and this difference of +£7.93 adds £646k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.4.c.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	**Client Weeks of older people permanent P&V residential care provided**	**Affordable Level (Client Weeks)**	**Client Weeks of older people permanent P&V residential care provided**	**Affordable Level (Client Weeks)**	**Client Weeks of older people permanent P&V residential care provided**
April	12,848	12,778	12,655	12,446	12,532	12,237
May	13,168	12,867	13,136	13,009	12,903	12,621
June	12,860	13,497	12,811	12,731	12,489	12,369
July	13,135	13,349	13,297	13,208	12,858	12,908
August	13,141	13,505	13,377	13,167	12,836	12,832
September	12,758	12,799	13,044	12,779	12,424	12,339
October	13,154	13,094	13,538	12,868	12,792	
November	12,771	12,873	13,200	12,448	12,382	
December	13,167	12,796	13,700	12,914	12,748	
January	13,677	12,581	13,782	13,019	12,726	
February	12,455	11,790	13,007	12,361	11,545	
March	13,678	12,980	13,940	12,975	12,679	
TOTAL	**156,812**	**154,909**	**159,487**	**153,925**	**150,914**	**75,306**

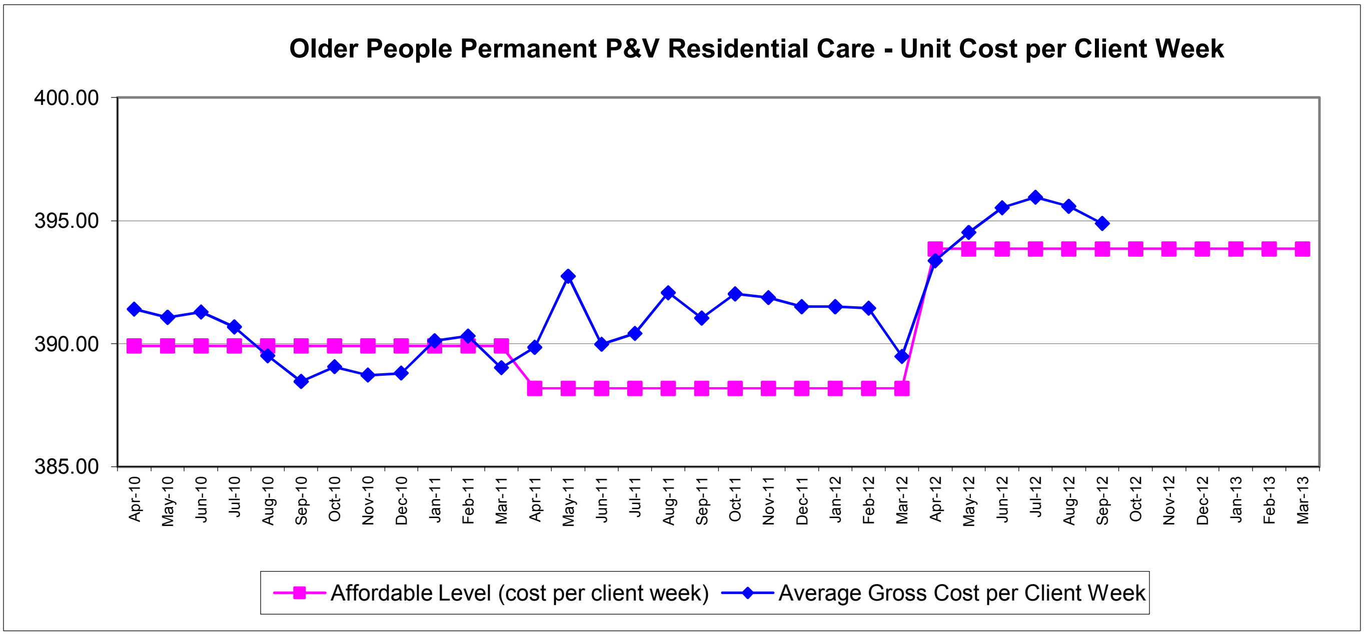


Comments:

- 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 2010-11 it was 2,787, at the end of 2011-12 it was 2,736 and by the end of September 2012 it was 2,726. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 148,049 weeks of care against an affordable level of 150,914, a difference of -2,865 weeks. Using the forecast unit cost of £394.88 this reduced activity saves -£1,131k from the forecast, as highlighted in section 1.1.3.4.d.
- To the end of September 75,306 weeks of care have been delivered against an affordable level of 76,042, a difference of -736 weeks. The current year to date activity suggests the forecast should be higher, however the number of clients receiving residential care is expected to continue to reduce in the later part of the year, therefore the forecast number of weeks reflects this further anticipated reduction in client numbers during the remainder of the financial year.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**
April	389.91	391.40	388.18	389.85	393.85	393.37
May	389.91	391.07	388.18	392.74	393.85	394.52
June	389.91	391.29	388.18	389.97	393.85	395.52
July	389.91	390.68	388.18	390.41	393.85	395.95
August	389.91	389.51	388.18	392.07	393.85	395.58
September	389.91	388.46	388.18	391.04	393.85	394.88
October	389.91	389.06	388.18	392.02	393.85	
November	389.91	388.72	388.18	391.87	393.85	
December	389.91	388.80	388.18	391.50	393.85	
January	389.91	390.12	388.18	391.50	393.85	
February	389.91	390.31	388.18	391.44	393.85	
March	389.91	389.02	388.18	389.48	393.85	

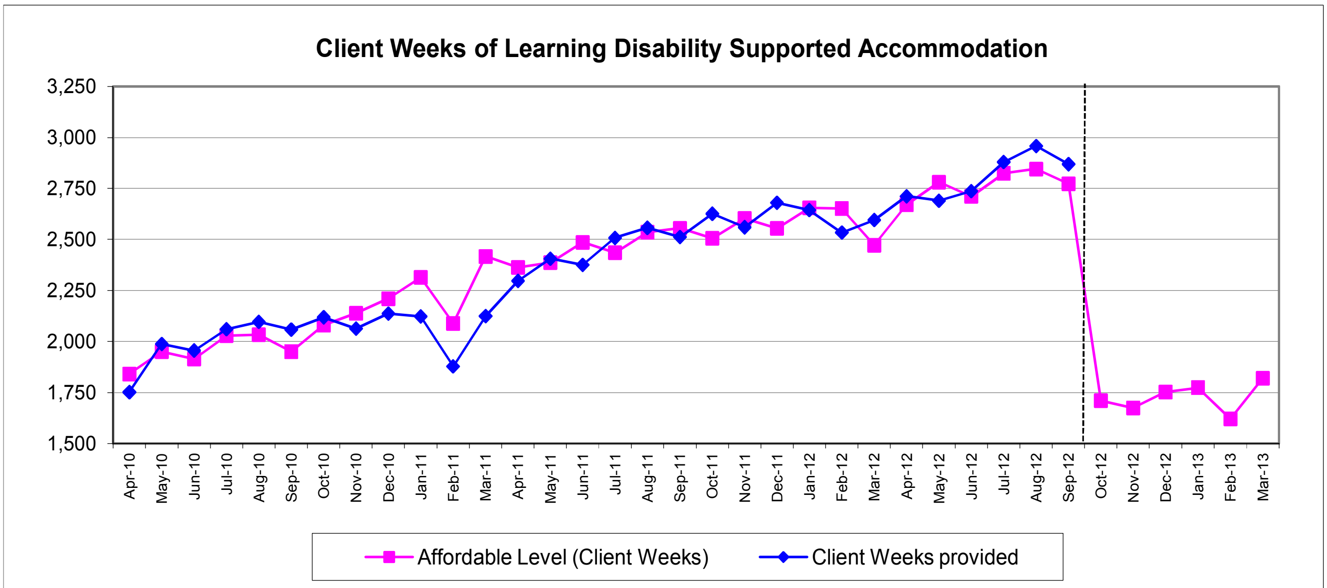


Comments:

- The forecast unit cost of £394.88 is higher than the affordable cost of £393.85 and this difference of +£1.03 adds +£155k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.4.d. This higher average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above.

2.6.1 **Number of client weeks of learning disability supported accommodation provided compared with affordable level:**

	2010-11		2011-12		2012-13	
	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
April	1,841	1,752	2,363	2,297	2,670	2,712
May	1,951	1,988	2,387	2,406	2,781	2,690
June	1,914	1,956	2,486	2,376	2,711	2,737
July	2,029	2,060	2,435	2,508	2,824	2,879
August	2,034	2,096	2,536	2,557	2,845	2,958
September	1,951	2,059	2,555	2,512	2,773	2,869
October	2,080	2,119	2,506	2,626	1,710	
November	2,138	2,063	2,603	2,560	1,675	
December	2,210	2,137	2,554	2,680	1,753	
January	2,314	2,123	2,655	2,644	1,774	
February	2,088	1,878	2,652	2,534	1,621	
March	2,417	2,125	2,472	2,595	1,820	
TOTAL	**24,967**	**24,356**	**30,204**	**30,295**	**26,957**	**16,845**



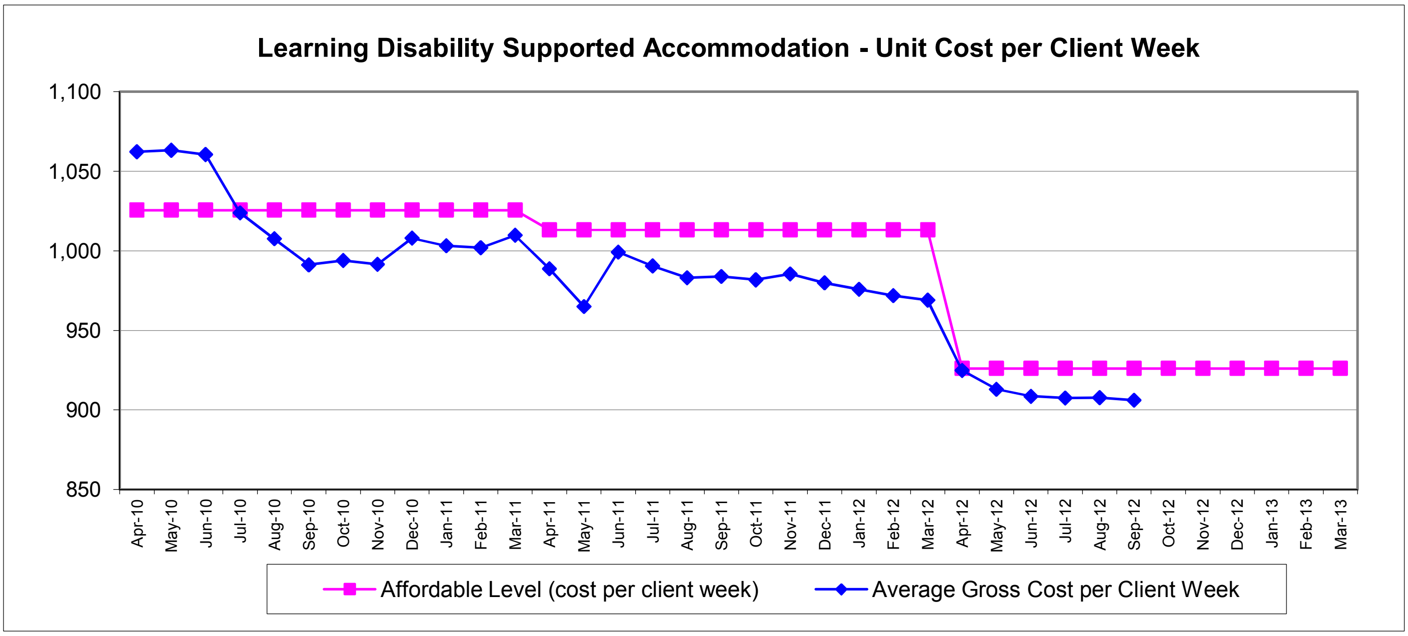
Comments:

- The affordable level for 2012-13 has been amended for this quarter because from 1st October 2012 the Supporting Independence Service is being introduced and as a result a significant number of clients currently receiving supported accommodation services will be transferring to this new arrangement and will no longer be forecast under this activity indicator. This is represented by the significant drop in budgeted level from October 2012 onwards. The Supporting Independence Service clients will be reported separately within the Supported Accommodation A-Z budget and are not recorded as part of the activity above. We will be reviewing the way we report supported accommodation for next year to see whether it is possible to combine both services within a single measure. **A dotted line has been added to the graph to illustrate the introduction of the new Supporting Independence Service, and the consequent transfer of clients from Supported Accommodation, as the data presented either side of the dotted line is not on a consistent basis and is therefore not directly comparable.**
- The above graph reflects the number of client weeks of service provided. The actual number of clients in LD supported accommodation at the end of 2010-11 was 491 of which 131 were S256 clients, at the end of 2011-12 it was 607 of which 156 were S256 clients, and at the end of September 2012 it was 650 (of which 104 are S256).

- The current forecast is 27,787 weeks of care against an affordable level of 26,957, a difference of +830 weeks. Using the forecast unit cost of £906.09 this increase in activity provides a pressure of +£752k, as reflected in section 1.1.3.5.a.
- To the end of September 16,845 weeks of care have been delivered against an affordable level of 16,604, a difference of +241 weeks. Current year to date activity suggests the forecast should be lower for this service however, the forecast includes approximately 650 weeks of expected transition and provision clients above the budgeted level, therefore there is expected to be an increased pressure on this service in the coming months.
- 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 more and increasingly complex and unique cases will be successfully supported to live independently.

2.6.2 **Average gross cost per client week of learning disability supported accommodation compared with affordable level (non preserved rights clients)**:

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April	1,025.67	1,062.38	1,013.18	988.73	926.16	924.87
May	1,025.67	1,063.22	1,013.18	964.95	926.16	912.93
June	1,025.67	1,060.59	1,013.18	999.24	926.16	908.53
July	1,025.67	1,023.90	1,013.18	990.45	926.16	907.44
August	1,025.67	1,007.58	1,013.18	983.09	926.16	907.63
September	1,025.67	991.20	1,013.18	983.85	926.16	906.09
October	1,025.67	993.92	1,013.18	981.78	926.16	
November	1,025.67	991.56	1,013.18	985.45	926.16	
December	1,025.67	1,007.95	1,013.18	979.83	926.16	
January	1,025.67	1,003.21	1,013.18	975.90	926.16	
February	1,025.67	1,001.98	1,013.18	971.85	926.16	
March	1,025.67	1,009.82	1,013.18	969.09	926.16	



Comments:

- The forecast unit cost of £906.09 is lower than the affordable cost of £926.16 and this difference of -£20.07 provides a saving of -£541k when multiplied by the affordable weeks. The forecast unit cost assumes £290k of the £854k procurement saving is still to be achieved before the end of the financial year.
- 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.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- Please note, from 2012-13 the unit cost has been recalculated to exclude spend associated with better homes active lives accommodation as these clients are not included in the client weeks reported in section 2.6.1 above. For comparison the revised March 2012 unit cost would have been £936.81 per client per week. In addition, the budgeted unit cost has been further lowered to reflect the procurement savings in the 2012-15 MTP.

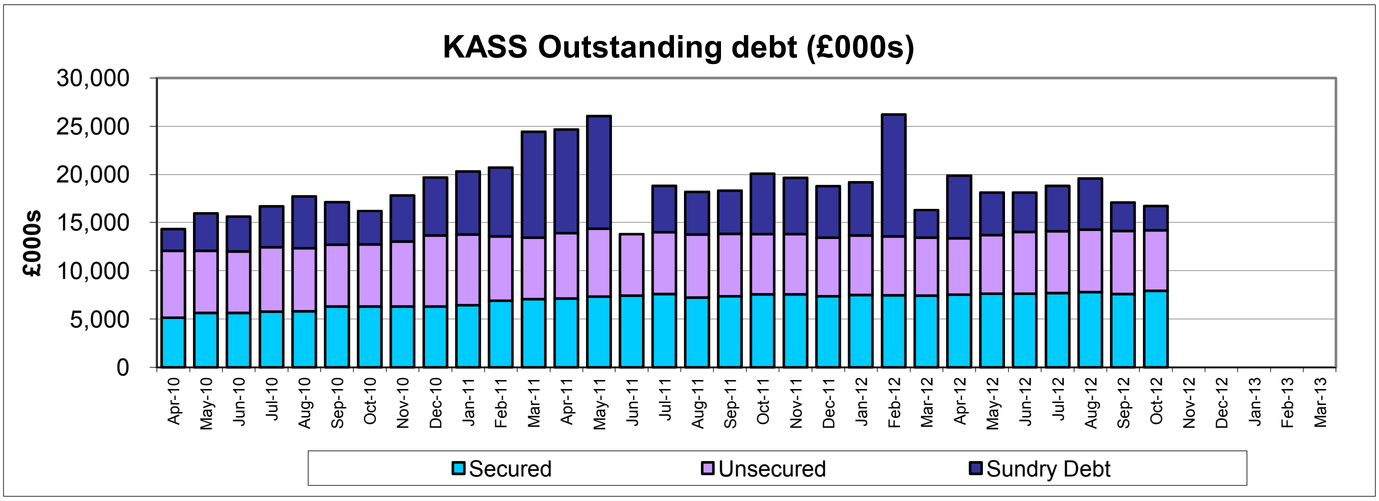
3. SOCIAL CARE DEBT MONITORING

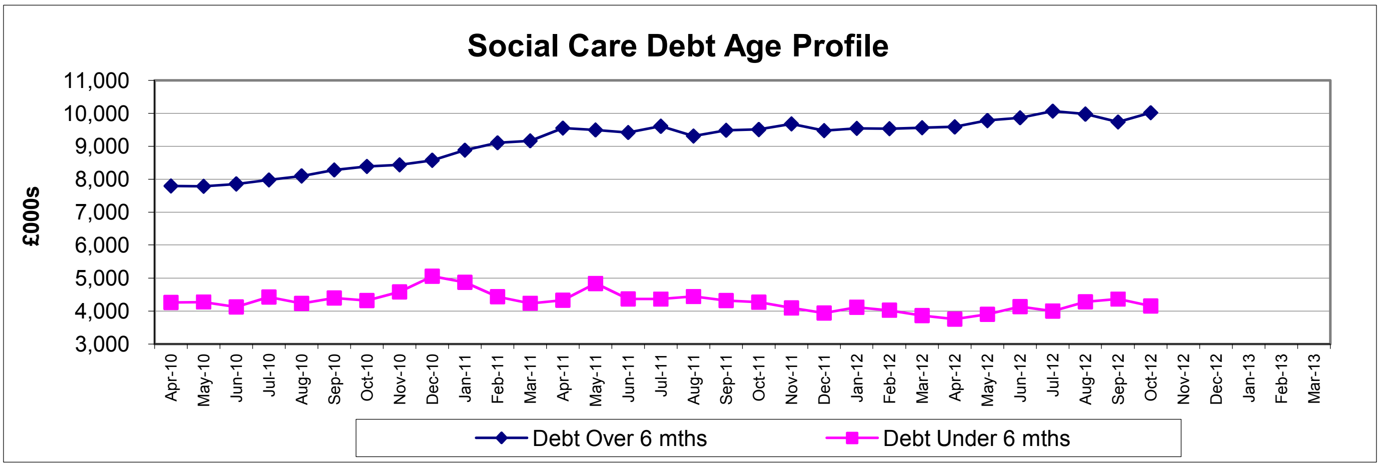
The outstanding debt as at the end of October was £16.747m compared with July's figure of £18.816m (reported to Cabinet in September) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £2.574m of sundry debt compared to £4.750m in July. The amount of sundry debt can fluctuate for large invoices to health. Also within the outstanding debt is £14.173m relating to Social Care (client) debt which is a small increase of £0.107m from the last reported position to Cabinet in September. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

			Social Care Debt				
Debt Month	**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-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
Apr-11	**24,659**	**10,776**	13,883	9,556	4,327	7,124	6,759
May-11	**26,069**	**11,737**	14,332	9,496	4,836	7,309	7,023
Jun-11	**13,780**	*****	13,780	9,418	4,362	7,399	6,381
Jul-11	**18,829**	**4,860**	13,969	9,608	4,361	7,584	6,385
Aug-11	**18,201**	**4,448**	13,753	9,315	4,438	7,222	6,531
Sep-11	**18,332**	**4,527**	13,805	9,486	4,319	7,338	6,467
Oct-11	**20,078**	**6,304**	13,774	9,510	4,264	7,533	6,241
Nov-11	**19,656**	**5,886**	13,770	9,681	4,089	7,555	6,215
Dec-11	**18,788**	**5,380**	13,408	9,473	3,935	7,345	6,063
Jan-12	**19,180**	**5,518**	13,662	9,545	4,117	7,477	6,185
Feb-12	**26,218**	**12,661**	13,557	9,536	4,021	7,455	6,102
Mar-12	**16,310**	**2,881**	13,429	9,567	3,862	7,411	6,018
Apr-12	**19,875**	**6,530**	13,345	9,588	3,757	7,509	5,836
May-12	**18,128**	**4,445**	13,683	9,782	3,901	7,615	6,068
Jun-12	**18,132**	**4,133**	13,999	9,865	4,134	7,615	6,384
Jul-12	**18,816**	**4,750**	14,066	10,066	4,000	7,674	6,392
Aug-12	**19,574**	**5,321**	14,253	9,977	4,276	7,762	6,491
Sep-12	**17,101**	**3,002**	14,099	9,738	4,361	7,593	6,506
Oct-12	**16,747**	**2,574**	14,173	10,020	4,153	7,893	6,280
Nov-12	**0**		0				
Dec-12	**0**		0				
Jan-13	**0**		0				
Feb-13	**0**		0				
Mar-13	**0**		0				

* It should be noted that the Sundry debt reports were not successful in June 2011, and hence no figure can be reported, the problem was rectified in time for the July report, but reports are unable to be run retrospectively.

In addition the previously reported secured and unsecured debt figures for April 2012 to July 2012 have been amended slightly following a reassessment of some old debts between secured and unsecured.





ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY
SEPTEMBER 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 1 monitoring report to reflect a number of technical adjustments to budget including the centralisation of training budgets and room hire budgets.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment, Highways & Waste portfolio							
E&E Strategic Management & Directorate Support Budgets	8,149	-408	7,741	-201	-79	-280	ICT development costs; saving on feasibility studies
Environment:							
- Environment Management	4,142	-1,526	2,616	0	0	0	
Highways:							
Highways Maintenance:							
- Adverse Weather	3,238	0	3,238	-4	0	-4	
- Bridges & Other Structures	2,685	-239	2,446	-53	53	0	
- General maintenance & emergency response	13,231	-487	12,744	262	0	262	Dual carriageway maintenance; office relocation; depot savings
- Highway drainage	3,244	-82	3,162	700	0	700	Backlog of scheduled cleaning; additional drainage costs due to exceptional adverse weather
- Streetlight maintenance	3,974	-167	3,807	-10	10	0	
	26,372	-975	25,397	895	63	958	
Highways Safety & Management:							
- Development Planning	2,135	-1,283	852	-43	0	-43	
- Highways Improvements	7,718	-50	7,668	-188	2	-186	savings from recent procurement exercise
- Road Safety	3,264	-2,234	1,030	198	-280	-82	Speed awareness and bike training
- Streetlight energy	5,845	0	5,845	-540	0	-540	Energy savings
- Traffic management	5,543	-2,622	2,921	-139	-532	-671	Contract saving; Lane rental scheme development costs; s74 fees and permit scheme

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment, Highways & Waste portfolio							
- Tree maintenance, grass cutting & weed control	3,331	-78	3,253	630	-12	618	Increased weed control activity due to exceptional adverse weather; Shrub maintenance; Tree stump removal
	27,836	-6,267	21,569	-82	-822	-904	
Planning & Transport Strategy:							
- Planning & Transport Policy	1,252	-15	1,237	-15	14	-1	
- Planning Applications	1,128	-550	578	-122	122	0	Staffing vacancies held to offset reduced income
	2,380	-565	1,815	-137	136	-1	
Transport Services:							
- Concessionary Fares	16,307	-27	16,280	-205	0	-205	Reduced usage
- Freedom Pass	13,648	-2,459	11,189	391	0	391	Increased usage; education transport policy changes
- Subsidised Bus Routes	9,115	-1,454	7,661	-143	124	-19	Retendering/changing contracts
- Transport Planning	457	-219	238	-24	48	24	
	39,527	-4,159	35,368	19	172	191	
Waste Management							
Recycling & Diversion from Landfill:							
- Household Waste Recycling Centres	8,620	-1,482	7,138	-62	-622	-684	Reduced waste tonnage; income from recyclables
- Partnership & Waste Co-ordination	722	-168	554	-43	14	-29	
- Payments to Waste Collection Authorities (DCs)	5,473	-102	5,371	-462	0	-462	Reduced waste tonnage
- Recycling Contracts & Composting	10,516	-601	9,915	436	-42	394	Increased waste tonnage; slight increase in income from recyclables
	25,331	-2,353	22,978	-131	-650	-781	
Waste Disposal:							
- Closed Landfill Sites & Abandoned Vehicles	764	-180	584	0	0	0	
- Disposal Contracts	29,297	-156	29,141	-2,356	0	-2,356	Reduced waste processed by the Allington WtE plant; waste sent for landfill instead
- Haulage & Transfer Stations	8,575	-75	8,500	-193	0	-193	Reduced waste tonnage
- Landfill Tax	7,165	0	7,165	1,372	0	1,372	Increased landfill due to extended planned maintenance of Allingon WtE plant
	45,801	-411	45,390	-1,177	0	-1,177	
Commercial Services		-7,761	-7,761	0	1,220	1,220	Reduced contribution
Total E, H & W portfolio	**179,538**	**-24,425**	**155,113**	**-814**	**40**	**-774**	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment, Highways & Waste portfolio							
Regeneration & Enterprise portfolio							
Development Staff & Projects	**671**	**-671**	**0**	**-30**	**30**	**0**	
Total E&E controllable	**180,209**	**-25,096**	**155,113**	**-844**	**70**	**-774**	
Assumed Management Action							
- EHW portfolio						0	
- R&E portfolio						0	
Forecast after Mgmt Action				**-844**	**70**	**-774**	

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

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

Environment, Highways & Waste portfolio:

1.1.3.1 E&E Strategic Management & Directorate Support Budgets: Gross -£201k, Income -£79k, Net -£280k

Although there is a forecast gross underspend of -£201k, this includes a pressure of £150k for ICT development costs associated with system contracts being brought back in house from an external contractor. There is a forecast underspend on the Head of Transportation budget of -£175k due to a reduction in spend on feasibility studies for major transportation projects to cover the pressures elsewhere in the division. There are a number of other gross underspends all less than £100k which total -£176k and include savings on an annual management charge and staff vacancies.

1.1.3.2 **Highways:**

Overall the Highways Division is forecasting a net pressure of £54k. All variances over £100k are detailed below:

1.1.3.2.1 **Highways Maintenance**

a. General Maintenance & Emergency Response: Gross +£262k, Income Nil, Net +£262k

The £262k gross pressure on this budget includes a forecast pressure of £232k for dual carriageway maintenance. In addition there is a £120k pressure for relocating the Transport Integration team to the Aylesford Highways depot. Highways depots are forecasting an underspend of £111k including underspends on both depot maintenance and energy costs.

b. Highway Drainage: Gross +£700k, Income Nil, Net +£700k

There is a gross pressure of £500k for additional drainage costs due to the exceptional wet weather and £200k to cover the costs of a backlog in scheduled gully cleaning.

1.1.3.2.2 **Highways Safety & Management**

a. Highway Improvements: Gross -£188k, Income +£2k, Net -£186k

The gross underspend of £188k includes savings from a recent procurement exercise of -£179k on the resurfacing budget to ease the pressure on the drainage budget (section 1.1.3.2.1.b above).

b. Road Safety: Gross +£198k, Income -£280k, Net -£82k

The forecast pressure on this budget includes +£332k of additional costs relating to speed awareness courses which are offset by increased income of £459k. There has been a reduction in expenditure on bike training of -£76k together with a corresponding reduction in income from schools and the Department of Transport of £109k. There are a number of other minor gross and income variances all less than £100k in value.

c. Streetlight energy: Gross -£540k, Income Nil, Net -£540k
There is a forecast underspend on streetlight energy of -£540k as the funding awarded for price increases in the 2012-13 budget build has proved to be in excess of what has been required.

d. Traffic Management: Gross -£139k, Income -£532k, Net -£671k
There is a gross pressure on this budget of £145k for development costs in respect of a new lane rental scheme where companies will pay to rent lanes whilst undertaking work on the most critical/busiest roads of our road network. This is a one-off cost for 2012-13 and the scheme if approved, will yield income for future years. These set up costs are declared as an overspend but will be requested to roll forward to be offset against future income streams once the implementation of the scheme is approved by the Department of Transport and the Cabinet Member for EH&W. Under the terms of the proposed scheme the Council would retain revenues obtained from charges to meet the costs incurred for operating the Kent Lane Rental Scheme (KLRS), with any surplus revenue used for initiatives associated with the objectives of the KLRS within the areas of transportation, enabling infrastructure and industry practices and research and development. A Board including representatives from each utility area (i.e. gas, communications, water and electricity) and from Kent County Council will oversee the administration of the surplus revenues. **Cabinet is asked, pending approval of the scheme by the Department of Transport, to agree that surplus funds from the KLRS be transferred to a new specific earmarked reserve and drawn down as expenditure is incurred in line with initiatives approved by the Board.**

There is also an underspend of £260k as a result of the transfer of staff and contracts back to the council from an external contractor.

The forecast additional income of -£532k has resulted from a combination of section 74/road closure fees (-£206k) and income from Permit Scheme (-£326k). Section 74 fees are recovered from works promoters (utility companies etc) who have taken an unreasonably prolonged occupation of the highway and the additional Permit fee income reflects the recovery of the full costs incurred, including Directorate and Corporate overheads, which are not charged directly to this budget line.

e. Tree maintenance, grass cutting & weed control: Gross +£630k, Income -£12k, Net +£618k
The forecast pressure on this budget, due to additional activity on weed control that has arisen as a result of the particularly rainy spring and summer months, has increased to +£216k and weather conditions in the past few months have also impacted on shrub maintenance activity leading to a further pressure of +£150k. There is also a pressure of +£252k due to the removal of tree stumps.

1.1.3.3 **Planning & Transport Strategy:**

a. Planning Applications: Gross -£122k, Income +£122k, Net Nil
Although there is no net variance on this budget, there is a gross variance of -£122k which primarily results from -£104k of staffing vacancies which are being held to offset an under-recovery in income of +£122k, largely relating to reduced income from planning applications.

1.1.3.4 **Transport Services:**

a. Concessionary Fares: Gross -£205k, Income Nil, Net -£205k
The reduction in usage, probably due to the poor summer weather, has led to a forecast underspend on this budget line of £205k due to fewer journeys travelled.

b. Freedom Pass: Gross +£391k, Income Nil, Net +£391k
There is a pressure forecast for the freedom pass budget of +£391k due to an increase in the number of passes in issue, of which +£246k is estimated to be as a result of changes in education transport policy, namely the withdrawal of free home to school transport for new entrants to selective and denominational schools.

c. Subsidised Bus routes: Gross -£143k, Income +£124k, Net -£19k
The gross underspend of £143k and similar corresponding shortfall in income comprises of a number of small variances all under £100k, including reduced costs and income due to the re-tendering of local bus services, reduced costs and income following the transfer of services to a

voluntary organisation and reduced costs and income due to the number of entitled scholars using the subsidised bus network.

1.1.3.5 **Waste Management:**

Overall the Waste Management Division is forecasting a net underspend of £1,958k.

The waste tonnage for the first six months of 2012-13 is 4,698 tonnes below the affordable level to the end of September. This indicates that waste tonnage will be below the affordable level for the year and an estimated overall tonnage of 720,400 tonnes is predicted, which is 9,600 tonnes below the affordable level. This contributes to an overall forecast underspend on the waste budgets of £1,958k. The levels of waste tonnage will continue to be carefully reviewed as part of the regular monitoring process to Cabinet. Waste tonnage trends are shown in section 2.4 of this annex.

1.1.3.5.1 **Recycling & Diversion from Landfill**

a. Household Waste Recycling Centres: Gross -£62k, Income -£622k, Net -£684k
A small underspend of -£62k on gross expenditure is due to a slight tonnage reduction in the first six months of this year, however there is significant additional income of £622k. The new contract for textiles, agreed last December, is generating an additional £390k, and income on lead acid batteries is adding a further £120k. There are also small over-recoveries in income from glass, paper and card, and metal. However concern remains that the prices paid for recycled metals may reduce and the impact on the income forecast will need to be re-assessed in future monitoring reports.

b. Payments to Waste Collection Authorities (District Councils): Gross -£462k, Income Nil, Net -£462k
A gross underspend of £462k is forecast due to a decrease in waste and recyclables being managed by the District Councils of approximately 7,300 tonnes.

c. Recycling Contracts & Composting: Gross +£436k, Income -£42k, Net +£394k
The tonnage for recycling and composting is approximately 5,200 tonnes over budget due to an increase in food and garden waste composting, resulting in a pressure of £436k in this financial year.

1.1.3.5.2 **Waste Disposal**

a. Disposal Contracts: Gross -£2,356k, Income Nil, Net -£2,356k
A gross underspend of £2,356k is forecast for this budget as a result of reduced contractual payments of £2,831k to the operators of the Allington Waste to Energy Plant due to extended planned maintenance, which has resulted in less tonnage being processed at the plant than previously forecast. However, for the same reason, part of this underspend has been offset by an increase in spend of £475k on Landfill Disposal Contracts due to more waste being diverted to landfill; this has also resulted in a corresponding increase in landfill tax referred to in section c) below. Overall the final tonnage figure is expected to be 7,500 tonnes under the affordable level.

b. Haulage and Transfer Stations: Gross -£193k, Income Nil, Net -£193k
This line is forecasting a gross underspend of £193k as a result of the overall forecast reduction in waste tonnage.

c. Landfill Tax: Gross +£1,372k, Income Nil, Net +£1,372k
The increased level of waste sent for landfill referred to in section 1.1.3.5.2a above generates a forecast pressure of £1,372k.

1.1.3.6 **Commercial Services:** Gross Nil, Income +£1,220k, Net +£1,220k

A £1,220k shortfall in the Commercial Services contribution is forecast. This relates to £640k of approved costs of restructure and reorganisation to implement consultants' recommendations, £150k of one-off restructuring costs and a re-phasing of £430k of the increased income target built into the current year budget, now expected to be achieved in 2013-14.
A compensating underspend is forecast within annex 7 against the Financing Items budgets, as funds were being held back in anticipation of this shortfall.

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

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Landfill Tax - Additional waste (approx. 21,500 tonnes) sent to landfill due to extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+1,372	EHW	Disposal Contracts - reduced level of residual waste being processed at the Allington Waste to Energy plant and sent to landfill due to extended planned maintenance	-2,831
EHW	Commercial Services - shortfall in contribution due to approved costs of restructure and reorganisation to implement consultants' recommendations	+640	EHW	Highways: Streetlight energy	-540
EHW	Highways: Highways Drainage - additional costs due to exceptional wet weather conditions	+500	EHW	Payments to Waste Collection Authorities (District Councils) - reduced tonnage meaning reduced level of recycling credits paid to Districts	-462
EHW	Disposal Contracts - additional volumes of waste (approx 21,500 tonnes) sent to landfill as a result of the extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+475	EHW	Highways: Road Safety - increased income for speed awareness courses to cover increased costs	-459
EHW	Recycling Contracts and Composting - increased level of waste	+436	EHW	Household Waste Recycling Centres - additional income from textiles contract	-390
EHW	Commercial Services - rephasing of delivery of increased income target into 2013-14	+430	EHW	Highways: Traffic Management - Permit Scheme income	-326
EHW	Highways: Road Safety - increased speed awareness costs offset by increased income	+332	EHW	Highways:Traffic Management - contract saving	-260
EHW	Highways: Tree maintenance, grass cutting and weed control - Tree stump removal	+252	EHW	Highways: Traffic Management - s74 and road closure income	-206
EHW	Transport Services: Freedom Pass - change of education transport policy	+246	EHW	Transport Services: Concessionary Fares - reduced usage	-205
EHW	Highways: General maintenance and emergency response - dual carriageway maintenance	+232	EHW	Haulage & Transfer Stations - waste tonnage below affordable level	-193
EHW	Highways: Tree maintenance, grass cutting and weed control - Additional weed control activity due to exceptional adverse weather	+216	EHW	Highways: Highways Improvements - savings from procurement exercise on resurfacing budget to offset drainage pressures	-179
EHW	Highways: Highways Drainage - backlog of scheduled cleaning	+200	EHW	Strategic Management & Directorate Support - saving on feasibility studies for major Transportation projects	-175
EHW	Strategic Management & Directorate Support Budgets - ICT development costs	+150	EHW	Household Waste Recycling Centres - income from lead acid batteries	-120
EHW	Highways: Tree maintenance, grass cutting and weed control - Shrub maintenance	+150	EHW	Highways: General maintenance and emergency response - depots maintenance and energy	-111

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Commercial Services - shortfall in contribution due to one off restructuring costs	+150	EHW	Planning Applications - staffing vacancies offsetting reduced income from planning applications	-104
EHW	Highways: Traffic Management - Lane rental scheme development costs	+145			
EHW	Transport Services: Freedom Pass - increased usage	+145			
EHW	Planning Applications - under recovery of income due to reduced number of planning applications; offset by vacancies within staffing	+122			
EHW	Highways: General maintenance and emergency response - relocation of Transport Integration Team	+120			
EHW	Highways: Road Safety - reduced income for bike training	+109			
		+6,422			**-6,561**

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

None

1.1.5 **Implications for MTFP**:

Highways Safety and Management:
The underspend on street light energy reported in 1.1.3.2.2.c will be matched by a planned budget reduction in the 2013-16 MTFP.

Waste Management:
The extra income from sale of recyclable materials reported in 1.1.3.5.1.a is forecast to continue in future years and the income budget will be increased in the 2013-16 MTFP for this.

In addition, based on current year tonnage levels to date and expected changes as a result of recent waste initiatives, there is scope to reduce budgeted waste tonnage for 2013-14 for somewhere between 10,000 and 15,000 tonnes, to save up to £1.5m.

Commercial Services:
The re-phasing of delivery of the increased income target and the costs of transformation reported in 1.1.3.6 will need to be reflected in the 2013-16 MTFP.

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

There is a forecast pressure on the lane rental scheme which is a one-off cost for 2012-13 and the scheme if approved, will yield income for future years. These set up costs are declared as an overspend but will be requested to roll forward to be offset against future income streams once the implementation of the scheme is approved by the Department of Transport and the Cabinet Member for EH&W.

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

None

1.2 CAPITAL

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

1.2.2 The Enterprise & Environment Directorate has an approved budget for 2012-15 of £173.875m (see table 1 below). The forecast outturn against this budget is £179.750m, giving a variance of £5.875m. After adjustments for funded variances and reductions in funding, the revised variance comes to -£3.580m (see table 3).

1.2.3 Tables 1 to 3 summarises the Directorate's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet	173.875
Approvals made since last reported to Cabinet	0.000
Revised approved budget	173.875

1.2.5 Table 2 – Funded and Revenue Funded Variances

Cabinet to agree cash limit changes:	£m	
Integrated transport	-0.013	
Highway Major Maintenance	6.000	Revenue funded
No cash limit changes to be made:		
Integrated transport	0.630	
Non TSG Land Compensation	0.185	
Member Highway Fund	-0.018	
A2 Cyclopark	0.018	
Victoria Way	0.033	
Drovers Roundabout	1.451	
Highway Major Maintenance	0.950	Revenue funded
Member Highway Fund	0.377	Revenue funded
Energy Water Efficiency	0.286	Revenue funded
A2 Cyclopark	0.012	Revenue funded
Total	9.911	

1.2.6 Table 3 – Summary of Variance

Unfunded variance	**0.120**
Funded variance (from table 2)	2.286
Variance funded by revenue (from table 2)	7.625
Project Underspend	-0.456
Rephasing (to 2015-16)	**-3.700**
Total variance	5.875

Project Underspends

1.2.7 The project underspend comprises two major schemes – Sittingbourne Northern Relief Road and East Kent Access Phase 2. It should be noted that if the forecast underspends come to fruition, the related funding would need to be repaid, and will therefore not be available to be used for other purposes.

Main reasons for variance

1.2.8 Table 4 below details each scheme, indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

Table 4 – Scheme Progress

Scheme name	Total cost	Previous	2012-15	Later	2012-15	Later	2012-15	Total project	Status
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
Major Scheme- Preliminary Design Fees	0.900	0.000	0.900	0.000	0.900	0.000	0.000	0.000	
Highway Major Maintenance	149.823	0.000	90.157	59.666	97.107	59.666	6.950	6.950	
Member Highway Fund	6.898	0.000	6.898	0.000	7.257	0.000	0.359	0.359	
Integrated Transport Scheme	17.307	0.000	11.191	6.116	11.808	6.116	0.617	0.617	
A2 slip Road	0.056	0.000	0.056	0.000	0.056	0.000	0.000	0.000	
Commercial Services Vehicle Plant & Equipment	5.100	0.000	3.800	1.300	3.800	1.300	0.000	0.000	
Non TSG Land ,Compensation Claims and Blight	2.967	0.000	2.967	0.000	3.152	0.000	0.185	0.185	
Energy & Water Investment Funds-External	0.560	0.445	0.115	0.000	0.778	0.010	0.663	0.673	
Energy and Water Efficiency Investment	1.989	1.173	0.736	0.080	0.359	0.010	-0.377	-0.447	
Coldharbour Gypsy site	1.861	0.314	1.547	0.000	1.667	0.000	0.120	0.120	real
Sandwich Sea Defences	3.640	0.000	3.640	0.000	2.624	1.016	-1.016	0.000	phasing
Hernebay Site Improvement	1.595	0.306	1.289	0.000	1.289	0.000	0.000	0.000	
East Kent Waste Facilities	4.597	3.021	1.576	0.000	1.576	0.000	0.000	0.000	
East Kent Waste Facilities-Ashford TS	0.750	0.287	0.463	0.000	0.463	0.000	0.000	0.000	
Ashford Transfer Station	4.250	0.000	4.250	0.000	4.250	0.000	0.000	0.000	
LTP- A228 Leybourne and West Malling Imp	28.579	28.560	0.019	0.000	0.019	0.000	0.000	0.000	
Ashford Ring Road	15.554	15.457	0.097	0.000	0.097	0.000	0.000	0.000	
Sittingbourne Northern Relief Road	31.705	28.356	3.312	0.037	2.719	0.450	-0.593	-0.180	
East Kent Access PH2	87.001	81.317	5.684	0.000	2.876	2.532	-2.808	-0.276	
Rushenden Link Road	11.468	10.655	0.813	0.000	0.813	0.000	0.000	0.000	
Re-shaping Kent Highways Accommodation	22.073	21.928	0.145	0.000	0.145	0.000	0.000	0.000	
A2 Cyclo Park	8.583	7.569	1.014	0.000	1.044	0.000	0.030	0.030	
Victoria Way Ph 1	18.552	17.843	0.709	0.000	0.742	0.000	0.033	0.033	risk
Ashford-Drover's Roundabout junct.	20.543	20.393	0.150	0.000	1.601	0.000	1.451	1.451	risk

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/amber /green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
Swale Transfer Station	3.630	0.000	3.630	0.000	3.630	0.000	0.000	0.000	
HWRC-Ton & Malling	2.300	0.000	2.300	0.000	0.500	1.800	-1.800	0.000	
HWRC-West Kent	2.600	0.000	0.000	2.600	0.000	2.600	0.000	0.000	
Mid Kent Joint Waste Project	4.440	0.000	4.440	0.000	4.440	0.000	0.000	0.000	
Growth without Gridlock	10.000	0.000	10.000	0.000	7.500	2.500	-2.500	0.000	
Kent Thameside Strategic Transport Programme	145.331	0.670	9.071	135.590	10.032	105.498	0.961	-29.131	
Street Lighting Timing	2.906	0.000	2.906	0.000	2.906	0.000	0.000	0.000	
Orchard Way Railway Bridge	15.000	0.000	0.000	15.000	0.000	15.000	0.000	0.000	
A28 Chart Road	15.000	0.000	0.000	15.000	3.600	13.000	3.600	1.600	real
A228 Colts Hill Strategic Link	25.000	0.000	0.000	25.000	0.000	25.000	0.000	0.000	
South East Maidstone Strategic Route	35.000	0.000	0.000	35.000	0.000	35.000	0.000	0.000	
TOTAL	**707.558**	**238.294**	**173.875**	**295.389**	**179.750**	**271.498**	**5.875**	**-18.016**	

1.2.9 Status:
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget

1.2.10 <u>Assignment of Green/Amber/Red Status</u>

1.2.11 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.12 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan

Amber and Red Projects – variances to cost/delivery date and why.

1.2.13 Coldharbour Gypsy site: (Real overspend +£0.120m) The overspend is mainly due to unplanned works to be carried out by utility companies to avoid any damage to the existing cables and pipes. The initial survey did not pick up these anomalies. Action is being taken to find additional external funding to cover the overspend.

1.2.14 Sandwich Sea Defence: (Re-phasing beyond 2012-15 -£1.016m). The schedule of planned contributions from KCC now reflects the anticipated progression of the scheme, giving more realistic phasing, as was reported in the last exception report to Cabinet.

1.2.15 Drovers Roundabout-M20 J9 and Victoria Way: (Risk) These schemes have been classed as amber due to the risk around these. As previously reported contractors' claims assessments and the negotiations are still ongoing. The assessment and the negotiation are showing good progress, however the full extent of the final costs have not yet been resolved.

1.2.16 A28 Chart Road (Real overspend in later years of +£1.600m) This project is likely to be delivered in phases, as funding streams are confirmed. The initial phase has funding approval in principle from the Growing Places fund. It is unlikely to require planning consent on land and should therefore be able to deliver soon. Other phases are likely to be related to the rate of development in South Ashford. The forecast overspend is anticipated to be funded from developer contributions.

Key Issues and Risks

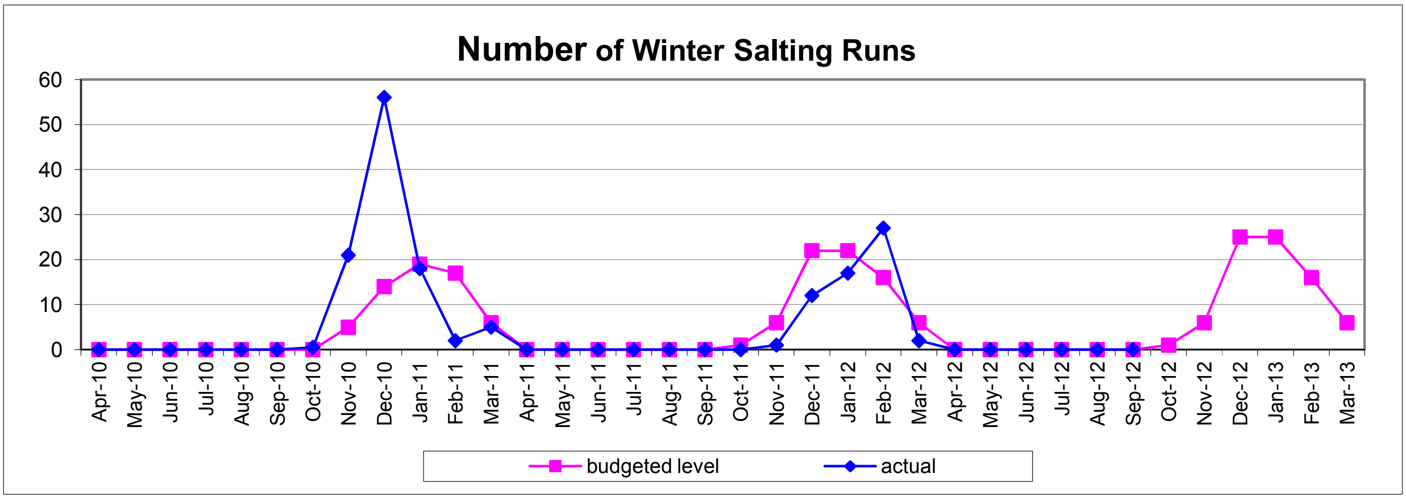
1.2.17 Kent Thameside Strategic Transport Programme - As previously reported the funding gap for delivery of this programme over the next 15-20 years still remains unsolved. At present the delivery of the programme is being managed within the level of funding available.

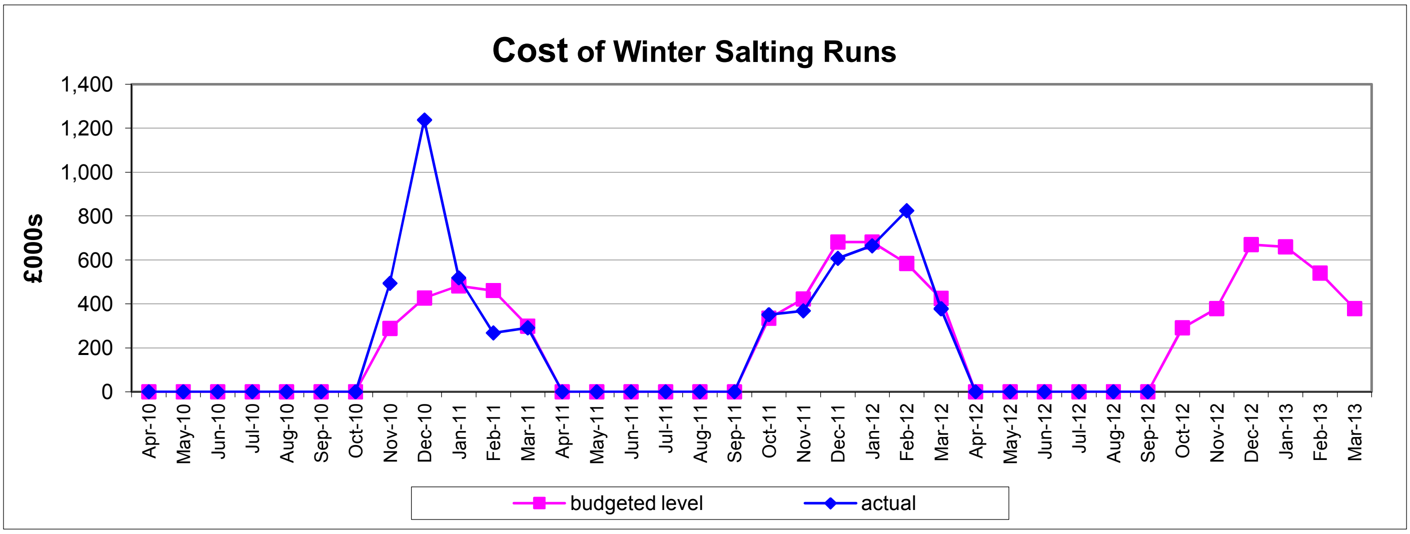
Annex 4

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 **Number and Cost of winter salting runs**:

	2010-11				2011-12				2012-13			
	Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs	
	Actual	Budgeted Level	Actual £000s	Budgeted Level £000s	Actual	Budgeted Level	Actual £000s	Budgeted Level £000s	Actual	Budgeted level	Actual £000s	Budgeted Level £000s
April	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-
October	0.5	-	6	-	0	1	351	335		1		291
November	21	5	494	288	1	6	368	423		6		379
December	56	14	1,238	427	12	22	607	682		25		670
January	18	19	519	482	17	22	665	682		25		660
February	2	17	268	461	27	16	825	584		16		540
March	5	6	291	299	2	6	378	425		6		379
TOTAL	**102.5**	**61**	**2,816**	**1,957**	**59**	**73**	**3,194**	**3,131**	**-**	**79**	**-**	**2,919**



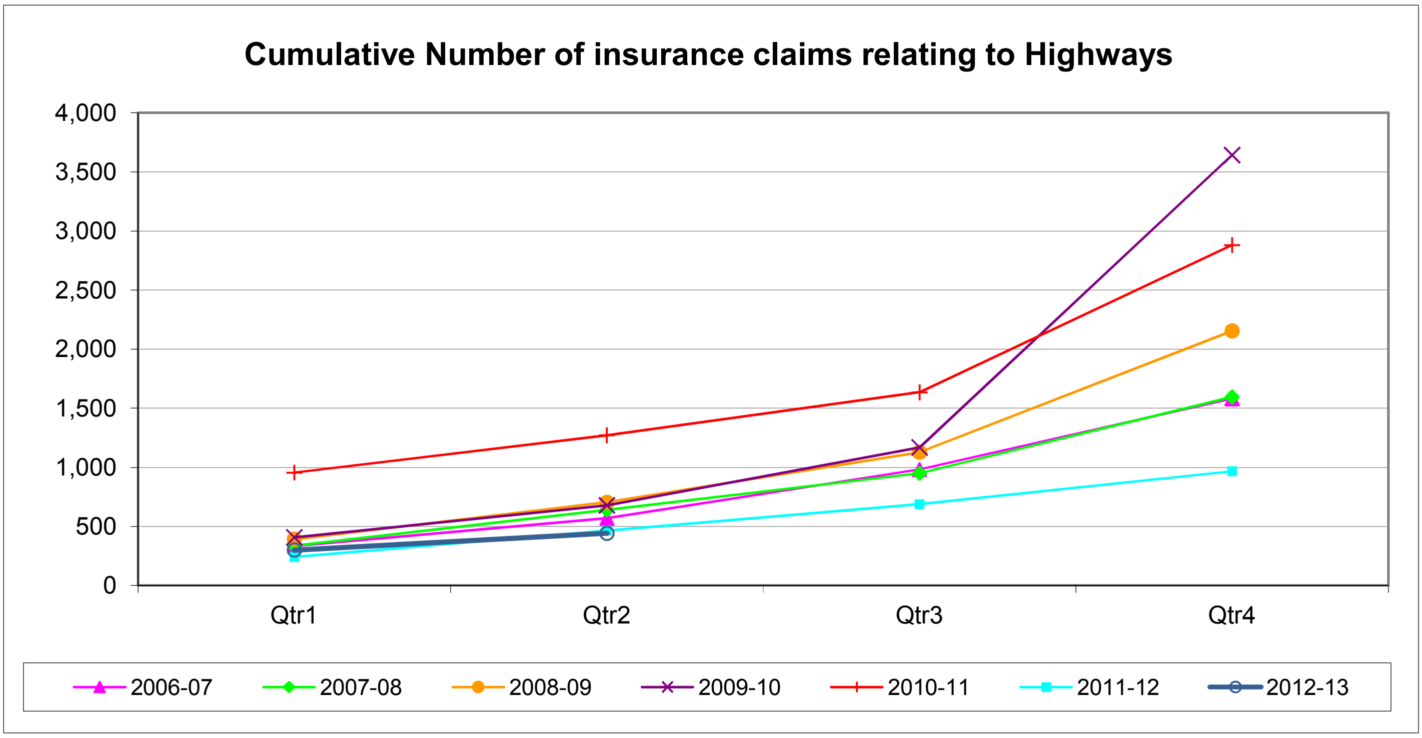


Comment:

- Under the old Ringway contract, local and specific overheads, plus depot charges were budgeted for and dealt with separately, these costs were therefore not included in the winter service expenditure figures, whereas the new Enterprise contract is an all inclusive price so these costs are now included in the graph, hence the apparent increase in the budgeted cost in 2011-12 and 2012-13 compared to previous years.
- Although the budgeted number of salting runs is higher in 2012-13 than in 2011-12, the budgeted cost is lower because 2011-12 was a transition year due to the change in contractor from Ringway to Enterprise and in 2012-13 the full year efficiency savings will be realised, hence the reduction in the budgeted costs.
- It had been anticipated that the generally mild winter in 2011-12 would mean that the number and cost of salting runs would be below budget. However, the snow emergency in February 2012 required emergency salting runs, which were more expensive than the routine salting runs due to a higher rate of spread of salt than originally budgeted. Also, additional costs were incurred as part of the new Winter Policy introduced for 2011-12, as smaller vehicles needed to be leased in order to service parts of the routes that were inaccessible to the larger vehicles (approx £140k) and some of the salting routes were extended in order to meet local needs. This resulted in outturn expenditure of £3.194m against a budget of £3.131m, despite the number of salting runs being below the budgeted level.

2.2 **Number of insurance claims arising related to Highways**:

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	Cumulative no. of claims	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	335	337	393	407	956	242	301
July-Sept	570	640	704	679	1,271	465	442
Oct-Dec	982	950	1,128	1,168	1,635	688	
Jan- Mar	1,581	1,595	2,155	3,642	2,881	968	

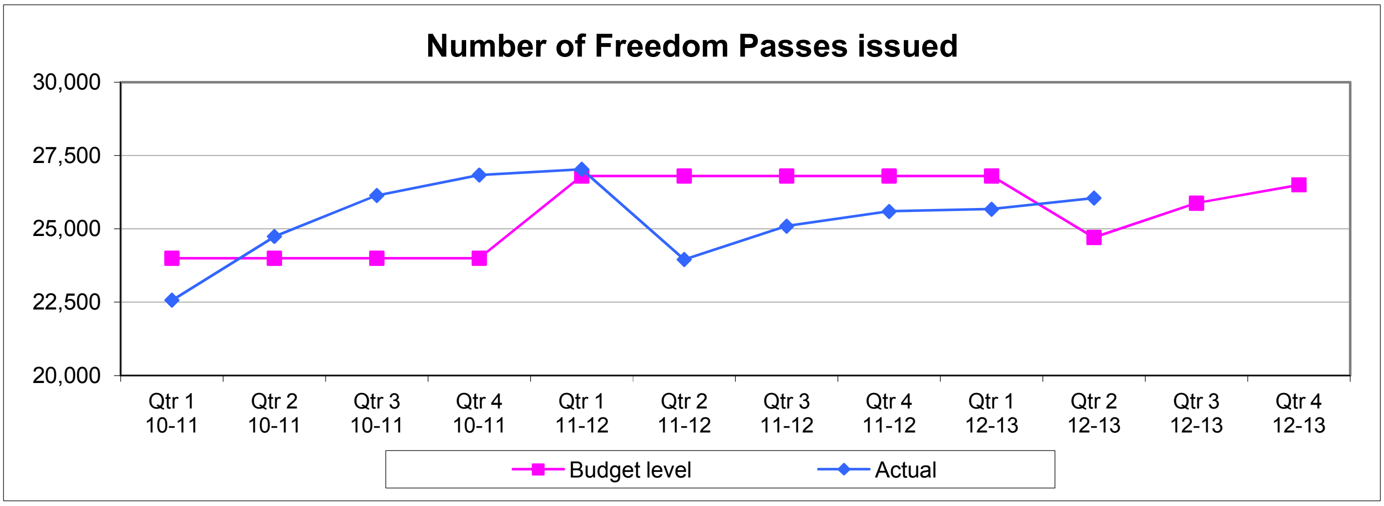


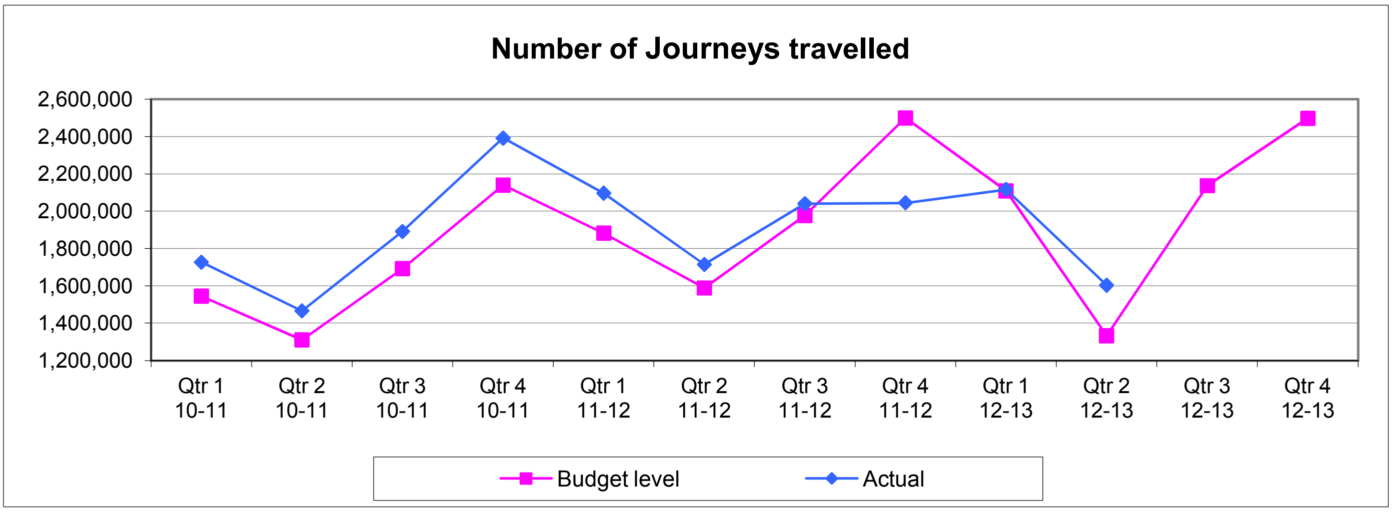
Comments:

- Numbers of claims will continually change as new claims are received relating to incidents 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 30 September 2012.
- Claims were high in the three years from 2008-09 to 2010-11 largely due to the particularly adverse weather conditions and the consequent damage to the highway along with some possible effect from the economic downturn. These claim numbers are likely to increase further as more claims are received for incidents which occurred during the period of the bad weather.
- Claims were lower in 2011-12 than in recent years. This could be due to many factors including: an improved state of the highway following the find and fix programmes of repair, an increased rejection rate on claims, and a mild winter. Also, it is likely that these claim numbers will increase as new claims are received relating to incidents occurring in previous years as explained in the first bullet point above.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on 2012-13 claims where it is considered that we do not have any liability, of about 87%.

2.3 Freedom Pass - Number of Passes issued and Journeys travelled:

	2010-11				**2011-12**				**2012-13**			
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Qtr 1 April - June	24,000	22,565	1,544,389	1,726,884	26,800	27,031	1,882,098	2,095,980	26,800	25,668	2,108,385	2,116,536
Qtr 2 July - Sept	24,000	24,736	1,310,776	1,465,666	26,800	23,952	1,588,616	1,714,315	24,703	26,051	1,332,935	1,603,400
Qtr 3 Oct - Dec	24,000	26,136	1,691,828	1,891,746	26,800	25,092	1,976,884	2,040,713	25,877		2,136,769	
Qtr 4 Jan - Mar	24,000	26,836	2,139,053	2,391,818	26,800	25,593	2,499,462	2,045,000	26,500		2,497,561	
			6,686,046	7,476,114			7,947,060	7,896,008			8,075,650	3,719,936





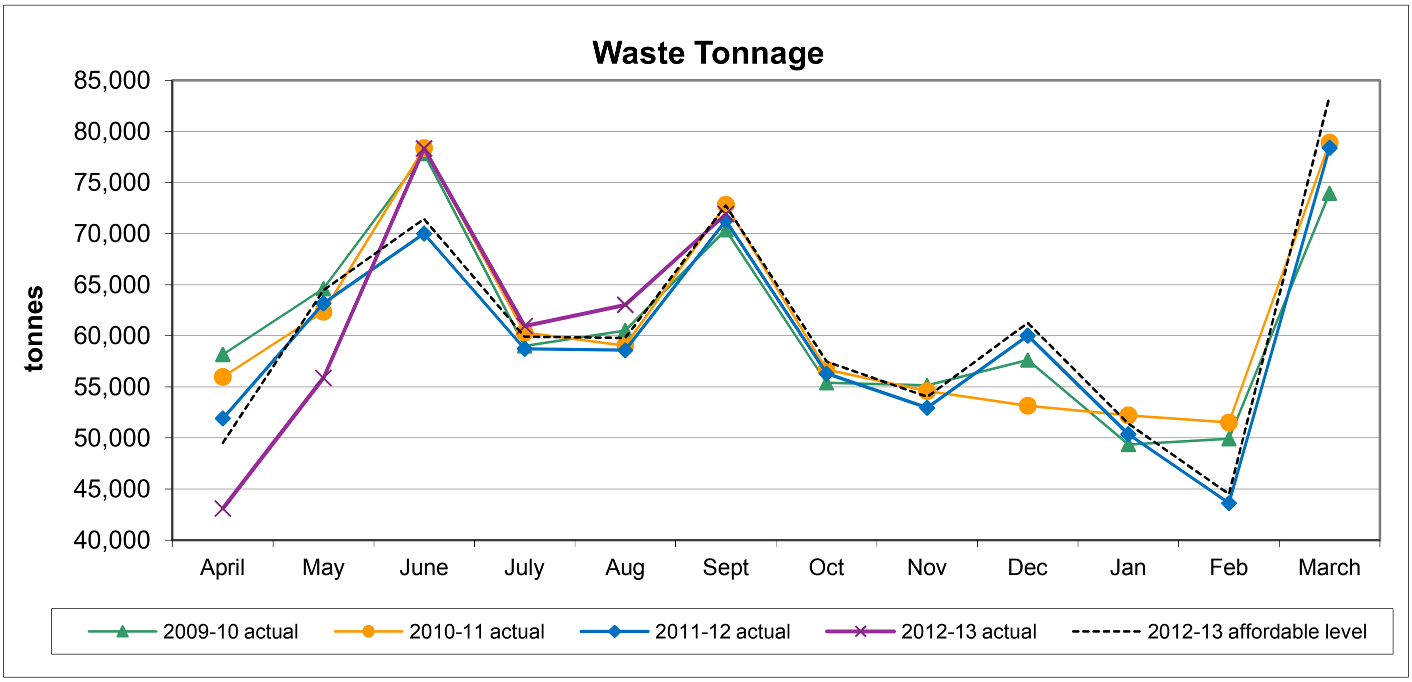
Comments:

- As predicted the number of Kent Freedom Passes has fallen slightly since the fee increase in 2011-12, but those who possess a pass are frequent/heavy users of the scheme. Applications are now being received for the new school year and this data will be used to review future expenditure against budget for the next quarterly review.
- The above figures do not include journeys travelled relating to free home to school transport as these costs are met from the Education, Learning & Skills portfolio budget and not from the Kent Freedom Pass budget.

2.4 Waste Tonnage:

	2009-10	2010-11	2011-12	2012-13	
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Waste Tonnage *	Affordable Level
April	58,164	55,975	51,901	43,094	49,499
May	64,618	62,354	63,168	55,875	64,467
June	77,842	78,375	70,006	78,334	71,446
July	59,012	60,310	58,711	60,936	59,919
August	60,522	59,042	58,581	63,028	59,787
September	70,367	72,831	71,296	71,916	72,763
October	55,401	56,690	56,296		57,454
November	55,138	54,576	52,942		54,031
December	57,615	53,151	60,009		61,244
January	49,368	52,211	50,366		51,403
February	49,930	51,517	43,607		44,504
March	73,959	78,902	79,469		83,483
TOTAL	**731,936**	**735,934**	**716,351**	**373,183**	**730,000**

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



Comments:

- The March 2012 actual figure has been adjusted to take account of revised data received from districts.
- It has been necessary to revise the affordable tonnage levels for April and March to reflect the actual number of days in each accounting period. Historically contracts with service providers have been on the basis of a four/four/five week cycle of accounting periods (with weeks ending on a Sunday), rather than on calendar months, and reported waste tonnages have reflected this. It is expected that by April 2013 all service providers will have transferred to a calendar month basis.
- These waste tonnage figures include waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.
- To date, the cumulative tonnage activity for the first six months is approximately 4,698 tonnes less than the affordable level for the same period, and this reduction is reflected in the current forecast in section 1.1.3.5 of this annex which assumes waste volumes will be approximately 9,600 tonnes below budget by year end.
- Waste tonnages will continue to be carefully reviewed as part of the regular monitoring process to Cabinet.

CUSTOMER & COMMUNITIES DIRECTORATE SUMMARY SEPTEMBER 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 1 monitoring report to reflect a number of technical adjustments to budget including the centralisation of training budgets and room hire budgets.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Customer & Communities portfolio							
C&C Strategic Management & Directorate Support Budgets	9,805	-3,975	5,830	-38	-1	-39	
Other Services for Adults & Older People:							
- Drug & Alcohol Services	15,981	-14,609	1,372	0	0	0	
- Supporting People	25,609	0	25,609	0	0	0	
	41,590	-14,609	26,981	0	0	0	
Children's Services Education & Personal:							
- Youth Service	8,663	-2,154	6,509	0	0	0	
- Youth Offending Service	5,581	-2,410	3,171	-218	37	-181	Staffing vacancies & reduced mileage & subsistence
	14,244	-4,564	9,680	-218	37	-181	
Community Services:							
- Archive Service (incl Museum Development)	757	-187	570	2	-24	-22	
- Arts Development (incl Turner Contemporary)	1,744	-103	1,641	15	-12	3	
- Big Society Fund	1,000	0	1,000	0	0	0	
- Community Learning Services	15,002	-15,355	-353	-37	37	0	
- Community Safety	1,203	-226	977	-10	-1	-11	
- Community Wardens	2,888	0	2,888	-134	0	-134	Reduced costs from vacancy management
- Contact Centre & Consumer Direct	5,605	-1,859	3,746	-446	446	0	CDSE - reduced staff nos & associated income levels. Impact of cost cutting exercise against non staffing
- Gateways	2,754	-635	2,119	-163	39	-124	Reduction in agency costs and rephasing of Gateways opening
- Library Services	16,176	-2,151	14,025	34	-78	-44	Increased fees & charges income
- Sports Development	2,603	-1,620	983	-37	-4	-41	staffing underspend

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Supporting Independence & Supported Employment	1,371	-484	887	-228	62	-166	KSE - reduced staff costs. Loss of income from reduced number of referrals from Job Centre Plus
	51,103	-22,620	28,483	-1,004	465	-539	
Environment:							
- Country Parks	1,504	-932	572	-9	9	0	
- Countryside Access (incl PROW)	2,884	-1,023	1,861	0	0	0	
	4,388	-1,955	2,433	-9	9	0	
Local Democracy:							
- Community Engagement	720	0	720	42	3	45	
- Member Grants	1,266	0	1,266	0	0	0	
	1,986	0	1,986	42	3	45	
Regulatory Services:							
- Coroners	2,982	-475	2,507	13	0	13	
- Emergency Planning	852	-199	653	-63	-8	-71	
- Registration	2,743	-3,135	-392	-172	0	-172	staffing vacancies
- Trading Standards	4,053	-735	3,318	-201	-2	-203	Reduced costs from vacancy management
	10,630	-4,544	6,086	-423	-10	-433	
Total controllable	**133,746**	**-52,267**	**81,479**	**-1,650**	**503**	**-1,147**	
Assumed Management Action						**0**	
Forecast after Mgmt Action				**-1,650**	**503**	**-1,147**	

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

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

Customer & Communities portfolio:

1.1.3.1 Children's Services – Education & Personal:

a. Youth Offending Service: Gross -£218k, Income +£37k, Net -£181k

The notification for the 2013-14 funding from Youth Justice Board is yet to be finalised and in the anticipation of a reduction, based on intelligence received to date, the service is holding a number of vacancies with a gross staffing underspend of £140k being reported.

In addition there is an associated underspend of -£70k from the reduction in mileage, subsistence and expenses claims.

There are other small gross variances of -£8k.

1.1.3.2 Community Services:

a. Community Wardens: Gross -£134k, Income nil, Net -£134k

There continue to be vacancies within this service including six wardens, a management post and an administration officer. These account for the current forecast gross underspend of -£134k. The budget includes a built in vacancy management target, otherwise the projected underspend would be in excess of this.

b. Contact Centre & Consumer Direct: Gross -£446k, Income +£446k, Net nil

There has been a reduction in Consumer Direct call volumes and as income for this contract is calculated on a price per call basis, this has led to a reduction in income of +£446k. However this is offset by a £369k gross underspend on staffing as a result of reduced staff numbers in line with the reduction in call volumes. A cost cutting exercise has also been undertaken in order to offset this income shortfall and further gross savings of £77k are forecast from this exercise.

c. Gateways: Gross -£163k, Income +£39k, Net -£124k

As previously reported, the main contributor to the gross underspend is the re-phasing and change in specification of two multi agency Gateways. Swanley and Herne Bay Gateways are not now expected to open until 2013-14, with Herne Bay on a reduced scale from original plans. This has resulted in a one off underspend of -£159k as there will be no running costs in this financial year.

There are other small variances totalling -£4k on gross and +£39k on income.

d. Supporting Independence & Supported Employment: Gross -£228k, Income +£62k, Net -£166k

The gross variance of -£228k mainly relates to a reduction in staffing within Kent Supported Employment (KSE) which has been achieved through improved performance, as well as reduced activity. The forecast income shortfall of +£62k is also within KSE and relates to the Department for Work & Pensions funded Work Programme contract where referrals are below the anticipated demand and as a consequence there is a reduction in income.

1.1.3.3 **Regulatory Services:**

a. Registration Gross -£172k, Income Nil, Net -£172k

The Registration Service is predicting a -£172k underspend of which the majority (-£165k) relates to staffing, as vacancies are being held pending a restructure of the Registration Service following the integration with the Libraries and Archive services. However, there are some emerging pressures within the Libraries, Registration & Archives integrated service which need further investigation that are likely to offset this position and a further update will be provided in the next report.

b. Trading Standards (including Kent Scientific Services): Gross - £201k, Income -£2k, Net -£203k

The combined service is forecasting an underspend on staffing of -£156k as there are a number of vacant posts being held whilst a restructure and review is underway. This, together with a number of smaller underspends on non staffing budgets, accounts for the gross variance of -£201k

The income variance was +£87k at quarter 1 but this pressure has been reduced through an improved forecast of income for Kent Scientific Services, together with an additional -£28k of income from Olympic Delivery Authority for Trading Standards. These two combined result in an income variance of -£2k.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER
(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
C&C	Contact Centre & Consumer Direct: reduction in income linked to reduced call volumes for Consumer Direct	+446	C&C	Contact Centre & Consumer Direct: reduced staff numbers in line with reduced call volumes for Consumer Direct	-369
			C&C	Supported Independence & Supported Employment: staffing underspend within Kent Supported Employment	-228
			C&C	Registration Service: staffing savings pending restructure of service	-165
			C&C	Gateways: re-phasing of opening and change in specification of Swanley and Herne Bay gateways	-159
			C&C	Trading Standards: staff vacancy savings pending restructure of service	-156
			C&C	Youth Offending Service: staff vacancy savings pending notification of future year funding levels from Youth Justice Board	-140
			C&C	Community Wardens: staff vacancies	-134
		+446			-1,351

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

eg Management Action achieved to date including vacancy freeze, changes to assessment criteria etc. This section should provide details of the management action already achieved, reflected in the net position before assumed management action reported in table 1.

The directorate is delivering a significant underspend in order to contribute towards the authority's current and future year funding demands and this is being achieved by accelerating future year's savings, wherever possible, and by holding vacancies wherever this can be done without impacting on front line service delivery and only appointing to business critical posts, which results in savings on both staffing and the associated non-staffing costs.

1.1.5 **Implications for MTFP**:

As part of the budget consultation – which ended early November – the directorate outlined proposals to achieve new savings of just under £1.8m, as well as the full year effect of savings implemented (and consulted upon) last year of just over £4.3m.

A number of the underspends reported in the sections above are where vacancies are being held in anticipation of county council approving the savings in February 2013 and to try and minimise the impact of enforced redundancies, wherever possible, but only where the impact on front line delivery has been negligible or been fully mitigated.

In addition to anticipated savings that need to be delivered in 2013/14, there is still the unknown quantum of funding allocations for future years which may well yet impact on future year budgets e.g. provisional or final grant settlements for 2013/14 may not yet be known for a few months but any changes in assumptions will be included within future monitoring reports.

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

Towards the end of 2011/12, £1m from the Big Society budget was provided to the Kent Community Foundation for a loan fund to award loans to social enterprises that are perhaps unable to secure loans through other routes. A further £2m was set aside for further donations of £1m in each of 2012/13 and 2013/14. KCC reserves the right not to make the further donations to the fund if the market appetite is not evident and each year an Annual Report is to be presented to KCC in order for them to assess the market conditions. This report will be presented to Cabinet in relation to current level of demand and this will be the basis of the decision for further investment. It is currently forecast that a further £1m will be donated in 2012/13 but Members will be updated of any changes to that assumption in future reports. Take up has been slower than anticipated but it is hoped that targeted marketing will improve this position.

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

None

1.2 CAPITAL

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

1.2.2 The Customer and Communities portfolio has an approved budget of £13.551m (see table 1 below). The forecast outturn against this budget is £13.908m, giving a variance of +£0.357m. After adjustments for funded variances and reductions in funding, the revised variance comes to nil (see table 3).

1.2.3 Tables 1 to 3 summaries the portfolio’s approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m	
Approved budget last reported to Cabinet	13.501	
Approvals made from last Cabinet meeting	0.050	Public Rights of Way
Revised approved budget	13.551	

1.2.5 Table 2 – Funded variances

Scheme	Amount £m	Reason
Cabinet to approve cash limit changes		
Dartford & Gravesham NHS Trust Capital Contribution	0.128	*Funding required this year in order for contract to commence 1st April 2013
No cash limit changes to be made		
Youth Vehicles	0.141	To be funded from Revenue
Public Rights of Way	0.063	To be funded from Revenue
Tonbridge Youth Facility	0.025	To be funded from Revenue
Total	**0.357**	

*Cabinet is asked to approve a change in cash limit to reflect a contribution of £128k to Dartford & Gravesham NHS Trust towards the overall cost of extending their premises. The Trust is commissioned to provide post mortem services on behalf of the authority and currently has insufficient capacity to accommodate the increased caseload, something the planned works aim to mitigate. The overall works are due to be completed in time for the new contract to commence in April 2013 and therefore funding is required in the current financial year.

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	**0.000**
Funded variance (from table 2)	0.128
Variance to be funded from revenue (from table 2	0.229
Rephasing (beyond 2012-15)	**0.000**
Total variance	**0.357**

Main reasons for variance

1.2.7 Table 4 below details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

Table 4									
Scheme Name	**Total Cost £m**	**Previous Spend £m**	**2012-15 Approved Budget £m**	**Later Years Approved Budget £m**	**2012-15 Forecast Spend £m**	**Later Years Forecast Spend £m**	**2012-15 Variance £m**	**Total Project Variance £m**	**Status Red / Green / Amber**
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)= (b+e+f-a)	
Rolling Programme									
Public Rights of Way - Structural Maintenance	2.422	0.000	2.422	0.000	2.485	0.000	0.063	0.063	
Country Park Access & Development	0.510	0.000	0.510	0.000	0.510	0.000	0.000	0.000	
Small Community Projects	2.510	0.000	1.510	1.000	1.510	1.000	0.000	0.000	
Library Modernisation Programme	3.113	0.295	1.898	0.920	1.898	0.920	0.000	0.000	
Modernisation of Assets	0.727	0.000	0.457	0.270	0.598	0.270	0.141	0.141	
Public Sports Facilities Improvement - Capital Grants	0.500	0.000	0.300	0.200	0.300	0.200	0.000	0.000	
Village Halls & Community Centres - Capital Grants	1.111	0.000	0.711	0.400	0.711	0.400	0.000	0.000	
Individual Projects									
The Beaney, Canterbury	3.620	3.365	0.255	0.000	0.255	0.000	0.000	0.000	
Turner Contemporary	17.400	17.400	0.000	0.000	0.000	0.000	0.000	0.000	
Gateways	7.052	4.824	2.228	0.000	2.228	0.000	0.000	0.000	
Ashford Gateway Plus	7.606	7.539	0.067	0.000	0.067	0.000	0.000	0.000	
Grant to Cobtree Trust	0.100	0.043	0.057	0.000	0.057	0.000	0.000	0.000	
Tunbridge Wells Library	0.469	0.028	0.441	0.000	0.441	0.000	0.000	0.000	Phasing
Kent History & Library Centre	10.981	10.625	0.356	0.000	0.356	0.000	0.000	0.000	
Gravesend Library	2.500	2.404	0.096	0.000	0.096	0.000	0.000	0.000	
Libraries Invest to Save	1.730	1.528	0.202	0.000	0.202	0.000	0.000	0.000	
New Community Facilities at Edenbridge	1.009	0.337	0.672	0.000	0.672	0.000	0.000	0.000	Phasing
Web Platform	1.139	0.810	0.329	0.000	0.329	0.000	0.000	0.000	
Youth Service Reconfiguration	0.058	0.000	0.058	0.000	0.083	0.000	0.025	0.025	
CLS service re-provision	0.482	0.000	0.482	0.000	0.482	0.000	0.000	0.000	
New Library & Community Centre Cheeseman's Green	0.350	0.000	0.350	0.000	0.350	0.000	0.000	0.000	
Gateway phase 2 completion	0.150	0.000	0.150	0.000	0.150	0.000	0.000	0.000	
Dartford & Gravesham NHS Trust Capital Contribution	0.000	0.000	0.000	0.000	0.128	0.000	0.128	0.128	
TOTAL CUSTOMER & COMMUNITIES	**65.539**	**49.198**	**13.551**	**2.790**	**13.908**	**2.790**	**0.357**	**0.357**	

1.2.8 Status:
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget

1.2.9 <u>Assignment of Green/Amber/Red Status</u>

1.2.10 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.11 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber Projects – variances to cost/delivery date and why.

1.2.10 **Tunbridge Wells Library (Rephasing) -** Practical completion is now likely to occur in the next financial year - thus the Amber status - and this is due to a combination of issues including protracted procurement and contractual processes. Also, as this is a listed building there is a potential risk that once work commences, issues could be encountered which may increase the scope and costs of works. The project however contains a contingency and as part of the procurement process, this has been increased slightly in an attempt to mitigate any such risks.

1.2.11 **Edenbridge Community Centre – no change from prior month (rephasing) -** The contractor has submitted an extension of time request in relation to the construction of the Edenbridge Centre and the associated housing development. The impact of this is that the opening of the centre has moved from October 2012 to January 2013. The fixed price Design and Build contract means that there are no financial risks to KCC in relation to the build or this claim but as the estimated completion date has been elongated, an AMBER status has been applied.

Key issues and Risks

1.2.12 Public Rights of Way - The Countryside Access Programme includes a number of surfacing schemes which can involve access across difficult terrain or along unsurfaced rights of way. Some of the access can be weather dependent with landowners refusing access in poor weather conditions hence there is a potential risk that projects are not completed as scheduled.

1.2.13 The Beaney – As reported in the prior month's monitoring, the Viridor bid for £133k external funding was unsuccessful. The funding gap is now going to be met from the Modernisation of Assets budget within Corporate Landlord. There is also the risk that there will be additional costs outside of the fixed price contract but these will be reported when there is more certainty over the quantum.

1.2.14 Library Modernisation – Within the cash limit, funds have been set aside for the Library element of the Herne Bay and Swanley Gateways, therefore this budget is intrinsically linked to that programme (see below). Funds may also be required at Folkestone, for the library element of Edenbridge Community Centre and some Modernisation costs at Tunbridge Wells. This project is linked to the Future Libraries Strategy and some re-phasing may therefore ensue over the coming months as these various projects proceed.

1.2.15 Gateways – The Gateway programme was to be delivered over a number of years and anticipated opening dates were scheduled. However, due to the number of agencies involved, differing funding requirements and planning approval processes, there is an inherent risk around timing, funding and future delivery. Business cases are presented for each gateway and these considerations will be updated as part of future monitoring reports.

1.2.16 Ramsgate Library – The refurbishment is almost complete and there is a small risk that the residual budget is insufficient to meet the costs of the final snagging works. Conversely, if a surplus is delivered then this may need to be returned to the Administrator.

The outstanding defects liability was costed by the Quantity Surveyor and formed part of the settlement negotiations. The programme of work has been tendered and will be monitored against the funds available.

1.2.17 Web Platform – It was reported previously that there was no rolling programme to fund improvements/enhancements to kent.gov once this fixed term project expires. As opposed to updating the current system, a project is now underway – in conjunction with the Customer Service 'Channel Shift' strategy – to replace the current web platform in order to increase its functionality and improve the user experience, as the current system will be unsupported come March 2013 and has insufficient capacity to fully enable channel shift.

There is a risk that this recycled budget is insufficient to fully fund the replacement. Such additional capital expenditure and associated revenue costs will be included in future iterations of this report or in the 2013/14 budget and Medium Term Financial Plan that will be approved by County Council in February 2013.

1.2.18 Youth Service Vehicles – the Youth Service are purchasing 3 replacement vehicles which are to be funded from revenue. The service is replenishing their fleet in anticipation of the new youth transformation launch in January 2013 where the expectation is that there will be at least one vehicle per district. This investment, along with the existing renewals programme, will achieve that outcome.

1.2.19 Post mortem facility contribution - as this is a capital contribution to a non KCC project, there is a risk that the overall cost, specification and timing is not in line with expectation and that is outside of the control of the authority. This will be mitigated by regular dialogue with the Trust to ensure that the new contract can commence in April 2013 as planned.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

N/A

BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY SEPTEMBER 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 1 monitoring report to reflect a number of technical adjustments to budget including the centralisation of training budgets and room hire budgets.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Regeneration & Enterprise portfolio							
Directorate Management & Support	166	0	166	5	0	5	
Development Staff & Projects	4,892	-1,389	3,503	43	-48	-5	
Total R&E portfolio	**5,058**	**-1,389**	**3,669**	**48**	**-48**	**0**	
Finance & Business Support portfolio							
Finance & Procurement	18,690	-7,469	11,221	-285	19	-266	Many staff appointed at bottom of grade, budget based on mid-point of grade
Total F&BS portfolio	**18,690**	**-7,469**	**11,221**	**-285**	**19**	**-266**	
Business Strategy, Performance & Health Reform portfolio							
Strategic Management & Directorate Support budgets	2,895	-4,520	-1,625	62	-56	6	
Governance & Law	10,356	-12,470	-2,114	-490	464	-26	Revised business objectives as a result of Units Evolution programme
Business Strategy	3,228	-139	3,089	-201	5	-196	Staffing vacancies and delays in recruitment
Property & Infrastructure	28,526	-4,517	24,009	1,299	-700	599	Extension to leasehold payments; more cautious approach to capitalising spend

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Business Strategy, Performance & Health Reform portfolio							
Human Resources	16,754	-5,645	11,109	186	-35	151	Under recovery of income on Schools Personnel Services, partially offset by underspend on staffing; increased demand to support restructures resulting in staffing pressure on Employee Services; increase in Rewards spend, offset with extra income
Information & Communication Technology	32,815	-13,966	18,849	3,100	-2,786	314	IT pay as you go activity funded by additional income; staffing pressure due to continued demand
Total BSP&HR portfolio	**94,574**	**-41,257**	**53,317**	**3,956**	**-3,108**	**848**	
Democracy & Partnerships portfolio							
Finance - Internal Audit	1,107	-34	1,073	-70	-42	-112	
Business Strategy - International & Partnerships	997	-223	774	-82	46	-36	
Democratic & Member Services	3,902	-3	3,899	75	-71	4	
Local Democracy:							
- Member Grants incl. County Council Elections	1,273	0	1,273	0	0	0	
Total D&P portfolio	**7,279**	**-260**	**7,019**	**-77**	**-67**	**-144**	
Total BSS Controllable	**125,601**	**-50,375**	**75,226**	**3,642**	**-3,204**	**438**	
Assumed Management Action:							
- R&E portfolio						**0**	
- F&BS portfolio						**0**	
- BSP&HR portfolio				**-848**		**-848**	P&I, HR & ICT action - see section 1.1.7
- D&P portfolio						**0**	
Forecast after Mgmt Action				**2,794**	**-3,204**	**-410**	

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

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

<u>Finance & Business Support portfolio:</u>

1.1.3.1 <u>Finance & Procurement: Gross -£285k, Income +£19k, Net -£266k</u>
There is a projected under-spend against gross expenditure of **-£285k** which all relates to staffing. Many appointments to the new finance structure have been made at the bottom of grade, whereas the budget is set at mid-point of grade; the division is also carrying a number of vacancies.

Business Strategy, Performance & Health Reform portfolio:

1.1.3.1 Governance & Law: Gross -£490k, Income +£464k, Net -£26k

There is a significant underspend on gross of -£490k and a corresponding +£464k under-recovery on income due to revised business objectives. In 2012/13 Governance and Law, as part of its 'Evolution, Efficiency, Enterprise' project, is seeking to reduce the cost of legal services to the Council, increase its external trading revenues, and deliver a net surplus of £2.1m. This is a change from the original budget assumption which sought to increase revenue receipts through increasing the team numbers to meet anticipated client service needs. Overall therefore, gross costs have reduced from the budget assumption as team numbers are not as high but income has also reduced. As stated in the first quarter's report the unit will be re-profiling its budgets and will look for formal approval of these changes in the third quarter's report. It was previously anticipated that this re-profiling would be completed in time for approval in this report but this work has been delayed because resources have been directed to deliver the new time recording system.

1.1.3.2 Business Strategy: Gross -£201k, Income +£5k, Net -£196k

There is currently an underspend of **-£255k** against staffing resulting from vacancies and delays in recruitment. There are also a number of small variances against non-staffing budgets totalling +£54k.

1.1.3.3 Property & Infrastructure: Gross +£1,299k, Income -£700k, Net +£599k

Property Group is forecasting a £1,299k gross pressure with a compensating increase in income of £700k in their revenue budget.

The Property revenue budget has been reduced by £3.56m over the past two years in respect of 'Total Place' savings. It was expected that these savings would primarily be generated by coming out of leasehold properties as soon as leases came to an end. Service transformations and restructures throughout the Council, together with the formulation of the new Work Place Transformation Strategy, have resulted in the requirement to extend a number of leases and thus push delivery of some savings to later years. Additionally, revisions to Authority-wide service plans have impacted on the demands for property estate requirements, resulting in a pressure in the current year. Delivery of these savings is a top priority for management action and therefore a full review of all 'Total Place' potential savings, alongside current service plans, has been undertaken to determine the revised phasing of the savings to be reflected in the 2013-16 MTFP. Also, dedicated resources have been put in place to programme manage the New Work Spaces initiative which will give greater clarity on timelines for coming out of properties.

Additionally, in accordance with accounting requirements, many items of expenditure which have traditionally been capitalised, must be charged to and funded through revenue. As a result Property Group is planning to use £700k of the DFE Local Authority Capital Maintenance Grant, currently shown within their capital budget, to cover this expenditure, as the grant rules allow us to fund revenue expenditure from it.

1.1.3.4 Human Resources: Gross +£186k, Income -£35k, Net +£151k

The Schools Personnel Service continues to have extremely challenging income targets which, with further delegations of funding and responsibilities to schools, require business to be secured on a school by school basis. As a result, SPS are forecasting an under-delivery of income of **+£420k**, but also a partially compensating underspend, mainly on salaries of **-£310k**. In addition, HR is continuing to face increased demand to support many Divisional restructures and transformation programmes throughout this year, which is putting pressure on many units, and as a result Employee Services are forecasting a gross pressure of **+£406k**, mainly on staffing, which is partially offset by increased income of **-£227k**. A pressure of **+£93k** also exists within the Reward Team mainly due to increased payments to the rewards providers to reflect above budgeted take up; this is more than offset by extra income of **-£198k**. There are a number of smaller pressures against the rest of Human Resources, including Health and Safety, the Divisional budget and the 'Grads Kent' website, although the latter is more than offset with extra income.

The Division continues to review all HR processes including the Employee Services Centre. In the wider context, it may be possible to find savings and efficiencies from elsewhere within HR, possibly from on-going restructures within the unit.

1.1.3.5 Information & Communication Technology: Gross +£3,100k, Income -£2,786k, Net +£314k
Variances of **+£2,786k** and **-£2,786k** on gross and income respectively reflect the increased demand for additional IT Pay-as-you-go projects. Project demand is difficult to predict during budget setting. The remaining pressure of **+£314k** relates to additional staffing expenditure due to the continued high demand for ICT services.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER
(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
BSPHR	ICT Gross: Information Systems costs of additional pay as you go activity	+2,786	BSPHR	ICT Income: Information Systems income from additional pay as you go activity	-2,786
BSPHR	Property & Infrastructure Gross - extension to leasehold payments; more cautious approach to capitalising expenditure	+1,299	BSPHR	Property and Infrastructure Income - Use of Local Authority Capital Maintenance Grant to fund revenue expenditure previously categorised as capital	-700
BSPHR	Governance & Law Income - reduced income due to revised business objectives (matched by reduced staffing costs)	+464	BSPHR	Governance & Law Gross - reduced staffing due to revised business objectives (matched by reduced income)	-490
BSPHR	Human Resources Income - under recovery of income target by Schools Personnel Service	+420	BSPHR	Human Resources Gross - underspend on Schools Personnel Service mainly on salaries, partially off-setting under delivery of income target	-310
BSPHR	Human Resources Gross - pressure on Employee Services budget mainly on staffing	+406	F&BS	Finance & Procurement Gross - staffing underspend	-285
BSPHR	ICT Gross: additional staffing expenditure due to the continued high demand for ICT services	+314	BSPHR	Business Strategy Gross - staffing underspend	-255
			BSPHR	Human Resources Income - increased Employee Services income	-227
			BSPHR	Human Resources Income - increased income relating to Rewards	-198
		+5,689			-5,251

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

None

1.1.5 **Implications for MTP**:

The MTFP assumes a breakeven position for 2012/13. However, Property Division has submitted new phasing for their Total Place savings, moving £1.3m to future years and the MTFP will need to be updated accordingly. The Division will also continue to need to utilise some of its DFE capital grant to fund revenue expenditure which cannot be capitalised.
In HR – Schools Personnel Service will be realigning their gross and income budgets within the 2013-16 MTFP to reflect their Business Plans for 2013/14.
ICT is reviewing its savings delivery options but is confident of delivering overall targets once management action takes effect (see section 1.1.7 below).

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

None

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

The Directorate is wholly committed to delivering a balanced outturn position by the end of the financial year and will continue to consider all options to ensure this happens. Robust arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and where necessary challenged

1.1.7.1 <u>Property and Infrastructure</u>
The review of the phasing of potential savings through 'Total Place', and the capacity for it to actually start generating savings in 2012/13, is very much tied to the Work Place Transformation Strategy. This review has now been completed and a re-phased savings profile has been submitted as part of the 2013-16 MTFP process. In total £1.3m of gross savings are being re-phased from the current year to future years.

1.1.7.2 <u>Human Resources</u>
The Division continues to review all HR processes and to find savings and efficiencies from elsewhere within HR. Since Quarter 1, the net position has improved by £144k.

1.1.7.3 <u>Information and Communication Technology</u>
ICT is confident of delivering a balanced outturn position. The Division is looking to make efficiencies from the centralisation of contracts, rationalising its use of contractors and tough vacancy management.

1.2 CAPITAL

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

1.2.2 The Business Strategy and Support directorate has an approved budget for 2012-15 of £137.603m (see table 1 below). The forecast outturn against this budget is £120.748m, giving a variance of -£16.855m. After adjustments for funded variances, the revised variance comes to -£17.294m (see table 3).

1.2.3 Tables 1 to 3 summaries the Directorate's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	Total	Business Strategy, Performance & Health Reform	Regeneration & Enterprise
	£m	£m	£m
Approved budget last reported to Cabinet	137.603	33.211	104.392
Approvals made since last reported to Cabinet	0.000		
Revised approved budget	137.603	33.211	104.392

1.2.5 Table 2 – Funded and Revenue Funded Variances

Scheme	£m	Reason
Cabinet to approve cash limit changes		
Modernisation of Assets	-0.061	Transfer of budget to revenue as spend is of a revenue nature
ERP Phase1	0.620	Existing Oracle Infrastructure Project incorporated into ERP
Oracle Release 12	-0.120	Funds released for Oracle Infrastructure Platform
No cash limit changes to be made		
Total	0.439	

1.2.6 Table 3 – Summary of Variance

	Total	Business Strategy, Performance & Health Reform	Regeneration & Enterprise
Reason	£m	£m	£m
Unfunded variance			
Funded variance (from table 2)	0.439	0.439	
Variance funded by revenue (from table 2)	0.000		
Project underspend	-0.984	-0.700	-0.284
Rephasing (beyond 2012-15)	-16.310		-16.310
Total variance	-16.855	-0.261	-16.594

Main reasons for variance

1.2.7 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

Annex 6

Table 4 Scheme Progress

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/ amber/ green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
BSPHR									
Modernisation of Assets	17.973		13.232	4.741	13.171	4.741	-0.061	-0.061	
Disposal Costs	1.000		0.750	0.250	0.750	0.250	0.000	0.000	
Corporate Property Strategic Capital	2.851		2.851		2.151		-0.700	-0.700	
Connecting Kent	0.000						0.000	0.000	
Connecting with Kent	2.413	1.653	0.760		0.760		0.000	0.000	
Oracle Release 12	1.733	1.383	0.350		0.230		-0.120	-0.120	
Oracle Self Service Development	0.633	0.566	0.067		0.067		0.000	0.000	
Property Asset Management System	0.310		0.310		0.310		0.000	0.000	
Sustaining Kent - Maintaining the Infrastructure	10.845	7.875	2.970		2.970		0.000	0.000	
Better Workplaces / Work Place Transformation	1.030	1.030					0.000	0.000	
Connecting Kent	0.255	0.255					0.000	0.000	
Enterprise Resource Programme (PHASE 1)	1.398	0.164	1.234		1.854		0.620	0.620	
Energy Efficiency & Renewable Energy in the KCC Estate - solar panels (spend)	0.321		0.321		0.128		-0.193	-0.193	
Integrated Childrens System	1.326	0.012	1.314		1.314		0.000	0.000	
Faversham Family Centre	0.026		0.026		0.026		0.000	0.000	
Energy Efficiency & Renewable Energy in the KCC Estate (plan)	0.182		0.182		0.375		0.193	0.193	
Enterprise Resource Programme (PHASE 2)	0.500		0.500		0.500		0.000	0.000	
Better Workplaces / Work Place Transformation	8.831	0.487	8.344		8.344		0.000	0.000	
BSPHR Total	**51.627**	**13.425**	**33.211**	**4.991**	**32.950**	**4.991**	**-0.261**	**-0.261**	

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/ amber/ green
East Kent Empty Property Initiative	6.625	5.356	1.269		1.269		0.000	0.000	
Euro Kent	6.398	5.974	0.424		0.140		-0.284	-0.284	
Dover Priory Station Approach Road	1.604	1.575	0.029		0.029		0.000	0.000	
Rural Broadband Demonstration Project	2.458		2.458		2.458		0.000	0.000	
Tontine Street Public Realm Improvement	0.100	0.006	0.094		0.094		0.000	0.000	
Tontine Street Public Realm Improvement	0.400		0.400		0.400		0.000	0.000	
Old Town Hall Operating Costs Capital	0.150	0.006	0.144		0.144		0.000	0.000	
Managed Work Space - The Old Rectory	0.180		0.180		0.180		0.000	0.000	
Swale Parklands	0.999	0.827	0.172		0.172		0.000	0.000	
Broadband	20.000		20.000		15.000	5.000	-5.000	0.000	Phasing
Capital Regen Fund	11.271		11.271		11.271		0.000	0.000	
Empty property Initiative	10.951		5.951	5.000	5.951	5.000	0.000	0.000	
Margate Housing	10.000		10.000		8.400	1.600	-1.600	0.000	
Regional Growth Fund	40.000		40.000		30.290	9.710	-9.710	0.000	Phasing
LAMS	12.000		12.000		12.000		0.000	0.000	
Regen Total	**123.136**	**13.744**	**104.392**	**5.000**	**87.798**	**21.310**	**-16.594**	**-0.284**	
BSS Total	**174.763**	**27.169**	**137.603**	**9.991**	**120.748**	**26.301**	**-16.855**	**-0.545**	

1.2.8 Status:
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget

1.2.9 Assignment of Green/Amber/Red Status

1.2.10 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.11 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why.

1.2.12 Regional Growth Fund (REG) – the rephasing of -£9.710m into 2016-17 is due to the re-profiling of the programme based on the best estimates of applications expected for the Expansion East Kent Fund.

1.2.13 Broadband (REG) - £5.000m has been rephased to beyond 2012-15. This is due to delays at a national level in finalising the BDUK procurement framework and the UK state aid notification with the EU. As a result, suppliers are now informing Government it will be necessary to extend the implementation window beyond March 2015.

Other significant variances

1.2.14 Corporate Property Strategic Capital (BSHPR) – underspend of -£0.700m. In accordance with accounting requirements many items of expenditure which have traditionally been capitalised must be charged to and funded through revenue. As a result, property group is planning to use £0.700m of the DFE local authority capital maintenance grant currently shown here, to cover revenue expenditure as the grant rules allow us to do this.

1.2.15 ERP Phase 1 (BSHPR) – spend and funding for existing Oracle Infrastructure Platform project (£0.620m) has been consolidated within ERP. Funded from revenue (£0.500m) and from within the Oracle Release 12 budget (£0.120m).

1.2.16 LIVE Margate (REG) – rephasing of £1.600m to beyond 2012-15. As previously reported to Cabinet, the financial model for the project has been updated to reflect the acquisition and redevelopment/refurbishment strategy that has recently been developed. As a result the projected profile of spend within the capital programme has been rephased in line with the financial model.

Key issues and Risks

1.2.17 East Kent Empty Property Initiative – one of the recipients of the loans in this programme has gone into liquidation with a possible write off to be incurred of £0.050m.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

Capital Receipts – actual receipts compared to budget profile:

2.1 The total forecast receipts expected to come in during 2012-13 is £19.89m. This is broken down between the various "pots" as detailed in the tables below.

Capital Receipts Funding Capital Programme

	2012-13
	£m
Capital receipt funding required for capital programme	13.289
Banked in previous years and available for use	3.202
Receipts from other sources*	3.574
Requiring to be sold this year	6.513
Forecast receipts for 2012-13	7.665
Potential Surplus / (Deficit)	1.152

2.2 The total capital receipt funding required per the latest forecasts for 2012-13 totals £13.289m. Taking into account receipts banked in previous years which are available for use and receipts from other sources* (such as loan repayments from the Empty Property Initiative), the required level of receipts to achieve in 2012-13 is £6.513m.

2.3 Current forecasts show receipts expected in during 2012-13 will total £7.665m, which leaves a potential surplus on capital receipt funding in the capital programme of £1.152m. This will continue to be monitored over the coming months.

PEF1

2.4 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.

2.5 Forecast 2012-13 position

	2012-13
	£m
Opening balance 1st April 2012	-5.567
Planned receipts	0.915
Costs	-0.037
Planned acquisitions	0.000
Closing balance	-4.689

2.6 The above table shows the opening balance on the fund as being -£5.567m. With forecast PEF1 receipts of £0.915m and associated costs of £0.037m, this results in a forecast closing balance of -£4.689m, which is within the permitted £10m overdraft limit.

Revenue position

2.7 The balance brought forward at the 1st April 2012 was –£2.328m. The anticipated net income from managing the properties held within the fund is estimated at £0.035m, but with the need to fund costs of borrowing -£0.485m against the overdraft facility, the PEF1 is forecasting a £2.778m deficit on revenue, which will be rolled to be met from future income streams.

PEF2

2.8 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.

2.9 Overall Forecast Position on the Fund:

	2012-13
	£m
Capital	
Opening balance	-14.196
Properties to be agreed into PEF2	0.000
Forecast sale of PEF2 properties	11.097**
Disposal costs	-0.413
Closing Balance	-3.512
Revenue	
Opening balance	-4.231
Interest on borrowing	-0.426
Holding costs	-0.046
Closing balance	-4.703
Overall closing balance	-8.215

** Figure is net of contributions required to pay out of disposal value of £0.213m.

2.10 The forecast closing balance on the fund is -£8.215m, within the overdraft limit of £85m.

2.11 The forecast position on both PEF funds show that the funds are operating well within their acceptable parameters.

FINANCING ITEMS SUMMARY
SEPTEMBER 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the budget was set to reflect a number of technical adjustments to budget.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Finance & Business Support Portfolio							
Carbon Reduction Commitment Levy	400		400			0	
Contribution to/from Reserves	9,962		9,962	849		849	transfer of 12-13 write down of discount saving from 08-09 debt restructuring to reserves; tfr of forecast underspend on Insurance fund to the Insurance reserve
Underspend rolled forward from 11-12	-3,079		-3,079			0	
Insurance Fund	4,679		4,679	-690		-690	lower than anticipated recorded claims
Modernisation of the Council	3,523		3,523			0	
Contingency for Children's Improvement Plan	0		0			0	
Net Debt Charges (incl Investment Income)	130,868	-9,048	121,820	-5,653	1,602	-4,051	2012-13 write down of discount saving from 2008-09 debt restructuring; re-phasing of capital programme in 11-12 has provided savings on debt charges; no new borrowing in 12-13; increase in MRP; underspend on leases.
Other	2,364	-36	2,328	-70	0	-70	subscriptions underspend
Unallocated	3,048	0	3,048	-1,220	0	-1,220	earmarked funds to offset shortfall in Commercial Services contribution
Unringfenced Government Grants		-90,589	-90,589			0	
Total F&BS portfolio	**151,765**	**-99,673**	**52,092**	**-6,784**	**1,602**	**-5,182**	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Business Strategy, Performance & Health Reform portfolio							
Contribution to IT Asset Maintenance Reserve	**3,302**		**3,302**			**0**	
Democracy & Partnerships portfolio							
Audit Fees	**464**		**464**	**-150**		**-150**	reduction in audit fee
Total Controllable	**155,531**	**-99,673**	**55,858**	**-6,934**	**1,602**	**-5,332**	

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

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

Finance & Business Support Portfolio:

1.1.3.1 Net Debt Charges (including Investment Income):

- There is a saving of £159k which relates to the write-down in 2012-13 of the £4,024k discount saving on debt restructuring undertaken at the end of 2008-09. (£3,865k was written down during the period 2008-12).
- There is a saving of £3,895k as a result of deferring borrowing in 2011-12 due to the re-phasing of the capital programme, in addition no new borrowing has been taken in the first half of 2012-13 and cash balances have been relatively high during the first half of the year.
- A £400k underspend against the leases budget is expected, reflecting a continuation of the trend of recent years.
- There is an increase in the Minimum Revenue Provision (MRP) of +£403k. As reported in 2010-11, we have adopted the asset life method of calculating MRP. This method provides authorities with the option of applying MRP over the life of the asset once it is in operation. MRP is based on capital expenditure incurred in the previous year and therefore cannot be calculated until the previous year's accounts have been finalised and audited. This very complex calculation has recently been completed and this increase is due to a number of projects completing earlier than anticipated, which has increased the percentage of MRP to be charged. This includes a number of aborted capital costs which had to be written off last year as there was no asset life to apportion the costs over.

1.1.3.2 Insurance Fund:

In the 2012-13 budget additional funding of £1,250k was provided for the Insurance Fund as a result of increased demand placed upon the Fund over recent years. However, there is currently a forecast underspend of £690k against the Insurance Fund this year mainly due to lower than anticipated provision for recorded claims, which is largely as a result of KCC requiring insurers to put improved processes in place to ensure that provisions for claims are constantly reviewed, kept more up to date and accurate. This position will be closely monitored throughout the remainder of the year as the forecast can be appreciably affected by conditions such as adverse weather or a small number of significant claims.

1.1.3.3 Contributions to/from reserves:

- As planned, the £159k write down of the discount saving earned from the debt restructuring in 2008-09, will be transferred to the Economic Downturn reserve to offset the Icelandic investments impairment cost incurred in 2010-11.
- The forecast underspend on the Insurance Fund of £690k will be transferred to the Insurance Reserve in line with usual practice.

1.1.3.4 Unallocated:

A £1,220k underspend is forecast. These funds were being held back in anticipation of the forecast shortfall against the Commercial Services contribution as reported in annex 4, which relates to £640k of approved costs of restructure and reorganisation to implement consultants' recommendations, £150k of one-off restructuring costs and a re-phasing of £430k of the increased income target built into the current year budget, now expected to be achieved in 2013-14.

Democracy & Partnerships Portfolio:

1.1.3.5 Audit Fees:

A £150k underspend is forecast for the External Audit Fee. A combination of outsourcing of the Audit Commission's in-house Audit Practice and their own internal efficiency savings means that the Audit Commission is able to pass on significant reductions in audit fees this year to audited bodies. These lower fees are fixed for five years irrespective of inflation, and will help public bodies at a time when budgets are under pressure.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER
(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
F&BS	transfer of forecast underspend on Insurance Fund to the Insurance reserve	+690	F&BS	savings on debt charges due to re-phasing of capital programme in 11-12, together with no new borrowing in 12-13	-3,895
F&BS	Increase in MRP	+403	F&BS	Earmarked funding held within unallocated budgets to offset anticipated shortfall in Commercial Services contribution	-1,220
F&BS	Contribution to economic downturn reserve of 2012-13 write down of discount saving from 2008-09 debt restructuring	+159	F&BS	Reduction in anticipated insurance claims	-690
			F&BS	underspend on leases	-400
			F&BS	2012-13 write down of discount saving from 2008-09 debt	-159
			D&P	Reduction in External Audit Fee	-150
		+1,252			-6,514

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

eg Management Action achieved to date including vacancy freeze, changes to assessment criteria

N/A

1.1.5 **Implications for MTFP**:

The reduction in the External Audit Fee could be taken as a saving in the 2013-16 MTFP.

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

N/A

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

Currently the underspending on the Financing Items budgets is offsetting pressures elsewhere across the authority.

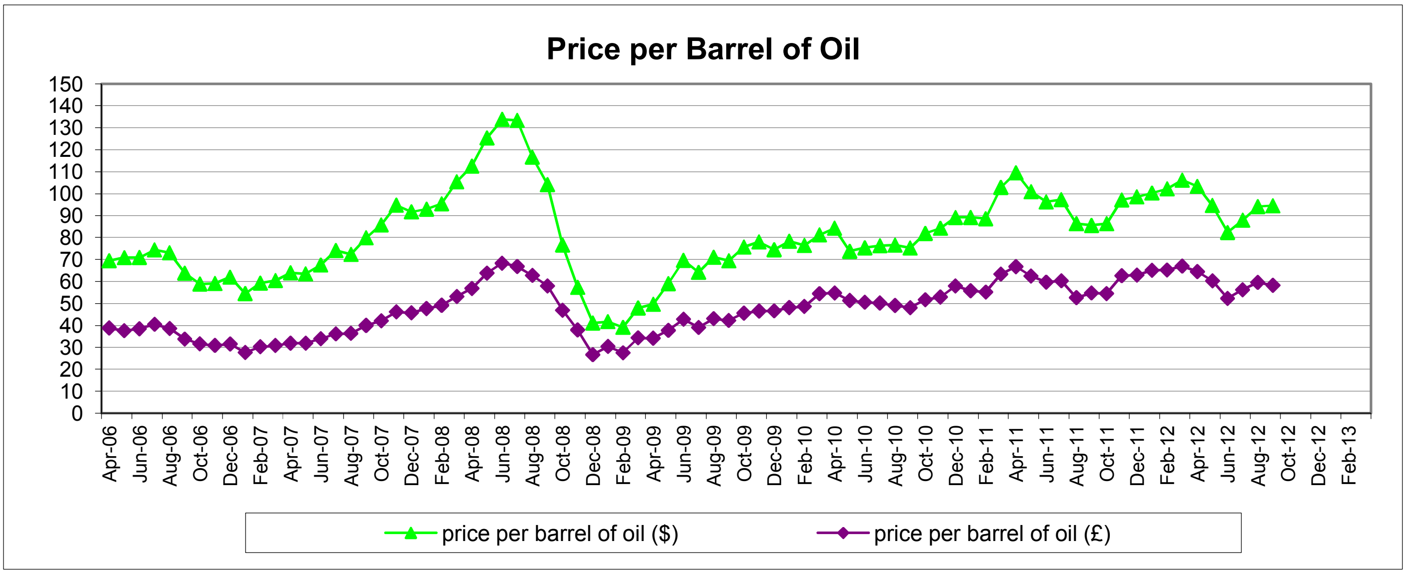
1.2 CAPITAL

N/A

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	Price per Barrel of Oil						
	2006-07	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**
	$	$	$	$	$	$	$
April	69.44	63.98	112.58	49.65	84.29	109.53	103.32
May	70.84	63.45	125.40	59.03	73.74	100.90	94.65
June	70.95	67.49	133.88	69.64	75.34	96.26	82.30
July	74.41	74.12	133.37	64.15	76.32	97.30	87.90
August	73.04	72.36	116.67	71.05	76.60	86.33	94.13
September	63.80	79.91	104.11	69.41	75.24	85.52	94.51
October	58.89	85.80	76.61	75.72	81.89	86.32	
November	59.08	94.77	57.31	77.99	84.25	97.16	
December	61.96	91.69	41.12	74.47	89.15	98.56	
January	54.51	92.97	41.71	78.33	89.17	100.27	
February	59.28	95.39	39.09	76.39	88.58	102.20	
March	60.44	105.45	47.94	81.20	102.86	106.16	



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 UKtradeinfo website.

By: Alex King – Deputy Leader
Peter Sass - Head of Democratic Services

To: Cabinet – 3 December 2012

Subject: Decisions from Scrutiny Committee – 24 October 2012

Classification: Unrestricted

Summary: This report sets out the decisions from the Scrutiny Committee

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Scrutiny Committee

1. Attached as Appendix 1 is a schedule that contains the decisions from the most recent meeting of the Scrutiny Committee on 24 October 2012, together with the response of the relevant Cabinet Member.

Recommendation: 2. That Cabinet agree responses to these decisions, which will be reported back to the Scrutiny Committee.

Contact: Peter Sass
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01622 694002

Background Information: *Nil*

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Appendix 1

Select Committee Action Plan updates – Key Stage 2 Attainment (24 October 2012)

Cabinet portfolio: Mr M Whiting

Synopsis: The Scrutiny Committee has a role in monitoring the select committee action plan setting out how officers propose to take the select committee recommendations forward. The Educational Attainment Select Committee review was established on 3 February 2011 chaired by Mr Chris Wells. The Committee examined the reasons for variations in Key Stage 2 performance of all Kent schools was a focus to those schools in areas of deprivation. The update report identified the initial outcomes of the actions to implement the Educational Attainment Select Committee recommendations and the further actions planned.

Recommendations and responses:

1. **Thank Mr Whiting and Mrs Rogers for attending the meeting and answering Members' questions.**

2. **Commend the improvement in Key Stage 2 standards in 2012**

Cabinet Member's Response:

I am grateful to the Scrutiny Committee for the helpful debate around the Key Stage 2 report and for commending rather than noting the report. I am confident that the ELS Directorate will ensure the improvement continues with the challenge to be in line or just ahead of our statistical neighbours in 2013. The Key Stage 2 select committee, chaired by Mr. Wells, has supported the improvement in Key Stage 2 and we are committed to sharing the findings of that report with all schools and other partners and agencies who support children and their families.

Date of Response:

31st October 2012

Select Committee Action Plan updates – Student Journey
(24 October 2012)

Cabinet portfolio: Mr M Whiting

Synopsis: The Scrutiny Committee has a role in monitoring the select committee action plan setting out how officers propose to take the select committee recommendations forward. The Student Journey Select Committee review was established in March 2011 chaired by Mr Kit Smith. The action plan update reoirt identified the initial outcomes of the actions to implement the Student Journey Select Committee recommendations and the further actions planned.

Recommendations and responses:

3. **Thank Mr Whiting and Mr Blincow for attending the meeting and answering Members' questions.**

4. **Members note the Student Journey Action Plan**

5. **Members recognise the legislative and policy changes made that impact on the Student Journey Select Committee recommendations**

Cabinet Member's Response:

I am grateful to the scrutiny committee for the very helpful debate and for the inclusion of the Kent Graduates in the discussion. The Skills and Employability service will be working diligently on all the recommendations of the Student Journey Select Committee report. Working with a wide range of providers, employers and young people on the delivery of the ambitions and priorities of the 14-24 Learning, Skills and Employment Strategy, which the recommendations of the Student Journey are clearly linked to.

Date of Response:

31st October 2012

Decision No 01/12963

By:	Mike Whiting	- Cabinet Member for Education, Learning & Skills
	Patrick Leeson	- Corporate Director for Education, Learning & Skills
To:	Cabinet	- 3 December 2012
Subject:	DfE School Funding Reforms for April 2013	
Classification:	Unrestricted	

Summary: This report provides an overview of the latest DfE School Funding Reforms and the challenges now facing Local Authorities (LA) and schools in its implementation. The majority of the changes required are directed by the DfE, but there are a small number of specific changes that require Cabinet approval, as set out in section 7 at the end of this report.

1. Background

1.1 In 2011, the DfE commenced a three stage consultation on the reform of school funding. The first two stages; “Rationale and Principles” and “Proposal for a Fairer System” were concluded in 2011. The final stage titled “Next Steps Towards a Fairer System” was launched on 26 March with a closing date of 21 May. To describe the third stage as a consultation is misleading as it is effectively a direction to implement a number of funding reforms from April 2013. The LA and the Schools Funding Forum (SFF) response to the consultation in the main questioned the need for many of the changes, the significant loss of local decision-making, and in particular highlighted considerable reservations around the changes to funding for High Needs SEN pupils. These changes will have the effect of negating the impact of the work done on the KCC funding formula over the past few years, particularly in the case of special schools. This work had the full support of Kent schools and Academies**.**

1.2 The DfE had suggested that the final stage of consultation would take place during the summer of 2012, and the earlier than expected final stage of the consultation is probably confirmation of the DfE intention to move to a simple national funding formula for all schools and Academies that could well take place following the next spending review in 2015-16. The changes from April 2013 are a significant step in this direction.

1.3 The funding reforms cover three main areas;

- The simplification of Primary and Secondary School funding formulas
- Further delegation of the Dedicated Schools Grant (DSG)
- Reform of funding for High Needs pupils (Place Plus) in Special Schools, Specialist Mainstream Provisions (SMPs)/Units, High Needs SEN pupils in Mainstream Schools and Pupil Referral Units. There will also be a new method for funding Hospital Education Provisions.

Each of these reforms is covered in more detail later in this paper.

1.4 The pace of change has meant a challenging time table for implementation. The DfE website FAQs are now at 110 pages (over 350 questions) which reinforces the view that this is not a straight forward process. There are recent indications that the DfE may be getting concerned about the impact of the changes, given all the responses they have had from LAs, school and Academies. The first public acknowledgment came in a DfE letter in October confirming that the Department will review the new arrangements and will make further changes in 2014-15 if it finds that the long term consequences for schools are unacceptable.

1.5 The letter also confirms that the Minimum Funding Guarantee (MFG) will continue to apply at – 1.5% per pupil in 2013-14 and 2014-15. To address the concerns that some schools and authorities have raised about a potential 'cliff edge' in funding from 2014-15, the letter gives reassurance that a MFG will continue beyond 2014-15. As this falls in the next spending review period they are unable to confirm the value of that MFG. Final confirmation of the funding reforms was issued on 28 June and data to model the impact on LA schools and academy budgets was only made available in the middle of July.

1.6 LAs needed to consult with both maintained schools and academies on the few remaining elements of the formula where there is still local discretion and provide illustrative budgets modelling the changes in funding. KCC consulted with schools and academies from 5 to 28 September, at 12 District based briefing sessions for Headteachers, Finance Staff and Governors. Around 170 people attended the 12 briefing sessions and we have had 15 responses to the consultation, which is disappointing from schools and academies. It is likely that the low engagement from schools/academies is simply due to the short time table of implementation and having to run it during September when schools/academies are focusing on the start of the new academic year. We have continued to talk to schools about the impact of the changes at meetings of KAH, KASS, Bursars and our Area Headteacher meetings.

1.7 LAs were required to have completed the whole process of reviewing the new formula by the end of October 2012, and have to submit a pro-forma to the Education Funding Agency (EFA) detailing the breakdown of our new funding formula as the changes we are required to make now have to be authorised by the EFA before we are allowed to run our formula process. In common with other LAs we were clear with the EFA that the consultation processes with schools and our own decision-making processes – including this Cabinet meeting – meant that we would not meet their deadline.

1.8 The government's rationale for change is the need for transparency, equity and fairness in funding for all schools and academies which is something that can only be supported. However, we continue to have serious reservations given that most of the funding differences between authorities are largely down to the national distribution of DSG and those differences between schools within authorities have all been agreed by schools. We are still of the view that in their quest for simplicity the DfE will remove the ability to target funding where it is most needed and end up with a system that is simplistic, less fair and not fit for purpose.

1.9 The DfE has not in any way addressed the variations in national funding which are a major factor when comparing funding for similar type schools in different parts of the country. It has applied the Minimum Funding Guarantee at -1.5% for 2013-14 and 2014-15, that means there will be little change in the bottom line funding of primary schools and secondary schools. As there will be this level of stability it partly negates the impact and we question the need to rush the changes. It appears to be partly driven by the need of the EFA to more easily calculate academy budgets. A continuing frustration is that LAs still have to calculate all academy budgets in full and then pass the funding back to the EFA. Whist we know the funding we hand over for each academy, we do not know the budgets that academies are issued with.

2.0 Funding Reforms Part 1 - The simplification of Primary and Secondary funding formulas

2.1 From April 2013 the number of allowable factors in a primary school and secondary school funding formula will be reduced from 37 to 12. We currently use 21 factors in Kent. Appendix 1 provides details of the current factors used in Kent's local funding formula and compares them to the likely factors that will be used from April 2013. It is important to note that in the short term the impact resulting from the change of factors used to distribute funding will be minimised due the MFG. In the medium to long term the changes will work their way through each schools individual budget and will in some cases cause considerable turbulence in funding.

Main changes

2.2 Schools are currently funded on the number of pupils as at the date of the January census, from April 2013 this will be changing to the date of the October census. DfE have recognised that this may have a detrimental impact on some schools where they have a staggered Yr R January intake. LAs will receive additional DSG funding based on the increase in Yr R pupil numbers between the previous year January and October census numbers and will be allowed to adjust funding for Yr R pupils to reflect increases in the January pupil intake. Moving the count date forward to October is ultimately helpful for LAs as the DfE will be able to confirm the amount of Dedicated Schools Grant (DSG) by the middle of December. This will mean that school budgets will be issued in February/March with a confirmed DSG allocation, whereas budgets are currently issued in March and confirmation of the amount of DSG is provided in July.

2.3 Premises floor area is no longer an allowable factor in the formula. Currently £44m is allocated to primary schools and secondary schools through the Kent formula. The removal of this factor will generate a high degree of turbulence, however some of this will be offset by an increased lump sum.

2.4 Deprivation funding is currently allocated to schools using Mosaic/Index of multiple deprivation (IMD). This allocates funding on how deprived a pupil is and identifies a deprivation weighting for each household. From April 2013 the DfE's allowable deprivation indicators are Income Deprivation Affecting Children Index (IDACI), Free School Meals (FSMs) and Ever Six FSMs. The guidance allows either one of the three indicators to allocate deprivation funding or a combination of IDACI and FSMs or IDACI and Ever Six FSMs. This will mean that Mosaic will no longer be allowed as an indicator to distribute deprivation funding. Out of the three available indicators, IDACI is the closest match to Mosaic and on that basis is our preferred option. This was supported by the Schools' Funding Forum at their meeting on 12 October 2012. This is one of the issues where Cabinet approval is needed as it is not a Schools' Funding Forum decision. Mosaic measures how deprived a pupil is and goes down to household level, where as IDACI will measure if a pupil is deprived or not deprived and is at Super Output Level (SOL) which is based on returns from 400 families around 1500 people.

2.5 This change is a significant step backwards for Kent as it will not target funding as effectively and will cause a significant level of turbulence. Appendix 2 is a summary of the movement in funding. It shows that the movement is more dramatic in primary schools than secondary schools. 26% of primary schools will see an increase in deprivation funding of more than 50% and 9% of primary schools will see a decrease in deprivation funding of more than 50%.

2.6 An example of the impact IDACI has on a group of schools can be demonstrated by looking at three schools in the Dover area that are in close proximity to each other, Aylesham Primary, St Joseph's Catholic Primary (Aylesham) and Sibertswold;

- Aylesham Primary – Mosaic £482 per pupil, IDACI £259 per pupil - overall loss £43,000

- St Joseph's Catholic Primary School – Mosaic £465 per pupil, IDACI £231 per pupil – overall loss £ 20,000

- Sibertswold CEP Primary School - Mosaic £47 per pupil, IDACI £253 per pupil – overall gain £ 40,000

2.7 The average amount per pupil using IDACI as a factor is now in the range of £231 and £259, compared to the range of £47 to £482 when using Mosaic

2.8 Currently we use Low Prior Attainment scores to target funding at high incidence low cost Special Education Needs (SEN). For Primary Key Stage 1 (KS1) results are used and secondary KS2 results are used. For secondary there will be minimal change as the factor chosen by the DfE is very similar the one currently used in the Kent Formula. For the primary phase KS1 will be replaced with Early Years Foundation Profile (EYFP) and this will cause a high level of turbulence.

2.9 The concern here is that local discretion is being removed and the change in funding will cause unnecessary turbulence in school budgets. Appendix 3 summarises the change in funding for High Incidence Low cost SEN funding .10% of Primary schools will see an increase of more than 50% in High Incidence Low cost SEN funding and 18% of Primary schools will see a decrease of more than 50% in High Incidence Low cost SEN funding. The final point to note is that the EYSP uses a score to measure the attainment of a pupil and a score of 78 is considered to be the score achieved for a pupil of average development. Pupils scoring 78 and below will trigger funding under the new method for distributing funding using EYFP, but from 2013-14 the national scoring method will be replaced by a judgement. The judgement will be one of three categories 'Emerging', 'Expected' (meeting all the Early Learning Goals) or 'Exceeding. The change to this method will again cause further turbulence unless one of the three new categories is a direct match to the children currently achieving a score of 78 and below.

2.10 There will be no capacity to identify travellers in the new formula, and this is a concern as they are a vulnerable group and general AEN/SEN indicators such as post code (IDACI) and Prior Attainment tend not to pick up this group of pupils.

2.11 We also face the same issue over the funding we target to schools with significant numbers of children from service families. This funding provides additional support to help schools cope with the specific demands/problems arising from the arrival/departure of battalions at the various bases in Kent. The new reforms prohibit us from having this factor any more.

2.12 There can no longer be a curriculum protection or small school factor, however as there is still an allowable lump sum factor that can be set as high as £200k but must be at the same level for primary and secondary schools. Modelling shows that the optimum level for protecting small schools (schools with less than 200 pupils) is to set the lump sum at around £120,000 see Appendix 4. By setting the lump sum at £120,000, 172 schools out of 192 schools with a roll of 200 pupils or less will see an increase in their budget share. The main aim of the new lump sum is to provide protection for schools due to the removal of the small schools protection factor.

2.13 The Minimum Funding Guarantee (MFG) will still exist and has been set at -1.5% for 2013-14 and 2014-15. MFG will be applied in a far more simplistic way with the main change reflecting the amount per pupil a school will receive or have taken away if pupil numbers change from the previous year. Currently any increases in numbers are funded at 80% for primary schools and 87.5% for secondary schools of the average amount per pupil and any decreases are only deducted at 80% or 87.5% of the average amount per pupil. From 2013 all increases and decreases in numbers will be adjusted at the full amount per pupil, this will benefit schools with rising rolls and provide less protection for schools with falling rolls. The rationale provided by the government is that they want to encourage the expansion of successful schools.

2.14 Appendix 5 sets out the overall movement in school budgets and shows that 17.1% of primary schools will see an increase of more than 5%, and 6% of primary schools will see a decrease in funding of more than 5%. The MFG will in the main protects individual school budgets, however a school on the MFG will see a per pupil decrease of 1.5%. It is likely that the unravelling of the changes to school budgets will take many years to fully feed through into individual school budgets. On the current assumptions and assuming that this is likely to continue into the next spending review 9% of primary schools will see reduction to their budget for four years. In the medium to long term some schools will see significant changes to their budget. At the most extreme Aylesham Primary will see a fall of 12% in its budget.

2.15 PFI - An area of great concern is PFI. In Kent we have 11 schools that collectively make a LA contribution towards PFI costs of £7,000,000. The funding is currently allocated to schools then recouped at the same level. This achieves a neutral impact on a school's budget. Currently LA PFI funding is excluded from the MFG, however, under the new funding reform guidance PFI is not excluded from the MFG, but LAs can submit an application to have this removed. Kent has requested the removal from the MFG on two occasions and have been turned down. We continue to lobby the DfE on this issue.

2.16 The impact is that schools could see an increase or decrease in funding in relation to their number of pupils on roll. The amount recouped from schools ranges between £800 to £1,600 per pupil, however the amount will be fixed that is recouped from a school. For example, if a school's roll decreased by 30 pupils and the PFI amount per pupil is £1,600 a school would see a reduction in their budget of £48,000 (30 X £1,600 = £48,000). We have laboured this point with the DfE and what seems to be a simple and fair solution has been ignored. From the correspondence we have had with the DfE we can only conclude 1) that they do not understand or 2) they do understand but will not deviate from their quest to apply a simplistic formula that gives precedence to simplicity over fairness.

2.17 Submission of budgets to the DfE 18 January 2013 - One implication as a result of calculating and submitting budgets to the DfE by the 18 January is that we are unlikely to have any decision for school budgets on local pay awards. Whilst it will not affect the level of funding available from DSG, we will not be able to reflect any pay award as we have done to date.

3.0 Funding Reforms Part 2 - Further Delegation

3.1 From April 2013 the element of funding academies receive that is “equivalent” to the cost of services that are now their responsibility due to converting to academy status, (currently known as the schools LACSEG) will no longer exist. All the budgets that academies received a share of will now in the first instance be delegated to all schools and academies and for a limited number of these budgets the DfE have decided that the LA could retain them if the Schools Funding Forum agree to ‘de-delegate’ these budgets for maintained primary and secondary schools only. The DfE have decided that special schools should be treated as academies for this issue and ‘de-delegation’ is not an option. There is no obvious reason for this. At their meeting on 12 October 2012 the Forum agreed to de-delegate all the budgets where this was permissible. The one exception to this was in respect of Trade Union duties where the Forum have asked for further work to be done and we will be returning to the Forum to discuss that on 7 December 2012.

3.2 Appendix 6 provides details of the further budgets that will need to be delegated from April 2013. Fortunately there are not too many as much of this was anticipated last year with our local decision to delegate more.

3.3 Initially the DfE required that pupil growth funding (line 3 appendix 6) would have to be delegated and then LA schools could de-delegate their share of this funding. The DfE have now reconsidered this and pupil growth funding can be retained by the LA with the consent of the relevant phase members of the SFF. Full criteria for allocating this funding was agreed by the Forum on 12 October 2012, and both LA schools and academies will have access to this funding on the same basis from next April. The report agreed by the Forum is included as Appendix 8. This is also an issue that requires Cabinet approval.

3.4 For the remaining non-delegated school budgets the DfE have set criteria where these can still be retained however, the DfE have decided that they cannot exceed the level at which the budget was set in 2012-13, i.e., no new commitments can be made. Budgets will be frozen and where applicable will decrease in the future as commitments are realised, for example termination of employment costs will be delegated to all schools and academies as and when historic commitments have been paid in full. The following are budgets that will not be allowed to increase from 2013-14

- Admissions
- Servicing of schools forum
- Carbon reduction commitment
- Capital expenditure funded from revenue
- Contribution to combined budgets (including expenditure shown under miscellaneous if appropriate)
- Schools budget centrally funded termination of employment costs
- Schools budget funded for prudential borrowing costs.

3.5 This approach is misguided, given the nature of those costs means that there will be increases at times and some of the historic commitment will not be finally paid for decades.

4.0 Funding Reforms Part 3 - High Needs SEN Funding “Place Plus”

4.1 High Needs SEN Funding is the area of greatest change and is causing the most concern. From April 2013 a standard approach for funding - Place Plus - will be applied to all High Needs SEN pupils in Special Schools, Resourced Provision/Units, Mainstream schools without a Resourced Provision/Unit and PRUs. On the face of it, it would appear to be a simple system for funding High Needs SEN pupils, however Place Plus will be applied differently in each type of provision and consequently will present a different challenge. The actual change will cause turbulence in funding, greater complexity in calculating funding rates and an increase in administration and bureaucracy.

4.2 Place Plus will comprise of three components:

(1) Element 1 (E1) or “Core Education Funding” = This will vary depending on the type of provision, but generally will be set a level of around £3,000 or £4,000.

(2) Element 2 (E2) or “Additional Support Funding” = £6,000.

(3) Element 3 (E3) or “Top Up Funding”. This element will be the additional funding over and above Elements 1 and 2 that is needed to meet the pupils assessed need.

The combined funding from 1, 2 & 3 is known as the “Pupil Offer” or “Funding Offer”.

4.3 Special Schools, Resourced Provision/Units and PRU’s will be funded on a number of places (E1 & E2). Funding for all provisions will also be triggered on the number of pupils actually placed (E3) in the provision based on the additional need of the pupil, and the DfE are requiring that this will be paid in or close to the real time movement of the pupil, on a monthly basis (!)

Special Schools

4. 4 Appendix 7 is an illustration comparing the funding for a Special School in 2012-13 to how it will be calculated and allocated in 2013-14. The Special School used for the illustration has a budget of £1,500,000 and is funded for 100 places. The Special School is notified of its budget in March for the financial Year period April to March. The Special School currently knows that they will receive a minimum of £1,500,000 that will be funded from one source (the LA) for the period and subsequently can plan the resource of the school knowing that there is stability in its funding. This will no longer be the case as funding will come from a number of sources and element 3 will now vary. This will impact upon a school’s ability to plan its staffing as whilst element 3 funding may change on a monthly basis, a school cannot make changes so easily. It could mean schools having to hold larger reserves to smooth this out (but where would those reserves come from?) or employ more agency/temporary staff who, whilst more expensive, will give greater flexibility. To take one example, an initial estimate is that Valence Special School could need a working reserve of £500k in order to make sure it can do the basics such as pay its staff every month.

4.5 For the purpose of the illustration we will assume that all of the variables are identical between the two years i.e., pupil numbers and need type mix of pupils.

(a) Turbulence in funding – £ 502,000 (Element 3) of the schools funding will now follow the pupil on a monthly basis, if the school is at full capacity then they will receive the same level of funding as in year 1. This element of funding will vary from school to school and in a residential school could be as high as £80,000 per pupil.

(b) Different funding rates – The overall need type funding rate of the pupil will be at the same level regardless of whether they are a Pre or Post 16 pupil, however E1 will be different for a post 16 and pre 16 pupil, post 16 will based on the 16-19 national formula for the individual provision. The implication of this is that E3 will need to be set at a different rate for Pre and Post 16, Post 16 rates could change during the financial year as there are two academic years that overlap the financial year April to March.

(c) Different sources of funding – E1 & E2 will be paid by the LA for maintained schools and E1 & E2 will be funded by the Education Funding Agency for Academies (EFA). E3 will be paid by the commissioning LA, where a school has a Other Local Authority (OLA) pupil, the school/academy will need to collect this funding from the OLA. This will be an extra task and cost for schools, and for some will also have significant cash flow implications

(d) Administration- Each month the LA commissioning the place in the school will need to reconcile with the school the number of pupils on roll, this funding will then follow the pupil. Special Schools that have OLA pupils will need to make contact with the commissioning LA and collect funding for the individual pupils placed in their school, in Kent we have around 140 pupils placed in our special schools. Currently the LA carries out this process (known as recoupment) on behalf of all Special Schools, this will not exist in the future and all Special Schools will be responsible for collecting the funding in relation to OLA pupils placed in it.

4.6 The funding rates for each Special School will be based on the schools budget for the previous year, a number of places will be funded based on the rates for E1 & E2 and top-up funding based on the unique characteristics of the school will be allocated for each placed pupil. A process for calculating this has been agreed with Kent Association Special Schools (KASS) Executive in order to minimise turbulence as far as possible.

Resourced Provision/Unit

4.7 All High Needs SEN pupils in mainstream schools, regardless of whether they are in a unit or not, are currently funded on actual numbers. There are four different need type funding rates based on the day rate for special schools. The funding rate per pupil is reduced depending on the number of pupils with the same need type in the school which takes into consideration the economy of scale associated with the resources needed to support pupils with a similar need.

4.8 From April 2013 a Resource Provision/Unit will receive guaranteed funding for a number of places this will consist of Elements 1 & 2, and top-up funding for the number of pupils placed in the Resourced Provision/Unit will follow the pupil in or close to the real time movement of the pupil (monthly). Schools will no longer receive any elements of funding in their main school budget for Resourced Provision/Unit pupils, all Resourced Provision/Unit pupils will be solely funded through a separate Resource Provision/ Unit budget.

4.9 A working group made up of school headteachers and LA officers has recommended a process for funding Resourced Provisions/ Units from April 2013. They recommended, and the Forum agreed that the calculation of a Resourced Provision budget should include the following three components:

- An average of the basic element (AWPU) times the number of agreed places in the Resourced Provision

- The average notional AEN/SEN amount per pupil (notional AEN/SEN budget divided by number of mainstream pupils)

- The average amount per Resourced Provision pupil, based on the current level of funding that would be allocated to a Resourced Provision. For example a resourced provision has 3 ASD pupils @ £ 14,551 and 3 SLD pupils at £ 12,603 total funding £81,462. The new funding rate would be £81,462 / 6 = £ 13,577.

This recommendation is based on the current levels of funding allocated to High Needs SEN pupils. In the longer term work will need to be carried out in conjunction with the current SEN review that will base the funding rate on the costed provision of the Resourced Provision/ Unit.

4.10 The points outlined in 4.5(b) different funding rates, (c) different sources of funding, and (d) administration will also be common to Resourced Provisions/Units. The point highlighted in 4(a) will also be common to Resourced Provisions/Units however this will be to a lesser extent as E3 will generally be set a lower level.

High Needs Pupils in Mainstream Schools without a Resourced Provision/ Unit

4.11 This is going to be a substantial challenge and will cause discontent with schools if it is not applied in the right way. There are number of problems around the implementation which stems from the fundamental concept of applying Place Plus. In a mainstream school the DfE expectation is that E2 will come out of the schools notional AEN and SEN budget. Put simply, if we fund at comparable rate for a Resourced Provision/Unit pupil and a pupil in a mainstream school without a Resourced Provision/Unit (logic would suggest that this will be the case) the mainstream school would in the future be £6,000 worse off per High Needs SEN Pupil.

4.12 The DfE guidance defining a High Needs SEN pupil is a pupil requiring provision that costs more than £10,000 per annum. The DfE have deliberately chosen a financial threshold to define a pupil with high needs, as opposed to an assessment based threshold. There are currently pupils that are not assessed under the IAR criteria in Kent that would meet the new DfE definition of a High Needs SEN pupil, and the LA is looking at ways of defining these pupils, but this will take time to adapt our current system. For example an ASD pupil that does not meet the current criteria to trigger IAR funding, may have an assessed need of over £10,000. This is a fundamental change to how we categorise and fund High Needs SEN pupils.

4.13 A High Needs SEN pupil will have a costed provision of resource allocated to them known as the “Funding Offer”. To illustrate this, an example of a High Needs SEN ASD pupil currently attracting £17,227 of funding (AWPU - £2,676 plus ASD (IAR) - £14,551) of provision in a Primary school has been chosen, this example also applies to pre 16 pupils in a secondary school.

- Element 1 (E1) will be the basic entitlement (AWPU) £ 2,676
- Element 2 (E2) will be £6,000 and will come direct from the schools notional AEN/SEN allocation

- Element (E3) will be the difference between the total cost £17,277 less E1 and E2 = £ 8,601.
- E1 in a secondary school this will based on the basic entitlement of the phase of education the pupil is attending (E1= KS3 £3,744, E2 = £6,000, E3 = £8,551 Total funding £18,295)

4.14 For a post 16 pupil the composition of the three elements will be:

- E1- EFA 16-19 National Funding formula (this will vary school to school) formula
- E2 - £6,000 additional guaranteed funding provided to the school
- E3 will be the top funding (E1 = approx. £4,300 but will vary, E2 = £6,000 and E3= £4,700 total funding £15,000).

The difference between the two is that in pre 16 the E2 £6,000 will come from a schools notional AEN/SEN budget and in Post 16 will be funded in full.

4.15 Part of the Place Plus methodology is for the funding triggered in E3 to follow the pupil in or close to their real time movement. Currently a IAR pupil will have funding guaranteed for the financial year with the exception of a change in phase of education. The top up funding (E3) will now follow the pupil on a monthly basis. In addition, E3 will be paid by the commissioning LA and this will mean that where a pupil is placed in a Kent school by another LA, the school will be responsible for collecting the funding for E3 from the other local authority, and not KCC.

4.16 In Kent we have for many years chosen to fully fund IAR pupils so that a pupil with similar needs is fully funded on the same basis no matter what provision they are placed in. There are around 430 IAR pupils that are placed in around 230 mainstream schools without a resourced provision, a significant proportion of these pupils (26%) are placed in primary schools with less than 200 pupils. It is common for a small primary school to have a low notional AEN/SEN budget, and therefore a contribution of £6,000 (E2) towards the provision of support for High Needs SEN pupils will have a dramatic impact on the schools budget. This is also a significant problem for some selective schools where generally notional AEN/SEN budgets are at a low level.

4.17 The DfE in setting the recommended level of contribution at £6,000 for E2 have recognised that this will have a disproportionate impact on some schools where High Needs SEN pupils are placed but have a relatively low notional AEN/SEN budgets. Where this is the case LAs can agree a clear and transparent policy that will allow schools to have their notional AEN/SEN budgets topped up to a level that recognises the disproportionate contribute of funding towards the cost of a High Needs SEN pupil.

4.18 The mainstream High Needs SEN working group (made up of Headteachers and LA officers) have recommended a method of topping up the notional AEN/SEN budget for schools where they are disproportionately affected by the £6,000 contribution for element 2. The basis of this recommendation is to retain stability based on the current method of allocation applied by Kent for High Needs SEN pupils. The recommendation in the short term (April 2013) is to retain the current rates and IAR criteria and to reimburse notional AEN/SEN budgets using the following criteria.

- A school will contribute for each high needs pupil either 3% of its notional AEN/SEN budget or up to a maximum of £6,000, whichever is the lowest.

- The overall contribution from a schools budget will not exceed 20% of its notional AEN/SEN budget.

4.19 The introduction of the requirement for schools to contribute E2 funding from their notional AEN/SEN budgets will have the effect of saving funding from the current IAR budget. The top up funding to school notional AEN/SEN budgets would be funded from the saving to the current IAR budget.

Alternative Provision - PRUs

5.0 PRUs will be funded at £8,000 per place and an amount of top up funding per pupil (E3) for all pupils placed in the PRU. Determining the top up rate and tracking the pupil will be more problematic than a Special School due to the turnover of pupils in the Unit and on our current PRU structure we will have different rates for each PRU.

5.1 The DfE have recommended that the top up funding (E3) for permanently excluded pupils is paid termly and fixed term exclusions are paid on a daily rate. This is going to present a considerable challenge, not only in setting the appropriate rate (E3) but also the administration of tracking and paying pupils. This will worsen as PRUs become delegated schools with bank accounts and cash flow to consider, let alone conversion to academies.

Pupils in Hospital Education

5.2 By hospital education, the DfE mean education provision offered to a pupil as a result of the pupil having been admitted to a medical facility as a result of their medical needs. In other words, provision where the admission and commissioning is health-led, rather than local authority-education led.

5.3 All LAs will have their DSG top-sliced at a rate of £8.50 per pupil and this will form a national cash envelope for funding pupils in Hospital Education. The contribution Kent will make is around £1.6 million and its cost of funding Hospital Education is around £2.4 million. The difference between the £1.6 and £2.4m (£0.8m) will in effect cover the cost of Hospital Recoupment that no longer exists under the new funding system.

6. Conclusion

6.1 These reforms are probably the most radical since the introduction of local management and simply turn upside down much of what we have developed and agreed locally with Kent schools for many years. The proposals are generally ill-thought through, simplistic, unnecessarily rushed and seem to be largely driven by an academies agenda. The root cause of many of the financial variances between schools/authorities that the DfE wish to address is the national distribution of DSG funding and that issue is simply left to one side. For some schools, particularly special schools, there are going to be considerable administrative challenges. It is already possible to identify some of the consequences of this but based upon past experience of wholesale DfE changes there will be many more unintended ones.

6.2 Whilst most of the changes being made are directed by the DfE, there are some aspects of the changes to the formula that requires a decision by Cabinet, and these are detailed below.

7. Recommendations

7.1 Members of the Committee are asked TO:

(i) NOTE the report and the impact that the changes will have for Kent schools and academies;

(ii) AGREE to the use of the Income Deprivation Affecting Children Index (IDACI) as the replacement for MOSAIC within the funding formula as detailed in Paragraphs 2.4 – 2.7;

(iii) AGREE the new proposals for managing the pupil growth funding (previously known as rising rolls) that were agreed by the Schools' Funding Forum on 12 October 2012 as detailed in Appendix 8;

(iv) AGREE the approach to the setting of special school budgets that is summarised in Paragraph 4.6. This has been agreed with the Schools' Funding Forum and Kent Association of Special Schools in order to minimise budget turbulence as far as is possible;

(v) AGREE the approach supported by the Schools' Funding Forum for the transitional funding arrangements for Resourced Provision set out in Paragraph 4.9 of the report;

(vi) AGREE the approach supported by the Schools' Funding Forum for the transitional funding arrangements for High Needs SEN pupils in mainstream schools without a Resourced Provision as set out in Paragraph 4.18 of the report.

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Current method of distribution- as per school budget statement	New Method of distribution	Implications
1. Basic Amount per pupil		
Primary		
AWPU - Yr Group - Amount R - £2,880 1 - £2,880 2 - £2,620 3 - £2,669 4 - £2,669 5 - £2,669 6 - £2,669	Single basic AWPU rate for all primary pupils R to 6	Currently there is a high rate of funding for Years R to 1 in acknowledgement that there is a lower pupil teacher ratio in these year groups. Likely outcome is for a neutral impact in an All Through, an increase in a Junior school and decrease in an Infant school.
Secondary		
AWPU - Yr Group - Amount 7 - £3,364 8 - £3,364 9 - £3,364 10 - £3,733 11 - £3,733	AWPU rate for KS3 and KS4	No potential impact in funding if the differential between KS3 and KS4 funding rates are retained
2. AEN and SEN high incidence low cost		
Primary and Secondary		
(a) Deprivation funding and Challenging Circumstances. Currently use Mosaic which is linked to the Index of Multiple Deprivation (IMD)	Income Deprivation Affecting Children Index (IDACI) - Weightings will be in bands. Or FSMs, either single count or "Ever 6" as per Pupil Premium Or a combination of both	Mosaic – the deprivation weighting used in Mosaic is IMD- IDACI indicators are a subset of IMD. This is a backward step as IDACI bases is weightings on a Lower Super Output Area of around 400 households (1,500 residence), where as Mosaic is a single household
Primary		
(b) Prior Attainment (PA)- funded on a flat rate for all pupils achieving level 2C and below	Early Years Foundation Stage (EYFS) , can use a point score of either 78 or 73	We are hoping that this will not generate a significant level of turbulence, will select score of best fit to current distribution. It is important to note that from 2013 the method used to score foundation stage will no longer be reflected by a score, instead it will be

Current method of distribution- as per school budget statement	New Method of distribution	Implications
		replaced by a judgement, we are unsure at this stage how this will translate into a average score
Secondary		
(c) Prior Attainment (PA) based on KS2 results level 3 and below funded at a flat rate.	KS2 Prior Attainment level 3 and below at a flat rate.	Pupils will only qualify if they are below 3 in English and Maths. Currently funding is distributed based on the individual level for English, Maths and Science. It is unknown at this point what turbulence this will cause.
Primary and Secondary		
(d) Looked After Children (LAC) Amount per pupil- different rates for primary and secondary pupils	Can fund on the same basis as currently used in the local formula	Implication will have to use the same rate for Primary and Secondary pupils.
Primary and Secondary		
(e) English as an additional Language (EAL) Amount per pupil, phase specific	EAL pupils will be funded for either 1, 2 or 3 years.	Can have different rates in primary and secondary phase, however number of years must be consistent.
Primary and Secondary		
(f) Traveller Children Amount per pupil different rates for primary and secondary pupils	No factor in the new formula for traveller children	No targeted funding for Travellers, we fund 1,662 pupils with seven schools having more than 30 pupils. Therefore this will impact on specific schools.
(g) Military Children Amount per pupil different rates for primary and secondary pupils	No factor in the new formula for traveller children	Military Children are only funded in the formula when their parent lives in military housing. Mosaic does not recognise deprivation for these pupils. The introduction of IDACI will resolve this anomaly and there will only be minimal implications from removing this factor.

Current method of distribution- as per school budget statement	New Method of distribution	Implications
3. Premises Funding		
Primary and Secondary		
a) Floor area -Utilities, Cleaning, Caretaking and Insurance is all funded through a premises factor based on the square metreage of the schools	No premises specific factor can be used in the formula.	The two most relevant factors that can be used in the future are the basic entitlement and lump sum. A level of significant turbulence will be caused a result of this change.
Primary and Secondary		
b) Grounds Amount per hectare	No Ground specific factor can be used in the formula.	Same as above but to lesser extent as Grounds funding is not a material element of funding
Primary and Secondary		
c) Rates school reimbursed on actual cost	Same as current method	No implication
Primary and Secondary		
d)Rentals Some schools receive funding for rentals when they do not have sufficient facilities in order to deliver the curriculum	No factor in the new formula.	No factor in new formula, however can apply for special exemption where it over 1%. We have a few schools where this is the case, initial view SFF is not to proceed with this request.
4. Specific factors		
Primary and Secondary		
a) Lump sum – one lump sum- includes a number of small lump sums within it. Different amount for Primary and Secondary schools	Lump sum up to £ 200k, must be the same for primary and secondary schools.	Will to a certain extent stabilise the changes caused by the removal the premises floor area factor and curriculum protection.
Primary		
b) Curriculum protection – allocated on a sliding scale for schools with less than 210 pupils	No capacity to reflect existing factor in currently formula.	Lump sum should mitigate against the adverse impact of the removal of small school protection
Primary and Secondary		
c) London Fringe Funding is allocated to eligible schools based on a weighted amount per pupil.	Simply a flat rate of 1.6% is applied to factors in the formula that are linked to the funding of teacher	Initial modelling suggests impact is marginal compared to current level of funding.

Current method of distribution- as per school budget statement	New Method of distribution	Implications
	salaries	
Primary and Secondary		
d) Split Site Funding Schools that meet the criteria receive an amount per pupil	Allowable factor in the new formula	SFF have suggested that in the future this factor is not included in the formula. It is not a material amount and there are difficulties around the data verification of sites, especially academies.
Primary and Secondary		
e) Schools with detached playing fields	No factor in the new formula	Only 16 schools currently receive this funding which ranges from £ 1.8 k to 21.8k, the removal of this funding will have minimal impact on schools in general.
Primary		
f) Schools with offsite P/E facilities	No factor in the new formula	Only 15 schools currently receive this funding which ranges from £ 1 k to 3.5k, the removal of this funding will have minimal impact on schools in general.
Primary and Secondary		
g) Private Finance Initiative (PFI) Amount allocated to school on an amount per square metre	Allowable factor in the new formula, implications around the MFG. LA have applied for an exemption.	Currently the LA contribution is allocated to schools on premises square metreage. As this factor will no longer be used in the formula the obvious replacement will be pupil numbers. The removal of premises factors will impact on the calculation of the schools PFI contributions.
Primary		
h) Free School Meal (FSM) eligibility Amount per FSM meal pupil towards the cost catering	Allowable FSM factor in the formula	The only potential problem in the future which has been highlighted in the guidance is that the FSM indicator is likely to become obsolete from October 2013 when the

Current method of distribution- as per school budget statement	New Method of distribution	Implications
		government reforms the welfare system and introduces the Universal Credit
Primary		
i) Maintenance of Kitchen equipment Primary schools receive an amount per pupil based on the metreage of the school	No factor in the new formula.	Currently funding is allocated at 0.29 p per square metre. The maximum a school get is 1.1k, the removal of this factor will have minimal impact on school budgets.
Primary		
j) Client Services	No factor in the new formula	Currently funding is allocated on an amount per pupil. As all primary schools have taken delegation of catering in 2012-13. Funding at the current rate could be universally included in the primary AWPU and there would not be any change in the distribution of this funding.
Primary		
k) Lunch Grant Amount per pupil for primary schools, the equivalent amount is already included the Secondary AWPU	No factor in the new formula	Currently funding is allocated on an amount per pupil. As all primary schools have taken delegation of catering in 2012-13. Funding at the current rate could be universally included in the primary AWPU and there would not be any change in the distribution of this funding.
Minimum Funding Guarantee (MFG)	MFG to continue for at least the next two years 2013-14 and 2014-15 at minus 1.5%.The MFG from 2013-14 will be a far more simplistic method, there will only be two exemptions (High Needs Pupils, Lump Sum and	Baseline will not exclude current exclude items.

Current method of distribution- as per school budget statement	New Method of distribution	Implications
	xxx)PFI would not be excluded unless exceptional circumstances were agreed by the EFA.No 80% or 87.5 % Benefit expanding schoolsRate only exceptional Changes	

Appendix 2

Movement in Deprivation funding Mosaic to IDACI

Primary
Movement in relation to level of deprivation funding included in budget

Increase/Decrease	% movement	Number of Schools
Increase	More than 50% Gain	119
	41 to 50	16
	31 to 40	7
	21 to 30	19
	11 to 20	22
	1 to 10	41
	0	7
Decrease	-1 to -10	45
	-11 to -20	46
	-21 to -30	49
	-31 to -40	19
	-41 to -50	19
	More than 50% loss	41

Secondary
Movement in relation to level of deprivation funding included in budget

Increase/Decrease	% movement	Number of Schools
Increase	More than 50% Gain	6
	41 to 50	5
	31 to 40	7
	21 to 30	10
	11 to 20	10
	1 to 10	16
	0	1
Decrease	-1 to -10	11
	-11 to -20	14
	-21 to -30	9
	-31 to -40	1
	-41 to -50	2
	More than 50% loss	0

Movement

	Primary £	Primary %	Secondary £	Secondary %
Largest Increase £	£93,518	426%	£53,715	73%
Largest Decrease £	£59,437	61%	£69,265	31%

Movement in High Incidence low cost SEN Funding

Appendix 3

Primary
Movement in relation to level of PA funding included in budget

Increase/Decrease	% movement	Number of Schools
Increase	More than 50% Gain	47
	41 to 50	15
	31 to 40	23
	21 to 30	30
	11 to 20	30
	1 to 10	47
	0	2
Decrease	-1 to -10	39
	-11 to -20	39
	-21 to -30	36
	-31 to -40	32
	-41 to -50	26
	More than 50% loss	84

Secondary
Movement in relation to level of PA funding included in budget

Increase/Decrease	% movement	Number of Schools	
Increase	More than 50% Gain	0	0.10398 2
			0.18584
	41 to 50	0	1
	31 to 40	0	
	21 to 30	1	
	11 to 20	5	
	1 to 10	21	
	0	11	
Decrease	-1 to -10	19	
	-11 to -20	8	
	-21 to -30	1	
	-31 to -40	2	
	-41 to -50	0	
	More than 50% loss	24	

Movement

	Primary £	Primary %	Secondary £	Secondary %
Largest Increase £	£132,077	83%	£143,959	12%
Largest Decrease £	£65,667	60%	£60,896	39%

Page 166

Appendix 4

Summary Distribution of lump sums

Lump sum amount	**50,000**	**60,000**	**70,000**	**80,000**	**90,000**	**100,000**	**110,000**	**120,000**	**130,000**	**140,000**	**150,000**	**160,000**	**170,000**	**180,000**	**190,000**	**200,000**
Small schools-less than 200 pupils																
Decrease in funding	148	138	134	125	105	64	37	22	15	13	9	9	5	3	2	2
Increase in funding	44	54	58	67	87	128	155	170	177	179	183	183	187	189	190	190
Total number of schools	192	192	192	192	192	192	192	192	192	192	192	192	192	192	192	192
Primary																
Decrease in funding	171	168	171	170	162	135	127	125	135	140	147	155	154	159	161	164
Increase in funding	279	282	279	280	288	315	323	325	315	310	303	295	296	291	289	286
Total number of schools	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450
Secondary																
Decrease in funding	50	50	51	51	52	51	51	53	54	53	50	49	48	49	46	45
Increase in funding	42	42	41	41	40	41	41	39	38	39	42	43	44	43	46	47
Total number of schools	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92
Overall																
Decrease in funding	221	218	222	221	214	186	178	178	189	193	197	204	202	208	207	209
Increase in funding	321	324	320	321	328	356	364	364	353	349	345	338	340	334	335	333
Total number of schools	542	542	542	542	542	542	542	542	542	542	542	542	542	542	542	542

Appendix 5

Movement in funding between current formula and new formula, prior to the application of the MFG

Increase/Decrease	% movement	Number of Primary schools	Number of Secondary schools	Overall
	20	0	0	0
Increase	**19**	0	0	0
	18	0	0	0
	17	0	0	0
	16	1	0	1
	15	0	0	0
	14	0	0	0
	13	0	0	0
	12	0	0	0
	11	3	0	3
	10	2	0	2
	9	3	0	3
	8	9	0	9
	7	13	0	13
	6	20	0	20
	5	25	0	25
	4	48	0	48
	3	40	3	43
	2	45	7	52
	1	46	13	59
	0	**34**	**19**	**53**
	-1	37	26	63
Decrease	**-2**	35	14	49
	-3	44	6	50
	-4	19	1	20
	-5	13	2	15
	-6	3	0	3
	-7	5	1	6
	-8	2	0	2
	-9	2	0	2
	-10	0	0	0
	-11	0	0	0
	-12	1	0	1
	-13	0	0	0
	-14	0	0	0
Total		**450**	**92**	**542**
		255	23	278

Winners		161		50	211
Losers					
		76		0	76
Gainers 5 % and above		26		3	29
Losers 5 % and below					
	134,360		106,937		
Maximum gain					
	190,483		230,790		
Maximum loss					

Further Delegation

Appendix 6

A	B	C	D	E	F	
Ser	Budget lines	2012-13 DSG Budgets for LA Schools	Continue to retain centrally	Option to de-delegate	DSG budgets including element already recouped through the LACSEG	
1	Schools Contingency- Schools in Financial difficulties	200,000	No	Yes	200,000	-
2	Schools Contingency: Targeted Intervention Fund	2,158,000	No	No	2,158,000	-
3	Re-organisations (includes mobile moves)	5,215,142	Yes	N/A	5,215,142	-
4	1-2-1 Tuition	200,000	No	No	200,000	-
5	Modern Foreign Languages	50,000	No	No	50,000	-
6	Skillsforce (part-funded by DSG)	100,000	No	No	220,362	120,362
7	MCAS (non-traded element of service)	309,900	No	Yes	527,367	217,467
8	Education Assessment Service (FSC)	204,100	No	Yes	347,323	143,223
9	Assessment of eligibility for free school meals (team costs)	107,100	No	Yes	107,100	-
10	SIMs licence	591,300	No	Yes	681,466	90,166
11	Advanced Skills Teachers	2,000,000	No	No	3,012,404	1,012,404
12	Leading Teachers	80,000	No	No	120,496	40,496
13	Trade union duties	231,100	No	Yes	348,083	116,983
14	Schools Personnel Service (Support Kent Challenge in Schools)	100,000	No	Yes	150,620	50,620
						1,791,722

Year 1 A Special School Budget- Using Kent Current formula **Appendix 7**

LA = Local Authority
OLA= Other Local Authority

		Number of pupils	Day rate per pupils	Total Funding
ASD	Pre 16	40	£12,000	£480,000
	Post 16	10	£12,000	£120,000
SLD	Pre 16	35	£8,000	£280,000
	Pre 16 - OLA	5	£8,000	£40,000
	Post 16	10	£8,000	£80,000
Total pupils		**100**		
Lump Sum				£300,000
Premises				£200,000
Total				**£1,500,000**

Amount per pupil ASD = (12,000 + £5,000)	£17,000
Amount per pupil ASD = (8,000 + £5,000)	£13,000

Year 2 A Special School budget - Place Plus

	E1	E2	E3	Total	Number of Places	Guaranteed	Monthly Follow Pupil	
ASD Pupil Pre 16	4,000	6,000	7,000	17,000	40	400,000	280,000	-

Page 171

	Guaranteed funding Paid in full by LA		Follow pupil monthly Paid by LA							
ASD Pupil Post 16	3,900	6,000	7,100	17,000	10		99,000	71,000		-
	Guaranteed funding Paid in full by LA		Follow pupil monthly Paid by LA							
SLD Pupil Pre 16	4,000	6,000	3,000	13,000		35	350,000	105,000		-
	Guaranteed funding Paid in full by LA		Follow pupil monthly Paid by LA							
SLD Pupil Pre 16 OLA	4,000	6,000	3,000	13,000	5		50,000	15,000		-
	Guaranteed funding Paid in full by LA		Follow pupil monthly Paid by OLA							
SLD Pupil Post 16	3,900	6,000	3,100	13,000	10		99,000	31,000		-
	Guaranteed funding Paid in full by LA		Follow pupil monthly Paid by LA							
Total Funding							**£998,000**	**£502,000**	**A**	
								£1,500,000		

SCHOOLS' FUNDING FORUM

SUBJECT:	Pupil Growth Funding

AUTHOR:	Simon Pleace, Revenue Finance Manager
DATE:	12 October 2012

SUMMARY OF REPORT:

For many years the LA has retained DSG within Schools unallocated for pupil growth. As part of the new school finance reforms, LAs are required to reiterate and confirm these arrangements with the SFF.

1. Supporting schools with significant growth- DfE Guidance

1.1 As part of the school funding reforms from April 2013, Local Authorities (LA) can continue to retain Dedicated Schools Grant (DSG) for pupil growth. The growth fund will need to be ring- fenced so that it is only used for the purpose of supporting growth in pupil numbers to meet basic need and will be for the benefit of both maintained schools and academies. Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and academies through the local formula. Any overspend will be first call on next year's DSG settlement.

1.2 Importantly, LA will be required to produce criteria on how any growth funding is to be allocated. These would provide a transparent and consistent basis (with differences permitted between phases) for the allocation of all growth funding. The criteria should both set out the circumstances in which a payment could be made and provide the basis for calculating the sum to be paid.

1.3 LAs need to confirm the criteria to the SFF and gain its agreement before growth funding is allocated. The LA will also need to confirm the total sum retained and must regularly update the SFF on the use of the funding. It is essential that the growth fund is entirely transparent and solely for the purpose of supporting pupil growth.

1.4 Eligible expenditure on growth can include funding schools and academies where very limited pupil growth nevertheless requires an additional class, as required by class size regulations.

2. Pupil growth – schools/academies

2.1 It is important to remember from the outset why schools/academies need protection for pupil growth. From April 2013 all schools and from September 2013 all academies will be funded on the October pupil count for the period April to March. This will mean that any increase in pupil numbers to a schools/academies roll in September (the beginning of the academic year) will not be funded until the following April, i.e. a 7 month delay.

2.2 LAs have the statutory duty to ensure that all Kent children of statutory school age (5 to 16 years old) have school places, if their families wish to take these up. Area Education Officers (AEOs) are responsible for the planning of pupil numbers to ensure that Kent meets this duty and has to factor in 5% spare capacity into the overall numbers. The management of this is not a straight forward process, it involves careful planning, coordination and in many cases there are building/premises related issues.

3. Co-ordination of PANs

3.1 The LA has to consult with the Governing Bodies (GBs) of Community Schools and Voluntary Controlled (VC) Schools as to the Planned Admission Number (PAN) the LA intend to publish for their school (the LA is the admission authority). The GB can object to the adjudicator if they feel the number should be higher.

3.2 Foundation Schools, Voluntary Aided Schools and Academies (where the GBs are the admissions authorities) – no longer have to consult on the PAN and instruct the LA to publish their PAN. In addition to this they can also instruct the LA to offer more places than the PAN if they choose to do so. The LA can instruct community and VC schools and direct foundation/VA schools to admit additional pupils (although with direction there is an appeal right to the adjudicator).

3.3 With the different powers available to schools/academies to control their admissions numbers it is essential that the overall process is managed so that the LA complies with its statutory obligation and a surplus over 5% capacity in school numbers is achieved. Preferably the management of pupil numbers should be a mutual agreement between both parties (LA and school/academy) and stability in funding will be an integral part of this, which is why we have operated pupil growth contingency arrangements for many years.

4. Associated cost of pupil growth

4.1 Significant growth in pupil numbers in a school/academy will probably require the appointment of additional staff, and where it does the appointment process will need to commence before the September when the pupils are admitted to the school. The majority of growth is planned approximately 18 to 24 months in advance, and therefore schools can plan the receipt of additional pupil growth money.

4.2 Most growth scenarios are agreed in a timely manner, however unforeseen pressure points may occur each year. By March each year Area Education Officer’s will have a good indication of the pattern of growth in pupil numbers and will liaise with schools/academies to agree additional capacity where pressure points in the surrounding /local area exists. The current rising roll mechanism funds a school for an increase in pupil numbers between the January and October count (the continuation of rising roll will be discussed later in this paper). The planning of growth and the matching of actual numbers in September is not an exact science therefore it is possible that a school/academy will not achieve its new admission number from the September.

On the basis that schools/academies will need to employ staff to cater for the increase in their PAN/admission number it is necessary to provide a degree of financial stability for the school/academy. In practice the majority of situations where this arises is in primary schools due to the increase to Yr R pupils, which is part of a national trend. In Kent the Year R intake has increased from 15,099 in 2009-10 to 16,483 in 2012/13 an increase of 1,384 pupils (9%)

4.3 The purpose of protection is not to fund a school/academy at an artificially high level in relation to their pupils on roll, but to give certainty in funding so that the school/academy can provide the right level of resource, for the increase in pupil numbers.

4.4 Protection should only be allocated, where it is agreed between the AEO and the school/academy to increase its admission number as part of the pupil planning process for the surrounding area. In general our recommendation would be for a school/academy to be protected only on the admission number for the initial academic year September to August.

5. Primary School Growth Funding

5.1 Funding protection in Primary schools can be split into two different types, one where the increase triggers funding that will meet the cost of the resource needed to support the additional intake (example 1) and the other where the increase in PAN will take a longer period of time to resource the need of the additional intake (example 2).

Example 1 - Where the increase in the PAN is 30, the extra pupils will fully fund the additional class. In this instance protection will be provided in the year of admission only.

Example 2- There are a wide range of PANs in the primary school phase. Sometimes where a school increases it's PAN the initial change creates a situation where in the short term the schools finds that it has un-economical PAN. The best way to explain this is by looking at a primary school who has its PAN increased from 20 to 30 pupils. The Primary school has to comply with Infant Class Size legislation (cannot exceed more than 30 pupils in an infant class). Before the increase to the schools PAN, there would have been two classes for pupils in Years R to 2 (Yr R- 20, Yr 1-20 & Yr 2-20 = 60 pupils / 2 = 30 per class). However the change in the PAN would force the class structure of the school to change as follows:

- In Yr 1 the schools PAN will be (Yr R- 30, Yr 1-20 & Yr 2-20 = 70 pupils)
- In Yr 2 the schools PAN will be (Yr R- 30, Yr 1-30 & Yr 2-20 = 80 pupils)
- In Yr 3 the schools PAN will be (Yr R- 30, Yr 1-30 & Yr 2-30 = 90 pupils)

From Yr1 the school would have to run 3 classes in order to comply with Infant Class Size legislation, however they would not have an efficient PAN until Yr 3. In this instance the school would be protected on 90 pupils for the first three years until the new PAN had worked its way through. Where a school does not meet the criteria in example 1 then it will be at the discretion of the AEO to agree the period and number of pupils a school is protected on, however protection will not exceed three years.

5.2 Like we currently do, protection will be calculated by multiplying the number of protected pupil numbers by the basic entitlement (AWPU), plus £6,000 towards the set up cost of each new class.

Example - a school increases it PAN from 30 pupils to 60 pupils.

Protection for the period September to March (i.e. the first 7 months) = 30 x basic entitlement x 7/12

Protection for the period April to August (i.e. the next 5 months) = 60 planned pupils less the actual number of pupils on roll in year R as at October census. For the purpose of this example the school has 55 pupils in Yr R. The school will be protected on 5 pupils for the period April to August (at 5/12 x AWPU).

5.3 Schools/academies can be requested to increase their PAN permanently or for a defined period i.e. one year, two years etc. In relation to where a school is requested to increase their PAN permanently, protection will paid for a period of three years, this will only included protection for the individual year group in the year the expansion takes place.

6. Secondary School Growth Funding

6.1 Currently protection for secondary schools is not allocated unless there are exceptional circumstances. This is primarily due to secondary schools having a different economy of scale to primary schools, a view that the DfE until recently fully supported. The initial guidance in the funding consultation was that secondary schools/ academies should be able to manage any growth in numbers within their annual formula budget. This has now been revised and growth funding for secondary schools can be retained and allocated on an agreed basis.

6.2 The recommended mechanism for doing this would be as per a primary school and the school/academy would be protected on its admission number in the year of increase and would need to be fully supported by the AEO. Funding for additional classes could be allocated on the bases £6,000 for every additional 30 pupils.

7. Rising Roll

7.1 Currently schools receive rising roll funding for increase in pupils numbers between the September and January intakes and this applies to both primary and secondary schools. The current eligibility criteria is detailed in appendix 1 and this was updated in 2011-12 by DFFG to recognise only schools with significant increases in pupil numbers.

7.2 This process acknowledges the unfunded additional cost generated by an increase to a schools roll for the period September to March and is calculated automatically on receipt of the October census pupil numbers. This could continue and be applied to both maintained schools and academies. In order for this to operate two changes would need to be made to the current system. The first is the January count date would need to be replaced by the October count. The second is that the individual MFG rate per pupil used for each individual school to calculate rising roll funding should be replaced by the basic entitlement (AWPU), to ensure equity of funding between schools.

8. Recommendation

8.1 The SFF is asked to approve

a) That we continue to retain funding for pupil growth

b) That the LA continue to retain a budget of £6m for this purpose (£4m for pupil growth and £2m for rising roll)

c) The method for allocating pupil growth funding to schools as set out in sections 5 and 6

d) The amended method for allocating rising roll funding to schools as set out in paragraph 7.2 above

8.2 The SFF is asked to note

a) That any underspends from this budget will be returned to schools in the following financial year

b) That any overspends will be first call on the following years DSG allocation

c) That the proposals in this paper will apply to all Kent maintained primary and secondary schools, and Kent recoupment academies. They will not apply to non-recoupment academies.

Appendix 1- Existing Rising Roll Contingency arrangements

Schools may be entitled to rising roll funding if they have an increase in pupil numbers. Rising roll funding includes year groups R to 11.

In order to trigger funding a school must fulfil the following criteria:

1. Firstly, funding will only be generated when there is an increase in pupil numbers between the January and September census that is greater than 2% of the pupils on roll and more than 5 pupils. When funding is triggered the payment will exclude the greater of the first 2% of pupils or the additional 5 pupils on roll.

2. Entitlement will only exist if the funding triggered after exceeding the thresholds in 1 above is greater than £ 2,000 for a primary school and £10,000 for a secondary school.

3. If a school fulfils the criteria in 1 & 2 above then funding is subject to a further threshold whereby the amount of funding triggered must be greater than 0.5 % of the schools initial budget for the period (April to March).

In cases where rising roll funding is triggered as above, the number of eligible pupils will be multiplied by the MFG baseline amount per pupil, and then multiplied by 7/12ths (September to March). If the school received funding through the MFG then this amount will be deducted to obtain the funding figure. It will be this figure that will be tested against requirements 2 and 3 above.

By: John Simmonds - Cabinet Member for Finance & Business Support
Andy Wood - Corporate Director, Finance & Procurement

To: Cabinet 3 December 2012

Subject: **Cabinet response to 2013/14 Budget consultation**

Classification: Unrestricted

FOR DECISION

This report sets out a proposed Cabinet response to the 2013/14 Budget consultation.

Cabinet is asked to note the likely detrimental impact of announcements and consultations on funding arrangements during the autumn. Cabinet is also asked to note that updated funding and the impact on 2013/14 budget will be included in the revised final draft budget proposals to be launched after the provisional settlement has been announced.

Cabinet is asked to agree that the revised final draft budget includes changes to the consultation draft to reflect its response to the consultation feedback. Cabinet is also asked to agree that this revised final draft be launched following the announcement of the provisional settlement later in December.

1. Changes since the launch of the Consultation

1.1 There have been a number of announcements and consultations during the autumn which are likely to impact on the overall resources available in 2013/14. Some changes will provide additional funding while others reduce funding. We are anticipating that the net effect will mean less funding than we estimated in the consultation resulting in the need for more savings to balance the budget. We will not know the full impact until we receive the local government finance settlement later in December.

1.2 On 8th October the Chancellor of the Exchequer announced further support for local authorities in 2013/14 and 2014/15 to help councils freeze Council Tax for a third successive year. The grant would be equivalent to 1% increase on 2012/13 Council Tax. At the same time the Government also announced its intention to reduce the referendum threshold to 2%. The announcements effectively cap any Council Tax increase to between 1% and 2%. We estimate the Council Tax freeze to be worth an additional £5m-£5.8m for KCC in each of the next two years compared to the assumptions in the consultation.

1.3 On 16th October the Government announced £100m one-off transitional funding for local Council Tax Support schemes. In order to be eligible for grant billing authorities would have to limit benefit reductions for working age recipients of full benefit to 8.5%, could not increase the taper for those on partial benefit above 25%, and would need to avoid sharp reductions for claimants entering work. We estimate that the transitional grant would be £1.1m-£1.8m less than the impact on the tax base from limiting benefit reduction and thus equates to a funding reduction compared to the consultation.

1.4 The Government has proposed that the Early Intervention Grant is subsumed into the new local government funding arrangements through the localisation of business rates. The consultation proposed that the amount transferred into the new business rates model is substantially less than the current grant, and that the funding for the expansion of free early years places for 2 year olds be transferred into the Dedicated Schools Grant. There were only limited financial models included in the consultation (which only exemplified the overall position with no amounts for individual authorities) and to date there has been no announcements of decisions following the consultation. We are unlikely to know the full impact until we receive the local government finance settlement later in December.

1.5 The Government has consulted on changing the way money for central local authority functions (LACSEG) should be transferred to academies. The consultation sought views on transferring all funding for LACSEG functions to DfE who would introduce a national system to provide grants to local authorities and academies. There were only limited financial models included in the consultation (which only exemplified the overall position with no amounts for individual authorities) and to date there has been no announcements of decisions following the consultation. We are unlikely to know the full impact until we receive the local government finance settlement later in December.

1.6 The Chancellor of the Exchequer will make his Autumn Budget Statement on 5th December. This is later than previous years and means the KCC autumn statement cannot be presented to Cabinet before the final draft budget has to be launched. It also means that we are unlikely to get the provisional grant settlement (the baseline and top-ups for the new Business Rate retention scheme) until later in December. This is significantly later than previous years and means the final draft budget is unlikely to be available until January to allow time to assimilate the impact of the settlement. The consultation made it clear that we were working on funding estimates as we had no provisional grant details.

<u>2. Response to Consultation</u>

2.1 Attitudes to Council Tax

The majority of residents would not want to see council tax increased in the current economic climate, adding further pressure to already stretched household budgets. Some participants expressed a desire to see a more fundamental reform of council tax.

2.1.1 Cabinet agrees that at a time of unprecedented financial pressure on household budgets that KCC should do all that it can to avoid increasing council tax in its precept. Therefore, freezing the council tax will be at the heart of our final 2013/14 budget proposals, subject of course to the outcome of the grant settlements referred to in section 1. This only relates to the county council's share of Council Tax, and other Kent local authorities that also levy a precept or charges through the Council Tax may decide to increase the charge on their share.

2.1.2 Cabinet also understands the desire of some residents to want to see reform of the Council Tax system. Indeed, changes to council tax arrangements, such as the localisation of council tax benefit to local authorities, are placing even greater financial pressure on council tax arrangements, which we are trying hard to mitigate with our District Council partners. However, reform of the council tax, as part of a wider debate around the sustainability of local government finance, should be an important part of the Government's 2014 Comprehensive Spending Review.

2.1.3 Cabinet will be pressing for consideration of reform to council tax arrangements as part of our wider call for fairness in the local government financing arrangements in our submission to the spending review. Cabinet have previously received reports on the wide variation in tax rates between London Boroughs and surrounding county areas and South East 7 published a report this year "Fixing a Broken System" setting out its view that the current system is not sustainable. Cabinet shares this view that the current differentials in Council Tax between individual authorities (which directly result from flaws the current funding system) are not sustainable and needs to be addressed.

2.1.4 Cabinet has been working closely with district councils and other precepting authorities to ensure that the localisation of Council Tax Support is implemented effectively. Cabinet does not want to see those currently in receipt of Council Tax benefits facing sudden and expected Council Tax demands. At the same time Cabinet firmly believes that the reduction in funding for Council tax support should not be a burden on other Council Tax payers. Cabinet supports the schemes which districts have been developing and in particular welcomes the opportunity recently offered by ministers to limit the impact of Council tax benefit reductions in 2013/14.

2.2 Models for Service Delivery

Kent residents place a high value on core public services (particularly personal care related services) to be available should they need them. Residents would need to be satisfied that KCC has driven out the maximum savings from non frontline activities and reviewed provision of discretionary services before changes are considered to core services. Residents have increasingly mixed views whether the national budget deficit should be tackled through savings on public services.

2.2.1 Cabinet are pleased that Kent residents place a high value on the services provided by the County Council and are committed to maintaining provision, especially for those services that support the most vulnerable members of Kent's communities. That is why a transformative approach to adults and children's social care is so important, so we can continue to provide the level of care needed and deliver better outcomes for individuals within the financial resources available. KCC will have already delivered over £150m of cashable savings over the last two years including:

- £19m of efficiencies on procured services
- £24m on staff efficiencies
- £60m on staff and running costs through service reforms

2.2.2 Cabinet remains absolutely committed to driving further efficiencies wherever possible, and will continually review KCC's back office and support arrangements to make further savings where it is appropriate to do so without placing additional burdens on front line staff. Also, by better integrating similar services around key client groups, as we are doing with adolescent support services, the organisation will be able to drive further efficiencies through reducing duplication and providing better targeted support to those who need it most.

2.2.3 It is of course our legal duty to provide statutory services, and Cabinet understands and appreciates that protection of statutory services is important to Kent residents. However, discretionary services, such as Community Wardens, can play an important role in supporting the quality of life of Kent residents and have wider social benefits that must be considered. Moreover, many discretionary services play an important part in the preventative agenda, helping to solve problems before additional and expensive statutory interventions become necessary. In some cases, investment in non-statutory preventative services may be required as part of the overall approach to managing demand on statutory provision and to ensure financial sustainability. Cabinet will continue to review all provision, both statutory and non-statutory, to ensure that it is both effective and providing value for money, but a simple delineation in spending priorities between statutory and non-statutory services may sometimes prove counter productive.

2.2.4 Cabinet appreciates that residents have mixed views on whether reducing the national budget deficit should be delivered through savings to public services or through other means. However, as a County Council we accept it is important that the national finances are brought into balance and as country we do no live beyond our means. Therefore, it is imperative that the structural deficit is cleared. Without such action, the longer term sustainability of public services would be in doubt. The only other option to delivering savings in public services would be to significantly increase personal and company taxation. As Cabinet have already noted, whilst pressure on household budgets remains significant, and economic growth remains sluggish as many businesses struggle, it is important that the state does not add pressure to already overstretched household and company budgets.

2.2.5 The Government could however do more to support local authorities to meet the financial challenge they face. Invariably, whilst it asks local public services to join-up commissioning and delivery, individual Whitehall departments often follow their own agenda, which impacts on what can be delivered locally. The need for Whitehall to speak with one voice is vital. It is also important that Whitehall honours the spirit of localism and if it expects local government to be more responsible for its own destiny, Government must give local authorities the tools to do the job and not try to retain too much control.

2.2.6 Moreover, the funding imbalance in local government grant formula which distributes money away from non-metropolitan areas in the South and East, makes meeting the financial challenge even harder and this needs to be addressed. The Government could also do more to reduce and remove many of the unnecessary regulations and restrictions, such as the overly prescriptive European Union procurement rules, which add cost to local authority contracts and services. So whilst we accept as a County Council the need to do our bit, the Government can and should do more to support authorities to meet the challenge.

2.2.7 Cabinet is extremely concerned that Government has not issued provisional grant settlements for 2013/14 and that the funding position for councils is extremely unclear so close to the start of the financial year. Cabinet took the bold step of consulting on the budget proposals much earlier than previous years despite the lack of information on grants or the new local government funding arrangements in the Local Government Finance Bill. Cabinet recognises that this is an extremely complex area and it is right that any change should be for the better but fear the new arrangements could turn out to be even more complex and will require further modifications. Cabinet urges Government to give local authorities adequate time to implement the new arrangements and not to make last minute changes.

The MORI workshops explored participants' appetites for three different ways of delivering services, looking at whether responsibility for budgeting and managing delivery should lie with KCC, the community or the individual. Participants generally wanted KCC to maintain its responsibility for services, acknowledging that we have the necessary experience and expertise and can generate economies of scale. There was some appetite for greater individual responsibility for heavily subsidised and non essential services (e.g. Freedom Pass, libraries,) and for greater community responsibility where existing structures are in place and the risk of failure is low (e.g. schools.) However participants were wary of the potential risks, particularly to vulnerable people.

2.2.8 Cabinet are grateful that the MORI workshops identified a high degree of trust in the County Council to effectively balance competing interests and commission and deliver services in the best interests of Kent as whole. Cabinet believe that this is a fundamental role of a countywide strategic authority, and even through our commitment to localism and new ways of working, we have ongoing responsibility to ensure fair access to services and a quality service level is maintained.

2.2.8 However, we are keen to explore different models of service delivery, including increasing personal responsibility and utilising community capacity to help deliver services to better meet local needs. At the same time, we agree with the participants in the MORI workshops that such approaches need to be developed carefully, and ensure that the council does not simply transfer liability to individuals and communities when they either aren't sufficiently resilient or don't have the capacity to take on increased responsibility. Our view is that such approaches must be developed on a service-by-service, case-by-case basis, with communities and service users actively participating in co-designing any new arrangements.

2.2.9 Cabinet is committed to protecting the most vulnerable in Kent and believes this can be better achieved through investing in better preventative services such as community health provision, rather than spending on more expensive interventions such as the provision of residential care services.

2.3 Service areas

<u>Adult Social Care</u>

Participants agreed that the current model of service provision is unsustainable due to the ageing population and reduced funding. Views on how to tackle this varied. Some felt that individuals should pay more towards their care. Others thought local communities could do more to help. All participants agreed that people should be supported to remain in their own homes, but did not think this should be funded through increased council tax. Adult social care was identified as most in need of protection from savings during the MORI workshops and was also the third least favourable area for savings in the online survey. Some respondents were concerned that proposals to make savings through transformation could result in diminished services to vulnerable people.

2.3.1 Cabinet are very pleased that participants recognised that the current model of providing adult social care must change. In order to protect these vital services, savings of the magnitude required can only be delivered through fundamentally redesigning how adult social care is delivered. The Adults Transformation Programme will deliver significant savings in 2013/14 and improve outcomes through allowing staff to focus more of their time on productive outcomes and ensuring we provide care that is best suited to individual's needs and circumstance to help them remain independent as long as possible. The Transformation Programme will also deliver savings through better procurement and improved partnership with the NHS and other agencies involved in social care. This is not about cutting services and Cabinet will be including more information about how we intend to go about delivering savings when the final draft budget proposals for 2013/14 are published in a few weeks. Cabinet recognises that we need to explain more clearly what the Transformation Programme aims to achieve in order to allay concerns about service cuts.

2.3.2 In order to ensure a stable and sustainable future for adult social care in Kent, and to mitigate the risk of reductions to front line services, the first phase of the Adult Social Care Transformation Programme will focus on four main areas:

1) Transforming the care pathway: giving as many people as possible the opportunity to receive services that enable them to be

independent for as long as they can be. We expect our focus on early intervention support will reduce long term care needs/costs. Examples of this are:

a. Enablement: significantly increasing the number of people who receive short-term intensive services that support people to learn, or re-learn, everyday skills and have confidence to complete daily living tasks themselves. These types of services can be suitable for people upon discharge from hospital, after illness or accident of other life changing events. People who have Enablement usually find that, afterwards, they can manage very well on their own or with a very low level of support.
b. Telecare: broadening the range and use of equipment and technology currently used so that it supports even more people to live safely and independently in their homes, thereby reducing the number of admissions to costly residential care.

2) Increasing our performance: reducing the amount of time spent on processes, paperwork and systems so that we work as efficiently and effectively as possible. This will increase how quickly people access support and make better use of staff time.

3) Strategic commissioning and procurement: making sure that we maximise value in all that we commission and procure. This will keep prices affordable for users of our services as well as the Council. We will look at ways to use our buying power to bulk buy whilst understanding the social care market and ensuring businesses are not put at risk.

4) Investment: utilising ring-fenced NHS social care funding in a range of services that will reduce the number of people requiring ongoing support from social services and improve health outcomes. We will use this money to develop a range of new services that will provide additional support to carers, prevent social isolation, avoid hospital admissions and ensure safe and timely hospital discharge.

2.3.3 Focussing on the above in the first phase of the programme (18-24 months) aims to ensure we have a robust foundation in which to manage further transformation such as integration with health.

2.3.4 One of the central aims of the Adults Transformation Programme is to improve preventative action to help people avoid, delay or minimise their need for care, and Cabinet welcomes the support for this approach. We are also exploring how communities can help support elderly and disabled people.

2.3.5 KCC is lobbying Government to implement the Dilnot Commission's recommendations on the funding of adult social care by 2015, including the lifetime cap on care costs and increased means test level. A properly funded system for adult social care will relieve the increasing pressure on Local Authorities in the future.

Children's Social Care

Participants felt that in order to help look after the most vulnerable children, KCC should continue to be responsible for Children's Social Care. They were not able to identify many ways of saving money, and tended to think that there should be more investment in services. Participants were in favour of early intervention and prevention activity to stop problems escalating and the need for expensive interventions. Children's social care was rated as the least acceptable area for savings in the online survey, with some respondents concerned that proposed budget cuts could leave vulnerable children at risk. However, participants at the MORI workshops did not agree that council tax should be raised to increase funding for these services. Some participants recognised the need to encourage more people to adopt or foster children.

2.3.6 Cabinet acknowledges that the consultation has shown unease about the scale of the potential savings to Children's Social Care. Although there have been significant improvements in Children's Social Care over the last two years, this has come at the price of £23m of additional investment and Cabinet recognises that there is still much work to do to get long term value from this investment.

2.3.7 The transformation of Children's Social Care aims to shift the emphasis from high-cost reactive work to a preventative approach, while at the same time making necessary reductions in spend. It may take a longer period of time for the emphasis to shift and for the investment in early intervention and prevention to pay off. Subsequently, Cabinet will reconsider whether the savings proposed for Children's Social Care next year strike an appropriate balance between the need to reduce costs now and allowing the long-term benefits of a preventative approach to develop. Cabinet's revised plans will be set out in the final draft budget due to be published in a few weeks.

2.3.8 Cabinet agrees entirely with the MORI participants' views that we must do more to improve the process of adoption and fostering. This will help us return children to a stable family environment as soon as possible, which will deliver longer-term reductions in care costs and provide better outcomes for these children. Kent's *Looked After Children Strategy* explains how we will achieve this. KCC has already seen improvements in the adoption service through working with Coram to improve and streamline the process.

Children's Services

Participants felt that Children's Services needed the oversight of KCC and did not want to see a reduction in the quality or access to services. There was no support for an increase to council tax but participants were prepared to accept some reduction in cost through increased parental responsibility and greater input from community organisations. Children's Centres was chosen as the second least acceptable area for savings in the online survey, although we have some concerns that the results may have been skewed by a local campaign. Participants felt that employment and careers advice for young people might be better achieved by different external agencies, instead of the CXK service commissioned by KCC.

2.3.9 MORI participants said that each child and their family are unique. Cabinet agrees, and our aim is that families should receive tailored support from an integrated team of professionals including from KCC and our partners. One example of where KCC is putting this approach into action is the Troubled Families initiative, which will improve outcomes for Kent's highest need families, reduce costs and enhance the way we work and commission together.

2.3.10 Children's Centres provide an important and valued service. Currently KCC has a large number of Children's Centres operating across the county (97). 20 of these are located in the 20% most disadvantaged wards in Kent, and 53 in the 30% most disadvantaged areas. 62 of the centres are located on school sites. 21 have attached on site nurseries, with partnership agreements with a further 25 nurseries which are actively supporting the free childcare places for all three and four year olds, as well as the new 'Free for Two' agenda.

2.3.11 Between October 2011 and September 2012, 42,480 children were active registered users at a centre in Kent, this equates to approximately 40% of the County's 0-4 year olds. Cabinet needs to ensure that the centres are reaching the families that need help and supporting the preventative agenda. Review work is underway to find the most appropriate operating model for Children's Centres, which includes looking at integration with other services and their geographical distribution. This review activity will ensure that we better target Children's Centres activity to those who need it most in the future, and supports other Kent priorities such as Children's Social Care and the Troubled Families initiative.

2.3.12 In addition to looking at operating and geographical models, Cabinet are also considering how Children's Centres could deliver improved value for money and further efficiencies through income generation, standardised core staffing structures, reallocation of funding based on needs and economies of scale through more effective commissioning.

2.3.13 People who responded to the budget consultation felt that supporting young people into employment is important. This is a priority for KCC and there is a great deal of activity going on including the *Kent Jobs for Kent's Young People* campaign which has already secured over 100 apprenticeship pledges and the online careers guidance portal *Kent choices 4 U* which is being used by 83% of young people who are in the transition to 16+ learning. Cabinet acknowledges participants' concerns about the effectiveness of the current contract for employment and careers advice. Cabinet agrees that we need to find a more effective way to provide specialist careers advice to vulnerable young people and are developing options to achieve this within the proposed budget.

Community Services

Participants felt that there was plenty of scope for communities and individuals to take more responsibility for community services, including paying charges at point of use and further reliance of online services. There was no desire to increase Council Tax or council funding for these services and savings can be made. People were also willing to consider a reduction in the quality of these services if needed, including things like reducing library buildings. Participants who did not directly interact with Community Wardens did not appreciate the value they added.

2.3.14 Cabinet welcomes participants' interest in communities and individuals taking more responsibility for Community Services and KCC is already encouraging this. Through Future Library Services KCC is working with communities to identify options for library services in their local area. Cabinet acknowledges that participants were prepared to accept the closure of library buildings, but are confident we can deliver the savings and maintain our existing libraries through transformation.

2.3.15 Cabinet is particularly pleased to see that participants were willing to rely more on online services. KCC is committed to channel shift, as set out in the Customer Service Strategy. This means enabling customers to use the web to help themselves, whilst reserving more expensive face-to-face and phone for the most complex enquiries, or those who cannot go online. The forthcoming replacement and enhancement of kent.gov will make it easier to access information and allow people to carry out more transactions with KCC online which will improve efficiency and cost effectiveness, as well as the user experience.

2.3.16 Cabinet acknowledges participants' concerns about the value of Community Wardens. While the area covered by Community Wardens is not universal, other research shows that they are highly valued in the areas they operate in. Cabinet intends to work with the new Police and Crime Commissioner to identify options for community policing to inform the future role of Community Wardens.

Highways

Participants felt that Highways needs to remain the responsibility of KCC and could see potential inefficiencies in devolving responsibility, although some groups could see some merit in local decisions on things like traffic calming and urgent maintenance. There was no support for increasing funding for Highways either through increased council tax or user charging. Some participants might be more willing to pay user charges for roads if there were viable alternatives through public transport. Respondents to the online survey felt that street lighting is the most acceptable area to make savings.

2.3.17 Cabinet agrees with participants' views that the costs to individuals of travelling by car are already high and would not want to add to this burden. Cabinet also accepts that additional council tax should not be levied to support Kent highways and the council will need to continue to improve the quality of Kent's roads and keep traffic flowing whilst also getting best value from our highways contracts so that we do not have to raise additional taxes or charges.

2.3.18 Cabinet is very disappointed that money collected through the vignette scheme for charging foreign HGVs to use UK roads, first proposed by KCC to offset the damage foreign HGVs have on Kent highways, will not be hypothecated to Kent to invest in our highway network. Such a new and innovative income stream would have reduced the unfair pressure on Kent council taxpayers in paying for repairs to highways caused by huge growth in foreign HGVs.

2.3.19 Cabinet is pleased that many respondents agreed with our proposals to turn off some streetlights between midnight and 5am, when roads are least well used. Lights will only be turned off where it is sensible and safe to do. This measure will not only save tax payers money but would also be a visible demonstration of the council's commitment to reduce energy consumption and its carbon footprint.

2.3.20 Cabinet also recognises the views of some participants that public transport is an important option. KCC has worked extensively with bus companies to improve bus services, and will continue to work with developers to integrate convenient and reliable public transport into new housing developments, such as the Fast Track service at Kent Thameside.

2.3.21 Cabinet acknowledges that most participants want KCC to maintain responsibility for Kent's highways, and particularly welcome their views that KCC can deliver better economies of scale and obtain the required expertise and skills through our commissioning and procurement arrangements. The new Highways Enterprise contract is a much better arrangement than KCC has had before, and is already delivering significant improvements to highways maintenance without increasing the overall cost.

<u>Schools</u>

In principle, participants at the MORI workshops were keen to hand greater responsibility for school improvement down to schools, reducing Council spend. They felt that there should be increased responsibility from individuals and communities. They also felt that schools should share best practice and that underperforming schools should learn from better performing ones. However some participants were concerned about whether this would work in practice. Participants also felt that parents would be more likely to try to get their children into a better school rather than play a role in improving their local under-performing school.

2.3.22 Cabinet agrees with the participants' view that responsibility and financial autonomy should be devolved down to schools wherever possible. KCC has already put this into practice. Devolving responsibility is the best way for schools to meet the needs of their pupils and achieve excellent outcomes. However, whilst schools should be financially independent, it is important that the total investment into Kent schools is sustained. Cabinet will work with schools to ensure that the changes to schools funding being proposed by the Government are fair, and do not reduce the comparative level of funding available for Kent schools nor unfairly advantage academies over maintained schools.

2.3.23 In response to the changing landscape, Cabinet is ensuring that a new transactional relationship is developed in the way that KCC supports schools. EduKent allows schools and academies to buy the support services they need from KCC to run their school effectively. Cabinet also agrees that schools are best placed to help each other improve and have developed the Kent Association of Head Teachers to help schools work together and support each other.

Transport

Participants thought that the community could get more involved in running transport services. In the case of SEN transport, participants welcomed more control and responsibility for parents in getting their children to school, but felt that some vulnerable families would still need support. People felt that given the existing costs of running a car and using public transport, they would not be willing to pay more to use transport services. The exception was the Freedom Pass, which participants felt was offering an exceptional deal. Views were mixed on increasing council tax to support this service or reducing service levels.

2.3.24 The increase in SEN transport costs over recent years is unsustainable, and Cabinet must do everything we can to bring costs down. Cabinet agrees with participants that it is good for parents to have more say in how their child is transported to school, and the more personalised approach will be a positive change as in many cases parents can get their children to school more cheaply than the current costs paid by KCC. However, the needs of the child are a priority, and parental involvement would only be on a voluntary basis. Cabinet will also oversee the renegotiation of SEN transport contracts to get maximum value from them, including working with other South East councils through SE7 to see whether larger scale commissioning and procurement of SEN transport can deliver better value.

2.3.25 Cabinet is pleased that participants think the Freedom Pass offers such a good deal. The Freedom Pass supports Kent’s young people to make the most of education, employment, social and cultural opportunities, and is a service that many other Councils do not provide. Cabinet realises that increasing the individual contribution would only be a short-term solution, and therefore we are considering how we can make changes to the offer in future years to make it more financially sustainable whilst still maintaining the greater freedom and flexibility the pass offers to parents and young people.

2.3.26 However, we need to be clear that it is a parent’s responsibility to get their children to school and they should consider this when choosing a school. We only have to provide transport assistance where a child lives beyond the statutory distance from their nearest school. The Freedom Pass means KCC already goes much further in its support for children and families beyond the statutory minimum and invests upward of £10m on subsidy for the Kent Freedom Pass and the Post 16 Travel Card. These enable Kent's young people to access public transport not just to and from school and places of education, but also for use at evenings and weekends. Cabinet believes it is essential that all young people should be able to access schools and other facilities best suited to their needs.

2.3.27 Cabinet also agree with participants' views that subsidy of bus routes could be reduced. In the current financial climate, it will not always be viable or fair to continue to subsidise individual routes which are hardly used. Cabinet will ensure that this is reviewed on a case by case basis, taking into account the needs of users in the area and local alternatives. Where a bus route is supporting a vital need, for example helping people get to a hospital, Cabinet will seek to maintain funding for it.

Waste Recycling and Disposal

Participants were not prepared to increase council tax to fund this service and felt that we could get more savings from contracts and increase income from users or through recycling. Participants were also prepared to see a decrease in provision if necessary to manage costs. There was little appetite in devolving responsibility to local communities and some participants were concerned about a potential increase in fly-tipping and other problems if KCC took less of a role in managing rubbish and recycling.

2.3.28 Cabinet welcome participants' views that it is important for KCC to continue to manage waste services. Although Cabinet sees a role for community and individual responsibility, we share participants' concerns about the risk of fly-tipping if rubbish and recycling is not properly managed. We work closely with district councils over fly tipping enforcement, and will continue to consider the most effective ways of delivering waste services to maintain provision. This will include Cabinet continuing the successful policy of developing joint arrangements with district and borough councils to unify the way in which waste is collected, which will reduce both their costs and the cost to the county council in disposing of waste. KCC has a good record in achieving savings from its numerous waste contracts, and Cabinet will ensure the value from these continues to be maximised.

2.3.29 Cabinet acknowledges participants' views that they would be prepared to see a decrease in opening hours of household waste recycling centres or accept a charge to individuals for waste and recycling. These issues were explored recently by a wide-ranging member review of the household waste recycling centre operations which led to recent site changes, and Cabinet will keep all possibilities open, bearing in mind statutory limitations around charging.

Financing and staff costs

Respondents to the online survey rated use of reserves as the second most acceptable area for savings, and a small number commented that this is the right thing to do to prevent a Council Tax increase. Respondents also rated capital financing as the third most acceptable area for savings. A small number of respondents suggested that KCC could make better use of its capital assets or sell buildings to save money. Some respondents felt that KCC could make further savings by reducing staff salaries and expenses. Participants at the MORI workshops also questioned the amounts some staff are paid and the terms and conditions for KCC staff.

2.3.30 The 2013/14 budget proposals include releasing £6 million of reserves. Reducing the level of reserves means Cabinet manage the short-term cash flow impact from transformation programmes. Cabinet is pleased that respondents agreed that this is a sensible way to manage next year's budget. Reserves can only be used once, and we are confident that our transformation programmes will deliver the required savings in future years.

2.3.31 KCC is developing a revised Capital Strategy which will ensure that we continue to achieve maximum benefit from capital assets. As part of this the existing capital spending programme will be reviewed, removing some schemes and funding others schemes in different ways to reduce the impact on the revenue budget.

2.3.32 The average salary for a KCC employee is £26k. KCC has removed more than 1,500 jobs through restructuring and transformation since April 2011, many of which are in management and support functions. Cabinet has also taken the bold step of removing the Chief Executive role. A number of allowances have also been removed in the past three years and the authority is currently reviewing staff terms and conditions to make further savings. Cabinet intends to include more information about these staff and cost savings in the final draft budget proposals due to be published in a few weeks.

2.3.33 The council froze staff pay in 2010/11 and 2011/12 but competitive salaries and terms and conditions must be maintained if KCC is to recruit the best staff to provide Kent residents with high quality services.

3. Recommendations

3.1 Cabinet is asked to note the likely detrimental impact of announcements and consultations on funding arrangements during the autumn. Cabinet is also asked to note that updated funding and the impact on 2013/14 budget will be included in the revised final draft budget proposals to be launched after the provisional settlement has been announced.

3.2 Cabinet is asked to agree that the revised final draft budget includes changes to the consultation draft to reflect its response to the consultation feedback. Cabinet is also asked to agree that this revised final draft be launched following the announcement of the provisional settlement later in December.

4. Contact

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Background Documents

Ipsos MORI report on Kent Budget Workshop 2012

https://shareweb.kent.gov.uk/Documents/council-and-democracy/KCC_budget%20workshop_report_FINAL.pdf.pdf

Report on Feedback from Budget Consultation Document and Specific Sector Group Briefings

https://shareweb.kent.gov.uk/Documents/council-and-democracy/Budget%20Consultation%20Report%20v2.pdf.pdf

CHECKLIST

Author Name:	Dave Shipton
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Background Documents	13/14 Budget Consultation document
Previous Council/Cabinet/Committee references	Key points from the consultation reported to all Cabinet Committees in the November meeting round
Does the report propose a key decision is taken?	NO
If yes, is the decision in the Forward Plan?	N/A
Will further decisions be required? If so, please outline the timetable here	3 Dec - Consultation reported to Cabinet for formal response Jan Cabinet Committees - Receive final draft portfolio budget details 23 Jan - Cabinet to agree final draft budget 14 Feb - County Council to approve draft budget
Is this report proposing an amendment to the budget and/or policy framework?	YES
Have the financial implications (including any capital spend implications) been cleared by the Director of Finance?	YES
Has the report been cleared by the relevant Corporate Director?	YES
Has the relevant Cabinet Member been consulted?	YES
Has the relevant Local Member been	N/A

consulted?	
Has the report been cleared by Legal Services?	NO
Has the matter been cleared in accordance with the Council's procurement rules (in 'Spending the Council's Money)?	NO
Have any communications issues been cleared by Communications and Media Centre?	YES
Has a Customer Impact Assessment been carried out in relation to this report?	YES, EIA Screening carried out for key elements of the budget consultation
Are there any community safety implications?	NO
Are there any environmental implications?	NO
Are there any health & safety implications?	NO
Are there any personnel implications?	NO
Are there any human rights implications?	NO

By:	Roger Gough – Cabinet Member for Business Strategy, Performance & Health Reform David Cockburn – Corporate Director of Business Strategy and Support
To:	Cabinet – 3rd December 2012
Subject:	Corporate Risk Register
Classification:	Unrestricted

Summary

This paper presents the latest version of the Corporate Risk Register for the authority.

Members are asked to NOTE the report.

1. Introduction

Work has been progressing in recent months to refresh KCC's formal business risk management arrangements. This includes the approval of an updated Risk Management Policy by Governance & Audit Committee; development of a new risk management site on KNet containing updated management guidance and quick-reference guides; and a schedule of training for Officers and Members has been re-established. The Corporate Risk Team has also been working with Managers across the Authority to refresh divisional and directorate risk registers to ensure that there is a picture of significant risks across the Authority and that mechanisms for escalation of risks are in place.

2. Corporate Risk Register

The Corporate Risk Register is attached at appendix 1. It has been refreshed to take into account comments from Cabinet Members and the Corporate Management Team and information gathered from Directorate Management Teams.

As part of the refresh two risks have been added to the Corporate Register. They relate to:

- Delivery of savings;
- Procurement.

Three risks have now been transferred from the Corporate Register to the relevant directorate registers. They are:

Risk Title	Reason(s) for Delegation
CRR 7 – Governance & Internal Control	Low-to-medium level of risk (score of 9) and actions relating to change in KCC governance arrangements now completed and classified as controls.
CRR 8 – Academies independence from KCC	Risk being managed at directorate level.
CRR 11 – Responsiveness to emerging Government Reforms and Directives	Low-to-medium level of risk (score of 9) and specific areas of reform requiring action are captured elsewhere on register (i.e. Health and Welfare reforms)

If the level of risk in these areas is judged to increase, they will be escalated back up to Corporate Management Team and Cabinet Members for review and potentially placed back onto the Corporate Register.

There are three areas of risk currently rated as "High". These are:

- Safeguarding;
- Management of Social Care Demand;
- Welfare Reform Act.

Further details of these risks, including controls and mitigating actions, are contained in the register at appendix 1.

3. Monitoring & Review

While the Corporate Risk Register is formally refreshed annually, it is a 'living' document and will be reviewed and updated in-year to reflect any significant new risks or changes in risk exposure.

There is a particular focus on ensuring that key mitigating actions are identified and progress monitored. The risks within the Corporate Risk Register, their current risk level and progress against mitigating actions will be reported to Cabinet quarterly via the Quarterly Performance Report. Insufficient progress against mitigating actions will be referred to the Performance & Evaluation Board.

Risks that may prevent Services from achieving the Authority's business objectives should be highlighted in business plans and mitigating actions developed and reflected within those plans.

The Register is presented to Governance & Audit Committee twice yearly for assurance purposes.

4. Recommendations

Cabinet is asked to:

(i) Note and comment on the refreshed Corporate Risk Register;
(ii) Agree to raise potential emerging risks with either the relevant Corporate Director or Corporate Risk Manager for review.

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Appendix 1

KCC Corporate Risk Register

Autumn 2012 Refresh

PRESENTED TO CABINET – 03/12/12

VERSION HISTORY

Version Date	Document Version	Document Revision History	Revisions	Document Author / Reviser	Version Approval Date	Version Approver Name
December 2011	1.01	Initial Development Copy		Corp. Risk Manager	Not Applicable	CMT and Cabinet
December 2011	1.02	Second Development Copy		Corp. Risk Manager	Not Applicable	CMT and Cabinet
December 2011	1.03	Third Development Copy		Corp. Risk Manager	Not Applicable	CMT and Cabinet
December 2011	1.04	Initial Draft for Cabinet Member Approval	Final draft submitted to Cab. Members & CMT for approval	Corp. Risk Manager	3rd Jan 2012	Cabinet
December 2011	1.05	First Approved Version	Includes changes requested by Cab. Members following review of V1.04	Corp. Risk Manager	3rd Jan 2012	Cabinet
July 2012	1.06	Second Approved Version	Includes DMT updates and changes determined at Joint CMT / Cab. Mtg plus addition of Welfare Reform risk	Corp. Risk Manager	17th July 2012	CMT and Cabinet members
November 2012	1.07	Draft for Cabinet approval	Includes changes to articulation of risks and areas highlighted by Corporate Risk Team QA. Two new risks added and three transferred to directorate registers	Corp. Risk Manager	3rd Dec 2012	Cabinet

Summary Risk Profile

Low	Medium	High

Risk No.**	Risk Title	Current Risk Rating	Target Risk Rating
CRR 1	Data and Information Management	12	9
CRR 2	Safeguarding	16	12
CRR 3	Economic Growth	12	12
CRR 4	Civil Contingencies and Resilience	12	9
CRR 5	Organisational Transformation	12	8
CRR 6	Localism	9	9
CRR 9	Health Reform	12	6
CRR 10	Management of Social Care Demand	25	16*
CRR 12	Welfare Reform Act	16	9
CRR 13	Delivery of Medium Term Financial Plan savings	12	2
CRR 14	Procurement	9	6

*Interim position, as we clearly would wish to reduce this risk further. Early intervention and transformational initiatives are being pursued and the impact of them will need to be evaluated before exploration of further mitigating actions.

**Each risk is allocated a unique code, which is retained even if a risk is transferred off the Corporate Register. Therefore there will be some ‘gaps’ between risk IDs.

Risk ID	CRR1	Risk Title	Data and Information Management

Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
The Council is reliant on vast amount of good, quality data and information to determine sound decisions and plans, conduct operations and deliver services. It is also required by the Data Protection Act to maintain confidentiality, integrity and proper use of the data. With the Government's 'Open' agenda, increased flexible working patterns of staff, and increased partnership working and use of multiple information repositories, controls on data management and security have become complex and important.	Poor decision making due to ineffective use of or insufficient availability of data and information sharing. Loss, misrepresentation or unauthorised disclosure of sensitive data. Malicious attacks and sabotage The corruption, misuse, misplacement, loss or theft of the data and information could disrupt the council's ability to function effectively and result in unwelcome adverse publicity or legal action.	Under performance. Breach of Data Protection Act leading to legal actions, fines, adverse publicity, and additional remedial and data protection costs. Significant interruption of vital services leading to failure to meet duties and to protect people, finances and assets Potential damage to KCC's reputation	On behalf of CMT: Director Governance & Law **Responsible Cabinet Member(s):** Business Strategy, Performance & Health Reform	Likely (4) **Target Residual Likelihood** Possible (3)	Significant (3) **Target Residual Impact** Significant (3)

Control Title	Control Owner
Senior Information Risk Officer in place	Corporate Director Business Strategy & Support
Centralised resilience and transparency team in place.	Team Leader- Information Resilience & Transparency team
Caldicott Guardians in place in FSC and C&C Directorates (FSC Guardian has lead role for KCC), protecting confidentiality of service user information and enabling appropriate information sharing.	Corporate Director Families & Social Care
Coherent county wide strategy and protocols on sharing information between agencies. Kent & Medway Information Governance Programme Board's Information sharing agreement in place.	Integrated Youth Services Effective Practice & Performance Manager
ICT Strategy in place.	Director of ICT
Interim Information Governance e-Learning package available to Kent Managers and other staff on request	Corporate Director Human Resources

Action Title	Action Owner	Planned Completion Date
SIRO action plan including Information Governance management guidance (to include Freedom Of Information, Data Protection, Environmental Information Requests policies & protocols, good practice guidance on records management, data classification, information security, appropriate storage media, email and fax usage, privacy notices, use of databases)	Director Governance & Law	December 2012
Instigation of information asset register and identification of information asset owners	Records Manager	March 2013
Standard terms and conditions for orders/contracts <£50k value relating to information security	Head of Strategic Procurement	December 2012
Implementation of recommendations from Data Quality Audits	Head of Internal Audit/Corporate Performance Manager	February 2013
Introduction of Information Governance e-learning package for all staff	Corporate Director Human Resources	February 2013

Improvement in Information Security & Information Risk Management arrangements as evidenced by a satisfactory NHS Information Governance Toolkit return	Corporate Director Families & Social Care / Director of Governance & Law / Director of ICT	February 2013

Risk ID CRR2	Risk Title Safeguarding				
Source / Cause of risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The Council must fulfil its statutory obligations to effectively safeguard vulnerable adults and children.	Insufficiently robust management grip, performance management or quality assurance Its ability to fulfil this obligation could be affected by the adequacy of its controls, management and operational practices or if demand for its services exceeded its capacity and capability. Insufficient rigor in maintaining threshold application/inconsistency Increase in referrals and service demand resulting in unmanageable caseloads/ workloads for social workers Decline in performance and effective service delivery leading to critical inspection findings and reputational damage	Serious impact on vulnerable people Serious impact on ability to recruit the quality of staff critical to service delivery. Serious operational and financial consequences Attract possible intervention from a national regulator for failure to discharge corporate and executive responsibilities Incident of serious harm or death of a vulnerable adult or child	Corporate Director Families & Social Care **Responsible Cabinet Member(s):** Specialist Children's Services Adult Social Care & Public Health	Likely (4) **Target Residual Likelihood** Possible (3)	Serious (4) **Target Residual Impact** Serious (4)

Control Title	Control Owner
Consistent scrutiny and performance monitoring through Divisional Management Team, District 'Deep Dives' and audit activity	Corporate Director Families & Social Care
Reduction in caseloads per social worker and robust caseload monitoring	Corporate Director Families & Social Care
Significant work undertaken to increase rigour and managerial grip in Duty and Initial Assessment Teams	Corporate Director Families & Social Care
Central Duty Service & Central Referral Unit now in place to ensure increase in consistency and threshold application	Corporate Director Families & Social Care
FSC management team monitors social work vacancies and agrees strategies for urgent situations	Corporate Director Families & Social Care
Active strategy in place to attract and recruit social workers through a variety of routes with particular emphasis on experienced social workers. Detailed programme of training	Corporate Director Families & Social Care
CMT, FSC Directorate Management Team and the Cabinet Member for Adult Social Care & Public Health and Specialist Children's Services receive quarterly safeguarding performance reports.	Corporate Director Families & Social Care
Programme of internal and external audits for adult safeguarding case files with regards to FSC and Kent & Medway Partnership Trust (KMPT) in place. Peer reviews of safeguarding arrangements conducted by Essex County Council.	Corporate Director Families & Social Care
Performance management of safeguarding is part of the Improvement Plan in place between KCC (FSC directorate) and KMPT.	Director of Learning Disability & Mental Health
FSC Strategic Adults Safeguarding Board provides a strategic countywide overview of adult safeguarding within FSC and monitors progress towards the FSC Strategic Adult Safeguarding action plan	Corporate Director Families & Social Care
Safeguarding Vulnerable Adults (SGVA) coordinators work closely with Contracting colleagues where there are safeguarding concerns in the	Corporate Director Families & Social Care

independent sector using 'Quality in care' framework	
Regular monitoring of FSC safeguarding action plan by the FSC Strategic Adults Safeguarding Board. Ongoing monitoring of KMPT safeguarding action plan	Director of Strategic Commissioning
SGVA Co-ordinator meetings take place on a monthly basis. These meetings are an opportunity to share best practice and raise ongoing issues. The work plan for the group continues to be monitored	Director of Strategic Commissioning
Exercise to map levels of safeguarding training completed by staff in the independent sector conducted. Providers signposted to where they can access information about safeguarding training	Director of Strategic Commissioning
New, fit-for-purpose Specialist Children's Services structure introduced.	Director of Specialist Children's Services

Action Title	**Action Owner**	**Planned Completion Date**
Continued work to strengthen delivery of early intervention/prevention services. Services being commissioned to phased timetable according to Commissioning and Procurement Plan Supplier Framework.	Director of Strategic Commissioning	March 2013
Practice improvement programme to strengthen practice across Children and Families Teams	Director of Specialist Children's Services	November 2012
Preparation for full unannounced inspection of Safeguarding and Looked After children	Director of Specialist Children's Services	Ongoing until inspection
Ongoing development of further strategies and campaigns to support recruitment so that we attract and retain high calibre social workers and managers. Use of competent agency social workers and managers on temporary basis to fill vacancies	Corporate Director of Families & Social Care / Corporate Director of Human Resources	January 2013 - regular reviews as part of Improvement Plan
A structured mechanism for feeding back lessons learnt from assessment, regulation and inspection needs to be implemented	Director of Strategic Commissioning / Director of Specialist Children's Services	March 2013
Review of Kent Safeguarding and Children in Care Improvement Plan in light of findings from recent peer review and establishment and implementation of key actions, including: • Production of long-term vision for Children's Services in KCC • Strengthening of Kent Safeguarding Children Board Arrangements • Continued embedding of improved quality of practice and application of thresholds.	Director of Specialist Children's Services	November 2012 Ongoing (March 2013 review) Ongoing (Dec 12 review)

Risk ID CRR3	Risk Title	Economic Growth			
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The Council carries significant responsibility for encouraging and enabling growth in the County's economy. Our aim to 'grow the economy' is becoming increasingly challenging in the current economic climate.	Prolonged adverse, uneven or worse than anticipated economic situation If the current economic climate continues or worsens or other regions re-stimulate their economies more quickly than Kent, then the Council's ability to deliver its plans for economic growth will be constrained. Community Infrastructure Levy (CIL) payments, Section 106 contributions and other growth levers do not cover the cost of infrastructure	Stalled/low economic and jobs growth The Council finds it increasingly difficult to fund KCC services across Kent and deal with the impact of growth on communities. Kent becomes a less viable place for inward investment and business Without growth the county residents will have less disposable income, face increased levels of unemployment and deprivation which could lead to heightened social and community tensions Reduced income, business exodus, unplanned increase in costs, and demand for Council services beyond capacity to deliver Our ability to deliver an enabling infrastructure becomes constrained	Corporate Director Business Strategy & Support and Head of Paid Service (Corporate Director Enterprise & Environment) **Responsible Cabinet Member(s):** Regeneration & Economic Development	Likely (4) **Target Residual Likelihood** Likely (4)	Significant (3) **Target Residual Impact** Significant (3)

Control Title	**Control Owner**
KCC's 20 year transport delivery plan, *Growth without Gridlock* sets out the key transport drivers for change which will help to facilitate and stimulate economic growth in the County. Implementation plan in place and regularly monitored.	Director Planning & Environment
Key infrastructure is identified and planned for as part of District Local Plans and Infrastructure Delivery Plans.	Director Planning & Environment
Planning & Environment and Economic & Spatial Development teams working with each individual District on composition of infrastructure plans including priorities for the CIL and Section 106 contributions, from which gaps can be ascertained	Director Economic & Spatial Development / Director of Planning & Environment
Dedicated Economic & Spatial Development (commissioning) team and Regeneration Projects delivery team in place to lead on this agenda.	Director of Economic & Spatial Development
Delivery of £5m Regional Growth Fund to improve rail journey times to East Kent and boost job opportunities	Director of Planning & Environment

Delivery of £35m Expansion East Kent loan scheme to growth businesses in East Kent, with the aim of creating 5,000 jobs and attracting £320m of private sector investment.	Director of Economic & Spatial Development
£20m Regional Growth funding secured for Thames Gateway Innovation, Growth and Enterprise (TIGER) programme to provide direct financial support to businesses in North Kent and Thurrock with the potential for growth with the aim of creating 3,400 jobs (new and safeguarded) and attracting a further £400m in private sector investment (subject to Member approval)	Director of Economic & Spatial Development
Kent Forum Housing Strategy refreshed	Strategic Housing Advisor
"Grow For It" East Kent launched showcasing East Kent for inward investors.	Director of Economic & Spatial Development

Action Title	**Action Owner**	**Planned Completion Date**
Use of capital and revenue allocations to develop and pump prime transport schemes in Growth without Gridlock	Director Planning & Environment	March 2013 (review)
Economic & Spatial Devt SMT review of "critical "programmes/projects at SMT meetings and review of KPIs to ensure continued appropriateness and relevance	Director Economic & Spatial Development	March 2013 (review)
Ensure future infrastructure is provided through financial arrangements such as Section 106 and Community Infrastructure Levy. Meetings being established with each District Council to understand priorities.	Director Economic & Spatial Development / Director of Planning & Environment	March 2013 (review)
'High Growth' Kent initiative supporting high growth business in Kent	Head of Business Engagement & Economic Devt.	December 2014
Decision on award for Kent & Medway Broadband Programme as part of Broadband Delivery UK (BDUK) initiative.	Economic Devt Manager	April 2013
Launch of "Incubator" Programme to support the provision of incubator and start-up workspace in key locations.	Director Economic & Spatial Devt	November 2012
Continued business engagement via Business Advisory Board (BAB) and sector conversations	Director Economic & Spatial Devt	March 2013 (review) BAB meetings are Bi-monthly.
Ensure effective governance arrangements in place for the South East Local Enterprise Partnership Local Transport Body, to enable prioritisation of transport infrastructure	Director of Planning & Environment	April 2013
Working with Network Rail, ensure delivery of phase 1 journey time improvement scheme to East Kent	Director of Planning & Environment	December 2013

Risk ID CRR4	Risk Title	Civil Contingencies and Resilience			
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The Council, along with other Category 1 Responders in the County have a legal duty to establish and deliver containment actions and contingency plans to reduce the likelihood, and impact, of high impact incidents and emergencies and severe / extreme weather conditions.	Failure to deliver suitable planning measures, respond to and manage these events when they occur. Their ability to effectively manage incidents and maintain critical services could be undermined if they are unprepared or have ineffective emergency and business continuity plans and associated activities.	Potential increased loss of life if response is not effective. Serious threat to delivery of critical services. Increased financial cost in terms of damage control and insurance costs. Adverse effect on local businesses and the Kent economy. Possible public unrest and significant reputational damage Legal actions and intervention for failure to fulfill KCC's obligations under the Civil Contingencies Act or other associated legislation.	Corporate Director Customer & Communities **Responsible Cabinet Member(s):** Customer & Communities	Possible (3) **Target Residual Likelihood** Possible (3)	Serious (4) **Target Residual Impact** Significant (3)

Control Title	**Control Owner**
Legally required multi-agency Kent Resilience Forum in place, with work driven by risk and impact based on Kent's Community Risk Register. Key roles of group include: • Intelligence gathering and forecasting; • Regular training exercises and tests; • Task & Finish groups addressing key issues. • Plan writing • Capability building	Head of Community Safety & Emergency Planning
Critical functions identified across KCC as a basis for effective Business Continuity Management (BCM).	Head of Community Safety & Emergency Planning
Management of financial impact to include Bellwin scheme	Finance Strategy Manager
Maintenance & delivery of emergency procedures, plans and capabilities in place to respond to a broad range of challenges.	Head of Community Safety & Emergency Planning
System in place for ongoing monitoring of severe weather events (SWIMS)	Programmes & Partnerships Manager, Sustainability & Climate Change
Implementation of Kent's Adaptation Action Plan 2011-2013	Programmes & Partnerships Manager, Sustainability & Climate Change
Local multi-agency flood response plans in place.	Head of Community Safety & Emergency

	Planning
Winter Resilience Planning Group & action plan in place.	Head of Community Safety & Emergency Planning
ICT resilience improvements made to underlying data storage, data centre capability and network resilience. Funds approved for further work to improve services that utilise Microsoft SharePoint such as KNet and Kent.gov in line with Customer Services strategy.	Director of Information & Communication Technology

Action Title	**Action Owner**	**Planned Completion Date**
Other BCM planning and response measures being developed	Emergency Planning Manager	March 2013 (review)
Implementation of business continuity recommendations contained in Price Waterhouse Cooper (PWC) audit.	Emergency Planning Manager	January 2013
Continue to review Business Impact Analysis to reflect new structure and all inter-dependencies.	Emergency Planning Manager	March 2013
Continue to conduct regular exercises and rehearsals of plans Work to improve internal and external communications in the event of an incident (Communications Plan being developed)	Emergency Planning Manager	March 2013
Finalisation of Business Continuity Management Plan for the Contact Centre to improve overall resilience.	Emergency Planning Manager / Operations Manager Contact Point	March 2013
Further development of ICT Disaster Recovery & Business Continuity Plans	Director of Information & Communication Technology / Emergency Planning Manager	March 2013 (review)
Upgrading of corporate email service to increase level of resilience	Director of Information & Communication Technology	November 2012
New digital telephone service to be introduced with added resiliency	Director of Information & Communication Technology	December 2012
Upgrading / enhancement to Automated call distribution system, Customer Relationship Management System and services that utilise MS SharePoint (e.g. Kent.gov and KNet) and underlying software, including training provision to ensure KCC has a sustainable support capability for these services.	Director of Information & Communication Technology	March 2013

Risk ID CRR5	Risk Title	Organisational Transformation			
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The Council is undergoing rapid change in order to deliver *Bold Steps for Kent*. A programme of major structural, operational and cultural transformation is underway. Staff reductions are being made because of budget pressures. The move towards more strategic commissioning and other changes to ways of working requires new skill sets and the changing environment for local government requires new behaviours from all staff. A "one council" approach to workforce planning is essential to ensure we have the right numbers of suitably skilled staff in the right places. The combination of losing experienced staff, recruiting new staff, and ensuring existing staff have the right skills and behaviours is a major challenge.	Failure to manage the transformation process through adequate planning and resources Lack of appropriate skills and capacity to move to alternative delivery process Loss of excellent staff due to scale of changes Failure to deliver expected outcomes and benefits, and critical services may be impeded.	Failure to deliver key services, to maintain quality of services provided and to achieve financial savings required, leading to reputational damage and further pressure on services.	On behalf of CMT: Corporate Director Human Resources **Responsible Cabinet Member(s):** Business Strategy, Performance & Health Reform	Likely (3)* **Target Residual Likelihood** Unlikely (2)	Serious (4) **Target Residual Impact** Serious (4)

*While the overall risk has diminished for the organisation over the last year because of controls put in place and that many significant restructures have been completed successfully, there is still risk relating to the adult transformation programme and change in ways of working. The score for this area in isolation would remain at 4.

Control Title	**Control Owner**
An Organisational Development Plan is in place, outlining KCC's key people activities from 2011-2015, including clear objectives and planned outcomes, Progress is monitored by HR divisional management team, Directorate Management Teams, Corporate Management Team and Corporate Board. Outcomes being monitored and challenged by Performance & Evaluation Board as appropriate.	Corporate Director (Human Resources)
Delivery of *Change to keep Succeeding* restructuring programme. Timelines are published on KNet together with information on current and completed restructures.	Corporate Director (Human Resources)
Directorate action plans in place and reviewed annually	Organisational Devt Group leads
Staff care policy in place	Corporate Director (Human Resources)
Centralised training budget and training plan in place delivered by Organisational Development Training Group, including leadership and Kent Manager programmes	Corporate Director (Human Resources)
Professional staffing resources dedicated to more complex issues	Corporate Director (Human Resources)
Governance & Internal Control mechanisms refreshed to align with new organisational arrangements (i.e. KCC constitution and Code of Corporate Governance.	Director (Governance & Law)
Programme Office in place providing independent assurance of significant transformational programme and project management and their interdependencies across KCC to ensure appropriate benefits realisation. Reports to Corporate Board and Budget Programme Board as appropriate.	Head of Policy & Strategic Relationships

Action Title	**Action Owner**	**Planned Completion Date**
Delivery of the Organisational Development & People Plan through action plans for each of the five areas of people management activity:	Corporate Management Team	March 2013 (review)

• Resourcing; • Development; • Performance; • Transformation; • Retention Directorate action plans to be reviewed annually		
Further work to develop Succession Planning across the organisation via Organisational Development Groups	Corporate Director (Human Resources)	March 2013 (review)
Implementation of Internal Communications Campaign	Director Communications & Engagement	February 2013 (launch)
Revision of KCC employee Terms & Conditions to reflect the changing shape of the workforce	Corporate Director (Human Resources)	April 13 (beginning of implementation)

Risk ID	**CRR6**	**Risk Title**	**Localism**

Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
Bold Steps for Kent envisages place-based commissioning for some KCC services, considerable opportunity for a more joined-up approach and greater efficiencies if there is a single district-based commissioning plan that is shared by KCC Members and District Councillors. In addition, the Localism Act paves the way for the Right to Buy public assets, the Right to Challenge the provision of public services and the Right to Bid to provide services, all of which potentially bring still greater complexity into the way in which services are commissioned and delivered.	Right to Challenge may not be conducive to the overall aims of Localism or corporate priorities Locality Boards fail to deliver effective & efficient place-based provision arrangements Delay in decision making due to complexity of this agenda Breakdown in critical relationships	Failure to deliver required transformation fast enough. Loss of economies of scale for service delivery and failure to deliver required budget savings. Procurement & Commissioning process for locality arrangements becomes resource intensive / duplicates effort. Key Bold Steps for Kent objectives not achieved.	Corporate Director Customer & Communities **Responsible Cabinet Member(s):** Customer & Communities	Possible (3) **Target Residual Likelihood** Possible (3)	Significant (3) **Target Residual Impact** Significant (3)

Control Title	**Control Owner**
Extensive preparatory work has taken place, including KCC Future Service Options Programme, preparing KCC for the implications of the "Right to Challenge" legislation, which was enacted on 27th June 2012. Phase 1 of Make, Buy, Sell programme completed. First tranche of services included in first Expression of Interest (EOI) window agreed. Local Members to be involved in making recommendations for future service delivery.	Strategic Business Advisor, Business Strategy & Support
Vision for Kent in place – the county's community strategy, developed with partners across the county.	Strategic Relationships Advisor
Local Government partners are engaging through Kent Joint Chiefs and Locality Boards	Strategic Relationships Advisor
Senior level engagement – KCC Directors are represented at each Locality Board	Corporate Management Team
Thematic briefings held on KCC issues of importance to Locality Boards	Director of Service Improvement
Locality Board Programme Plan in place and governance arrangements developed. A KCC steering group has been established. Roles & responsibilities have been developed and agreed for KCC staff who work with Locality Boards, along with a communications plan for stakeholders, including the public.	Head of Business Transformation , Service Improvement
Management Information 'dashboards' developed across localities	Director of Service Improvement / Head of Business Intelligence / Strategic Relationships Advisor
Support given to Locality Boards via Community Engagement Officers	Head of Consultation & Engagement

Action Title	**Action Owner**	**Progress**	**Planned Completion Date**
Phase 2 of 'Make Buy Sell' reviews to be agreed by Corporate Board in 2013/14.	Director of Service Improvement / Head of Policy & Strategic Relationships	N/A	July 2013

Risk ID **CRR9**		Risk Title **Health Reform**			
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The enactment of the Health and Social Care Bill gives KCC, as an upper tier Authority, a new duty to take appropriate steps to improve the health of the people. As well as the Act introducing a generic duty, it also requires KCC to undertake a number of specific steps including establishing a Health and Wellbeing Board; development of an enhanced Joint Strategic Needs Assessment (JSNA) under the auspices of the Health and Wellbeing Board; Commissioning Kent Health Watch; assuming statutory responsibility for some of the key locality-led elements of the new national Public Health System; and appointing (by statute) a Director of Public Health. In effect, this means that KCC becomes an integral part of this new national system providing locality-led leadership and oversight of public health (PH) in the County together with responsibilities in delivering some key public health services from the 1 April 2013. To support these new responsibilities the Authority will receive a ring-fenced budget and the transfer of most of the existing NHS staff currently working in public health in Kent.	The changes outlined in the Act to the NHS, including the changes to the national Public Health system prove overly difficult to achieve in the timescales set Following successful delivery / implementation the predefined outcomes and benefits are unachievable. Not enough Public Health resource is transferred to cover the delivery of services. Insufficient resource to support Health and Well Being Board and related sub-architecture.	Existing arrangements would be undermined by changes to health structures during and after implementation leading to additional costs particularly in adult social services (cost shunting). Existing arrangements for health and social care may deteriorate whilst waiting for new arrangements to get underway leading to ineffective health and social care provision for citizens of Kent – potentially damaging lives and Council reputation. Inadequate budgets provided by Central Govt to sustain current levels of locality-led Public Health services. Business Continuity issues due to delay in the development and management of essential new complex partnerships between KCC and the NHS. Potential increase in debt owed to KCC by outgoing NHS organisations Ability and commitment of successor bodies to continue with Section 31, 75 and 256 agreements. The possibility of unsafe practices in health protection as a consequence of responsibilities for this domain of Public Health being split between Public Health England, the National Commissioning Board and the Local Authority.	Corporate Director Families & Social Care (Director of Public Health) **Responsible Cabinet Member(s):** Business Strategy, Performance & Health Reform Adult Social Care & Public Health	Likely (3) **Target Residual Likelihood** Possible (2)	Significant (4) **Target Residual Impact** Moderate (3)

Control Title	**Control Owner**
Local transition plan has been developed by KCC and Medway Directors of Public Health alongside that produced by the South East Coast region.	Director of Public Health
KCC has a designated Cabinet Portfolio Holder for NHS reforms, who has assumed a central role at strategic level	Leader of the Council
Virtual Health & Wellbeing Board Steering Group established	Director of Public Health

Establishment of a shadow Health & Wellbeing Board chaired by Cabinet Member	Director of Governance & Law
KCC Public Health Transition Project Team established, reporting to the Corporate Director of Families & Social Care	Corporate Director Families & Social Care
Dedicated resource commissioned to ensure that any transfer of funding is fair and equitable and the interests of the Council are protected.	Director of Public Health
KCC/NHS reform budget agreed by Cabinet Members	Director of Strategic Commissioning
Secondment of a consultant from the Health Protection Agency to consider and to write the procedures underpinning the delivery of safe services	Director of Public Health
PCT cluster working group established co-chaired by the two Directors of Public Health in Kent & Medway to oversee and mitigate the risk of unsafe public health service emerging	Director of Public Health
Cabinet Member attends PCT Cluster Board	Cabinet Member for Business Strategy Performance & Health Reform
KCC Public Health Transition project plans in place	Director of Public Health
Joint Commissioning Board and sub groups for children's services established to identify joint priorities to improve outcomes	Director of Strategic Commissioning

Action Title	**Action Owner**	**Planned Completion Date**
An HR framework is being developed as part of the work of the transition planning group	Director of Public Health	March 2013
Alignment of the Families & Social Care Transformation Programmes with Commissioning plans of Clinical Commissioning Groups (CCGs)	Director of Strategic Commissioning Director of Older People & Physical Disability	April 2013
Transition of shadow Health & Wellbeing Board into full status.	Head of Policy & Strategic Relationships	April 2013
Development of a strategic approach to commissioning Kent Health watch	Director of Public Health	April 2013
Engage and work with the emerging Kent CCGs on both adult and children's health services	Corporate Director Families & Social Care	April 2013
Continue work to integrate Health & Social Care services	Director of Older People & Physical Disability	April 2013
Influence central government bodies to remove barriers to integration and to promote partnership working.	Director of Public Health	April 2013
Complete NHS Information Governance Toolkit return (cross-reference to Data and Information Management risk – CRR1)	Director of Families & Social Care / Director of Governance & Law / Director of ICT	February 2013

Risk ID CRR10	Risk Title Management of Social Care Demand				
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
KCC recognises that to effectively operate its services within budget limitations and affect preventative early intervention it must examine its operations and services and how they match customer expectations and demand.	Council fails to determine, manage and resource to future demand and its services are then unable to meet future customer requirements. Fulfilling statutory obligations and duties becomes increasingly difficult against rising expectations	Customer dissatisfaction with service provision. Increased and unplanned pressure on resources Decline in performance. Legal challenge resulting in adverse reputational damage to the Council.	Corporate Director Families & Social Care **Responsible Cabinet Member(s):** Adult Social Care & Public Health Specialist Children's Services	Very Likely (5) **Target Residual Likelihood** Likely (4)	Major (5) **Target Residual Impact** Serious (4)

Control Title	Control Owner
Analysis and refreshing of forecasts to maintain the level of understanding which feeds into the relevant areas of the MTFP and the business planning process	Director of Strategic Commissioning
Monitoring, vigilance and challenge regarding the placement of children and Adults in Kent.	Director of Strategic Commissioning
Plans developed to manage the number of children in care and ongoing discussions with high placing LA's placing children in care in Kent.	Director of Specialist Children's Services
Adult Social Care Transformation Programme Blueprint and Preparation Plan agreed by Cabinet, including six identified transformation themes.	Corporate Director Families & Social Care
Benefits of enablement support to existing and potential service users, their families and key partners being marketed. Work is linked into the Adult Transformation Programme and ensure there is sufficient capacity in the market to provide Enablement Services	Director of Strategic Commissioning
Continue to support early intervention and support services that make a difference in terms of delaying the need for more expensive social care support and helps improve quality of life	Director of Specialist Children's Services
Joint commissioning of services with health, in particular for people with dementia, long term conditions and for carers.	Director of Strategic Commissioning Director of Older People & Physical Disability
Utilise opportunities to make contracting and procurement controls drive value for money further	Director of Strategic Commissioning
Develop better understanding of demand profile and respond as early as possible to have the greatest impact on demand management	Director of Strategic Commissioning
Continued drive to maximise the use of Telecare as part of the mainstream community care services	Director of Older People & Physical Disability and Director of Learning Disability and Mental Health
Maintain the use of appropriate tools to obtain value for money in relation to the commissioning of expensive specialist residential accommodation	Director of Strategic Commissioning

Action Title	Action Owner	Planned Completion Date
Ensure the appropriate number of children in care	Director of Specialist Children's Services	March 2013 (review)

Ensure that children in care receive appropriate levels of support and services through effective multi-agency intervention that is responsive to their needs.	Director of Specialist Children's Services	March 2013
Re-focusing of early intervention and prevention services (both direct and commissioned)- is specifically designed to address this pressure and to ensure improved outcomes for children and young people	Director of Strategic Commissioning	March 2013
Evaluation of Central Referral Unit, which has been introduced to help with the effective management of safeguarding cases	Director of Specialist Children's Services	December 2012
Adult Social Care Transformation Programme - delivery of outputs from planning phase.	Director of Strategic Commissioning	December 2012
Continue to challenge other local authorities on ordinary residence matters	Director of Older People & Physical Disability and Learning Disability & Mental Health	March 2013 (review)
Jointly develop risk stratification tools with Health to better target interventions.	Director of Older People and Physical Disability Services	April 2013
Public Health & Social Care to ensure effective provision of information, advice and guidance and to promote self management to reduce dependency	Director of Public Health / Director of Older People and Physical Disability Services	April 2013
Continue to support investment in preventative services through voluntary sector partners	Director of Strategic Commissioning	March 2013
Implementation of Customer Service Strategy with emphasis on personalisation, incentivisation, demand management and localism	Director of Customer Services	March 2015

Risk ID	12	Risk Title	Welfare Reform Act

Source / Cause of Risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
The Welfare Reform Act 2012 puts into law many of the proposals set out in the 2010 white paper *Universal Credit: Welfare that Works*. It aims to bring about a major overhaul of the benefits system and the transference of significant centralised responsibilities to local authorities. The Act presents KCC with two major challenges; firstly to determine and implement the schemes and operations required to effectively comply with the Act on time and to specification and secondly to be prepared to manage the uncertain affects and outcomes that the changes may have on Kent and its people.	Failure to develop and deliver effective schemes and operations within statutory deadlines, specification and budget. The financial models and budgets and funding sources underpinning the new schemes prove to be inadequate and allocation of payments and grants has to become prioritised against more challenging criteria. The impact of the reforms in regions outside of Kent could trigger the influx of significant numbers of 'Welfare' dependent peoples to Kent. Failure to plan appropriately to deal with potential consequences.	Failure to meet statutory obligations has major legal, financial and reputational repercussions for KCC. Ineffective delivery of schemes and operations to customers compounds demand on KCC and partner services. An increase in households falling below poverty thresholds with vulnerable people becoming exposed to greater risk. New schemes and operations are undermined by a negative impact on Kent's demographic profile. Insufficient employment to meet additional demand and to fill the publics' 'funding gap' places additional challenges for adult and child safeguarding and demand for social support. Increasing deprivation leads to increase in social unrest and criminal activity.	Corporate Director Customer & Communities Corporate Director Families & Social Care (Corporate Director of Finance & Procurement) **Responsible Cabinet Member(s):** Finance & Procurement Customer & Communities Older People's Services	Likely (4) **Target Residual Likelihood** Possible (3)	Serious (4) **Target Residual Impact** Significant (3)

Control Title	Control Owner
Cross-party Informal Members Group established to consider developments	Cabinet Member for Older People's Services (including Public Health)
Key work streams and outputs to prepare for changes identified and detailed in a Welfare Reform Implementation, Response and Monitoring Plan	Head of Policy & Strategic Relationships
Initial analysis of impacts conducted by KCC Business Intelligence & external partners to give an indication of scale of implications	Research & Evaluation Manager, Business Intelligence
Analysis and research into potential implications for service users, claimants and KCC of introduction of Personal independence Payment to replace Disability Living allowance for working age claimants from April 2013	Research & Evaluation Manager, Business Intelligence
Housing Strategy team working with South East Housing associations to consider likely impact on sector	Strategic Housing Advisor
KCC working with Billing authorities & other major preceptors to design scheme which offers support to the most vulnerable whilst managing reduction in funding	Finance Strategy Manager

Action Title	Action Owner	Complete)	Planned Completion Date
Localisation of Social Fund – firm proposals for local scheme to be produced for decision	Policy Manager, Business Strategy & Support		January 2013

Universal Credit – Continue work with DWP to establish local delivery aspects in terms of face-to-face support	Head of Service – Customer Relationship Unit	April 2013
Total Benefit Cap – Update initial analysis to gain further insight into implications and produce a briefing on the impact on residents and services in Kent (best and worst case scenarios)	Research & Evaluation Manager, Business Intelligence	January 2013
Development of mechanism to track benefit cap migration into Kent and reach agreement on its use with District Councils.	Research & Evaluation Manager, Business Intelligence	November 2012 (mechanism developed) January 2013 (consensus with Districts)
Council Tax Benefit localisation - finalise details of scheme in conjunction with Districts and include necessary changes into 2013/14 budget and Medium Term Financial Plan	Finance Strategy Manager	January 2013

Risk ID CRR13	Risk Title	Delivery of Savings			
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The ongoing difficult economic climate has led to significant reductions in funding to the public sector and Local Government in particular. KCC has already made significant cost savings and still needs to make ongoing year-on-year savings in order to "balance its books."	The required savings from key programmes or efficiency initiatives are not achieved.	Urgent alternative savings need to be found which could have an adverse impact on service users and/or residents of Kent. Reputational damage to the council.	On behalf of CMT: Corporate Director Finance & Procurement **Responsible Cabinet Member(s):** Finance & Business Support	Possible (3) **Target Residual Likelihood** Very unlikely (1)	Serious (4) **Target Residual Impact** Moderate (2)

Control Title	Control Owner
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process	Corporate Director (Finance & Procurement)
Process for monitoring delivery of savings is in place, including a Budget Programme Board to scrutinise progress.	Corporate Director (Finance & Procurement)
Robust monitoring and forecasting of arrangements in place relating to the KCC budget as a whole	Corporate Director (Finance & Procurement)
Programme Office in place providing independent assurance of significant transformational programme and project management across KCC to ensure appropriate benefits realisation, including delivery of savings. Reports to Corporate Board and Budget Programme Board as appropriate.	Head of Policy & Strategic Relationships
Procedures for appropriate consultation in place (including Equality Impact Assessments) when decisions relating to changes in services are being considered	Head of Consultation & Engagement

Action Title	Action Owner	Planned Completion Date
Ensure existing controls and mechanisms remain robust during the coming years		March 2013 (review)
Work closely with District Councils to finalise arrangements for localisation of council tax (cross-reference to Risk 12 Welfare Reform)		January 2013
Delivery of Social Care Transformation Programme		2014/15

Risk ID	CRR14	Risk Title	Procurement		
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
As part of the transformation programme set out in *Bold Steps for Kent*, the Authority is moving towards more strategic commissioning arrangements. This will put even greater emphasis on the importance of robust procurement and commissioning arrangements and contract management.	Commercial or contractual failure of suppliers A procurement process is challenged because it is considered to be discriminatory or to have failed to adhere to procedures set out in procurement law. Potential conflict between best price and *Bold Steps for Kent* objectives Non-delivery of procurement savings	Providers fail to deliver expected benefits. Service users / residents of Kent suffer – potential legal, financial and reputational implications. Procurement processes may have to be halted / restarted, which has service and financial implications	On behalf of CMT: Corporate Director Finance & Procurement **Responsible Cabinet Member(s):** Finance & Business Support	Possible (3) **Target Residual Likelihood** Unlikely (2)	Significant (3) **Target Residual Impact** Significant (3)

Control Title	Control Owner
KCC Procurement Strategy sets out the strategic approach to procurement across the Authority	Head of Procurement
Spending the Council's Money – Code of Practice setting out how strategic approach to procurement is to be achieved at operational level.	Head of Procurement
Procurement Board in place, establishing clear agreed relationships, support, information flow, governance structures and accountability between different levels of commissioning and procurement.	Head of Procurement
iProcurement rolled out, as an online way of making and managing requisitions and purchases	Head of Procurement
Some Procurement training in place (see action below)	Head of Procurement
Category Management approach established	Head of Procurement
Procedures for appropriate consultation in place (including Equality Impact Assessments) where procurement and commissioning decisions are being considered	Head of Consultation & Engagement

Action Title	Action Owner	Planned Completion Date
Promote procurement training for KCC managers as part of *the Kent Manager* standard	Head of Procurement	March 13 (review)
Completion of Category Management strategies	Head of Procurement	January 2013 (review)
Jointly develop procurement protocol with Legal Services to clarify the respective responsibilities of these two functions and service managers.	Head of Procurement / Director of Governance & Law	January 2013

By: Mr Mike Hill, Cabinet Member for Customer and Communities
Amanda Honey, Corporate Director, Customer and Communities

To: Cabinet Meeting 3rd December 2012

Subject: Select Committee: Preventing and Responding to Domestic Violence and Abuse in Kent

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Summary: To receive and comment on the report of the Select Committee on Preventing and Responding to Domestic Violence and Abuse in Kent

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1. Introduction

1.1 Domestic violence and abuse strikes at the heart of society by disrupting families and causing lasting, often intergenerational, damage. It is a topic which is surrounded by myths and misconceptions and, far from being confined to particular groups, it affects people of different ages, social classes, sexual orientation, disability and ethnicity. It affects the development of children exposed to it while growing up and is becoming increasingly common in young peoples' relationships with one another and with their parents. The costs in terms of the wellbeing of individuals affected by it are incalculable. The total costs to the Kent economy (including for example health, criminal justice, social care, housing costs and lost economic output) have been calculated by the Trust for London and Henry Smith Charity at over £382.3 million per annum..

1.2 The Select Committee was established in late 2011 and begin its work in Spring 2012 to investigate the topic of domestic violence and abuse (DVA) in Kent. It focused on services for adults experiencing DVA and those available for perpetrators as well as services being developed for children and young people who are impacted by exposure to DVA while growing up. It looked in particular at prevention and early intervention and the ways in which the prevalence of domestic violence and abuse could be reduced in the future.

2. Select Committee

2.1 *Membership*

The Select Committee was chaired by Mr John Kirby. Other committee members were Mrs Ann Allen, Mr Harold Craske, Mrs Trudy Dean, Mr Steve Manion, Mrs Elizabeth Tweed, Mrs Carole Waters and Mr Alan Willicombe.

2.2 *Terms of Reference*

The agreed Terms of Reference were:

- To investigate breaking the vicious cycle and impact of domestic abuse in Kent, focusing on equitable access to support for victims and the efficacy of perpetrator programmes in reducing repeat victimisation and repeat offending.

- To examine co-ordination and collaboration within and between statutory and voluntary agencies, with a particular focus on delivering efficient services and maximising safety while reducing negative impacts of organisational change in key organisations.

- To make recommendations for Kent County Council and partner organisations (having explored funding options and feasibility) in order to improve outcomes for, and reduce long term damage to, individuals and families affected by domestic abuse.

2.3 *Evidence*

The Domestic Violence and Abuse Select Committee held eight hearings to gather oral evidence from a range of experts from the statutory and voluntary sectors. In addition written evidence was gathered from a wide range of contributors from all sectors and desk-based research informed the review.

Eight visits took place during the review and these primarily provided the opportunity for Members to speak to people with direct experience of domestic violence and abuse, in supportive surroundings.

Appendix 1 comprises a list of witnesses who contributed oral and written evidence to the review and details of the visits undertaken. The names of some witnesses have been kept private.

2.4 *Timescale*

The Select Committee conducted its official programme of visits in April and May 2012. Training sessions to increase Members' knowledge and understanding of the topic were undertaken in April and June and the programme of hearings took place during June and July 2012. It is planned that the committee's report be considered by a meeting of Cabinet on 3 December, and by a meeting of Full Council on 13 December 2012.

3. The Report

3.1 The key themes of the report's 14 recommendations include:

- Strengthening the multi-agency response to DVA by:
    - Developing a clinical care pathway to assist GPs and other medical professionals in responding to domestic violence and abuse
    - Improving information-sharing by health professionals
    - Retaining front-line specialist health visitor roles
    - Strengthening Police contact, referral and information exchange processes
    - Developing the Central Referral Unit
    - Improving the 'safety net' for cases not meeting social care thresholds
    - Strengthening the co-ordinated community response in terms of contacts and access to specialist support
- Improving the sustainability and equity of services through joint commissioning
- Ensuring that domestic violence and abuse (DVA) is given a high priority
- Raising public awareness of DVA and ensuring that Members as well as officers (multi-agency) receive appropriate training
- Ensuring that perpetrators are held accountable for their actions including the damage done to children
- Seeking to break the vicious cycle of domestic violence and abuse by:
    - Improving services for children affected by DVA as well as seeking to raise awareness of DVA among young people universally
    - Improving awareness of the impact of DVA on children and young people among those involved in educating and working with young people
    - Maintaining and improving links between education and specialist social care and other support

- Ensuring children and young people have access to information and resources on domestic violence and abuse.

3.2 An executive summary of the report is attached as Appendix 2. To obtain a copy of the full report please contact the report author (details below).

4. Conclusion

4.1 We welcome the report and would like to congratulate the Select Committee on completing this piece of work.

4.2 We would also like to thank all the witnesses who gave evidence to the Select Committee, and the officers who supported it.

4.3 Mr John Kirby, Chairman of the Select Committee, will present the report to Cabinet and the Committee would welcome your comments.

5. Recommendations

5.1 The Select committee be thanked for its work and for producing a relevant and balanced document.

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

5.3 Cabinet's comments on the report and its recommendations be welcomed.

Research Officer to the Review:

Sue Frampton
Research Officer – Policy Overview and Scrutiny
01622 694993
Sue.frampton@kent.gov.uk

Appendix 1: Oral and written evidence and list of visits undertaken as part of the review

Oral evidence/hearings:

7th June 2011 Interviews:

- Denise Dupont, Division Manager (Kent), Victim Support
- Louise Ludwig, Detective Inspector, Kent Police
- Lorraine Lucas, Family Intervention Worker, Community Budgets Pilot (Families & Social Care)

11th June 2012 Interviews:

- Specialist Health Visitors and Specialist Lead for School Nursing
- Carol McKeough, Safeguarding Adults Policy and Standards Manager, Families and Social Care

18th June 2012 Interviews:

- Andy Pritchard, Detective Chief Inspector and Gavin Roy, Detective Inspector, Kent Police
- Dr Greg Ussher, Deputy Chief Executive Officer, Metro Centre Limited
- Malcolm Gilbert, Operations Director and Danielle Gates, Independent Sexual Violence Adviser, Family Matters.

25th June 2012 Interviews:

- Angela Slaven, KCC Director of Service Improvement; Stuart Beaumont, KCC Head of Community Safety and Emergency Planning and Alison Gilmour; Kent and Medway DA Coordinator
- Sue Nicolaou, Regional Manager and Karen Stevens, Family Support Worker, Sheppey Family Support Project, Family Action
- Diane Barron, Chief Executive and Pauline Deakin, MARAC Development Officer – South East, Coordinated Action Against Domestic Abuse (CAADA)

2nd July 2012 Interviews:

- Dave Philpot, Programme Manager, Community Domestic Abuse Programme (CDAP) and MARAC co-ordinator for Mid-Kent, (Maidstone and Swale areas)
- Sue Dunn, Domestic Abuse Volunteer Support Service and Merle Bigden, Trustee, DAVSS
- Sarah Billiald, Chief Executive and Maurice O'Reilly, Director for North Kent and lead on Domestic Abuse, Kent Probation Service

5th July 2012 Interviews:

- Fizz Annand, Independent Consultant and Stuart Skilton, Group Manager (Community Safety), Kent Fire and Rescue Services (Reporting for the Task and Finish Group on IDVA Services)
- Melanie Anthony, Performance and Review Manager, Supporting People

- Niki Luscombe, K-DASH Chief Executive

9th July 2012 Interviews:

- Alan Barham, Headteacher, Sittingbourne Community College
- Andrew Coombe, Associate Director of Safeguarding and Rosalyn Yates, Specialist Nurse for Domestic Abuse, NHS Kent and Medway
- Tim Smith, Detective Superintendent, Kent Police

23rd July 2012 Interviews:

- Dr Bose Johnson, Kent Public Health Unit (Rescheduled from 9th July – standing in for Jess Mookherjee)
- Claire Moulsher, Senior Prosecutor, Crown Prosecution Service

Written/supplementary evidence:

Fizz Annand, Fizz Annand Consultancy
Melanie Anthony, Performance & Review Manager, Customer and Communities (KCC)
Kel Arthur, Head of Children's Safeguards Unit, Families & Social Care (KCC)
Emma Bartley, 2 Seas Trade Project Officer (KCC)
Merle Bigden, Domestic Abuse Advisor, DAVSS (Domestic Abuse Volunteer Support Services)
Julia Bird, Finance Administrator, Children's Centre Administrator, Sure Start (KCC)
Shuna Body, Area Manager (East Kent), Kent Community Warden Service (KCC)
Sharon Buckingham, Head of Adult Learning Resource Team (KCC)
Paul Carroll, Deputy Director of Custody, NOMS, Kent & Sussex Region
Deborah Cartwright, Service Manager, (Chief Officer) Oasis Domestic Abuse Service
Lorna Coyne, Rising Sun Domestic Violence and Abuse Service
Pat Craven, Freedom Programme
Karen Davies, Matron Safeguarding Vulnerable Adults, Maidstone & Tunbridge Wells Hospitals Trust
Paula Denholm-Bassett, Team Manager Kent Support Team, Lifeways Team, West Kent Housing Association
Denise Dupont, Divisional Manager, Victim Support
Allison Esson, Supporting Parents Commissioning Officer, Commissioning Unit, Commissioning and Partnerships Group (KCC)
Dr NT Fear, Reader in Epidemiology, Academic Centre for Defence Mental Health, King's College London
Lenni Frampton, Youth Inclusion Support Panel Project Co-ordinator, Customer and Communities (KCC)
Danielle Gates, Manager of ISVA Services, Family Matters
Marie Gerald, Housing Options & Private Sector Manager, Dartford Borough Council
Alison Gilmour, Kent & Medway Domestic Violence Co-ordinator
Sheridan Grundy, Children's Centre Network Manager, Six Bells and Cliftonville Children's Centres (KCC)

Gypsy and Traveller Unit (KCC)
Steve Hams, Deputy Chief Nurse & Head of Quality, East Kent Hospitals University NHS Foundation Trust
Penny Jedrzejewski, Named Nurse for Child Protection, East Kent Hospitals University NHS Foundation Trust
Gaelle Jezequel, Area Youth Officer, Customer and Communities (KCC)
Jo Hook, Senior Commissioning Officer (families, parents and carers). Families & Social Care (KCC)
Carol Hull, Senior Family Liaison Officer, Education Learning and Skills (KCC)
Integrated Youth Service (KCC)
Medina Johnson, IRIS Implementation Lead, Identification & Referral to Improve Safety, Next Link Domestic Abuse Services
Helen Jones, Head of Commissioning, Families & Social Care (KCC)
Janice Keen, Bishop's Adviser for Safeguarding, Children and Vulnerable Adults
Amanda Lewis, Homestart, Shepway
Management Information Unit (KCC)
Wendy Mann, Acting Integrated Processes Team leader (KCC)
Ann McNicholl, Families and Social Care (KCC)
Steve Milton, Director, Innovations in Dementia CIC
Oasis Domestic Abuse Service
Donna Payne, Solicitor
Rebecca Perry, SATEDA
David Philpot, St. Giles Trust
Gaby Price, Commissioning Manager, Kent Drug and Alcohol Action Team (KCC)
Linda Prickett, Public Health, West Kent
Douglas Rattray, Community Safety Officer, Canterbury City Council
Marie Reynolds, Business Manager, Child Health & Maternity Commissioning, NHS Kent and Medway
Heather Robinson, Children's Centres Coordinator, Gravesham Sure Start Children's Centres (KCC)
Penny Roots, Training Advisor (KCC)
Sophie Scott, Marac/Mappa Co-ordinator, Kent Police
Nick Smead, Learning Account Manager, Business Strategy & Support (KCC)
Alison St Clair Baker, Business Transformation Programme Manager (KCC)
PSE 57685 Nick Symons, East Kent MARAC Coordinator, Community Safeguarding Team
Charlotte Walker, Children’s Commissioning Officer, Families & Social Care (KCC)
Karen Waters, Housing Options Officer, Swale Borough Council
Marisa White, Head of Strategic Planning, Partnerships □ Democratic Services (KCC)
Victim-survivors and their relatives
Sally Williamson, Director, Project Salus

Visits:

24th April	Multi-agency Domestic Abuse One Stop Shop, Ashford
1st May	Specialist Domestic Violence Court, Margate
1st May	Multi-agency Domestic Abuse One Stop Shop, Dover
15th May	Multi-agency Domestic Abuse One Stop Shop, Swale
16th May	Oasis (Refuge), Thanet
23rd May	Specialist Domestic Violence Court, Maidstone
28th May	Rising Sun Domestic Violence and Abuse Services, Canterbury
30th May	K-DASH, Maidstone

Appendix 2: Executive Summary Report

Preventing and Responding to Domestic Abuse in Kent
Select Committee Report – Executive Summary
2012

Kent County Council
County Hall
Maidstone
ME14 1XQ
08458 247247
county.hall@kent.gov.uk

Contents

Chairman's Foreword

During this Select Committee I think I can say for all Members we have been on a roller coaster of differing emotions ranging from sympathy to admiration to anger. We have seen evidence of and heard at first hand some harrowing stories of abuse and violence which are hard to comprehend. The further we looked into people's experiences of domestic violence and abuse it became obvious there was no easy definition and no 'one size fits all' in terms of the response. A better appreciation of the different types of abuse will ensure that resources are targeted more effectively.

We have looked at domestic violence and abuse affecting the whole compass of society in Kent and hope that this report will give an idea both of the problems and some of the solutions that could be followed.

The role of Kent Police is obviously a key aspect and I believe the withdrawal to other duties of dedicated Domestic Abuse Liaison Officers has had a negative effect for victims in Kent. I do appreciate that budgetary reductions have led to Officers taking on more general duties but this must have affected the quality of the response to victims and the extent to which domestic abuse is recognised. I hope that an improved multi-agency response, bringing to the fore the role of GP surgeries, Accident and Emergency Departments and Multi-Agency Domestic Abuse One Stop Shops coupled with other early intervention work, will ensure that victims can access support earlier on, before crises occur.

The establishment of Multi-Agency Risk Assessment Conferences and Specialist Domestic Violence Courts are all major steps forward as is the work of Independent Domestic Violence Advisors, including those attached to the Courts. The work of the voluntary sector in providing support and refuge for victims and children is particularly welcome and needed. I believe also that addressing these issues with children and young people is vital if we are to break this vicious and unacceptable cycle.

It is hard to summarise our work in a few paragraphs but I would like to thank most sincerely all Members, Officers and witnesses who provided the important evidence on which this report is based. Members of the Select Committee have given many hours of thought to the recommendations and hope these provide a way forward to combat, recognise and reduce domestic violence and abuse in Kent. I commend this report to you and hope you will find the contents innovative and helpful.

John Kirby J.P.
Chairman - Domestic Violence and Abuse Select Committee

I EXECUTIVE SUMMARY

1.1 Committee membership

The Select Committee comprised eight Members of the County Council; seven Conservative and one Liberal Democrat; the Chairman being Mr John Kirby.

Kent County Council Members:

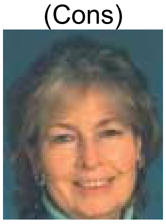
Ann Allen
(Cons)


Harold Craske
(Cons)


Trudy Dean
(Lib Dem)


Steve Manion
(Cons)


John Kirby
(Cons)


Elizabeth Tweed
(Cons)


Carole Waters
(Cons)


Alan Willicombe
(Cons)


1.2 Establishment of the Select Committee

1.2.1 The Select Committee was put forward at the Crime and Disorder Policy Overview and Scrutiny Committee in July 2011 as a result of concerns that victims of domestic violence and abuse often fell through the 'safety net' or discontinued pursuing their cases in Court due in part to a lack of clarity on referral points.

1.3 Definitions of Domestic violence and abuse

1.3.1 There is no single accepted definition of domestic violence and abuse however the Kent and Medway Domestic Abuse Strategy refers to the Home Office (2004) and Women's Aid Definitions of domestic violence.

1.3.2 A Home Office consultation[1] ran from 14th December 2011 to 30 March 2012 on proposals to broaden the government definition of domestic violence, to include under 18s (16/17 year olds or all under 18s) and make reference to coercion which is 'a complex pattern of abuse using power and psychological control'. The former is in response to evidence from the British Crime Survey that 16-19 year olds are the group most likely to suffer intimate partner abuse. Coersive behaviour is known to feature in a high number of domestic abuse cases and can manifest as financial abuse, verbal abuse, isolation and repeated abuse of varying severity. It is also a significant risk factor in domestic homicide. The results of the consultation were announced on 19th September 2012 and the new definition of domestic violence will be implemented by March 2013 as follows:

"Any incident or pattern of incidents of controlling, coercive or threatening behaviour, violence or abuse between those aged 16 or over who are or have been intimate partners or family members regardless of gender or sexuality. This can encompass, but is not limited to, the following types of abuse: psychological; physical; sexual; financial; emotional."

"Controlling behaviour is: a range of acts designed to make a person subordinate and/or dependent by isolating them from sources of support, exploiting their resources and capacities for personal gain, depriving them of the means needed for independence, resistance and escape and regulating their everyday behaviour."

[1] http://www.homeoffice.gov.uk/publications/about-us/consultations/definition-domestic-violence/

"Coercive behaviour is: an act or a pattern of acts of assault, threats, humiliation and intimidation or other abuse that is used to harm, punish, or frighten their victim." [2]

1.3.3 The Women's Aid Definition:
"Domestic violence is physical, sexual, psychological or financial violence that takes place within an intimate or family-type relationship and that forms a pattern of coercive and controlling behaviour. This can include forced marriage and so-called "honour crimes". Domestic violence may include a range of abusive behaviours, not all of which are in themselves inherently 'violent'."

1.3.4 Co-ordinated Action Against Domestic Abuse (CAADA)'s definition of domestic abuse is:
"a pattern of behaviour which is designed to control an intimate partner or family member".

1.3.5 Throughout this report, unless referring specifically to documents where another term is used, the term 'domestic violence and abuse' (DVA) will be used.

1.3.6 There is no legal definition of domestic violence and abuse in England and Wales. Other countries have sought to define it legally and, for example, Australian legislation in June 2012 broadened the legal definition of domestic violence to include emotional manipulation, withholding money and harming the family pet.

1.4 Terms of Reference (TOR)

1.4.1 To investigate breaking the vicious cycle and impact of domestic abuse in Kent, focusing on equitable access to support for victims and the efficacy of perpetrator programmes in reducing repeat victimisation and repeat offending.

1.4.2 To examine co-ordination and collaboration within and between statutory and voluntary agencies, with a particular focus on delivering efficient services and maximising safety while reducing negative impacts of organisational change in key organisations.

1.4.3 To make recommendations for Kent County Council and partner organisations (having explored funding options and feasibility) in order to improve outcomes for, and reduce long term damage to, individuals and families affected by domestic abuse.

[2] This definition, which is not a legal definition, includes so called 'honour' based violence, female genital mutilation (FGM) and forced marriage, and is clear that victims are not confined to one gender or ethnic group.

1.5 Scope of the review

1.5.1 To investigate breaking the vicious cycle and impact of domestic abuse in Kent, focusing on equitable access to support for victims and the efficacy of perpetrator programmes in reducing repeat victimisation and repeat offending:

- Types and stereotypes - incidence of abuse (including female perpetrators, abuse within same-sex relationships, younger people in relationships, people with learning disabilities, people with mental ill-health, abuse of older persons by spouse/child)
- Provision of Healthy Relationship work in schools
- Access to services – reaching vulnerable groups, postcode lottery
- Sustainability of support/resourcing of front-line services
- Perpetrator programmes – effectiveness/evaluation/different models
- Civil and legal remedies and the role of Specialist DV Courts
- Relationship between substance misuse and incidence of domestic abuse

1.5.2 To examine co-ordination and collaboration within and between statutory and voluntary agencies, with a particular focus on delivering efficient services and maximising safety while reducing negative impacts of organisational change in key organisations.

- New structures for early intervention work in Children's Services – inter-agency referral processes, thresholds and responses, family interventions (contact issues)
- Risk assessment, Multi-Agency Risk Assessment Conference (MARAC) capacity and referral pathways for medium and standard risk domestic abuse cases
- Information sharing and communication between agencies
- Domestic Abuse Multi-agency One Stop Shops
- New policing model (Changes to Public Protection Unit/no specialist DV Officers)
- Training and awareness (domestic abuse/safety) among front-line workers

1.5.3 To make recommendations for Kent County Council and partner organisations (having explored funding options and feasibility) in order to improve outcomes for, and reduce long term damage to, individuals and families affected by domestic abuse.

- Explore funding options for any recommendations, within the timetable for the review taking account of KCC commissioning and voluntary sector funding

1.6 Exclusions

1.6.1 No particular exclusions were identified at the start of the review.

1.7 Evidence gathering

1.7.1 A list of witnesses who attended hearings is given at Appendix 2. A list of witnesses who provided written evidence is given at Appendix 3; details of training and visits carried out as part of the review are given at Appendix 4.[3][4]

1.7.2 Due to the subject matter, Select Committee interviews were held as private briefings (and not in public as would normally be the case) to mitigate any potential risks to witnesses from the publication of agendas and meeting details.

1.7.3 Evidence was gathered from people with experience of domestic violence and abuse both through visits and following direct approaches (from witnesses) in a few instances.

1.7.4 A survey was sent out to Kent Secondary Head Teachers via the Schools' e-bulletin.

1.7.5 Informal approaches to a number of GPs were made.

1.8 Key findings

1.8.1 Domestic violence and abuse (DVA) represents 25% of all violent crime yet the majority still goes unseen and unreported. People often do not recognise, particularly in the early stages, that they are in an abusive relationship but incidents, almost without exception, escalate in severity and frequency. 'Risk' can fluctuate dramatically and failure to judge or respond to it effectively can lead in the worst cases to victims' death. Strong leadership and championing of the issue are required so that domestic abuse and violence is given the priority it merits. An investment in services by all agencies is required and the relatively small amounts involved are entirely justified by the enormous social and financial costs to the county (estimated at £382.3 million per annum)[5].

1.8.2 Despite national awareness campaigns, understanding (particularly of the dynamics) of DVA is poor among both public and professionals and there remains a great deal of stigma and shame around the subject. There is also a lack of accountability for perpetrators and the risk that we re-victimise victims with legal or social care processes. It is at least partly attributable to such factors that young people (even those fortunate enough not to have been exposed to

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[3] In a few cases the identity of witnesses who gave evidence has been kept private, for their protection.
[4] To the main report
[5] Trust for London and the Henry Smith Charity (2011)

violence or abuse at home while growing up) have ‘tainted’ views about what is right and acceptable behaviour in relationships. Adults suffering abuse frequently try to ‘contain’ what is happening within their family because of embarrassment or shame; indeed the Courts still consider domestic violence and abuse as a ‘family matter’. A change of culture is required so that we better understand DVA and feel freer to talk about it; condemning it for what it is; an abhorrent behaviour as despicable and damaging as child sexual abuse.

1.8.3 Because of the gendered nature of DVA, equality in terms of services is not a matter of ‘equal treatment for everyone’ since women are disproportionately represented among victims. However, achieving equitable services does require an understanding of the less common types of victimisation and their prevalence in the diverse population being served. Kent is well placed to achieve equitable services provided there is a concerted effort by all the involved agencies to pool information and resources and to jointly commission what is needed based on evidence, local intelligence/data and the experience already gained within all sectors, particularly the voluntary, charity and social enterprise sector.

1.8.4 The latter plays a central role in addressing DVA across the whole spectrum from early intervention to the co-ordinated community response, since it is here where the specialist knowledge lies that must underpin much of future service provision. We are only just beginning to understand that not all of what we think of as domestic violence and abuse is the same. The role and dynamics of power, control and coercion and particularly their impact on parenting are best understood by specialist DVA service providers. However, the needs of people in violent and abusive relationships (where the power and control element is missing) might, for example, be met by generic services offering anger management or communication skills. Many perpetrators and some victims will also require the help of substance misuse or mental health services. Being able to recognise and understand the role all these factors play could be key to successfully addressing DVA, by targeting services effectively and achieving the optimum balance within constrained finances.

1.8.5 It is apparent (and society ignores at its peril) that for adult and child victims of domestic violence and abuse no real closure or recovery can be achieved (even after an abusive relationship has ended) without specialist therapeutic support (such as the Freedom Programme and targeted programmes for children and young people) and programmes such as CDAP for perpetrators. The violence and abuse may stop but trauma can be deep-rooted and the effects inter-generational. Without such support, re-victimisation of the adult victim is likely and a wide-range of damaging effects impact on involved children.

1.8.6 The Police are viewed by many as the linchpin service with regard to domestic violence and abuse, since they are operating at the ‘sharp-end’ where crises occur and crimes become apparent. However, only a small minority of DVA comes to the attention of the Police. Coupled with this, reorganisation within Kent Police means that Specialist Domestic Abuse Units and specialist Domestic Abuse Liaison Officers no longer exist and this will impact on the response and follow up that can be expected in DVA cases. Kent Police are, however, committed to partnership working and addressing the difficulties that have been identified.

1.8.7 The most likely interface with professionals for adult and child victims of DVA, who frequently experience mental/physical ill-health or injury as a result, is in healthcare settings. Furthermore, a very high proportion of the children and families that come to the attention of children's social care professionals are likely to be experiencing DVA. It is therefore essential that health and social care professionals in particular, regardless of setting or context, can recognise where domestic violence and abuse is occurring, and respond effectively. GPs have a much greater role to play in early identification and referral to support and midwives and health visitors play an equally important role since DVA frequently starts or escalates when victims are pregnant.

1.8.8 Clear referral pathways between the involved services/organisations in Kent are vital and professionals from different disciplines need to be empowered with an understanding of DVA, knowledge of DVA services and most importantly the confidence to share information appropriately to keep victims safe. Coupled with this is the need for KCC and others to ensure that all relevant strategies are linked and actions to address DVA are embedded.

1.8.9 It would constitute a serious missed opportunity (for both prevention and intervention) if we failed to educate children and young people about domestic violence and abuse and about positive healthy relationships, while they are at school. Furthermore, services which come in contact with young people 'running into trouble' or becoming involved in anti-social behaviour, such as the Integrated Youth Service, are particularly well placed to work pro-actively on DVA issues as well as to intervene when necessary so that early brushes with youth justice do not pave the way for future criminality or other poor outcomes. This is particularly relevant since certain types of DVA are becoming more prevalent (such as adolescent DVA in peer relationships and parental abuse by adolescents). This, coupled with mounting evidence of the impacts on children and young people from experiencing DVA and the increased likelihood of their becoming a victim or perpetrator in the future, demonstrate the importance of tackling 'faulty' behaviours and beliefs about power, control and violence in relationships as early as possible, in order to break the cycle of domestic violence and abuse in Kent.

1.9 Recommendations

Members consider that the highest priority recommendations are those numbered 1-6 and 12-14 (contained in the final section on Breaking the Cycle)

STRENGTHENING THE MULTI-AGENCY RESPONSE

R1 That KCC seeks to collaborate with Clinical Commissioning Groups in Kent so that the Kent and Medway domestic violence and abuse care pathway can inform the development of a Map of Medicine Clinical Care Pathway to assist all General Practitioners (GPs) in identifying and responding appropriately to cases of domestic violence and abuse and asks

That NHS Kent and Medway:

- expedites use of the Health Information Service Business Intelligence (HISBI) system to enable sharing of information on the presence of domestic violence and abuse (actual/disclosed or strongly suspected) in health settings such as Accident & Emergency (A&E) departments, GPs, Midwifery, Ante-natal and maternity settings. That in line with established protocols this information is shared and collated within Health and made available to other appropriate agencies/bodies such as Multi-Agency Risk Assessment Conferences (MARAC) especially when frequency of attendance indicates potential heightened risk to a patient or their child/children;

- Retain and develop specialist Domestic Abuse Health Visitor roles across Kent.

R2 That to mitigate the loss of specialist domestic abuse police officers and to strengthen contact and referral processes:

Kent Police:

- ensure that there is a system for flagging the number of domestic abuse incidents and making this information available to responding officers and that a third (and any subsequent) incident, regardless of risk level, should trigger an automatic discussion with a domestic abuse specialist to determine whether a MARAC referral is required (in line with Co-ordinated Action Against Domestic Abuse (CAADA) guidance on potential escalation of domestic abuse cases);

- carry out an immediate review of information provision and referral to partner organisations including those in the voluntary sector and in particular Victim Support and, in addition, agree (with input from key partners) a process or processes to expedite urgent information requests.

Kent Police with KCC and Health:

- Determine whether the presence in the Central Referral Unit (CRU) of a domestic violence and abuse specialist worker could help with the effective triaging of cases;

- Ensure that all staff in CRU are trained in CAADA Domestic Abuse Stalking and Harassment (DASH) risk assessment;

- Put in place a process to ensure that domestic abuse notifications (DANs) not meeting social care thresholds are linked to a Common Assessment Framework (CAF) pathway so that families have the opportunity to access appropriate community support.

Kent Children and Adult Safeguarding Boards:

- Give urgent consideration to a process by which risk (for adults and children) can be monitored in the above case, where a CAF is declined.

R3 That KCC seeks to strengthen and develop the co-ordinated community response to domestic violence and abuse, in particular by:

- promoting the Kent and Medway Domestic Abuse Strategy Group (KMDASG) domestic abuse website

- establishing a single point of telephone contact to complement the domestic abuse website

- gaining commitment at strategic level from relevant agencies e.g. housing, Police, solicitors, health agencies, Victim Support, to the development and staffing of Multi Agency Domestic violence and abuse One Stop Shops (OSS) and facilitating more flexible provision (to include evenings and exploring ways to reach remote communities).[6]

- providing funding to publicise the One Stop Shop widely in each area

- seeking to support through the joint commissioning process the development of a Specialist Domestic Violence Court in the south of Kent

[6] This could also include alignment with existing ‘Single Points of Access’ (SPAs)

ACHIEVING SUSTAINABLE AND EQUITABLE SERVICES

R4 That KCC seeks to rationalise the existing patchy provision of domestic violence and abuse services and drives up the quality of services, by devising and implementing a commissioning plan, beginning with Independent Domestic Violence Adviser (IDVA) services and aiming to achieve joint commissioning of a 'domestic violence and abuse care pathway' informed by needs assessments and taking account of different forms and types of DVA.

- that joint commissioning is enabled by consolidating existing funding sources and seeking to align this with further funding from internal and external sources (e.g. Supporting People, KDAAT, Families and Social Care (FSC), Public Health, Police, Fire and Rescue, Probation, Health and Mental Health, the Police and Crime Commissioner (PCC), Health and Wellbeing Boards (HWB) and Clinical Commissioning Groups (CCGs) to provide a multi-agency domestic violence and abuse commissioning 'pot';

- that commissioned domestic violence and abuse services are monitored and evaluated through a Quality Assurance Framework.

HIGHER PRIORITY, GREATER AWARENESS

R5 That KCC demonstrates strong leadership and commitment to addressing domestic violence and abuse by:

- ensuring that basic awareness training in domestic violence and abuse awareness is included in the Member Development Programme so that all Members can be ambassadors and advocates for a change in public attitude (and can signpost effectively to help and support);

- identifying a Member Champion for Domestic abuse to help drive forward changes and expedite the development of a network of Domestic violence and abuse Champion roles including in Health, (within Clinical Commissioning groups, GP surgeries, Accident and Emergency Departments);

- ensuring that the Member chosen to sit on the Police and Crime Panel (which will scrutinise the work of the PCC) is also a domestic violence and abuse Champion;

- having Member (Champion) representation on the Kent and Medway Domestic Abuse Strategy Executive Group.[7]

[7] One or more Members could undertake these roles.

R6 Members welcome the development of a Kent and Medway domestic violence and abuse training matrix in order to rationalise existing provision and ensure all statutory sector professionals have the appropriate level and content of training and recommend that:

- to complement current training resources: a portfolio of domestic violence and abuse webinars is developed, with the involvement of survivors, offering professionals an alternative, quick and easy way to increase their knowledge and engagement.

- KCC Learning Resources/Training take a more proactive role in the development of training on domestic violence and abuse and ensure that there is a mechanism to engage survivors in the development of training, policy, practice and future services.

R7 That KCC seeks to influence attitudinal change on domestic violence and abuse using a 'multi-pronged' approach:

- asking the incoming Police and Crime Commissioner to have domestic violence and abuse as a top priority in the Police and Crime Plan for the duration of the Plan and that given domestic abuse represents 25% of violent crime in Kent, the new PCC is invited by Kent and Medway Domestic Abuse Strategy Group (KMDASG) to become a domestic violence and abuse Champion and to receive appropriate support and training for that role.

- asking that the County Community Safety Partnership continues to have domestic abuse as a high priority and cascades this to the local Partnerships

- using a Public Health campaign to help change perceptions

- using Safeguarding Week 2013 to raise awareness of domestic violence and abuse

- using established community safety routes to get domestic violence and abuse information and links into the public eye (e.g. Fire & Rescue Service leaflets in GP surgeries)

SHIFTING ACCOUNTABILITY

R8 That in implementing its Early Intervention and Prevention Strategy KCC creates culture change – through a process of:

- Embedding understanding of domestic violence and abuse and its impacts throughout the organization

- Examining the interface with individuals and families experiencing domestic violence and abuse
- Ensuring that practice, processes and communications are as supportive as possible to non-abusing parents (where this does not conflict with the duty to safeguard children)

R9 That KCC asks the Criminal Justice Board to carry out a review to determine whether breaches of Non-molestation or Restraining order in domestic abuse cases are being dealt with effectively by criminal justice agencies.

R10 That (in the light of the Family Justice Review, and given the proven impacts on children of witnessing/experiencing domestic violence and abuse) KCC lobbies the Ministry of Justice (MoJ) with regard to making perpetrators of domestic violence and abuse more accountable for their actions:

- The select committee support the recommendations of Children and Family Court Advisory and Support Service (CAFCASS) and RESPECT[8] that, as a condition of perpetrators having contact with their children, they should be required to attend a specialist perpetrator programme and/or parenting classes and ask that these recommendations are taken into consideration by Families and Social Care during case conference proceedings

- That KCC and relevant partners conduct a review of arrangements in Kent for parental contact (including those families not in touch with Families and Social Care) and seeks opportunities for further safeguards to be put in place regarding supervision where a parent has perpetrated domestic violence and abuse

BREAKING THE CYCLE

R11 Members welcome the new services commissioned by FSC for children aged 5-13 who have experienced domestic violence and abuse and those targeted at healthy relationships (girls aged 11-16) and would like to see services commissioned for boys of this age to address unhealthy attitudes and behaviours towards girls or same sex partners in their peer relationships. Members would also like to see the gap in universal services to address healthy relationships within schools addressed through the commissioning process to augment schools' own teaching.

R12 That KCC takes a number of actions designed to increase knowledge and understanding within schools of the impact of domestic violence and abuse on children and young people:

[8] Membership association for domestic violence perpetrator programmes and associated support services

- supports links between social care and education and retains vital Family Liaison Officers/Parent Support Adviser-type roles within schools;

- asks the Kent Safeguarding Children Board (KSCB) and Kent Head Teachers to ensure there is a focus on healthy relationships within the schools' Personal, Social and Health Education (PSHE), religious or ethics frameworks and that staff are trained to recognise and respond to issues of domestic violence and abuse affecting pupils at home or in their peer relationships.

- writes to the Teaching Agency asking them to require that teacher training programmes include compulsory modules on the impact of domestic violence and abuse on children and young people.

- writes to the Department for Education asking that schools are encouraged to place a greater emphasis on the health and wellbeing of pupils, in order to underpin their ability to achieve academically;

R13 That KCC should take a lead on developing approaches to young people who show aggressive or violent behaviour towards their parent(s) and that this should be reflected in the Integrated Youth Support Strategy and pilot programmes and any other relevant strategies.

R14 That KCC seeks to include information and links (such as www.thehideout.org.uk and the new Kent Domestic violence and abuse website - young people's resources) in materials published for young people.

By:	Roger Gough - Cabinet Member Business Strategy, Performance & Health Reform David Cockburn – Corporate Director Business Strategy and Support
To:	Cabinet – 3 December 2012
Subject:	Quarterly Performance Report, Quarter 2, 2012/13
Classification:	Unrestricted

Summary

The purpose of the Quarterly Performance Report is to inform Cabinet about key areas of performance for the authority.

Members are also asked to NOTE the report.

Introduction

1. A draft of the KCC Quarterly Performance Report for Quarter 2, 2012/13 is attached at Appendix 1.

2. The Quarterly Performance Report (QPR) is a key mechanism within the Performance Management Framework for the Council. The QPR is reviewed by the Performance and Evaluation Board before submission to Cabinet.

3. The QPR continues to be developed each year and a significant re-fresh was made at the start of the current financial year.

Developments to the QPR for this financial year

4. Developments to the QPR as previously discussed with Cabinet members, and which have been carried forward in current year reports include:

   - Refreshing the selection of key performance indicators included within the report, to keep them up to date and relevant
   - The inclusion of light-touch reporting of activity and lead indicators. These are being monitored by trajectory within expected upper and lower thresholds, representing expected levels

5. There is more work to do, to develop appropriate measures relating to qualitative aspects of service delivery, through customer satisfaction surveys or other appropriate methodologies.

Quarter 2 Performance Report

6. An executive summary of performance for quarter 2 is provided on pages 4 to 5 of Appendix 1. This is supplemented with summary KPI tables from page 6 through to page 8.

7. Of the 30 Key Performance Indicators included in the report, 15 (50%) are Green (currently achieving or exceeding the targets set), with 9 (30%) Red (performance below pre-defined floor standards).

8. This level of achievement at the end of last financial year was to 21 (70%) of indicators Green and (6) 20% Red, so significant improvement is required in the remainder of the year to achieve a similar performance this year.

Performance and Evaluation Board

9. The Performance and Evaluation Board (PEB) continues to review the Quarterly Performance Report before submission to Cabinet.

10. Where performance is behind target for KPIs within the QPR, accountable officers are invited to attend a meeting of PEB, to discuss their action plans for improvement and any assistance they require.

11. At the last meeting of PEB, the indicator for the percentage of clients who receive a personal budget and/or a direct payment was discussed. The Care Minister, Norman Lamb, has announced that the Government has revised the national target of 100% down to 70%.

12. The draft Quarterly Performance Report now reflects a revised local target of 70% for personal budgets for this year, reduced from the original business plan target of 100%, in line with the national target reduction.

Recommendations

13. Members are asked to NOTE this report.

14. Members are asked to APPROVE the above-mentioned variation to the business plan target for Personal Budgets.

Contact officer:

Richard Fitzgerald,
Corporate Performance Manager,
Business Strategy,
Tel 01622 22(1985)

Kent County Council

Quarterly Performance Report
Quarter 2, 2012/13

September 2012

Produced by: KCC Business Intelligence
E-mail: performance@kent.gov.uk
Phone: 01622 221985

Foreword

Welcome to Kent County Council's Quarterly Performance Report for Quarter 2 of financial year 2012/13.

Within this report you will find information on our Key Performance Indicators (KPIs) and Lead Indicators as well as a range of other essential management information. The Key Performance Indicators represent some of our top priority areas and targets for improvement in the current financial year. The Lead Indicators represent demand and activity levels we need to manage, and also some of the challenges placed upon us by the external environment we operate in.

The selection of Key Performance Indicators included in this report are refreshed for each financial year. The refresh ensures the report reflects new business plan targets for the year and keeps the selection of indicators up-to-date and relevant. We also deliberately included indicators where we have challenging targets to deliver for example within Children's Social Services, where we know we still have a lot more to do to deliver the improvement in services we wish to see.

The Council is committed to delivering its strategic objectives as outlined in our medium term plan **Bold Steps for Kent** and the suite of underlying strategies underpinning our Framework for Regeneration, 'Unlocking Kent's Potential'.

At the heart of Bold Steps for Kent are our three ambitions:

- To Help the Economy Grow
- To Tackle Disadvantage
- To Put the Citizen In Control

We are working in very challenging times, with significantly less funding from central government and increased demand for services. The need for a new approach to public services has never been more urgent given the pressures on public finance and the changes in the way that people want their services to be delivered. KCC must radically rethink its approach to the design and delivery of services whilst ensuring Kent remains one of the most attractive places to live and work. Our Bold Steps priorities will help us achieve this.

We hope you find this report useful and we welcome any feedback on how we can improve it.

Table of Contents

Data quality note

All data included in this report for the current financial year is provisional unaudited data and is categorised as management information. All results may be subject to later change.

Executive Summary – KPI Results

The second quarter of the year has seen an increase in the number of Key Performance Indicators rated 'Green' and a decrease in the number rated 'Red'. We will be working over the course of the year to ensure we further increase the number of indicators which are rated 'Green' by the end of the financial year.

A summary of results for the Key Performance Indicators is provided below, with more information available in the relevant section of the detailed report.

	N/A	RED	AMBER	GREEN	TOTAL
Current ratings	**0**	**9**	**6**	**15**	**30**
Previous ratings	**1**	**10**	**7**	**12**	**30**
Change	**-1**	**-1**	**-1**	**+3**	

RED = Performance below Floor Standard

- Call answering response times in our contact centre (Contact Point) have been behind target for the last two quarters. Management action has taken place to improve the performance in the short term and longer term plans are being introduced to ensure that improvement can be maintained. The forecast for the quarter to December is that performance will be on target.
- The number of children becoming subject to a Child Protection Plan for a second or subsequent time has been high for the last two quarters. Most of these children came off plans more than a year ago, which is less of a concern than if they had come off of a plan more recently. All cases where the new plan is within a year of an old plan are being carefully reviewed.
- The number of children coming off a child protection plan, who had been subject to a plan for two or more years, was at a much reduced and improved level in the last quarter and the forecast is that this should achieve target by the year end.
- The adoption rate for Children in Care dropped slightly in the quarter but results so far this year are an improvement on previous years. Coram now manages the Adoption Service on Kent's behalf, with the service's progress being externally monitored by the newly formed Adoption Board.
- The number of Children in Care who experience 3 or more placements in a year has reduced (improved) this quarter. Placement Stability Core Groups have been established to prevent potential breakdowns in placements and Placement Panels are being established to ensure all placement moves meet the needs of the child.
- The number of schools in an Ofsted category has remained at a high level this quarter, mainly as a result of the tougher Ofsted framework introduced earlier this year. We have launched a new Schools Improvement Strategy for this academic year and we are working in collaboration with schools, offering bespoke and targeted support to deliver improvements.
- The timeliness of completing Special Educational Needs (SEN) statutory assessments has improved this quarter but remains behind target. A new Head of Services is implementing an plan of improvement, which includes close monitoring of performance by team and ensuring at staff have the skills required to effectively influence the various third parties whose co-operation we requires to deliver timely assessments.
- The number of Adult Social Care clients receiving enablement (in-house provision) reduced in the quarter, to below the target level. The causes of this are being investigated so that appropriate management action can be taken. In part the reduction

in clients receiving enablement is due to other similar services being offered, which deliver the same final outcome (independent living through enablement) but which are not included within the scope of this indicator.

- Due to the global economic downturn the level of inward investment by businesses into Kent has reduced in recent years. Figures for the first two quarters of this financial year are below target, but this was similar to last year, and we expect more investment to follow later in the financial year.

AMBER = Behind Target but Above Floor Standard

- Our overall qualified social worker staffing levels continue to be near the Establishment requirement but we still have too high a reliance on agency workers. We have launched a new targeted recruitment campaign to recruit more permanent staff.
- GCSE results for Kent children are generally good, but we have set challenging targets which were not achieved this year, so performance has been rated as Amber.
- Attainment gaps for children with Free School Meals at Key Stage 4 have reduced and the performance rating has this year moved up from Red to Amber.
- Ofsted inspection results for primary schools is showing some minor improvement and results are now closer to target, with the performance rating moving from Red to Amber.
- The percentage of Adult Social Care clients satisfied that desired outcomes have been achieved was slightly behind target for the quarter. Performance is ahead of the same time last year and the service continues to promote and monitor the achievement of people's outcomes to support further improvement.
- Final figures for CO_2 emissions for last financial year show that we made reductions but did not achieve the target of a 2.6% reduction.

GREEN = Target level being achieved or exceeded

- Visits to our website are ahead of target, but we know we need to improve the way people can complete transactions on the website as new data shows that satisfaction levels with the website could be improved.
- Performance remains above target for timeliness of Children's Social Services initial assessments and the number of assessments out of timescale remains low.
- Key Stage 2 results for Kent's children have been very high this year and the county target level was exceeded.
- Attainment gaps for children with Free School Meals at Key Stage 2 have reduced substantially and targets were exceeded.
- The percentage of pupils permanently excluded has in the last 12 months reduced to a record low level and performance is in line with target.
- The number of KCC apprentices has reduced in the last quarter but the number of apprentices taken on continues to exceed our target level.
- The number of first time entrants to the youth justice system continues to reduce.
- The percentage of Adult Social Care clients with personal budgets is ahead of target, although it should be noted that the government has recently reduced the national target level and local targets have been changed accordingly.
- The number of Adult Social Care clients receiving telecare continues to increase and the result for the quarter was ahead of target. T
- he percentage of Adult Social Care assessments completed within six weeks also continues to be ahead of target.
- Our performance for highway maintenance continues to be above target for key indicators and although customer satisfaction for this area has shown a drop in the quarter, results remain ahead of target.
- We continue to maintain good performance in relation to waste management targets.

KPI Tables

The following tables show the movements in RAG ratings for all Key Performance Indicators included within this report.

Key to Tables

GREEN	Target has been achieved or exceeded
AMBER	Performance is behind target but within acceptable limits
RED	Performance is significantly behind target and is below an acceptable pre-defined minimum *
⇧	Performance has improved relative to targets set
⇩	Performance has worsened relative to targets set
⇔	Performance has remained the same relative to targets set

* Floor standards represent the minimum acceptable level of performance for each indicator. These standards are set within our annual business plans.

Customer Services

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of Tier 1 phone calls to the Contact Point answered within 20 seconds	RED	RED	⇩
Number of visits to KCC website	GREEN	GREEN	⇧

Children's Social Services

Indicator Description	Current Status	Previous Status	Direction of Travel
Number of initial assessments completed within 7 days	GREEN	GREEN	⇧
Percentage of establishment caseholding posts filled by qualified social workers	AMBER	AMBER	⇩
Percentage of children becoming subject to a child protection plan for a second or subsequent time	RED	RED	⇩
Percentage of children subject to a child protection plan for two or more years	RED	RED	⇧
Percentage of children leaving care who are adopted	RED	RED	⇩
Looked after children with 3 or more placements in the last 12 months	RED	RED	⇧

KPI Tables

Education, Learning and Skills

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of pupils achieving 5+ A*- C GCSE including English and Maths	AMBER	AMBER	⇧
Percentage of pupils achieving level 4 and above in both English and Maths at Key Stage 2	GREEN	AMBER	⇧
Attainment gap for children with Free School Meals at Key Stage 4	AMBER	RED	⇧
Attainment gap for children with Free School Meals at Key Stage 2	GREEN	RED	⇧
Percentage of primary schools with Good or Outstanding Ofsted inspection judgements	AMBER	AMBER	⇧
Number of schools in category (special measures or with notice to improve)	RED	RED	⬄
Percentage of SEN statements issued within 26 weeks (no exceptions)	RED	RED	⇧
Percentage of pupils permanently excluded from school	GREEN	AMBER	⇧
Number of starts on Kent Success Apprenticeship scheme	GREEN	GREEN	⇩

Integrated Youth Service

Indicator Description	Current Status	Previous Status	Direction of Travel
Number of first time entrants to youth justice system	GREEN	GREEN	⇧

Adult Social Care

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of clients who receive a personal budget and/or a direct payment	GREEN	GREEN	⇧
Number of clients receiving a telecare service	GREEN	GREEN	⇧
Number of clients provided with an enablement service	RED	AMBER	⇩
Percentage of assessments completed within six weeks	GREEN	GREEN	⇧
Percentage of clients satisfied that desired outcomes have been achieved	AMBER	GREEN	⇩

KPI Tables

Highways and Transportation

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of routine highway repairs completed within 28 days	GREEN	GREEN	⇧
Average number of days to repair potholes	GREEN	GREEN	⇩
Percentage of satisfied callers for Kent Highways 100 call back survey	GREEN	GREEN	⇩

Waste Management

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of municipal waste recycled or converted to energy and not taken to landfill	GREEN	GREEN	⇧
Percentage of waste recycled and composted at Household Waste Recycling Centres	GREEN	GREEN	⇧

Environment

Indicator Description	Current Status	Previous Status	Direction of Travel
Carbon dioxide emissions from KCC estate and operations	GREEN	N/A	⇧

Economic Support

Indicator Description	Current Status	Previous Status	Direction of Travel
Number of gross jobs created in Kent and Medway through inward investment	RED	RED	⇧

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Customer Services

Bold Steps Priority/Core Service Area	Improve access to public services and move towards a single initial assessment process
Cabinet Member	Mike Hill
Portfolio	Customer and Communities
Director	Des Crilley
Division	Customer Services

Performance Indicator Summary

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of Tier 1 phone calls to the Contact Point answered within 20 seconds	RED	RED	⇩
Number of visits to KCC website	GREEN	GREEN	⇧

Customer Services Strategy Update

In January 2012 the Customer Service Strategy was launched across KCC. Below is a snapshot of progress made to date against each of the themes in the last quarter.

Theme One – Understanding our Customers

GovMetric (tool to measure customer satisfaction measurement at the point of contact) has now been rolled out across all four contact channels (face to face in Gateways, through the Contact Point and via our website online and by mobile). This has enabled us to capture consistent customer feedback at the time of a transaction, pin pointing where there may be particular issues in service delivery. Results will be integrated into regular performance reports.

The Customer Feedback project (a new corporate system for capturing Complaints, Comments and Compliments) continues to make steady progress toward achieving a single reporting and monitoring process for the Council. The launch date is set for April 2013 to bring it in line with quarterly reporting. The process and requirements have been defined, and system options are currently being explored with a view to development and training being conducted over the winter and early spring.

Theme Two – Connecting with our Customers

The Kent.gov website will undergo a refresh to make it more transactional and easier for customers to use. The intention is for a launch in 2013 of a new Kent.gov website which will include a customer-led design, ensuring that the website becomes the first place for customers to get their information and access the services they require. The redevelopment of kent.gov will significantly improve customer experience of KCC, creating the link between telephone, mobile, web and face to face service platforms. Involving customers in user- testing will enable KCC to build further on customer insight. Comments received from customers via GovMetric and other traditional means will ensure that improvements reflect the expectations and needs of customers.

Theme Three – Empowering our Staff to Meet Customer Expectations

A staff Customer Service training programme is being developed for launch in early 2013. The approach will build competence and understanding of each of the themes in a way that is relevant to staff at all levels of the organisation, including commissioned services. The aim will be to encourage staff to put best practice ideas into action. Materials will be delivered in a variety of ways ensuring that staff can take part in development in a way that suits their learning and operational needs. This will include e-Induction, group workshops, team development days, personal development modules and Kent Manager, all deployed as part of the overarching training plan.

Theme Four – Providing Excellent Quality and Value to Customers through Better Service Delivery

We have focused on a number of key areas to improve processes whilst unlocking savings. A couple of examples are:

- Better directing of phone calls for Registration Services relating to Ceremonies to local offices, resulting in an 85% reduction in these calls being handled at the Contact Point without any added value to the customer.

- Working with the Concessionary Fares team to review and define the bulk renewal process for Older Persons and Disabled Pass Holders scheduled for March 2013. The newly agreed process of renewal will reduce the number of contacts with the customer and deliver a smoother more efficient process.

Theme Five – Improving Customer Experience Working with our Public Service Partners

Working with the Joint Kent Chiefs Customer Service sub-Group and the Public Services ICT Board, a partnership approach to channel shift has been approved and will now move into the action planning stage.

We are continuing to explore work with Post Office and Experian to look at how they can support authentication requirements and transactions for those who cannot transact online.

Research has been progressed on evaluating best practice approaches to online customer transactions, to assist and inform the design of the future Kent Account – which will allow Kent residents to interact with KCC through a single account.

Customer Services

Performance Indicators

The percentage of Tier 1 (high priority) calls answered within 20 seconds was behind target during the quarter. Measures have been put in place to improve performance although it will take time for their full effect to be realised. Performance figures during October have shown a good increase and if this is maintained, the full quarter result to December will be on target or close to target.

A key cause of performance being behind target is that staffing levels have been under capacity. Recruitment has been undertaken with new staff having started in September and this has had an immediate impact, although the new staff are still completing training.

The Interactive Voice Recognition (IVR) pilot, put in place in August, has helped to ensure that customers are directed to the most appropriate advisor for their particular enquiry. Callers have been able to select the right service first time, reducing the double handling of calls and the number of repeat callers and abandoned calls.

We are still burdened with 28 separate back office IT systems in the Contact Point but are looking working closely with our IT specialists to develop the use of Customer Relationship Management (CRM) Software. This will significantly streamline processes, increase productivity and reduce the amount of time lost to training under current arrangements, maximising efficiency in call handling.

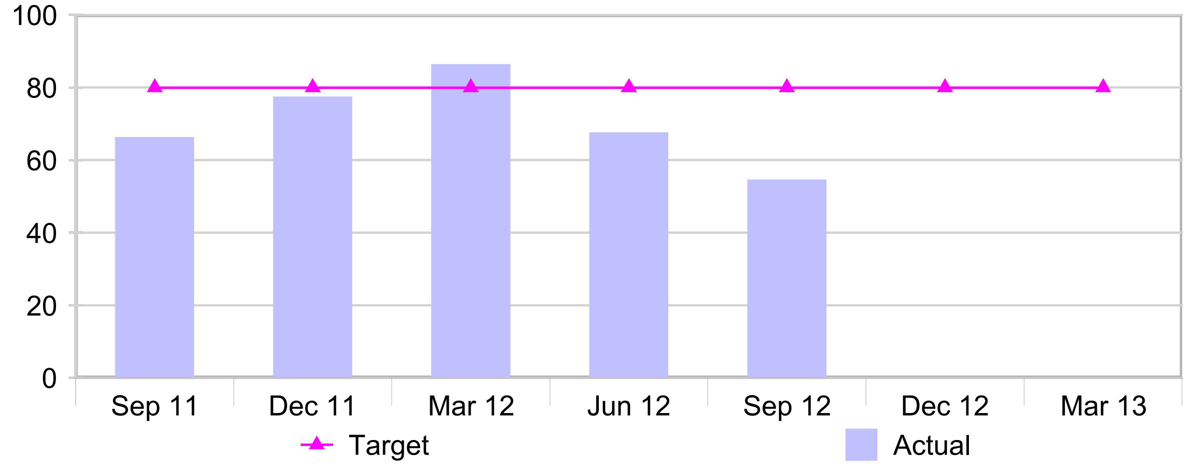
A recent short term impact on performance has been the need to improve resilience in call answering for the Social Services line and the Kent Contact and Assessment Service (KCAS). Calls were previously handled in another location and this service moved into the Contact Point in Maidstone last April. Following the transfer there has been a loss of original staff within the team and this has required us to divert other staff into additional training, working alongside the experienced KCAS staff. This additional training time has had an impact on the overall performance of the Contact Point.

Visits to the website are above target and remain higher than past trends, although this trend is slightly overstated in the figures presented, due to better data capture of information through the google analytics tool used to record visits.

Data for **satisfaction with the contact centre and website** are now being collected, with feedback comments left by residents being used to drive improvement in our processes to deliver higher satisfaction and better experience for customers. Data collection has been in place for two months, through use of the Govmetric tool. In future performance reports we will present trend and benchmark data for these satisfaction metrics.

Percentage of Tier 1 (high priority) calls to Contact Point answered within 20 seconds

RED ⇩



Trend Data – quarterly data	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	66%	78%	86%	68%	55%		
Target	80%	80%	80%	80%	80%	80%	80%
RAG Rating	Red	Amber	Green	Red	Red		

Commentary

Performance for the second quarter was behind target and behind the previous quarter. Measures were put in place during the quarter to improve performance, however it will take time for their effect to be realised. Early results for the quarter to December are showing strong performance as at the end of October.

Contact Point is beginning to add more value to calls, reducing its role in those services where it merely passes calls to the back office to one where it completes more transactions at the first point of contact. This means that whilst call volumes are decreasing, the complexity of calls are increasing, requiring more of the advisors time.

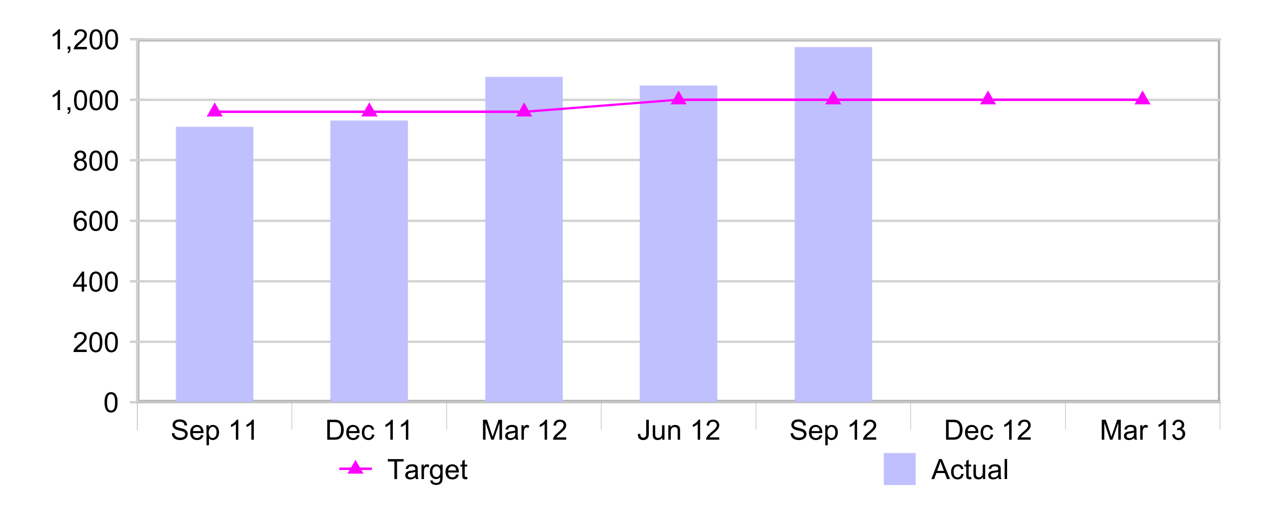
The IVR (Interactive Voice Response) pilot has been critical in helping to reduce call volumes and call length since it was introduced in August 2012. During September we used IVR and the website to inform customers about the 'in-year schools admission' process. This pre-recorded advice helped to reduce the number of calls where the caller needed to speak to an advisor. Phone calls relating to Blue Badges also saw a reduction in call volumes during September, indicating that the process improvements implemented over the summer are having an impact.

Data Notes

Tolerance: Higher values are better
Data is reported as percentage achieved for each individual quarter.

Source: Siemens Hipath telephony system

Number of visits to KCC website (in thousands)	Green ⇧



Trend Data – by quarter	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	909	931	1,075	1,046	1,173		
Target	960	960	960	1,000	1,000	1,000	1,000
RAG Rating	Amber	Amber	Green	Green	Green		

Commentary

There was a general increase in visits to Kent.gov this quarter from the last quarter. The site also attracted more visits because the deadlines for the Kent Freedom Pass, applying for a secondary school place and Kent Test registration fell in this quarter.

Google analytics codes has been added to the Freedom Pass web-page and the search for a school application, allowing visits to be counted under the Kent.gov profile, so current data is not measured like for like with previous figures. However, without the addition of these statistics, visits to kent.gov are still 14% higher than the same quarter in 2011.

Mobile visits are 226% higher than the same quarter in 2011 and 35% higher than last quarter.

Data Notes

Tolerance: Higher values are better
Data is reported as number of visits made in each quarter.

Data Source: Google Analytics

Customer Services

Lead Indicators

Lead Indicators are a new feature in our Performance Report for this year. Lead Indicators represent the level of demand for services, the external context and other key activity information which we need to be aware of, to successfully manage service delivery. Lead Indicators are not the same as Performance Indicators, and do not have targets or RAG ratings assigned to them.
Lead indicators are assessed against Upper and Lower thresholds, which represent the range of values within which activity is expected to be. If activity is outside of these thresholds this may not necessarily be a good or bad thing. However, review of the information encourages the service to ask why we might be outside of the expected range, what the implications of this are, and to consider if any actions need to be taken in response.

The number of calls to Contact Point in this period was 277,000, which is a 7% increase on the previous quarter's activity but a 8% reduction on the same time last year. Call volumes for the last 12 months have been 11% lower than the year to September 2011.

Major reductions are being seen in calls being routed through old switchboard numbers and we are also now seeing reductions in calls logged under the number 247247, as these calls are being correctly routed to the right queue automatically through use of IVR.

However, the reduction in the volume of calls has been more than out weighed by the increase **in average call handling times.** The Contact Point is handling less routine calls, where transactions can be delivered on the website (e.g. library book renewal) and more complex service enquiries are now being handled within the Contact Point (e.g. calls relating to social care). As a result average call handling times were up to 180 seconds in the quarter to September which is a 15% increase on the same time last year.

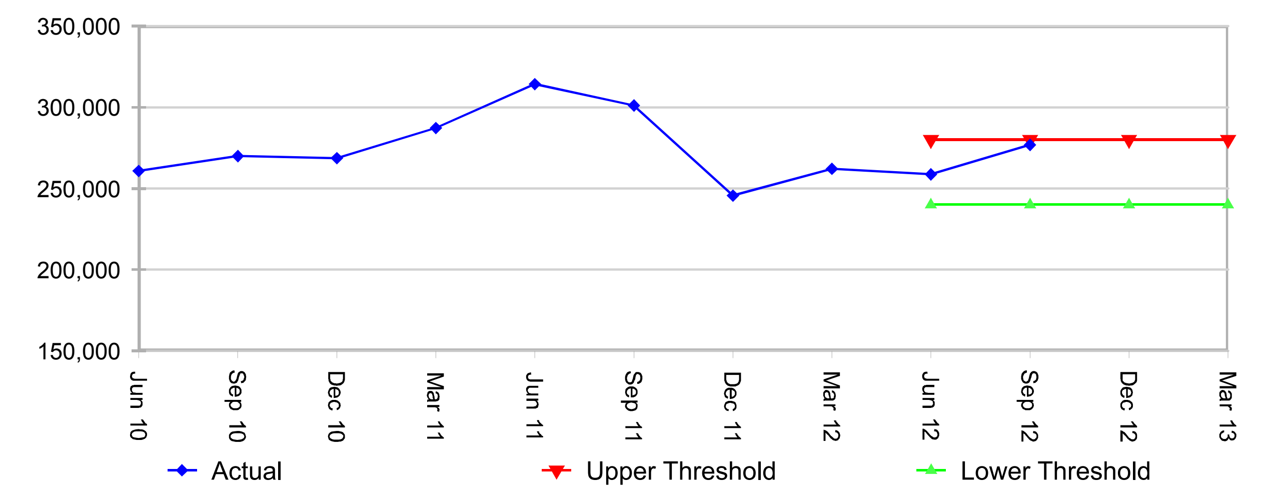
In the second quarter of 2012/13 we received 987 **complaints** and 1,715 compliments. This is a 4% decrease on complaints in the same quarter last year but above our recent trend level and 22% higher than the previous quarter. The majority of this increase can be accounted for by public complaints about the new policy relating to Household Waste Recycling Centres with a four-fold increase in complaints compared to the previous quarter.

Visits to libraries were up 13% in the quarter compared to last quarter, which is the expected seasonal trend. Visitor numbers are however lower than the same quarter last year by 9% same quarter 6% on a rolling 12 month basis. There have had several closures in Broadstairs, Canterbury and for self-service during the last quarter, which would have had an impact on visitor numbers. It is also suspected that the Olympics may have affected the figures as well as these closures.

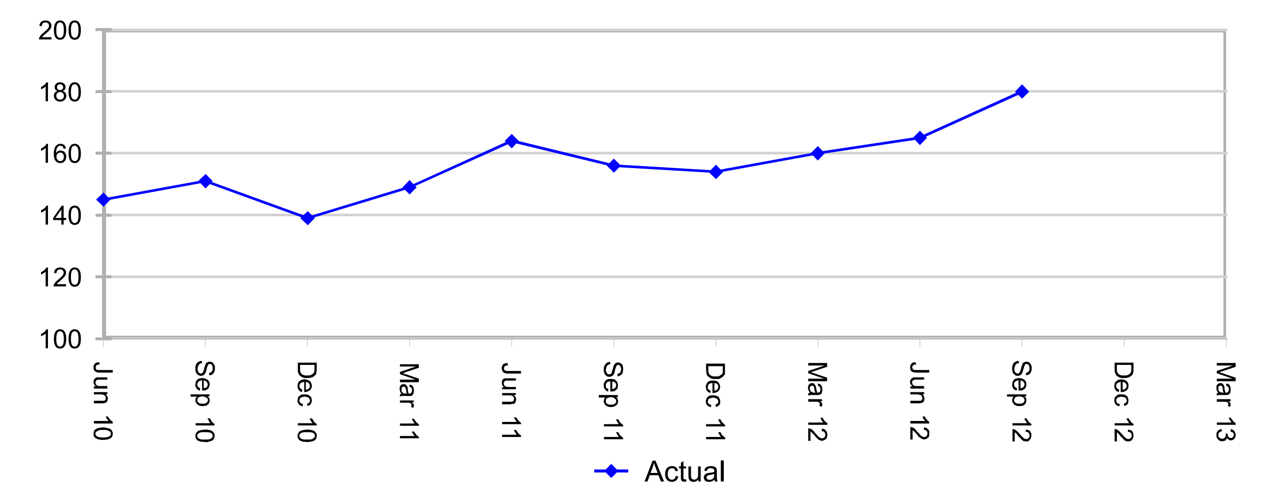
Book issues from libraries in the quarter were also low compared to the same quarter last year, down by 12%. However on a rolling 12 month basis book issues are only down by 3% compared to the previous year.

Customer Services - Lead indicators

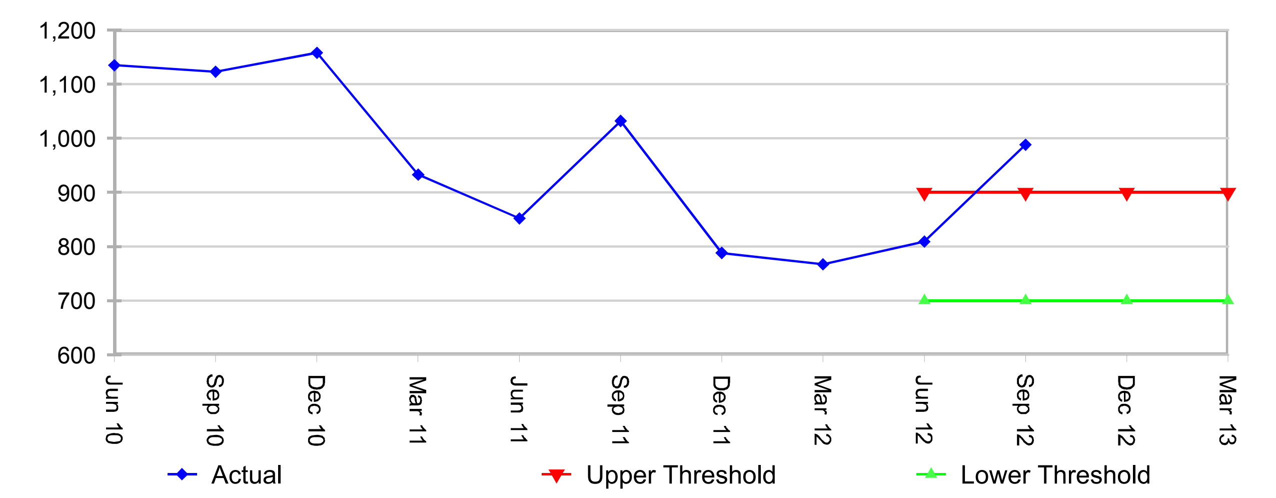
Number of calls received by the Contact Point each quarter



Average call handing time in seconds each quarter

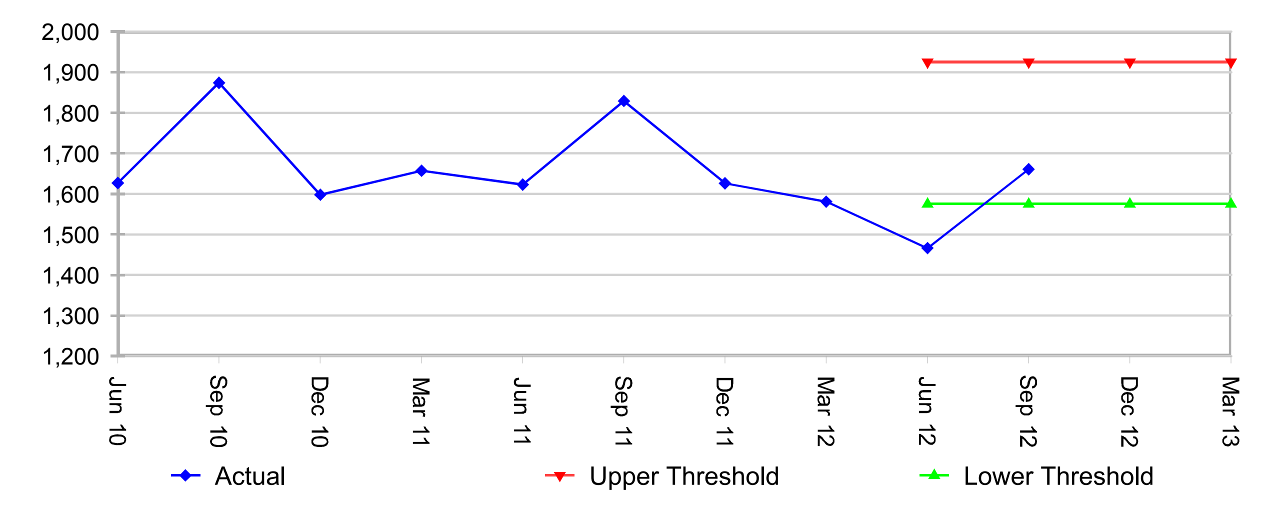


Number of complaints received each quarter

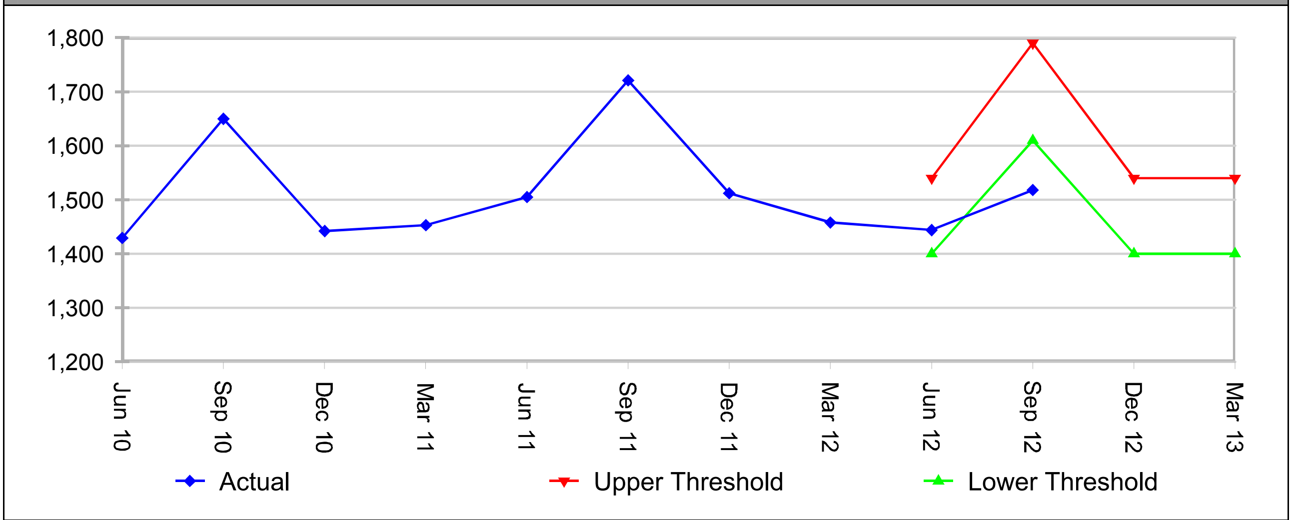


Appendix 1

Number of visits to libraries each quarter (in thousands)



Number of book issues from libraries each quarter (in thousands)



Breakdown of calls received at the Contact Point

Contact Phone Line or queue calls are directed to	Tier	12 mth to Mar 11	12 mth to Mar 12	12 mth to Sept 12	Change
Highways and Transportation	1	142	158	154	-3%
247 main phone line	1	135	159	144	-11%
Libraries and Archives	3	172	131	111	-19%
Adult Social Care	1 / 2	79	98	107	9%
Office switchboards	1 / 2	166	125	91	-37%
Registration Services	1	124	105	86	-21%
Education Line	2	57	90	81	-10%
Blue Badges	2	41	61	62	1%
Children's Social Services	1	36	42	47	11%
Adult Education	2	59	47	43	-11%
Concessionary Fares	2	1	22	21	-6%
Property and Facilities	1 / 2	21	18	17	-7%
Kent report line	2	10	10	13	18%
CFIS	2	0	10	10	-9%
Freedom Pass	3	-	-	9	-
Access Kent	3	8	8	7	-8%
Emergency Line	1	7	6	7	11%
District council out of hours	1	5	5	5	-
Other lines	1 / 2 / 3	24	26	27	5%
Total Calls (in thousands)		**1,087**	**1,123**	**1,043**	**-8%**

Commentary

Call volumes overall to the Contact Point have shown a reduction with the quarter to September seeing 9% less calls than the same time last year and the year to September seeing 7% less calls than the year to March 12.

- Work has been completed on directing calls from the main contact line 08458 247247 to the most appropriate call queue for the caller using IVR (introduced in August). This will lead to a 50% reduction in calls recorded on this line. Customers are now being directed to the right advisor first time and this is reducing the number of calls handled.
- Although online self service is tending to reduce call volumes to the Highways and Transportation contact line, this has been offset by an increase in demand for speed awareness courses covered on this contact line.
- The Library and Archives contact line has seen a significant reduction in call volumes over the last year, as self service continues to have an impact. This has freed up advisor time to deal with more complex calls.
- The Contact Point continues to handle a wider range of calls and an increasing number of calls to support social services for both adults and children.
- Phone calls relating to the Freedom Pass can now be identified as a separate queue due to the introduction of IVR. The figures of 9,000 calls only relates to two months, although these will be the busiest months of the year.
- Within the other lines there was an increase in call volumes and length of calls relating to the new policy for Household waste recycling centres.

Breakdown of complaints by service

Service	Year to Mar 11	12 mth to Mar 12	12 mth to Sept 12	Change
Highways and Transportation	1,959	939	986	5%
Libraries, Archives and Registrations	133	722	718	-1%
Children's Social Services	406	503	426	-15%
Adult Social Care	523	425	412	-3%
Waste management	210	193	358	+85%
Commercial Services	75	152	83	-45%
Adult Education	151	117	90	-23%
Insurance Claims	416	106	59	-44%
Countryside access and country parks	110	105	40	-62%
Gateways and Contact Point	61	66	84	27%
Education services	88	44	34	-23%
Youth services	43	16	11	-31%
Other services	190	71	70	-1%
Total Complaints	**4,365**	**3,459**	**3,371**	**-3%**

Commentary

In the second quarter of 2012/13 we received 987 complaints, which was a 4% decrease on the same quarter last year. The year to September 12 also showed a reduction in complaints of 3% compared to the year to March 12.

Waste Management
There was a significant increase in complaints relating to Waste Management in this quarter. This was due to the change in operational policy at Household Waste Recycling Sites. There were 204 complaints and 14 compliments relating to the new policy. The policy did not come in to effect until 1 October; however the public engagement period began in September.

Highways and Transportation
The unforeseen wet summer created the perfect growing conditions for vegetation and due to the wet grass Highways were unable to cut the vegetation as normal. This resulted in higher volumes of complaints about soft landscaping and added to a higher number of drainage complaints. There were 324 complaints and 167 compliments during the second quarter.

Contact Point
The complaints in the Contact Point were largely due to the time taken to process applications for Blue Badges. We have reviewed the process to issue badges and implemented changes and as a result processing time is down from 12 weeks to 7 weeks. We expect this to reduce further as the new process is embedded.

A new system and process is being put in place to record complaints to ensure a more consistent approach across all service areas within the council. Once the new system is in place, we should expect an increase in the number of logged complaints as a result of a more consistent approach.

Children's Social Services

Bold Steps Priority/Core Service Area	Ensure we provide the most robust and effective public protection arrangements
Cabinet Member	Jenny Whittle
Portfolio	Specialist Children's Service (SCS)
Director	Mairead MacNeil
Division	Specialist Children's Service (SCS)

Performance Indicator Summary

	Current RAG	Previous RAG	Direction of Travel
Percentage of initial assessments completed within 7 days	GREEN	GREEN	⇧
Percentage of case holding posts filled by permanent qualified social workers*	AMBER	AMBER	⇩
Percentage of children becoming subject to a child protection plan for the second or subsequent time	RED	RED	⇩
Percentage of children subject to a child protection plan for two or more years	RED	RED	⇧
Percentage of children leaving care who are adopted	RED	RED	⇩
Children in Care with 3 or more placements in the last 12 months	RED	RED	⇧

Improvement Plan Update

Overview

The Improvement Programme began in February 2011 and was set up to respond to the failings identified during the 2010 Ofsted inspection. The Programme has been split into three Phases (or tranches) of work.

- Phase One of the Improvement Plan focused on strengthening the quality of practice, introducing robust performance management, restoring throughput and dealing with the backlog of unallocated cases and incomplete assessments.
- Phase Two was focused on building on the improvement made during Phase One, with an emphasis on quality and sustainability.
- The aim of the Phase Three Plan is to deliver a whole system approach to managing family pathways from early help to statutory intervention.

The themes for the next tranche of the Plan are as follows:

1. Realise our vision to ensure that all staff are dedicated to delivering the highest quality of practice which is responsive to service user need.
2. Improve the quality of assessment, planning and provision to ensure that decision making is timely and child-centred.

3. Strengthen the range of preventative services to avoid unnecessary family breakdown and to target support for children and young people with additional needs.
4. Improve care planning and outcomes for Children in Care.
5. Improve care planning and outcomes for Children in Need, including those subject to Child Protection Plans.
6. Implement an integrated structure for service delivery supported by an effective infrastructure with robust performance measures.

Phase Three of the Programme will run until August 2013, when a decision will be made about whether to continue with the Programme or to integrate this work into mainstream business.

Key Achievements

- The backlog of unallocated and incomplete assessments has been cleared.
- Numerous measures have been employed to improve the quality of practice, including countywide training of staff as part of the Duty and Practice Improvement Programmes, the introduction of the County Audit Programme, the launch of the Performance and Quality Assurance Frameworks, and the production of a range of revised policies, procedures and guidance in response to areas of need.
- Timeliness of assessments has been restored and maintained.
- Social Worker caseload levels remain low.
- Instances of unallocated Child in Need cases are rare.
- A range of improvements have been made to staff accommodation, infrastructure and parking arrangements; a new Integrated Children's System (ICS) has been commissioned and is in the process of implementation.
- The Recruitment and Retention Strategy has been launched, and a recruitment drive is underway.
- An external provider has been commissioned to provide a programme of training to strengthen supervision and management oversight.
- Extensive training and workshops for all agencies involved in referral thresholds and Common Assessment Framework (CAF) developed and implemented.
- A range of Early intervention and Prevention services have been commissioned.
- The Central Duty Team has been introduced to effectively deal with contacts and referrals. Building on this achievement the Central Referral Unit (a multi-agency team managing the referral processes for public protection) became operational in January 2012.
- The Division has been subject to a restructure to ensure that children and young people are provided with the correct level and type of support to meet their needs.
- Fortnightly multi-disciplinary placement panels taking place to ensure the correct resources are being allocated to cases. These are being chaired by the Area Directors (ADs). These panels monitor and track the use of high cost placements, ensuring that they are delivering value for money, meeting the needs of individual children and that plans to achieve permanence are in place and being delivered.
- The Ofsted inspection of Fostering rated the service as adequate in July 2012
- The Virtual School Kent (VSK), established to provide an integrated approach to improving outcomes for looked after children and care leavers, has led to greatly improved multi-agency working, with the co-location of looked after children Specialist Nurses, as well as the co-location of Connexions Personal Advisers into VSK. The VSK had an extremely positive thematic Ofsted inspection this year (the report findings being published in October 2012).

Finance

In 2011/12, £3.5m was allocated to support the Improvement Programme in Specialist Children's Services, in addition to the costs of implementing the workforce strategy and new ICS system. £1m has been allocated to the programme in the 2012/13 financial year.

Governance

The Improvement Programme reports to the Improvement Board on a bi-monthly basis. The Improvement Board is a government appointed Board, chaired by an independent consultant (Liz Railton). The Board is attended by the Department for Education (DfE) and senior managers from Health, the Police and KCC. The Board perform a scrutiny role, ensuring the Programme remains on track and delivers the required improvements.

A special Board has also been established to review the progress of the Adoption Service. The Adoption Board is chaired by Jonathan Pearce, CEO of Cabrini Children's Society. This Board meets on a bi-monthly basis.

Finally, the Programme is subject to internal scrutiny via the Children's Services Improvement Panel (chaired by Mrs Whittle, Cabinet Member for SCS), and the SCS Programme Board (chaired by Andrew Ireland).

Risk Management

An Improvement Programme Risk Register was established at the beginning of the Programme, and is comprehensively maintained. This Register is reported to the external Improvement Board at each meeting. Key strategic risks that need to be mitigated are:

- Recruitment and retention of sufficient experienced staff and managers.

- That the capacity and skill set of the quality assurance and evaluation sub group of the Kent Safeguarding Children's Board is sufficient to meet the Board's needs.

- The possibility of untoward safeguarding incidents.

- Numbers of Children in Care may continue to increase which may impact on staffing resources and outcomes for children.

Children's Social Services

Performance Indicators

Performance for **initial assessments completed within timescales** continues to exceed target.

The **percentage of caseholder social worker posts held by qualified social workers** was 81.6% for August. Due to structural changes in Specialist Children's Services effective from 1 September the data on the establishment figures and vacancy levels was unavailable for the month of September, and monthly reporting will recommence from October 2012. Although the service has been maintaining overall staffing levels at slightly above establishment level, this has only been achieved through the high use of agency workers.

A number of actions are being taken to address this:

- A new targeted recruitment campaign has been launched.
- Kent Top Temps have been asked to develop a proposal for the recruitment of substantive experienced social workers.
- Action is also being taken to engage with our existing agency social workers to encourage them to join KCC as substantive employees.
- Analysis of turnover is being undertaken to inform retention proposals and target activity to support retention.

The percentage of children **becoming subject to a child protection plan for the second time** has increased again this quarter. All cases where the new plan is within a year of an old plan are being carefully reviewed. However, most of these cases are for children who have not been subject to a plan within the last 12 months. From next year this indicator will exclude those cases and only report on children who become subject to a plan within 12 months of coming off a plan. On the basis of the new definition the current result would be 10.4%.

The percentage of **children subject to a child protection plan for two or more years** has reduced this quarter and results are close to target. A number of actions are being taken to manage performance in this area, including:

- Reviewing and undertaking change promotion work on current cases where children have been subject to a child protection plan for over 18 months to try to prevent them moving into the 2 year plus category.
- Taking action to ensure timely decision making and progression of all child protection cases of 2 years plus.
- Strengthening child protection and conference processes, reports and assessment work.
- Strengthening Kent Safeguarding Children Board's (KSCB's) scrutiny function to ensure effective multi-agency engagement in child protection planning.

The percentage of **looked after children who are adopted** is below target and action being taken to increase the number of adoptions includes:

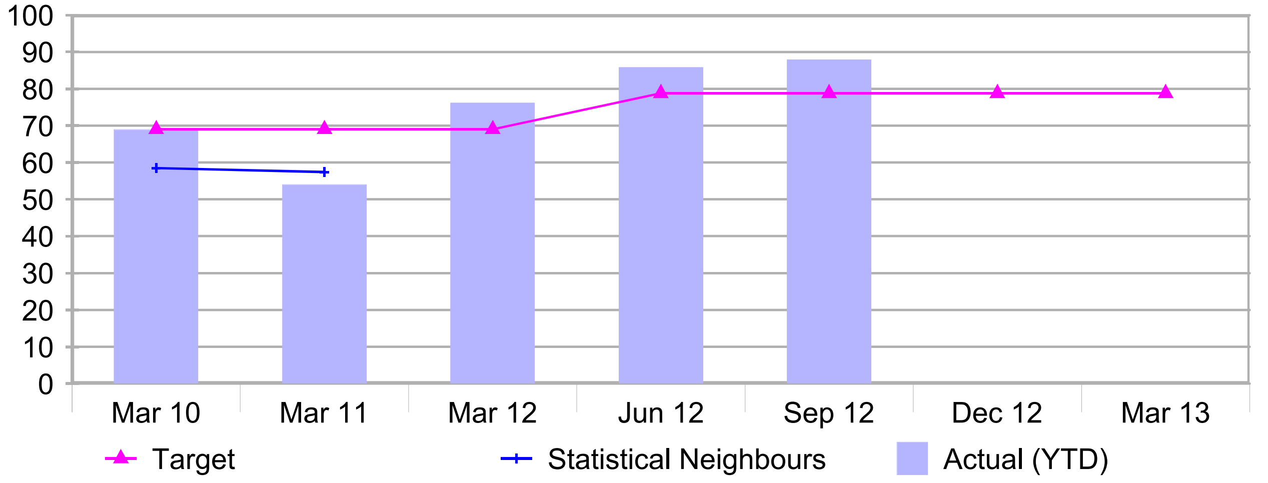
- Coram is managing the Adoption Service on Kent's behalf; the service's progress is being externally monitored by the newly formed Adoption Board. The Board have appointed an independent chair to scrutinise and challenge KCC's performance, as well as to support the service to make the changes necessary to increase efficiency and productivity. The Adoption Board will report on progress made to the KCC Improvement Board at regular intervals;
- Implementing a robust system to ensure assessments are given priority;
- A comprehensive Action Plan has been devised and continues to be revised to address the recommendations from the Narey Review and the Ofsted Inspection;
- Service managers and adoption leads are jointly monitoring the progress of all children requiring adoption;
- Permanency policy and prompts have been agreed; workshops on permanency conducted; Permanency Plans now identified by the second Child in Need review;
- Performance reporting has been established to monitor the percentage of children adopted;
- Tracking process established to follow children identified for adoption and ensure there is no drift in their planning.

The percentage of **children in care with 3 or more placements** in the last 12 months has reduced this quarter and performance is closer to target. Changes implemented, which will impact upon this performance measure, include:

- Placement Panels being established which will ensure that all placement moves meet the needs of the child.
- Placement Stability Core Groups established to prevent and support potential breakdowns in placements.
- All cases for children who have had two placement moves to date being reviewed.

Percentage of initial assessments completed within 7 days

GREEN ⇧



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	69%	54%	76%	86%	88%		
Target	69%	69%	69%	79%	79%	79%	79%
RAG Rating	Green	Red	Green	Green	Green		
Stat N	59%	57%					

Commentary

Improvement Notice Target

The target for initial assessments carried out within 7 days of referral continues to be exceeded and shows improved performance between Quarter 1 and Quarter 2 of 2012/13.

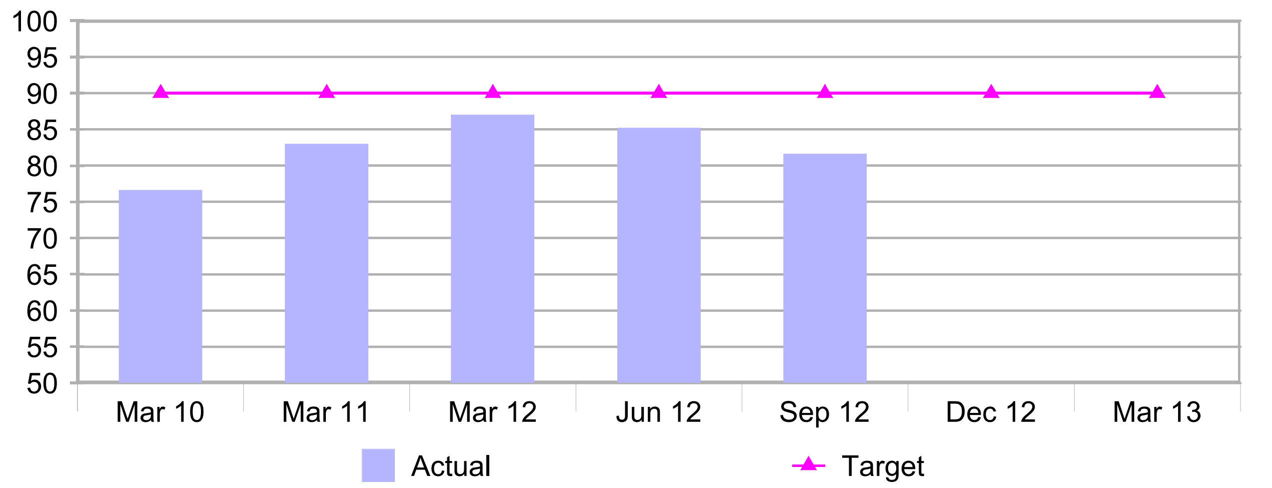
The emphasis within the assessment process has shifted from timeliness to the quality of casework. Managers are being encouraged to resist signing off poor quality assessments, even if this means that timescale completion dates may be missed as a consequence.

Data Notes

Tolerance: Higher values are better
Results are reported as year to date.

Data Source: ICS

Percentage of caseholding posts filled by permanent qualified social workers	AMBER ⇩



Trend Data – quarter end	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	76.6%	83.0%	87.0%	85.2%	81.6%*		
Target	90%	90%	90%	90%	90%	90%	90%
RAG Rating	Red	Amber	Amber	Amber	Amber		
Agency		16.1%	13.9%	15.8%	12.9%		

*August Figure

Commentary

Improvement Notice Target

- A new targeted recruitment campaign has been launched.
- Kent Top Temps have been asked to develop a proposal for the recruitment of substantive experienced social workers.
- Action is also being taken to engage with our existing agency social workers to encourage them to join KCC as substantive employees.
- Analysis of turnover is being undertaken to inform retention proposals and target activity to support retention.

Due to structural changes, September data was unavailable. Monthly reporting will recommence from October 2012.

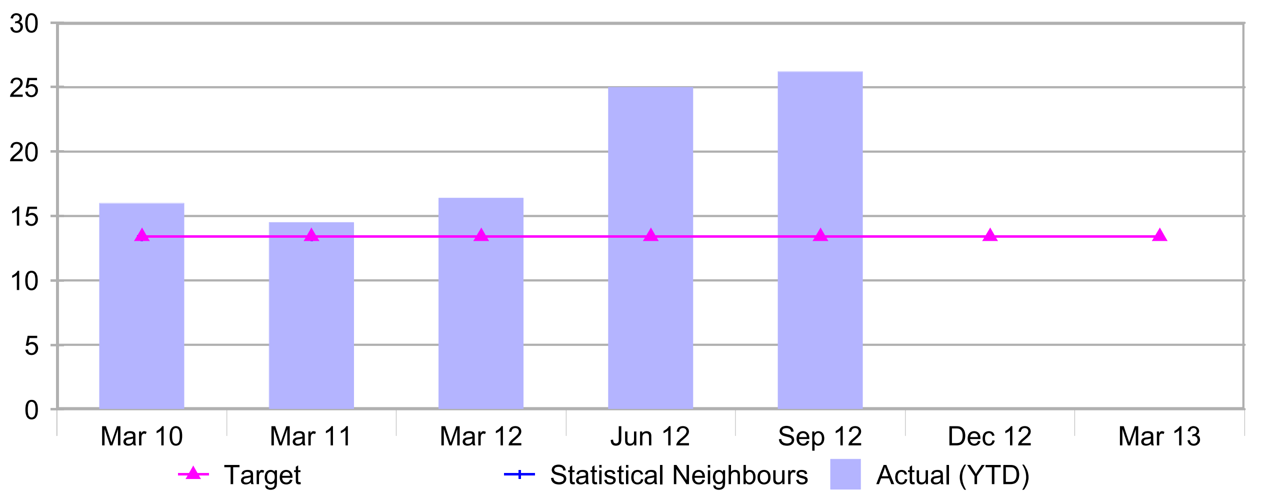
Data Notes

Tolerance: Higher values are better.
Data is reported as the position at each quarter end.
Posts held by agency staff are not included in the figures for the headline indicator.

Data Source: SCS Weekly Performance Report

Percentage of children becoming subject to a child protection plan for the second or subsequent time

RED ⇩



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	16.0%	14.5%	16.4%	25.0%	26.2%		
Target	13.7%	13.7%	13.7%	13.4%	13.4%	13.4%	13.4%
RAG Rating	Red	Amber	Red	Red	Red		
Stat N.	13%	13.4%					
Number	167	219	227	46	120		

Commentary

Improvement Notice Target

All cases where the new plan is within a year of an old plan are being carefully reviewed. This equates to 48 cases and each case will be reviewed by the Safeguarding Unit to understand why this has happened.

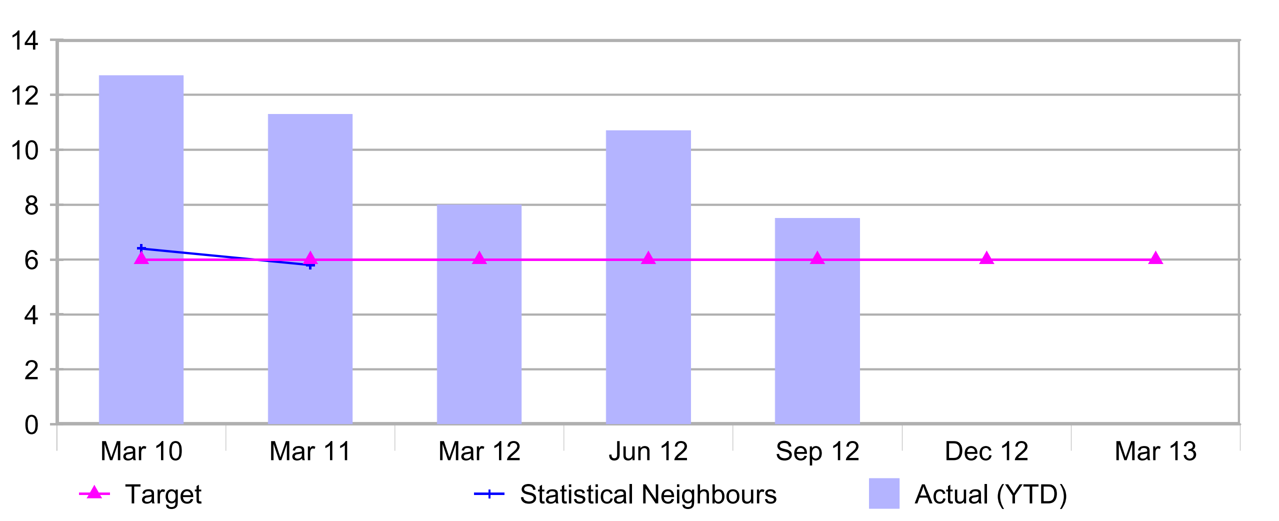
Many of the children becoming subject to a plan for a second or subsequent time this year were not subject to a previous plan within the previous twelve months. From next year these children will not be counted under this indicator. Under the new definition the result for this year would be 10.5%.

Data Notes

Tolerance: Lower values are better.
Data is reported as financial year to date.
Calculated as the percentage of children commencing a new plan, who had been subject to a previous plan at any time.

Data Source: ICS

Percentage of children subject to a child protection plan for two or more years	RED ⇧



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	12.7%	11.3%	8.7%	10.7%	7.5%		
Target	6%	6%	6%	6%	6%	6%	6%
RAG Rating	Red	Red	Red	Red	Red		
Stat N.	6.4%	5.8%					
Number	100	126	161	36	46		

Commentary

Improvement Notice Target.

There has been continued improvement in performance for this measure, both throughout last year and in the first two quarters of 2012/13. Performance is now close to the Improvement Notice Target.

We continue to review and undertaking change promotion work on current cases where children have been subject to a child protection plan for over 18 months to try to prevent them moving into the 2 year plus category.

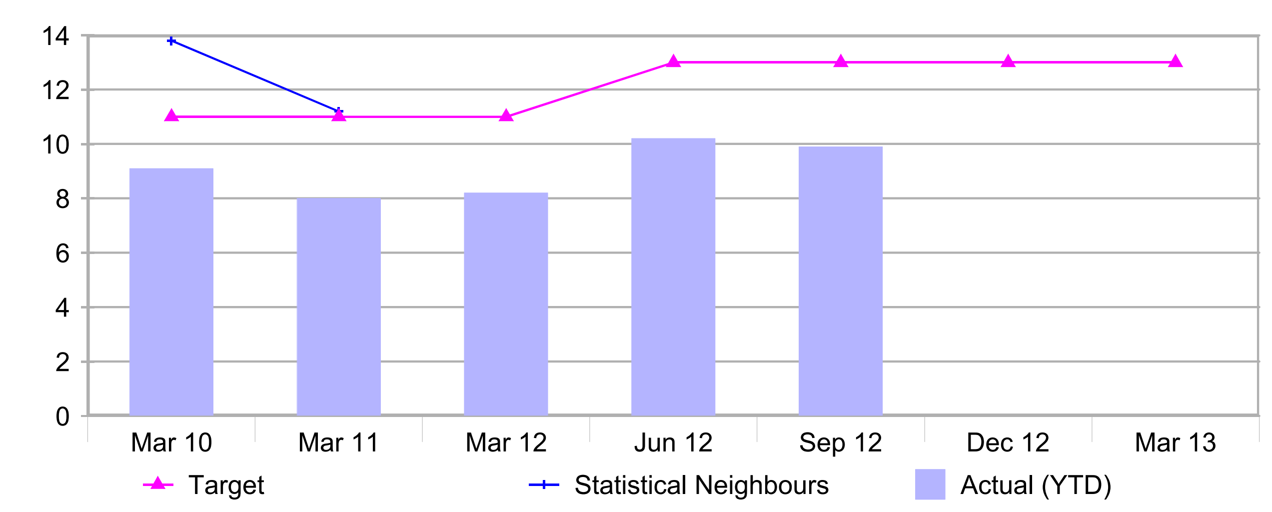
Data Notes

Tolerance: Lower values are better.
Data is reported as financial year to date.
Calculated as the percentage of children ceasing to be subject to a child protection plan who had been subject to that plan for two or more years.

Data Source: ICS

Percentage of children leaving care who are adopted

RED ⇩



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	9.1%	8.0%	8.2%	10.2%	9.9%		
Target	11%	11%	11%	13%	13%	13%	13%
RAG Rating	Red	Red	Red	Red	Red		
Stat N	13.8%	11.2%					
Number	70	60	70	20	42		

Commentary

Improvement Notice Target.

Performance is behind target but results so far this year are an improvement on previous years.

Coram is managing the Adoption Service on Kent's behalf; the service's progress is being externally monitored by the newly formed Adoption Board. The Board have appointed an independent chair to scrutinise and challenge KCC's performance, as well as to support the service to make the changes necessary to increase efficiency and productivity.

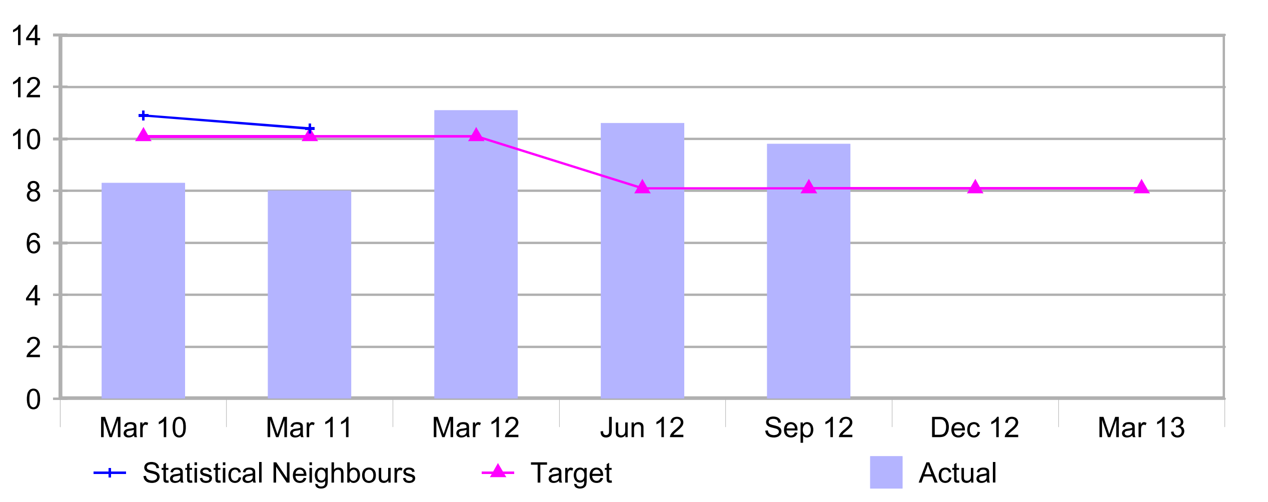
Care leavers in Kent include a high number of Unaccompanied Asylum Seeking Children (UASC) who are unlikely to be adopted which has an impact on performance

Data Notes

Tolerance: Higher values are better.
Results are reported as year to date.
For the number of adoptions the count is rounded to the nearest 5.

Data Source: ICS

Looked after children with 3 or more placements in the last 12 months — RED ⇧



Trend Data – quarter end	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	8.3%	8.0%	11.1%	10.6%	9.8%		
Target	10.1%	10.1%	10.1%	8.1%	8.1%	8.1%	8.1%
RAG Rating	Green	Green	Amber	Red	Red		
Stat N.	11%	10%					

Commentary

Actions to improve performance include:

- Placement Panels being established which will ensure that all placement moves meet the needs of the child.
- Placement Stability Core Groups established to prevent and support potential breakdowns in placements.
- All cases for children who have had two placement moves to date being reviewed.

179 children have had three or more moves in placement in the12 month period. Of these, the Catch22 Service (responsible for children over the age of 16) has the highest percentage. These will include planned changes towards independent living.

Data Notes

Tolerance: Lower values are better.
Data is reported as a snapshot at each quarter end.

Data Source: ICS

Children’s Social Services

Lead Indicators

The introduction of the Central Duty Team last year has contributed to a decrease in the number of recorded **referrals** to Children’s Social Care, with referral numbers currently below the expected level. Work undertaken by an external consultant to compare Kent’s practice with that of high performing authorities identified that Kent is currently undertaking a high proportion of work at the Contact stage - this means that the new County Duty Team is carrying out a range of investigations to identify if a Contact requires a more specialist detailed assessment, and making decisions for action based on this work. Prior to the introduction of the County Duty Service any Contact which involved this level of work would have been counted as a referral. Referral rates are monitored on a regular basis by the Central Duty Team, and by the SCS Management Team. Action has been taken to address this and a revised process will be operational from August 2012. This should bring Kent’s recorded referral rates more in line with that of statistical neighbours.

The reduction in the number of **children with Child Protection Plans** has been greater than expected and the current count is below the expected level. The reduction has largely been achieved as a result of the sustained focus on ensuring that the right children have plans. The biggest gain has been in terms of de-planning children who are now In Care (previously referred to as ‘Looked After’). However, greater scrutiny of existing plans and a tighter application of thresholds by District Managers and Conference Chairs has continued to add to this reduction. The target for 2012/13 is to maintain a level of 30.5 per 10,000 of the under 18 population which is in line with best performing statistical neighbour authorities. This equates to 953 children. Current numbers of children with plans stands at 790.

The **number of indigenous Children in Care** is currently at the higher end of expectations. The initial focus of the Children Social Services’ Improvement Plan involved tackling the backlog of assessments and as anticipated this has resulted in more children entering the care system. More recently there has been a drive to reduce the numbers of children subject to child protection plans for longer than 18 months, and where appropriate this has also resulted in an increase in the number of children becoming looked after.

Current actions which will impact on the number of Children in Care include:

- Improving the percentage of children who are adopted (see specific actions against the next indicator).
- Identifying end dates for all Children in Care.
- Robust gate-keeping of decisions to take children into care.
- Robust tracking of permanency planning including tackling drift and delay.
- Weekly and monthly monitoring of caseloads at district level.

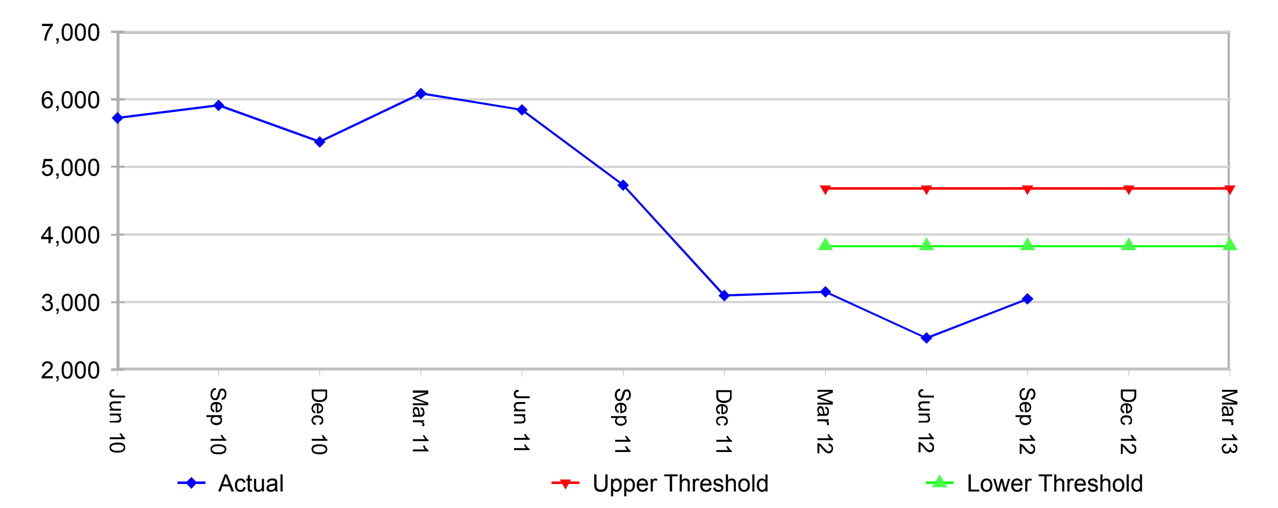
In the longer term, the following actions will impact on Children in Care numbers:

- Increased investment in a range of prevention and early intervention services, particularly in adolescent intervention services and in high-level family support.
- Scoping out work needed for speedier and integrated responses to vulnerable adolescents, including an ‘invest to save’ proposal on adolescent services.

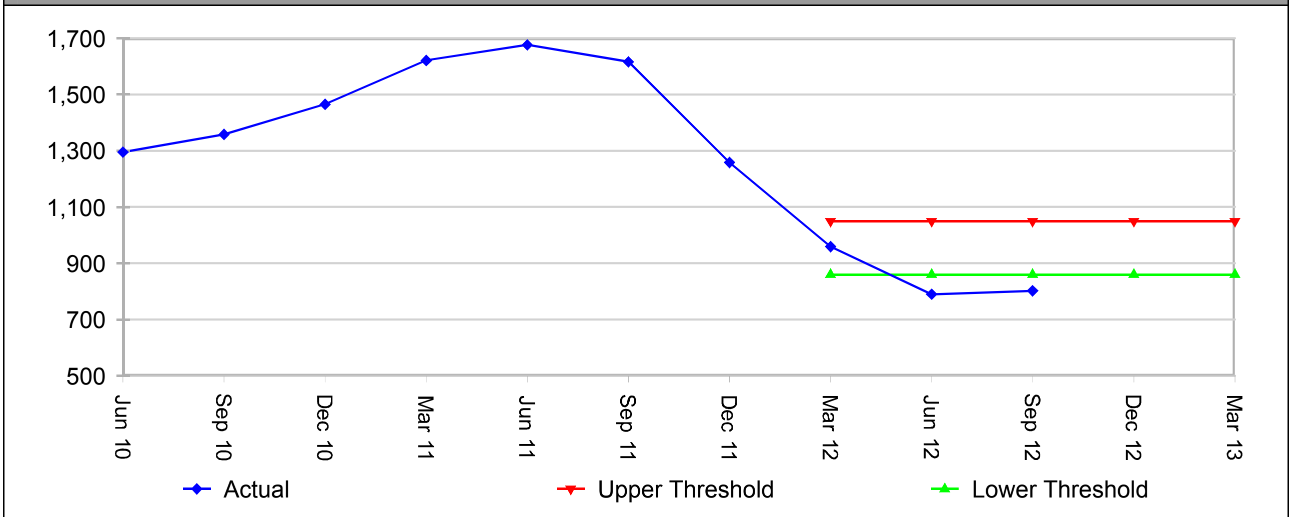
Figures for **unallocated cases, initial assessment in progress and out of timescale, and core assessments in progress and out of timescale** are all within expected levels.

Children's Social Services - Lead indicators

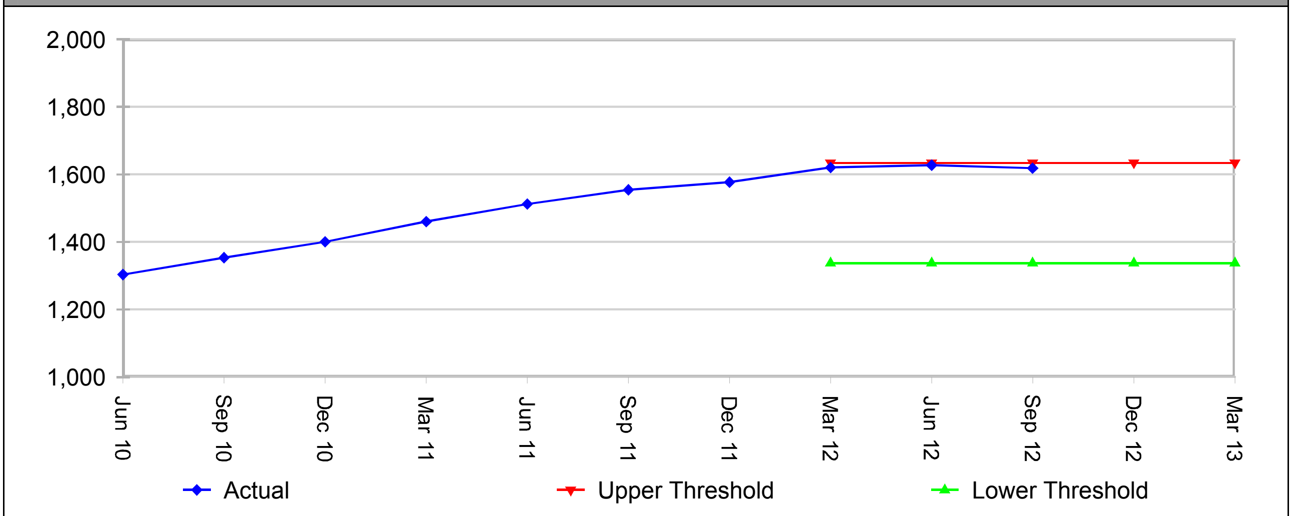
Quarterly number of referrals



Number of children with child protection plans (quarter-end count)

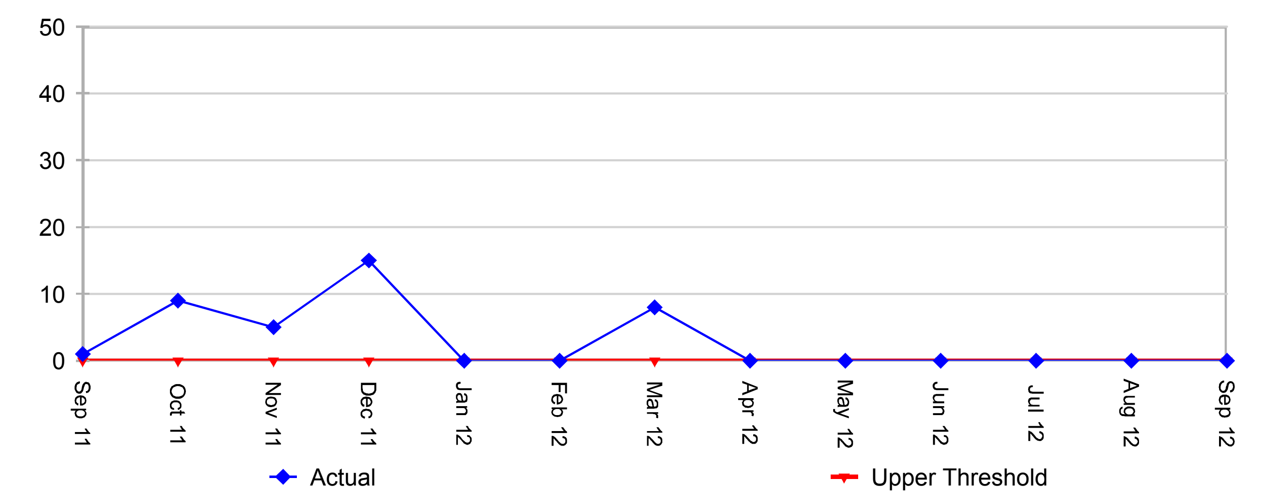


Number of indigenous looked after children (quarter-end count)

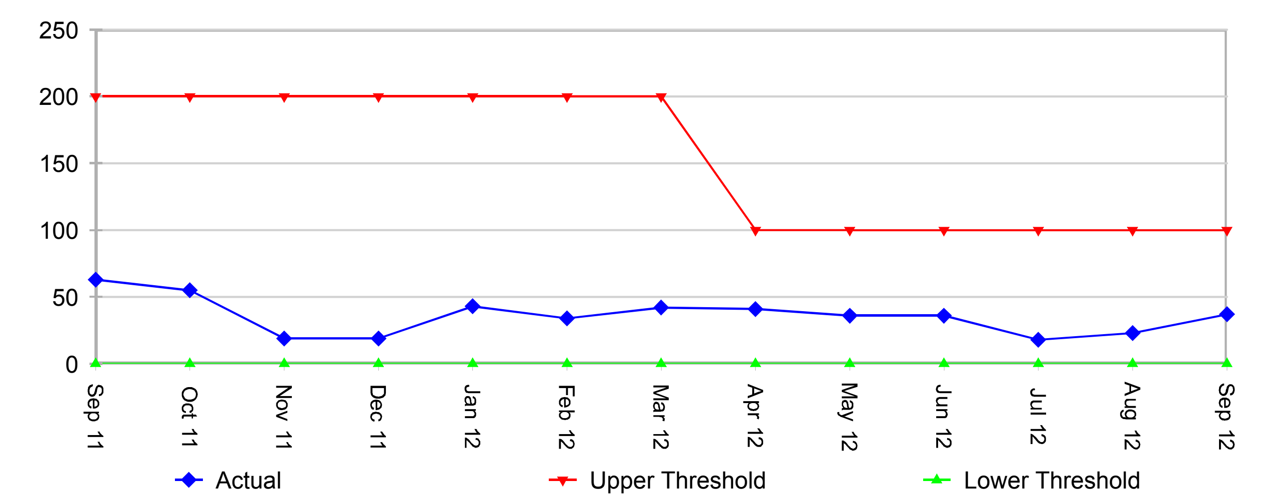


Children’s Social Services - Lead indicators

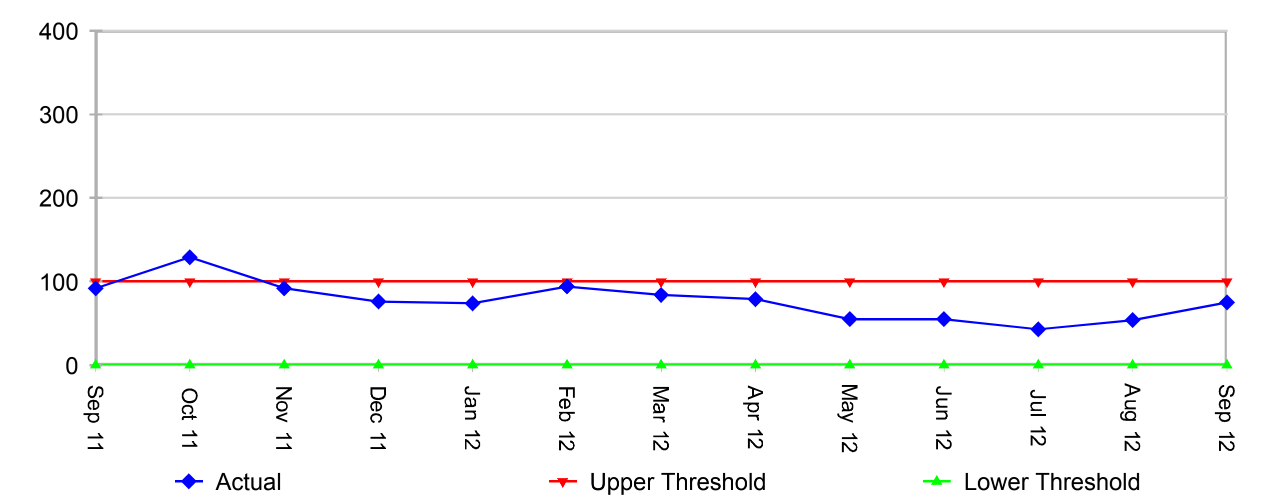
Number of unallocated cases for over 28 days (month-end count)



Initial assessments in progress, out of timescale (month-end count)



Core assessments in progress, out of timescale(month-end count)



Education, Learning and Skills

Bold Steps Priority/Core Service Area	Ensure all pupils meet their full potential, Shape education and skills provision around the needs of the Kent economy
Cabinet Member	Mike Whiting
Portfolio	Education, Learning and Skills
Corporate Director	Patrick Leeson
Directorate	Education, Learning and Skills

Performance Indicator Summary

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of pupils achieving 5+ A*- C GCSE including English and Maths	AMBER	AMBER	⇧
Percentage of pupils achieving level 4 and above in both English and Maths at Key Stage 2	GREEN	AMBER	⇧
Attainment gap for children with Free School Meals at Key Stage 4	AMBER	RED	⇧
Attainment gap for children with Free School Meals at Key Stage 2	GREEN	RED	⇧
Percentage of primary schools with Good or Outstanding Ofsted inspection judgements	AMBER	AMBER	⇧
Number of schools in category (special measures or with notice to improve)	RED	RED	⇔
Percentage of SEN statements issued within 26 weeks (excluding exceptions to the rule)	RED	RED	⇧
Percentage of pupils permanently excluded from school	GREEN	AMBER	⇧
Number of starts on Kent Success Apprenticeship scheme	GREEN	GREEN	⇩

Standards & School Improvement Update

2012 provisional results are, so far, showing an improvement in attainment at all stages in Kent schools and settings, which is now a two year trajectory (most notably at Key Stage 2 with a 7% increase since 2010).

Whilst this is good news, we also know that performance in some schools still does not meet the high standards required. Our school improvement strategy for 2012/13 will support and challenge schools and settings to build on the success of the last two sets of results and ensure that 2013 sees even fewer schools below the floor standard.

We currently have 23 primary schools (down from 70 in 2011 and 95+ in 2010) below the floor standard of 60% of pupils achieving level 4 in both English and Maths combined and 17 secondary schools (down from 27 in 2011) below the new floor standard of 40% of pupils achieving 5 GCSEs at A* to C, including English and Maths.

We have issued a **new school improvement strategy** which shows how we are categorising our schools and the level of support they can expect to receive. This is summarised below.

Support level	**Criteria for support level**	**Action required and support given**
Intensive	Schools in an OFSTED category.	Statement of action and up to 20 visits a year.
High	Schools with satisfactory judgement for the last two Ofsted inspections, or meeting DfE Criteria 1 or 2.	Kent Challenge with 6 weekly plan. 12 to 15 visits.
Medium	Schools with last inspection judgement of satisfactory or Kent Criteria 1.	Action plan with 12 week review and 6 to 8 visits.
Low	Good, outstanding schools and collaboratives.	Universal support, up to 3 visits. 2 day offer.

Support to Governors is negotiated on a school by school basis.

- DfE Criteria 1 is a school which has been below the government floor standard for the last 4 years.
- DfE Criteria 2 is a school which has been below the government floor standard and/or has been below the national average for level of pupil progress for the last 3 years.
- Kent Criteria 1 is a school which has been below the government floor standard for 2 years and/or has been below the national average for level of pupil progress for the last 3 years.

The number of schools in the High Support category is as follows:

	Primary	Secondary Maintained	Secondary Academies
High Support		13	7
Double Satisfactory (Satisfactory judgement at last two Ofsted inspections)	72		
DfE criteria 1	15		
DfE criteria 2	44		

Double satisfactory is a new high risk category following the introduction of the new OFSTED framework in September. For new inspections the satisfactory grade is being replaced with a category of Requiring Improvement and if a school receives this judgement on two successive inspections they are likely to be moved into an OFSTED category. In short, the new inspection regime is built on the premise that satisfactory is not good enough and all schools need to aim to become ‘Good’.

Rigorous action has been taken in many of the schools within the High Support category, to reduce the legacy of underperformance and to strengthen or replace new leadership, but this requires time to show impact.

All Kent Challenge schools require an action plan and in the vast majority of these schools the Kent Challenge Lead Advisers will hold 6 weekly progress meetings. We are supplying both financial and personnel support to assist rapid improvement within these schools.

There is still a legacy of underperformance in standards and of weak leadership in a significant number of schools. Teaching may also have been judged by Ofsted to be only satisfactory. Ensuring that schools have rigorous and robust assessment procedures in place is critical and we also have to challenge a culture in schools and amongst children of low expectations and low aspirations.

There remains an historical lack of challenge from Governing Bodies, particularly towards leadership, which has the effect of slowing the pace of change when the Local Authority challenges performance. However, many Governing Bodies have responded well to the challenge and are now more effective in holding the professional leadership of schools to account for the progress of pupils.

Education, Learning and Skills

Performance Indicators

It should be noted that the first four Performance Indicators in this section are annual indicators, with school attainment results only becoming available once a year. The other indicators in this section are provided with quarterly results.

Provisional results for **pupil attainment at GCSE** has shown limited improvement this year, both locally and nationally, and the result is behind the target set. The change during the year in the grade boundaries for English has been a significant impact on overall results.

Provisional results for **pupil attainment at Key Stage 2** have shown significant improvement this year ahead of the target level. The change in results for Writing, which is now based on teacher assessment and not on an externally marked test, has had a significant impact on the results.

Provisional results for the **achievement gaps for children with Free School Meals** have shown some improvement for GCSE and substantial improvement ahead of target for Key Stage 2.

There has been a slight improvement in the quarter for the percentage of primary schools with Good or Outstanding **Ofsted inspection judgements for overall effectiveness**. Working in collaboration with schools the bespoke and targeted support and challenge provided through our School Improvement Strategy is designed to deliver improvements within schools against the criteria used by Ofsted (which includes quality of teaching and pupil attainment).

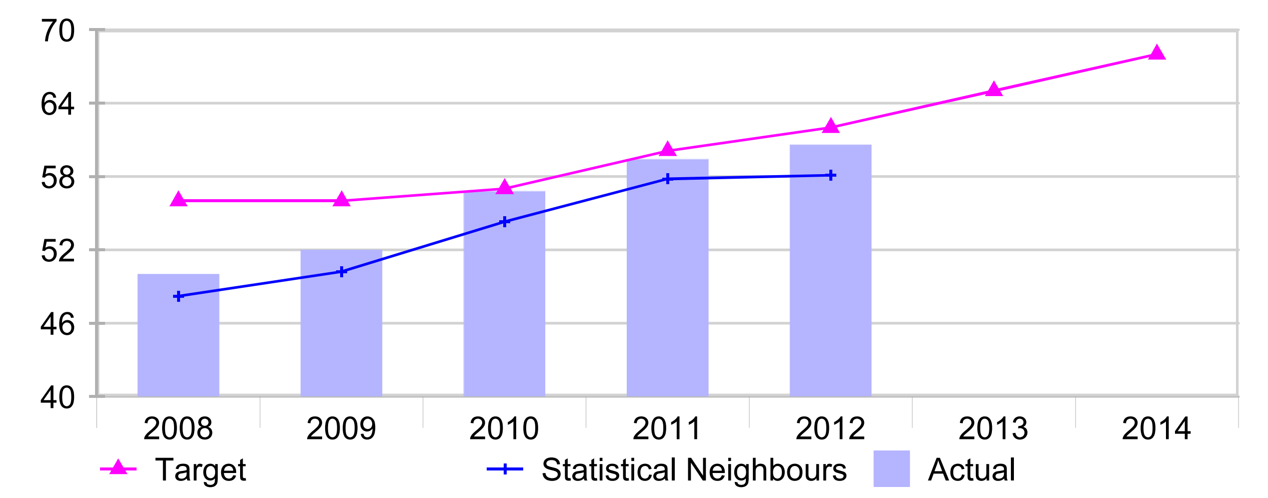
However, the number of **schools in Ofsted category** has not improved and continues to be some way off target. The Local Authority works closely with all schools in category. Each school, following a category judgement, will work to a Local Authority Statement of Action that is submitted to Ofsted for approval. The leadership of the school, including the Governing Body is held to account for progress against this plan every six weeks.

Performance has improved in the quarter for the percentage of **SEN statements issued within 26 weeks** (excluding exception to the rule), after a dip last quarter. This is an area that will be influenced by government proposals for changes in the way services are provided for children with special needs and disabilities and which Kent is testing with other local authorities as part of the South East 7 (SE7) Pathfinder programme.

Permanent exclusions have reduced this quarter and results are on target with this quarter being the first time the number of permanent exclusions has dropped below 200. Discussions are taking place with schools across all districts to review and improve our alternative curriculum provision and to look at ways of reducing exclusions as part of the development of a new Inclusion Strategy.

KCC is leading by example with the **Kent Success apprenticeship scheme**, which is set to continue to expand as a result of the *Kent Jobs for Kent Young People* campaign. So far, over 500 young people have been employed by KCC as apprentices and of those the 80% who achieve their framework go into full time, permanent employment.

Percentage of pupils achieving 5+ GCSE A* to C including English and maths — AMBER ⇧



Trend Data – annual	2008	2009	2010	2011	2012	2013	2014
Actual	50.0%	52.0%	56.8%	59.4%	60.6%		
Target		56.0%	57.0%	60.1%	62.0%	65.0%	68.0%
RAG Rating		Amber	Amber	Amber	Amber		
Stat. N.	48.2%	50.2%	54.3%	57.8%	58.1%		

Commentary

The DfE provisional result for 2012 is 60.6%, an increase on last year's result with 58 schools showing an improvement in results. Kent has improved on 2011 performance by 1.2%. The national figure (not shown) was 58.6%, a drop of 0.3% from last year.

The statistical neighbour average has risen very slightly to 58.1%. Only one of Kent's statistical neighbours is performing higher than Kent, so Kent is performing well against both national and statistical neighbour benchmarks.

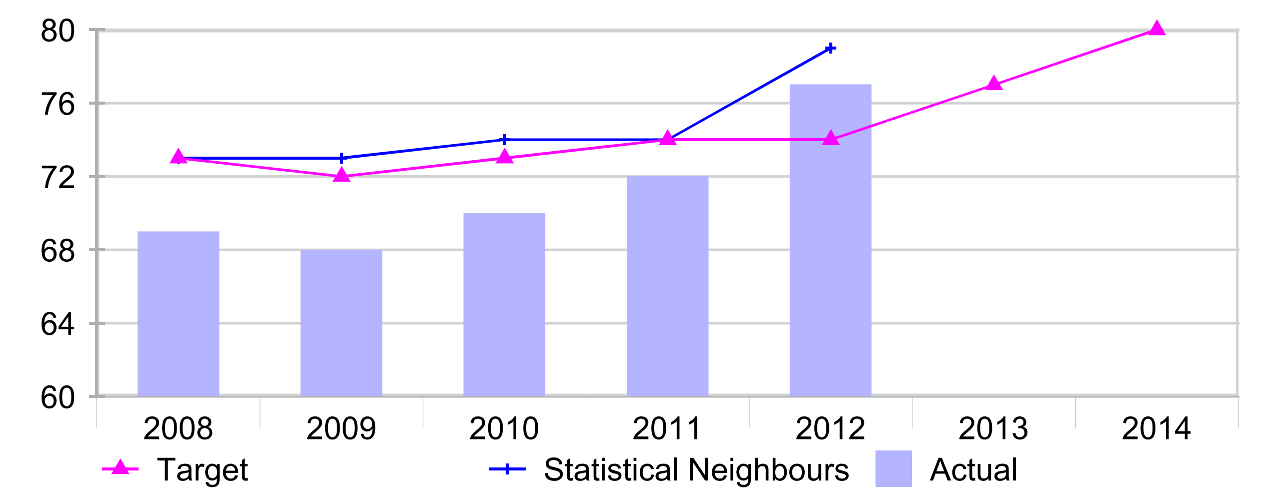
Data Notes

Tolerance: Higher values are better
Data is reported as result for each year
Data includes all pupils at state funded schools including academies.

Data Source: Department for Education (DfE)

Percentage of pupils achieving level 4 and above in both English and Maths at Key Stage 2

GREEN ⇧



Trend Data – annual	2008	2009	2010	2011	2012	2013	2014
Actual	69%	68%	70%	72%	77%		
Target	73%	72%	73%	74%	74%	77%	80%
RAG Rating	Red	Red	Red	Amber	Green		
Stat. N.	73%	73%	74%	74%	78.7%		

Commentary

Provisional results for 2012 show a significant increase on last year's results and against the target. Provisional national and statistical neighbour results have now been published, and also show an increase. Nationally results have risen to 80% up from 74%, and the statistical neighbour average is 78.7%.

277 schools have improved their results this year and there has been significant reduction in the Primary schools below the floor standard. Through the work of Kent Challenge and with effective school leadership and meticulous attention to improving the quality of teaching and assessment, the number of schools performing below the 60% floor for level 4 at Key Stage 2 has reduced to 23 schools compared to 70 schools in 2011. This is excellent progress.

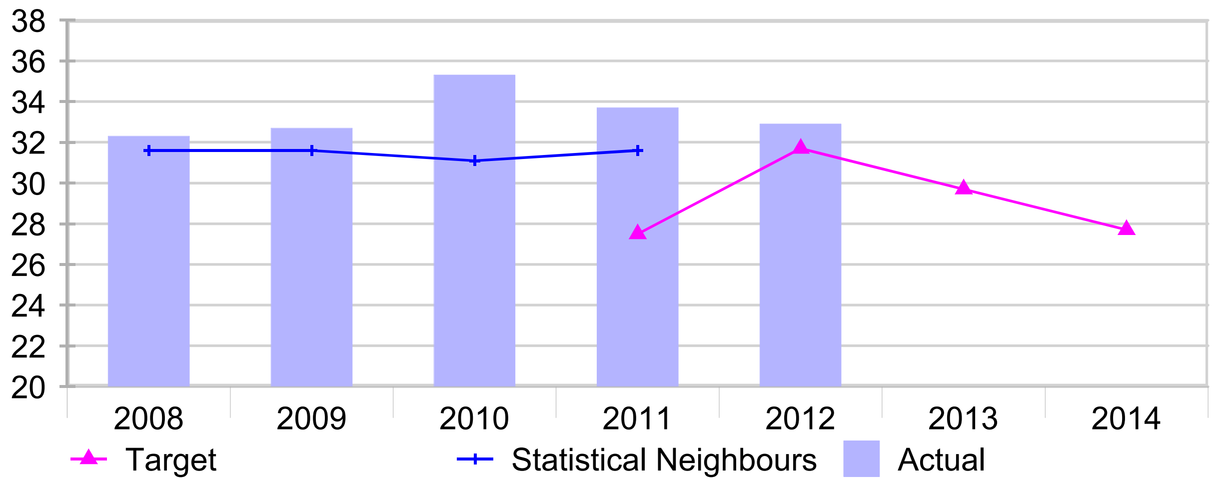
Data Notes

Tolerance: Higher values are better
Data is reported as result for each year
Data includes all pupils at state funded schools including academies.

It should be noted that there have been changes to KS2 assessment this year. Results for Writing are now based on teacher assessment and not on an externally marked test.

Data Source: Department for Education (DfE)

Percentage achievement gap between children with Free School Meals (FSM) and other children at GCSE	AMBER ⇧



Trend Data – annual	2008	2009	2010	2011	2012	2013	2014
Actual	32.3%	32.7%	35.3%	33.7%	32.9%		
Target				27.5%	31.7%	29.7%	27.7%
RAG Rating				Red	Amber		
Stat. N.	31.6%	31.6%	31.1%	31.6%			

Commentary

Provisional 2012 results show a slight improvement in the FSM gap at Key Stage 4 (GCSE), down to 32.9%. The national figure for 2011 was 27.5%.

The DfE will publish final results at local authority, national and statistical neighbour level by a range of pupil characteristics in February 2013.

Note the 2011 target was based on average National performance. The targets from 2012 onwards now represent a phased trajectory to this level over 3 years.

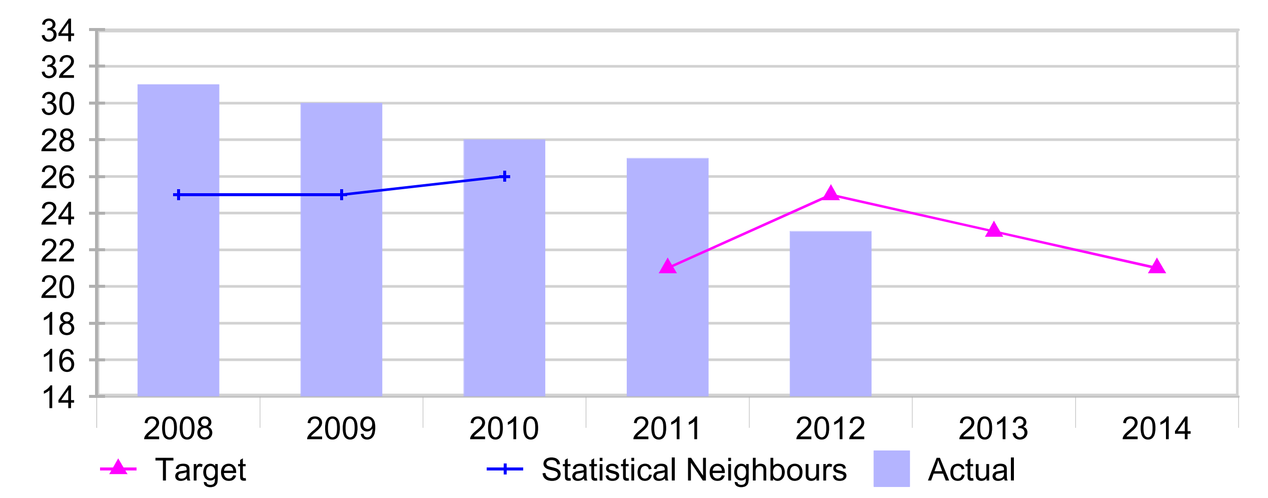
Data Notes

Tolerance: Lower values are better
Data is reported as result for each year
Data includes results for pupils at academies

Data Source: Department for Education (DfE)

Percentage achievement gap between children with Free School Meals (FSM) and other children at Key Stage 2

GREEN ⇧



Trend Data – annual	2008	2009	2010	2011	2012	2013	2014
Actual	31%	30%	28%	27%	23%		
Target				21%	25%	23%	21%
RAG Rating				Red	Green		
Stat. N.	25%	25%	26%	25%			

Commentary

Provisional 2012 results show a significant improvement in narrowing the FSM gap at Key Stage 2, with the gap having reduced by 4%. This is the first year Kent has made significant improvement to this indicator. The national figure for 2011 was 20%.

The DfE will publish results at local authority, national and statistical neighbour level by a range of pupil characteristics in February 2013.

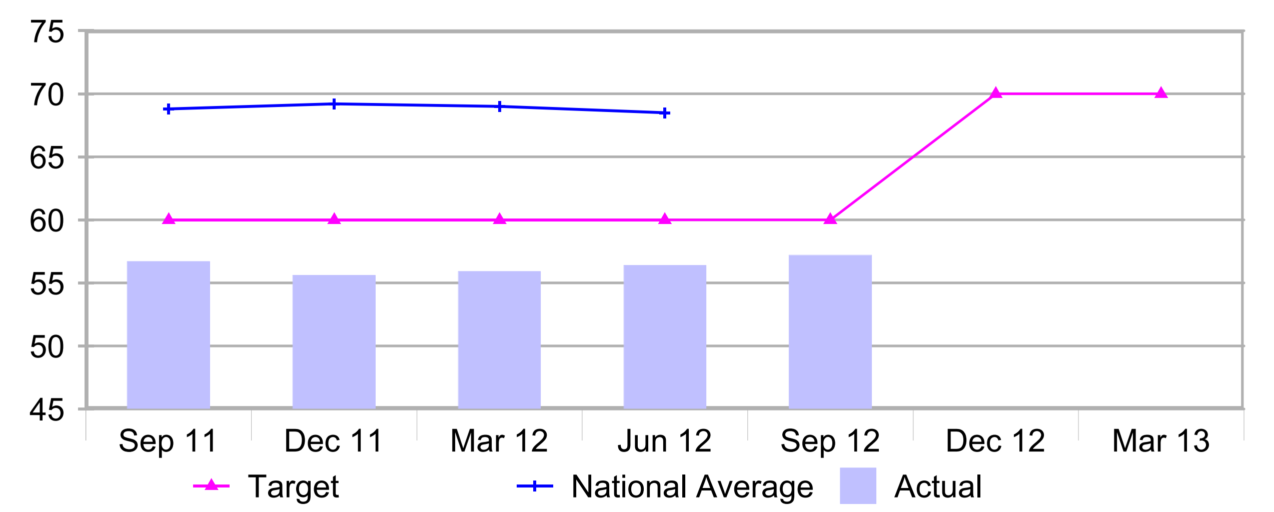
Note the 2011 target was based on average National performance. The targets from 2012 onwards now represent a phased trajectory to this level over 3 years.

Data Notes

Tolerance: Lower values are better
Data is reported as result for each year
Data includes results for pupils at academies

Data Source: Department for Education (DfE)

Percentage of primary schools with Good or Outstanding Ofsted inspection judgements for overall effectiveness	AMBER ⇧



Trend Data – quarter end	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	56.7%	55.6%	55.9%	56.4%	57.2%		
Target	60%	60%	60%	60%	60%	70%	70%
RAG Rating	Amber	Red	Red	Amber	Amber		
Nat. Ave.	68.8%	69.2%	69.0%	68.5%			

Commentary

There has been a slight improvement in results this quarter, although performance has been quite static for the last few quarters. The percentage of primary schools with good or outstanding Ofsted judgements for overall effectiveness has remained around 56-57%, which is below the target.

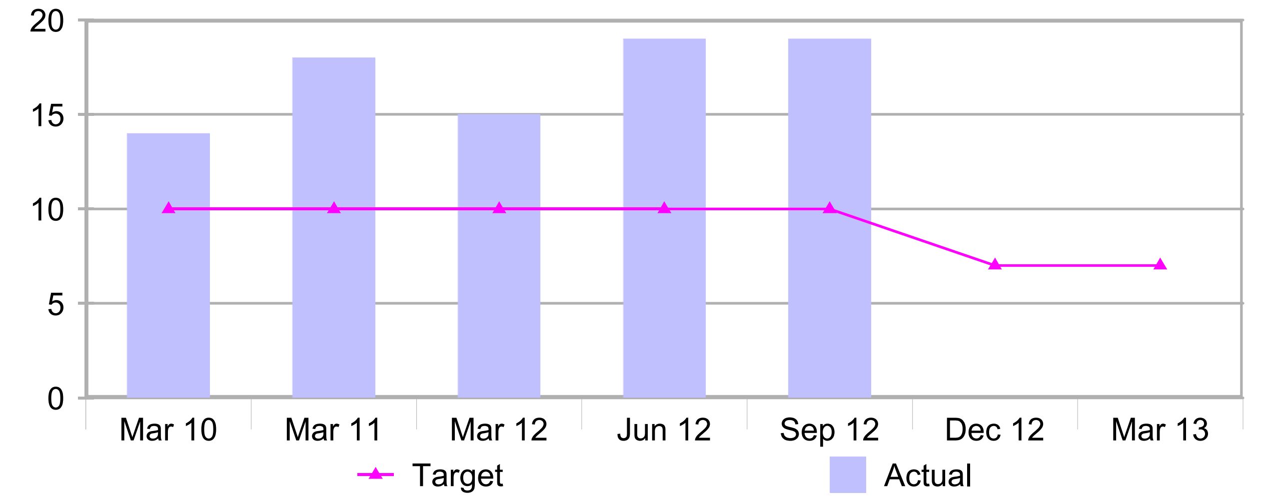
It should be noted that the Ofsted framework changed in January 2012, with some additional changes from September 2012.

Data Notes

Tolerance: Higher values are better
Results are reported as snapshot at each quarter-end
Data is based on most recent inspection judgement
All state schools are included, except new sponsored academies which have not had an inspection since opening as academies (there were 5 such schools in Kent at April 12)

Data Source: Ofsted

Number of schools in Ofsted category (special measures or with notice to improve) — RED ⇔



Trend Data – quarter-end	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	14	18	15	19	19		
Target	10	10	10	10	10	7	7
RAG Rating	Amber	Red	Red	Red	Red		
Special Measures	9	11	10	13	13		

Commentary

The number of schools deemed inadequate by Ofsted is the same as last quarter. At the end of September there were 19 schools in category, of which 13 were in Special Measures.

Of the 19, 15 are primary schools, 2 are secondary schools, 1 is a special school and 1 is a Pupil Referral Unit.

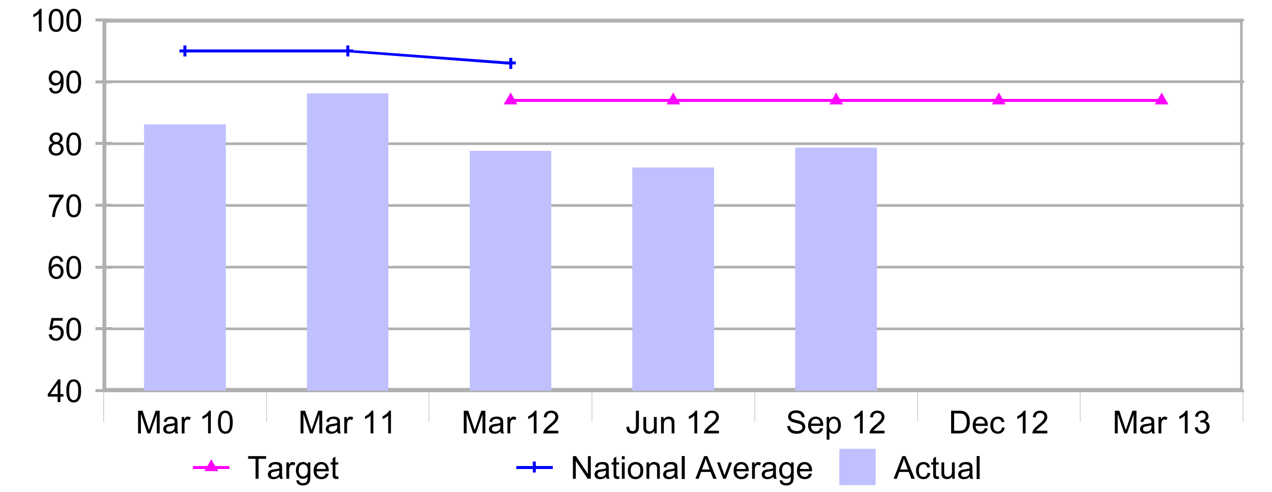
Of these schools only 6 schools in category remain from the previous Ofsted inspection framework, which came to an end in January 2012. Most of these are expected to be out of category by Spring 2013,

Data Notes

Tolerance: Lower values are better
Data is reported as a snapshot position at each quarter-end
Data includes all maintained schools (nursery, primary, secondary, special schools and pupil referral units) but excludes academies and independent schools.

Data Source: Ofsted

Percentage of SEN statements issued within 26 weeks (excluding exceptions to the rule)	RED ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	83.1%	88.1%	78.8%	76.1%	79.3%		
Target			87%	87%	87%	87%	87%
RAG Rating	Amber	Green	Red	Red	Red		
Nat. Ave.	95%	95%	93%				

Commentary

Performance has improved from the figure reported in June but remains below the target.

In 2011/12 a total of 835 SEN statements were issued in Kent, of which 349 had no exceptions to the rules.

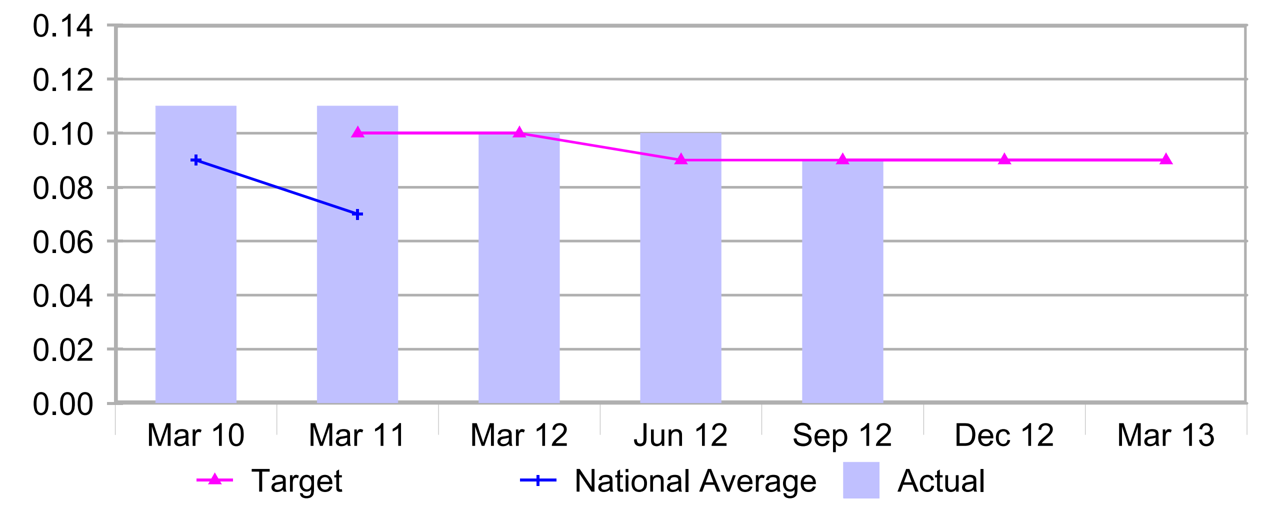
Performance in this area will be influenced by government proposals for changes in the way services are provided for children with special needs and disabilities.
Along with other local authorities, Kent is testing these new arrangements as part of the South East 7 (SE7) Pathfinder programme.

Data Notes

Tolerance: Higher values are better
Results are reported as rolling 12 month
Definition is as per previous National Indicator NI103a.
Exception to the rules are circumstances set out in the appropriate legislation where specific timescales within the SEN assessment process need not be followed.

Data Source: KCC Impulse database

Percentage of pupils permanently excluded from maintained schools and academies	GREEN ⇧



Trend Data – quarter end	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	0.11%	0.11%	0.10%	0.10%	0.09%		
Target		0.10%	0.10%	0.09%	0.09%	0.09%	0.09%
RAG Rating	Green	Amber	Green	Amber	Green		
Nat. Ave.	0.09%	0.07%					
Number of children	238	240	213	219	193		

Commentary

The latest figure for rate of permanent exclusions is 0.09%, a slight improvement on the previous quarter. This meets the target of 0.09%. This equates to 193 permanent exclusions in the last 12 months, the first time this figure has been below 200.

National data for exclusions is collected in January following an academic year and published in July. Data for academic year 2011/12 will therefore not be available until July 2013.

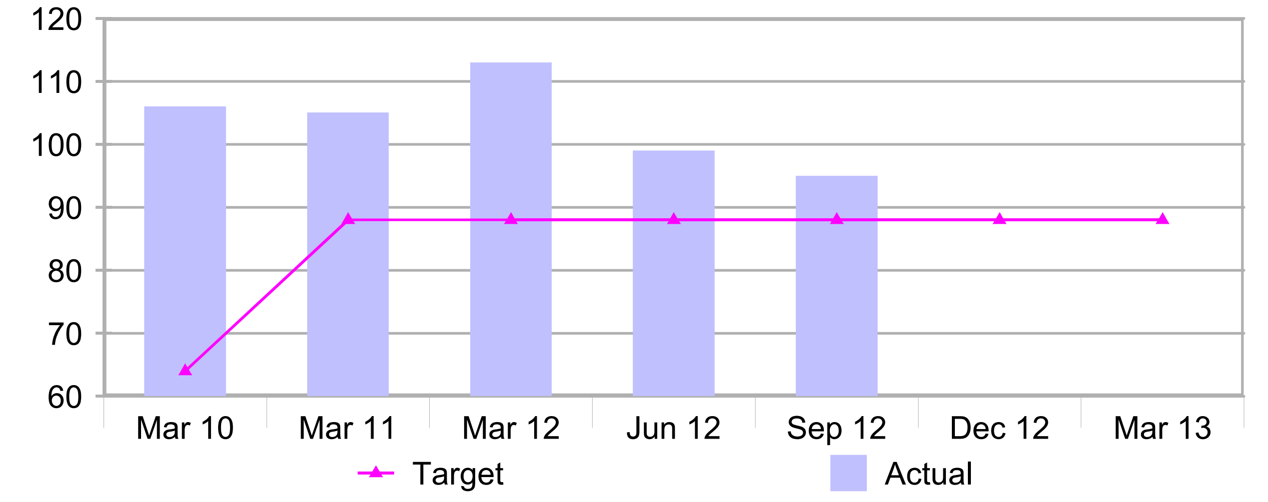
Data Notes

Tolerance: Lower values are better
Data is reported as rolling 12 month total
Data includes pupils in maintained schools and academies
National averages are based on full academic year result and not financial year.

Data Source: Impulse database

Number of starts on Kent Success Apprenticeship scheme

GREEN ⇩



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	106	105	113	99	95		
Target	64	88	88	88	88	88	88
RAG Rating	Green	Green	Green	Green	Green		

Commentary

The number of starts on the Kent Success Apprenticeship scheme had been consistently above target, but has dropped to below 100 for the last two quarters. This scheme is for apprentices within KCC.

The wider Kent Apprenticeship Strategy aims to increase apprenticeships across the Kent economy and future actions include:

- Aligning the Apprenticeship Strategy to the wider “Kent Jobs for Kent young people” campaign
- Implementing an Apprenticeship Advisory Service that can support employers and young people to access any type of apprenticeship programmes
- Developing employability programmes to equip young people to be ready to access an apprenticeship
- Working with Skills Training UK to maximise the potential of the Youth Contract, to create a pathway into apprenticeship programmes.

Data Notes

Tolerance: Higher values are better
Data is reported as rolling 12 month total.

Data Source: KCC Apprenticeship Team

Education, Learning and Skills

Lead Indicators

Lead Indicators are a new feature in our Performance Report for this year. Lead Indicators represent the level of demand for services, the external context and other key activity information which we need to be aware of, to successfully manage service delivery. Lead Indicators are not the same as Performance Indicators, and do not have targets or RAG ratings assigned to them.
Lead indicators are assessed against Upper and Lower thresholds, which represent the range of values within which activity is expected to be. If activity is outside of these thresholds this may not necessarily be a good or bad thing. However review of the information encourages the service to ask why we might be outside of the expected range, what the implications of this are, and to consider if any actions need to be taken in response.

The number of children with **statements of SEN** in Kent schools shows a seasonal pattern over the academic year. At the end of September there were 6,654 pupils with statements, which is a 2.5% increase on the same time last year.

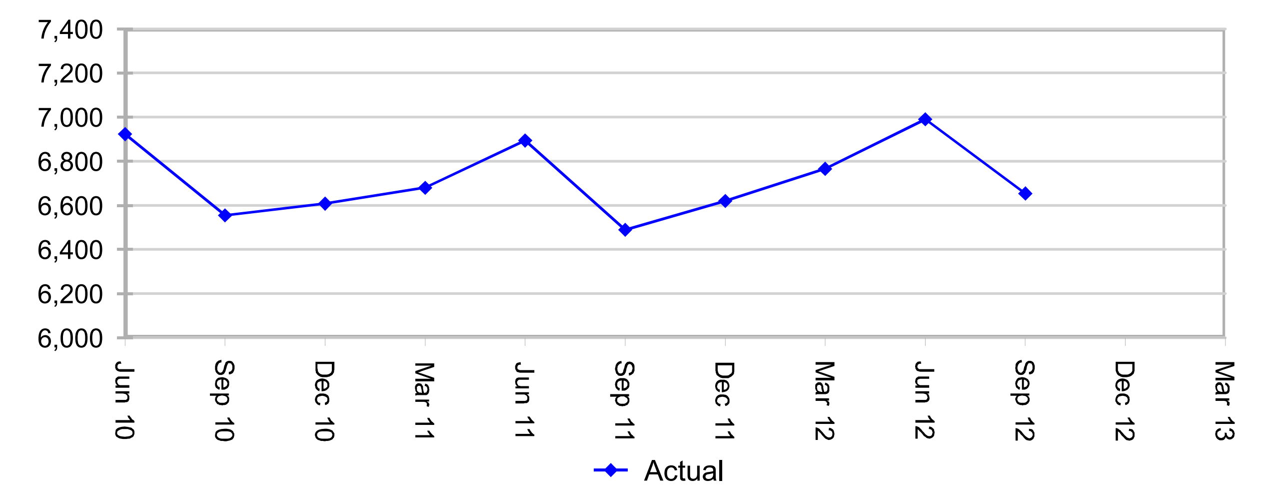
The **number of Reception Year pupils** starting their primary education within Kent schools has been on a steady increase over the last five years, with the January 2012 pupil census count being 16,585, which is a 9% increase on the count of 3 years ago. Overall primary school pupil numbers have increased 2.4% over the same time period.

The **number of Year 7 pupils** starting their secondary education within Kent schools has been showing a steady decrease over the last few years, with the January 2012 pupil census count being 15,804, which is a 7% decrease on the count of 3 years ago. Overall secondary school pupil numbers have decreased by 1.9% over the same time period.
The trend for decreasing numbers entering secondary education is likely to come to a halt after next year, as the Year 6 year-group is currently the smallest cohort at a count of 15,006. After next year the trend in pupil numbers entering secondary education will follow the increasing trend currently being seen in Reception year.

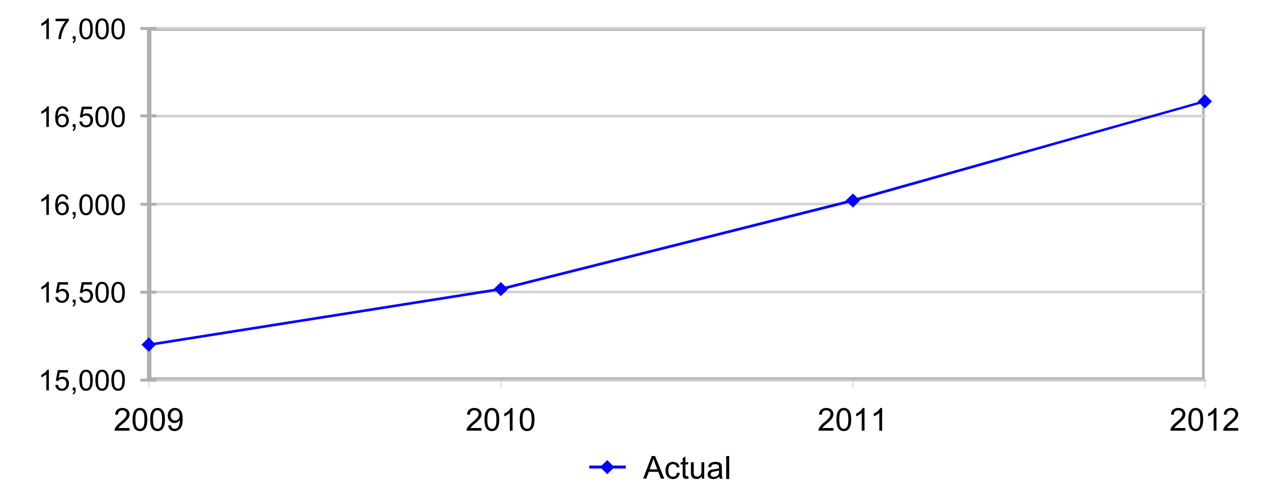
The percentage **of young people aged 18 to 24 claiming Job Seekers Allowance** has been lower in the last two quarters (at 6.8%), compared to the recent high peaks seen in previous quarters (7.4% to 7.9%). However the rate remains significantly above pre-recession levels, and we wish to see youth unemployment levels return to historic levels of around 4%.

Education, Learning and Skills - Lead indicators

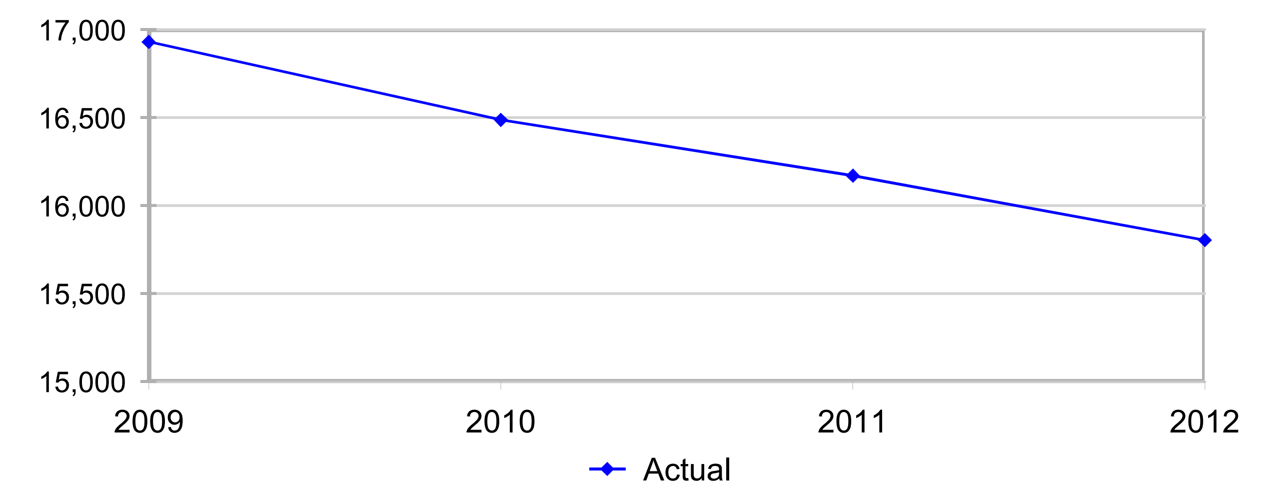
Number of children in Kent with SEN Statements

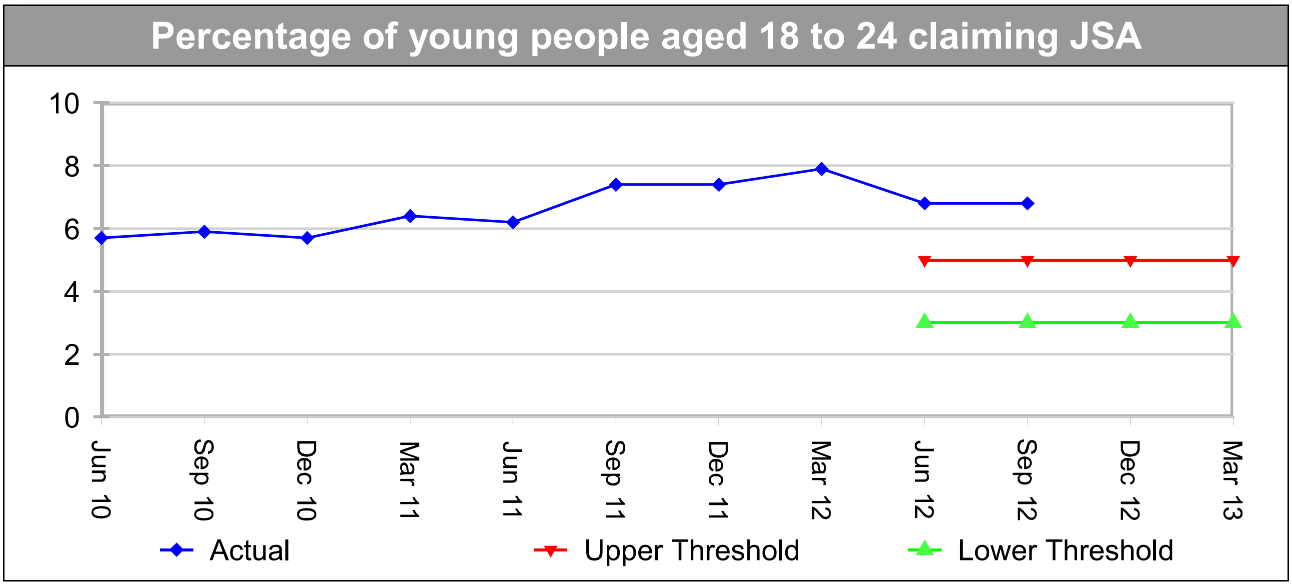


Number of pupils in Reception year (Kent state funded schools)



Number of pupils in Year 7 (Kent state funded schools)




Percentage of young people aged 18 to 24 claiming JSA
10
8
6
4
2
0
Jun 10
Sep 10
Dec 10
Mar 11
Jun 11
Sep 11
Dec 11
Mar 12
Jun 12
Sep 12
Dec 12
Mar 13
Actual
Upper Threshold
Lower Threshold

Integrated Youth Service

Bold Steps Priority/Core Service Area	Better target youth service provision at those most at risk of falling into offending behaviour
Cabinet Member	Mike Hill
Portfolio	Customer and Communities
Director	Angela Slaven
Directorate	Customer and Communities

Key Activity and Risks

The actions being taken to reduce the number of young people turning to crime include:

- The integration of the Youth Inclusion Support Panel (YISP) staff into the three locality based teams of the Youth Offending Service (YOS) – this step will enable the targeting of siblings of known offenders whose risk of offending is exacerbated as a result of having someone older than themselves in their families involved in offending / anti social behaviour

- The YISP is maintaining joint working arrangements with Kent Police to offer support to their Restorative Justice initiatives. These are becoming available countywide and are designed to divert children and young people from the youth justice system, while enabling access to services appropriate to their needs.

- Restorative justice processes bring those harmed by crime or conflict, and those responsible for the harm, into communication, enabling everyone affected by a particular incident to play a part in repairing the harm and finding a positive way forward. Research is indicating the effectiveness of these approaches to reducing the likelihood of offending.

Young people’s engagement in education, training and employment is a significant factor in reducing the risk of offending. The current economic climate and higher levels of youth unemployment in the county brings a risk that some of the 16-17 age groups could become demoralised and more vulnerable to offending if other risk factors are also in place (e.g. poor family support).

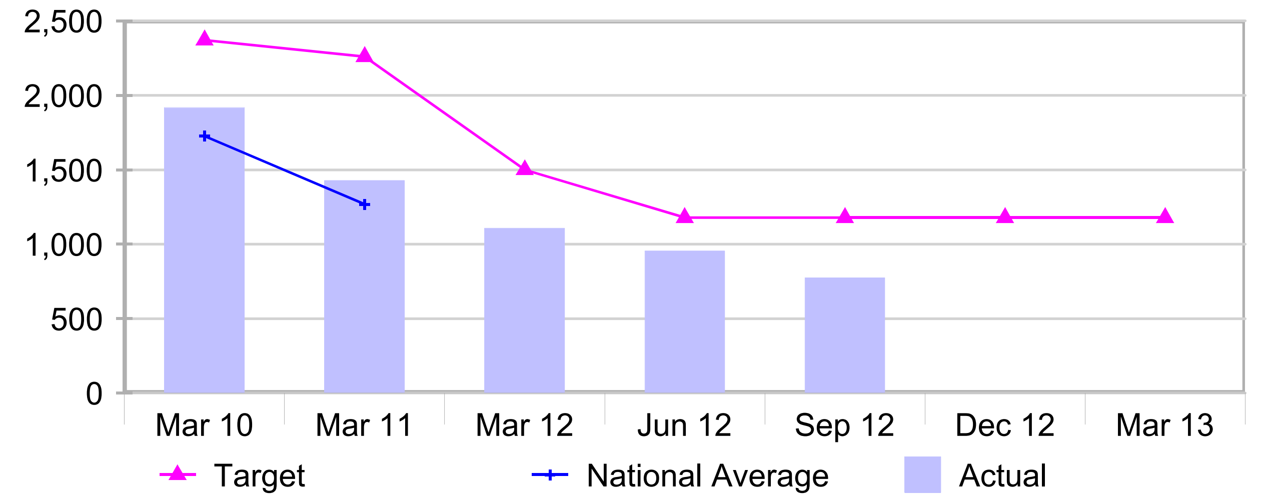
Performance Indicators

The numbers of first time youth offenders in Kent continues to reduce. In recent years this has been both a local and a national trend.

Data for the current year is provisional and the quarter 2 figure is known to be understated due to some data transfer issues between the Police and the Youth Offending Service. These issues are being resolved and final verified figures accounting for any late notifications will be available in January.

Number of first time entrants to the youth justice system – rolling 12 month totals

GREEN ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	1,918	1,428	1,108	928	774		
Target	2,372	2,325	1,500	1,178	1,178	1,178	1,178
RAG Rating	Green	Green	Green	Green	Green		
Nat Ave	1,727	1,269					

Commentary

Data for the last year end showed 22% less young people entering the youth justice system compared to the previous year. Further reductions are expected this year although they are expected to be less marked than they were in the two previous financial years. The trend for continued annual reductions is replicated nationally. Kent Police are committed to supporting effective diversionary measures where they are seen to be more appropriate than a youth justice outcome. A possible risk to this trend being sustained is the election in November of a Police and Crime Commissioner (PCC) for the county who does not support diversion, preferring to see all offending behaviour responded to with a formal youth justice disposal. Preparatory work has been carried out with Kent Police to advise candidates for the PCC role of the benefits of the current strategy. The interventions provided by the Youth Inclusion Support Panel staff have also proved effective. Only 15% of a cohort of 221 children and young people at risk of entering the youth justice system and receiving a preventative service during 2010 went on to become offenders within 12 months of their intervention being completed.

Data Notes

Tolerance: Lower values are better
Data is reported as rolling 12 month total. The national average shown is a pro-rata conversion of a per 100,000 population rate

Data Source: Careworks case management system for local data. Ministry of Justice for national average.

Adult Social Care

Bold Steps Priority/Core Service Area	Empower social service users through increased use of personal budgets
Cabinet Member	Graham Gibbens
Portfolio	Adult Social Care and Public Health
Corporate Director	Andrew Ireland
Divisions	Older People and Physical Disability Learning Disability and Mental Health

Performance Indicator Summary

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of clients who receive a personal budget and/or a direct payment	GREEN	GREEN	⇧
Number of clients receiving a telecare service	GREEN	AMBER	⇧
Number of clients provided with an enablement service	RED	AMBER	⇩
Percentage of assessments completed within six weeks	GREEN	GREEN	⇧
Percentage of clients satisfied that desired outcomes have been achieved	AMBER	GREEN	⇩

Adult Social Care Transformation Programme Update

Following a 3 month period of informal stakeholder engagement, an initial Adult Social Care Transformation Programme Blueprint and Preparation Plan was produced. The blueprint and preparation plan set out the future vision for adult social care and highlighted the key transformation themes. It also outlined the next 6 month phase of work. The Adult Social Care Transformation Programme Blueprint and Preparation Plan was endorsed by County Council on 17th May 2012.

Approximately 750 stakeholders took part in the engagement activities which resulted in the development of our six transformation themes. The following themes will provide the basis for our transformation:

- Prevention, independence and wellbeing
- Supporting recovery, maximising independence and assessing at the right time and in the right place
- Support at home and in the community
- Place to live
- Every penny counts
- Doing the right things well

The adult social care programme has now been through a period of understanding and planning (between April - September) in order to fully understand and plan the transformation. Stakeholder engagement has been an important element of the redesign of adult social care. Equality impact assessments will be undertaken on any transformation option under consideration and formal consultations are likely.

Understand Phase

During April, May and June 2012, 20 reviews were completed to better understand areas of our business and analyse how cost effective and efficient these services or business functions are.

The work included an analysis of activity and costs, outcomes and effectiveness and service user satisfaction levels. The combination of the understanding gained from this 3 month period is being used to inform how transformation of the services provided will be delivered and to ensure that decisions made are in alignment with the transformation vision.

All reviews were completed internally, with the exception of one review, carried out by the Institute of Public Care. The Institute of Public Care report identified potential areas for savings and offered assurance that there is scope to deliver a significant level of savings, whilst recognising the size of the challenge to successfully achieve this.

Planning Phase

As a result of the business intelligence gained during the understand phase, we have been able to consider the strengths, weaknesses, opportunities and threats for specific areas of the business. Short term and medium term strategies have been considered for the transformation of adult social care and we are now identifying exactly how a reduction in adult social care spend can be achieved.

A high level programme plan has been developed which sets out what will be delivered in the planning phase and begins to give an idea of the ‘shape’ of the Transformation Programme.

Next steps

Work will continue to define and agree programme content, priorities, resourcing and timescales. This will be used to help forecast the amount of savings which can be realised through transformation and when financial benefits may be realised.

Further diagnostic work has been commissioned to carry out an extensive and detailed analysis of the business. This diagnostic exercise will identify of a number of opportunities for efficiency, which can then be considered. It will also help forecast savings in more detail. An external partner will be sought to help deliver the programme.

A number of option and investment appraisals have also been commissioned which will assess options for transformation through investment. This will initially focus on information, advice and guidance, falls prevention, continence, social isolation, carers’ support, telecare, technology and equipment, and extra care sheltered housing.

Adult Social Care

Performance Indicators

The percentage of clients with a **personal budget and/or a direct payment** has improved this quarter and is now rated Green. Local targets for this year have been revised downwards since the last report following the recent announcement that the national target for the year has been revised from 100% to 70%. It is now accepted that personal budgets are not appropriate for all people in receipt of community based social care support.

The number of clients with **telecare** continues to increase and is now ahead of target. However the target level is for a continued increase each quarter so this momentum must be maintained.

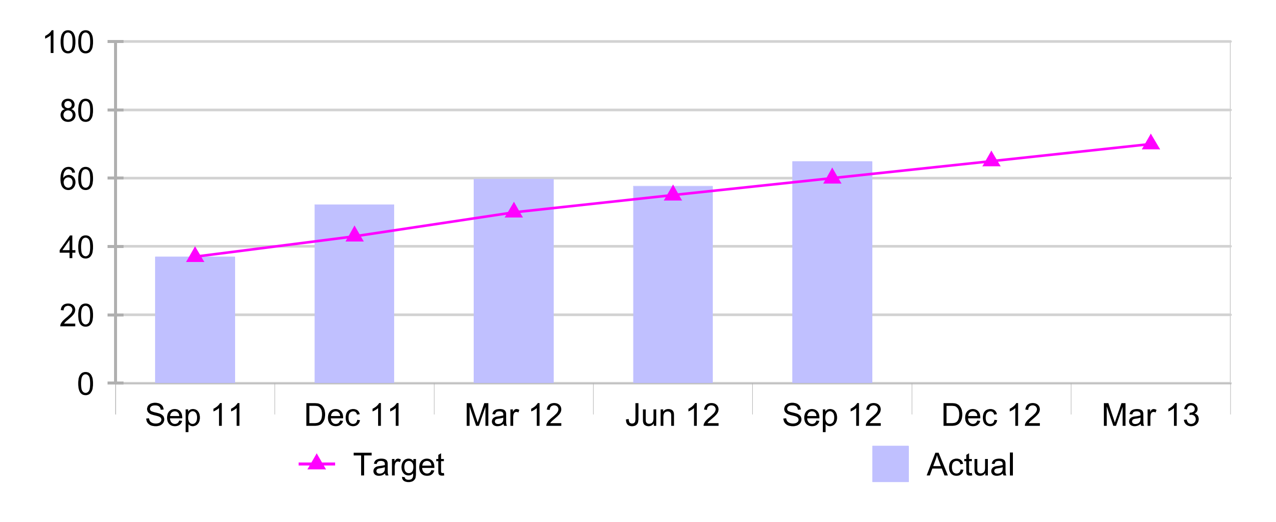
The number of clients receiving an **enablement service** has dropped again this quarter and performance is significantly behind target. Work is being undertaken to identify the causes for this. Impacting factors include an increase in other types of service provision such as telecare and intermediate care which may be reducing the need for enablement. In the short terms, actions to improve the use of enablement include :

- Work is underway to deliver better access points within localities to support the current county level point of access.
- There is more work underway in hospitals to help support people return home through enablement.

The percentage of **assessments completed within six weeks** continues to be ahead of target.

The percentage of **clients satisfied** that desired outcomes have been achieved at their first review was slightly behind target for the quarter but only by a very small margin.

Percentage of clients with community based services who receive a personal budget and/or a direct payment	GREEN ⇧



Trend Data – quarter end	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	37.0%	52.2%	59.7%	57.7%	64.9%		
Target	37%	43%	50%	55%	60%	65%	70%
RAG Rating	Green	Green	Green	Green	Green		
Clients	8,892	10,079	11,416	10,253	10,612		

Commentary

Performance for the quarter is ahead of target and shows an improvement on last quarter.

Since the last report, local targets have been revised in line with the revision to the national target. The year-end target has reduced from 100% to 70%. The revision to the national target was based on feedback from councils which highlighted that not all people are eligible or suitable for receiving a personal budget. For example, people who receive enablement services and return home with no further on-going support will not require a personal budget.

The approach to increasing personal budgets continues to focus on ensuring that all new clients are allocated a personal budget, and that existing clients are allocated a personal budget at review.

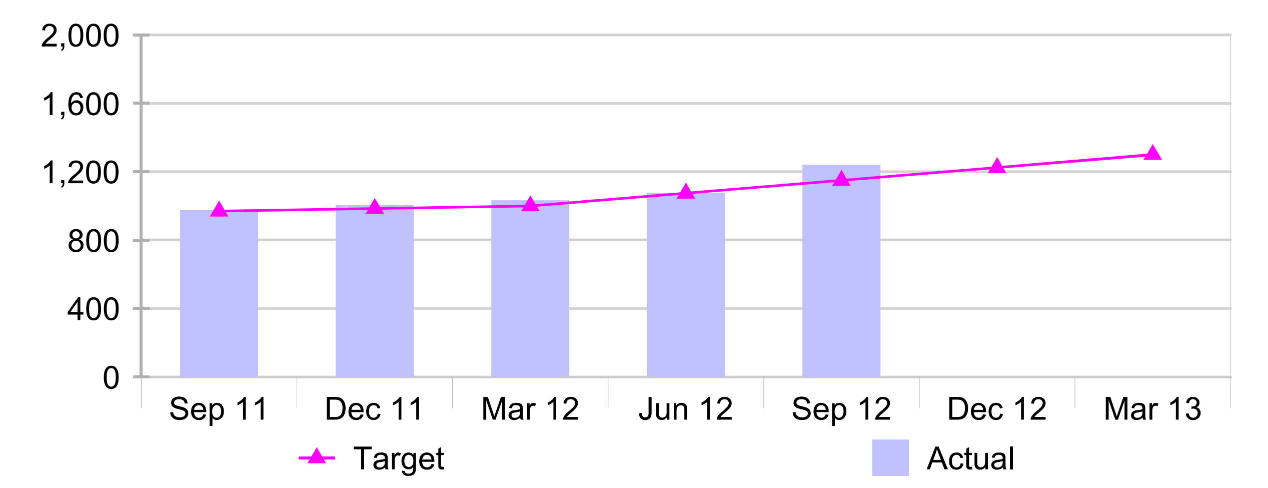
Data Notes

Tolerance: Higher values are better.
Data is reported as the snapshot position of current clients at the quarter end.
This indicator uses a different definition from the national indicator, which is measured for all clients with a service during the year, including carers.

Data Source: Adult Social Care Swift client system

Number of clients receiving a telecare service

GREEN ⇧



Trend Data –quarter end	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	973	1,006	1,032	1,074	1,240		
Target	970	985	1,000	1,075	1,150	1,225	1,300
RAG Rating	Green	Green	Green	Amber	Green		

Commentary

The number of people in receipt of a telecare service has exceeded the quarter 2 target.

Telecare is now a mainstream service and is being promoted as a key mechanism for supporting people to live independently at home. This includes promoting telecare through the hospitals and also to support people after a period of enablement.

The availability of new monitoring devices (for dementia for instance) is expected to increase the usage and benefits of Telecare. In addition, the provision of Telecare can now be included within Personal Budgets, where appropriate. Awareness training continues to be delivered to staff to ensure we optimise the opportunities for supporting people with teletechnology solutions.

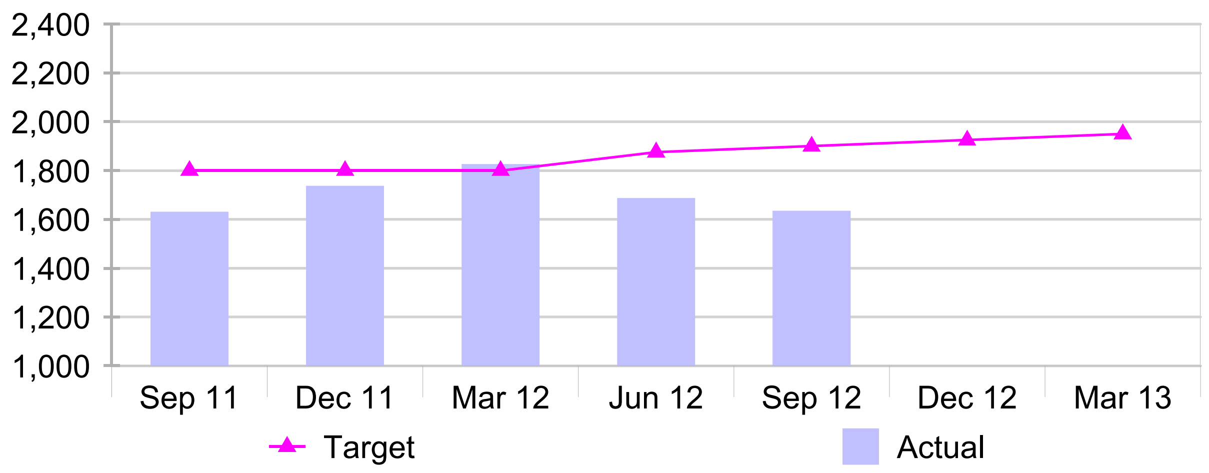
Data Notes

Tolerance: Higher values are better.
Data is reported as the position at the end of the quarter.
No comparative data from other local authorities is currently available for this indicator.

Data Source: Adult Social Care Swift client system

Number of clients provided with an enablement service

RED ⇩



Trend Data – by quarter	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	1,631	1,736	1,826	1,687	1,634		
Target	1,800	1,800	1,800	1,875	1,900	1,925	1,950
RAG Rating	Amber	Amber	Green	Amber	Red		

Commentary

The number of clients receiving an enablement service has fallen for the second quarter of the year and the result was significantly behind target.

In the short terms, actions to improve the use of enablement include :

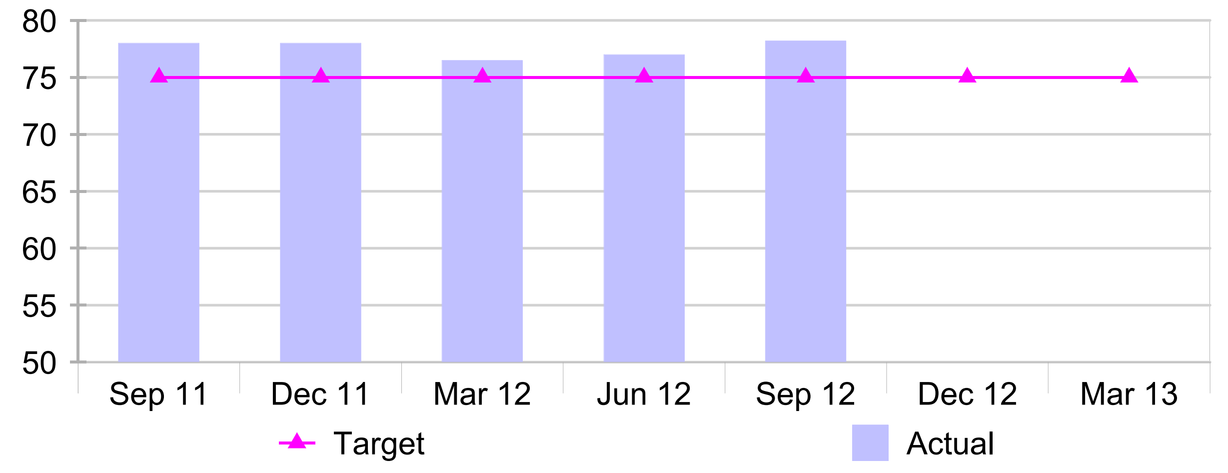
- Work is underway to deliver better access points within localities to support the current county level point of access.
- There is more work underway in hospitals to help support people return home through enablement.
- Research into the availability of enablement places is being undertaken, together, with an analysis of reasons for placements being refused, so that appropriate actions can be put in place.

It is also apparent that other enabling type services such as intermediate care, telecare and the short term beds strategy may be reducing the need for standard enablement services. A mapping of all of these services will be undertaken to determine the impact of these interdependencies and the findings of this work will be reported in due course.

Data Notes

Tolerance: Higher values are better
Data is reported as the number of new clients accessing the service during the quarter.
Data Source: Adult Social Care Swift client system

Percentage of assessments completed within six weeks	GREEN ⇧



Trend Data – by quarter	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	78%	78%	76.5%	77%	78.2%		
Target	75%	75%	75%	75%	75%	75%	75%
RAG Rating	Green	Green	Green	Green	Green		

Commentary

Performance for the most recent quarter was ahead of target.

This indicator serves to ensure that we have the right balance between ensuring enablement is delivered effectively and ensuring the whole assessment process is timely. Therefore 75% of assessments are expected to be within 6 weeks, helping to ensure people do not spend too much time in an enablement service, or are not pushed through the assessment process too quickly.

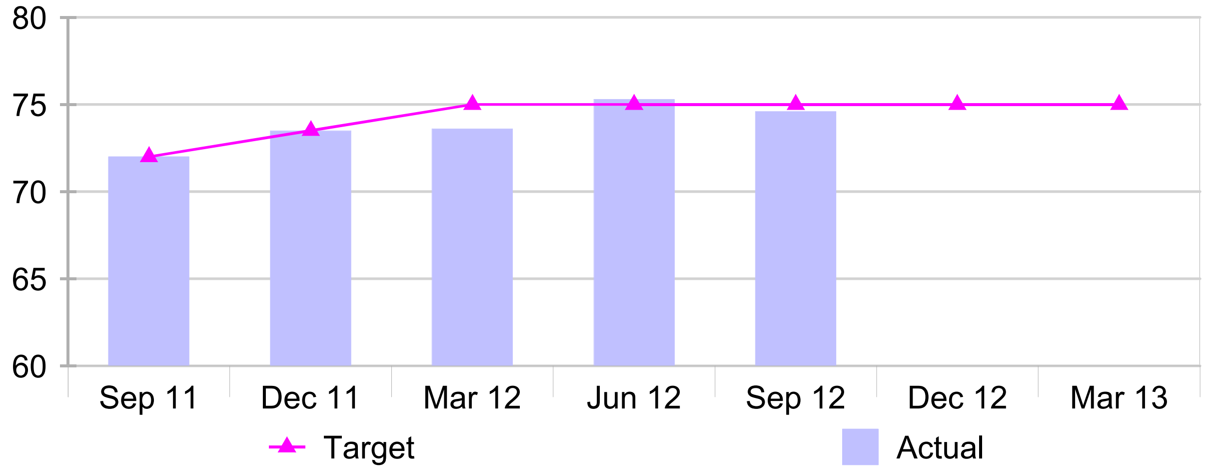
Factors affecting this indicator are linked to waiting lists for assessments, assessments not being carried out on allocation and some long standing delays in Occupational Therapy assessments. There are also appropriate delays due to people going through enablement, as this process takes up to six weeks and the assessment can not be completed until the enablement process is completed

Data Notes

Tolerance: Higher values are better
Data is reported as the number of new clients accessing the service during the quarter.

Data Source: Adult Social Care Swift client system

Percentage of clients who are satisfied that desired outcomes have been achieved at their first review	AMBER ⇩



Trend Data – by quarter	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	72%	73.5%	73.6%	75.3%	74.6%		
Target	72%	73.5%	75%	75%	75%	75%	75%
RAG Rating	Green	Green	Amber	Green	Amber		

Commentary

The percentage of outcomes achieved was slightly behind target for the most recent quarter. The reasons for this are being investigated.

People's needs and outcomes are identified at assessment and then updated at review, in terms of achievement and satisfaction.

The information collected through this indicator is being used to support the development and commissioning of services to ensure they meet the needs of individuals.

Data Notes

Tolerance: Higher values are better
Data is reported as percentage for each quarter.

Data Source: Adult Social Care Swift client system

Adult Social Care

Lead Indicators

All Lead Indicators for Adult Social Care are currently within the expected ranges. The expected range is based on the affordable level set in the financial budget. More detail on these indicators can be found within the Council's financial monitoring reports.

The number of **weeks of nursing care for older people** has been increasing in recent quarters and is now just under 83,000 for the last 12 month period. The forecast for the current financial year has been increased to 84,000 (up from 81,000 in the last report).

The number of **weeks of residential care for older people** purchased externally has been reducing over time and was under 152,000 in the last 12 months. The forecast for the full financial year is that this will reduce to about 148,000.

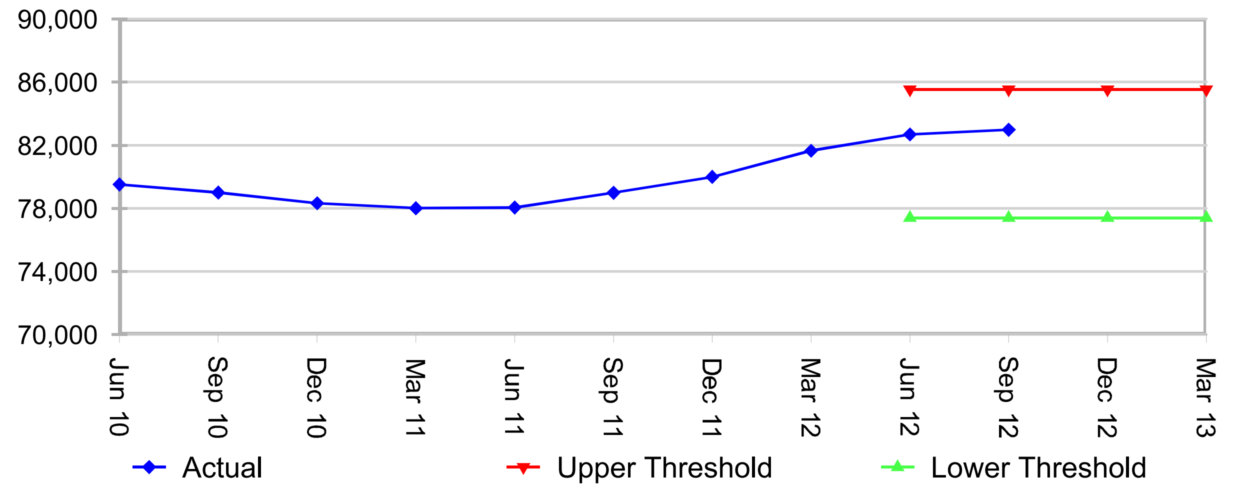
The number of weeks **of residential care for clients with learning disability** after showing an increase during 2011, have levelled out during 2012 and the number of weeks is expected to remain close to 40,000 for this financial year.

The number of **hours of domiciliary care** provided for older people has been reducing in recent quarters and this trend is expected to continue. The forecast for the current financial year is that the numbers of weeks will be close to 2,300,000.

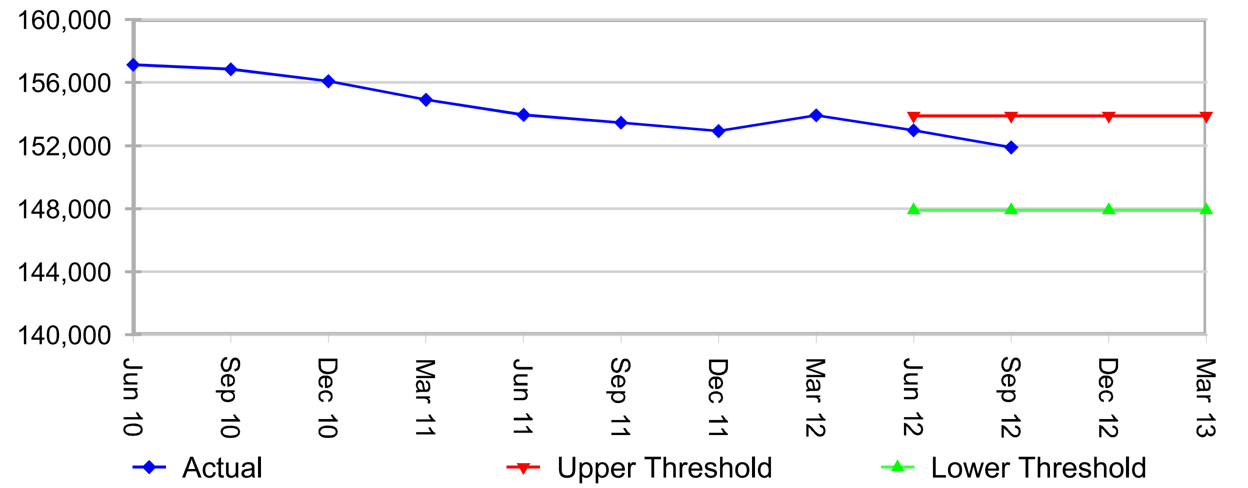
The number of weeks of **supported accommodation** provided for clients with learning disability has been increasing rapidly in the last two years. From October 2012 a significant number of these clients will transfer to the new Supporting Independence Service and as a result the weeks of supported accommodation will see a drop.

Adult Social Care - Lead indicators

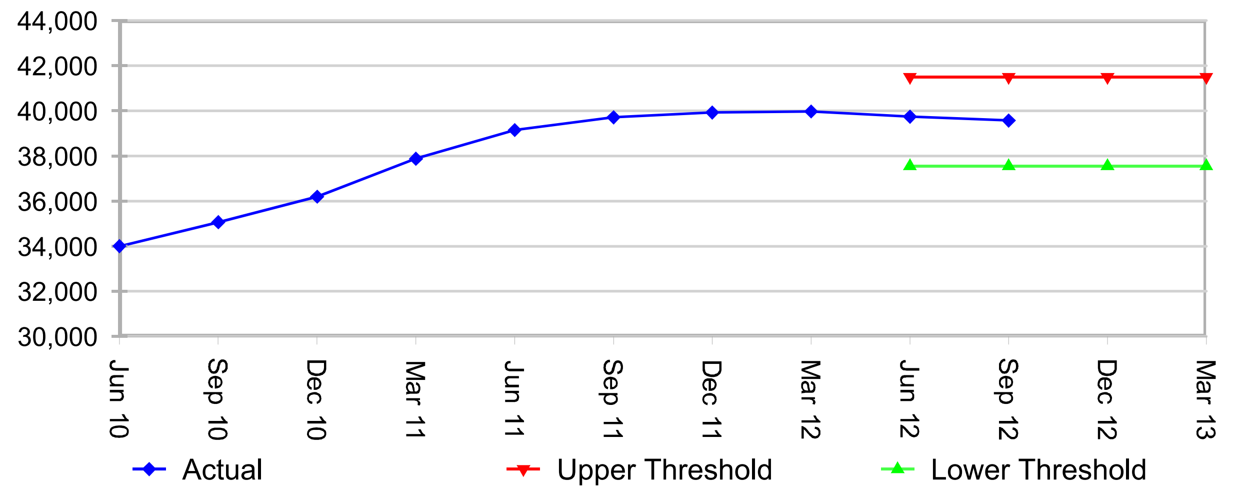
Weeks of nursing care for older people (rolling 12 month)



Weeks of residential care for older people (rolling 12 month)

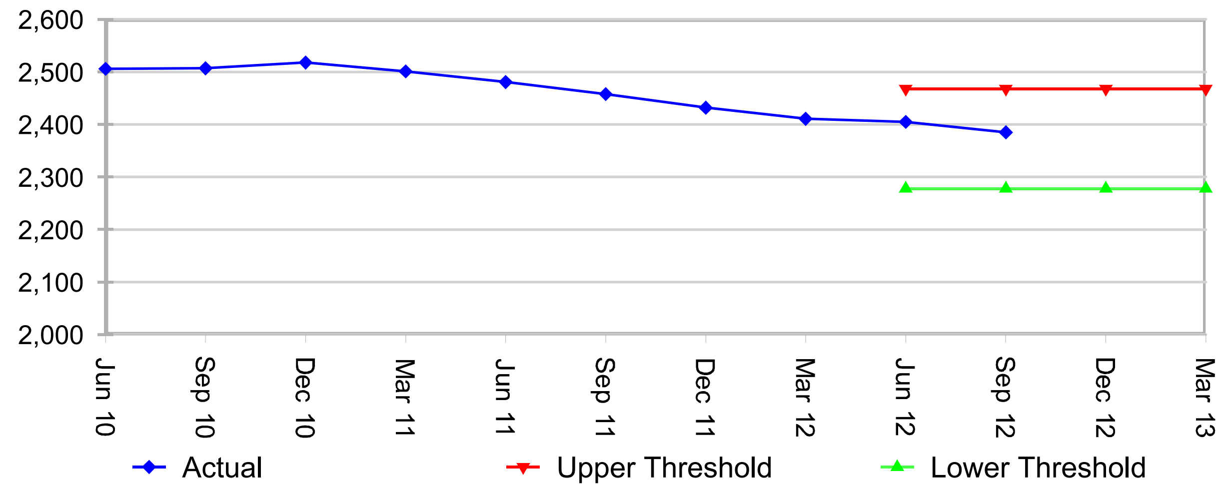


Weeks of residential care for learning disability (rolling 12 month)

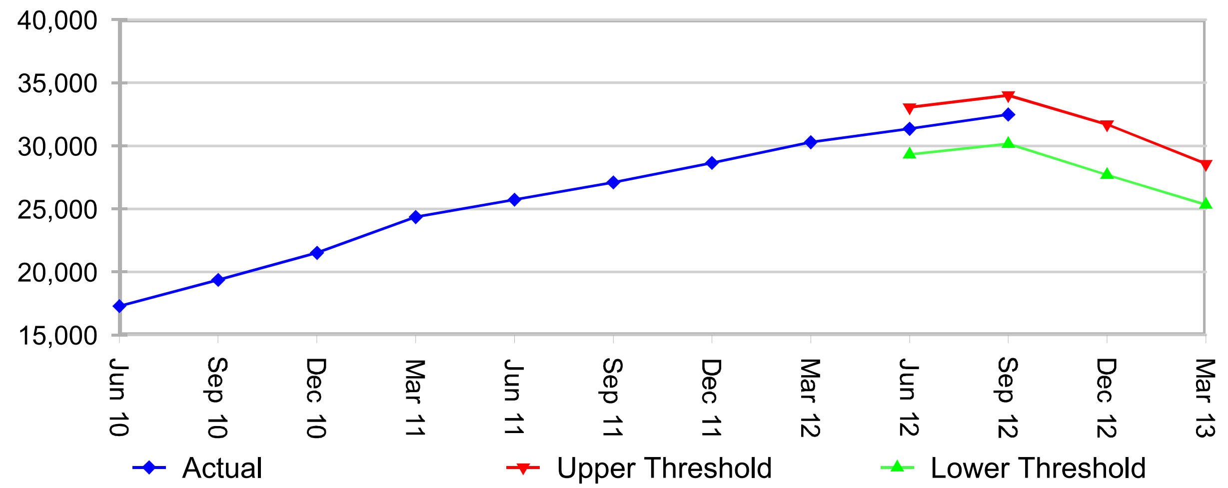


Adult Social Care - Lead indicators

1,000's of hours domiciliary care for older people (rolling 12 month)



Weeks of supported accommodation learning disability (rolling 12 month)



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Highways & Transportation

Bold Steps Priority/Core Service Area	Highways
Cabinet Member	Bryan Sweetland
Portfolio	Environment, Highways & Waste
Director	John Burr
Division	Highways & Transportation

Performance Indicator Summary

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of routine highway repairs completed within 28 days	GREEN	GREEN	⇧
Average number of days to repair potholes	GREEN	GREEN	⇩
Percentage of satisfied callers for Kent Highways 100 call back survey	GREEN	GREEN	⇩

Business Plan progress

The division has made good progress against all business plan objectives so far this year including:

- Successful start of the new contract for Smartcard schemes for bus usage.
- Adoption of the Freight Action Plan.
- Improvements in arrangements to respond to weather emergencies.
- East Kent Access Phase 2 completed and opened.
- Delivered an Integrated Transport plan during the Olympics.
- Improvements to the process to deliver members highways fund.

Good progress is being made with the remaining projects to be delivered by the end of March 2013 including the Lane Rental Pilot, the new consultancy arrangements and the Village Caretaker Pilot.

Highways & Transportation

Performance Indicators

Performance for completing **routine repairs within 28 days** was 95.8% for the second quarter of the year, an improvement on last quarter and above target.

The average number of days to complete a **pothole repair** continues to be well within standard at 12.4 days.

With the wet weather affecting our ability to respond to soft landscaping issues and the change in approach to gully cleansing, again exacerbated by the unseasonal weather, **customer satisfaction** based on our 100 call back survey has shown a drop compared to previous results, but still remains within standard for the year to date.

Lead Indicators

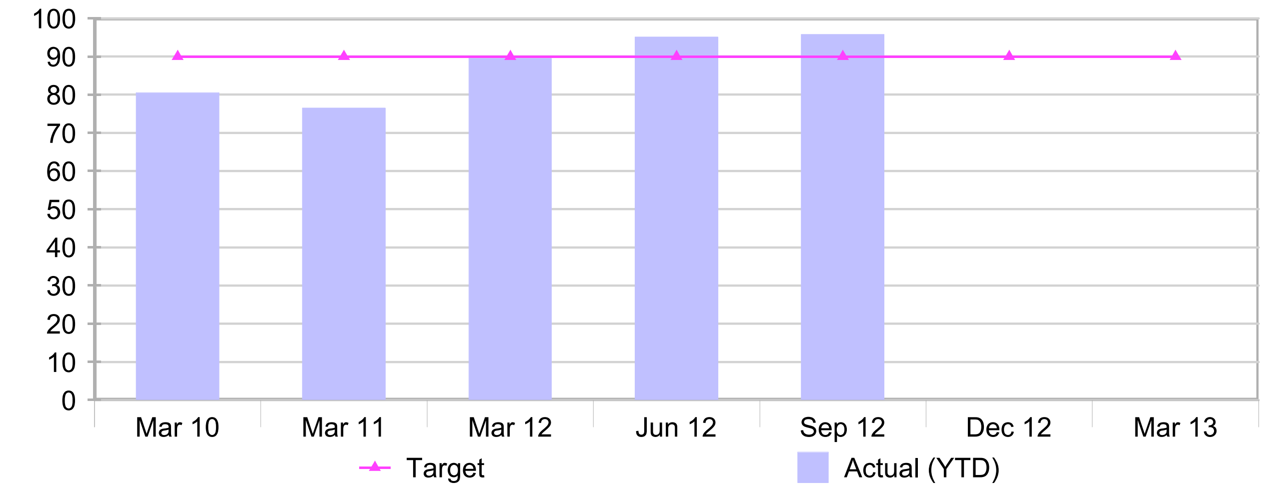
Contacts for the second quarter of the year were 46,600 which is slightly less than the same period last year (49,000) and at the lower end of expectations. Many of these contacts were dealt with within the Contact Point, although contacts can be received by e-mail, web-form or phone call.

The contacts received resulted in 23,400 **enquiries** in the quarter which were passed through for action by H&T staff. This is in line with the same time last year but above our expected level. The unseasonal weather has had an impact on our drainage and soft landscape services and there was a significant increase in customer demand here. We have recently reviewed the procurement strategy for the delivery of grass and weed treatments and new contracts will be in place for April 2013.

Our current total **work in progress** from customer enquiries at the end of September was 5,939 compared to 6,587 at the same time last year. This is slightly down from last quarter and in line with expectations.

Percentage of routine highway repairs completed within 28 days

GREEN ⇧



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	80.5%	76.5%	89.5%	95.1%	95.8%		
Target	90%	90%	90%	90%	90%	90%	90%
RAG Rating	Amber	Red	Amber	Green	Green		
Jobs	44,065	67,012	61,248	6,486	14,632		

Commentary

The exceptionally wet spring and early summer led to growth for all highway verges, hedges and landscaped areas during the last quarter. The persistent rain unfortunately also meant that some planned cuts and weed treatments were delayed leading to even more excessive growth. The rain caused some inevitable localised highway flooding.

However, despite these weather related increases in these particular areas, the overall number of enquiries included within this indicator continue to be lower this year than last year (50% less), and as a result we have managed to improve performance for the third successive quarter.

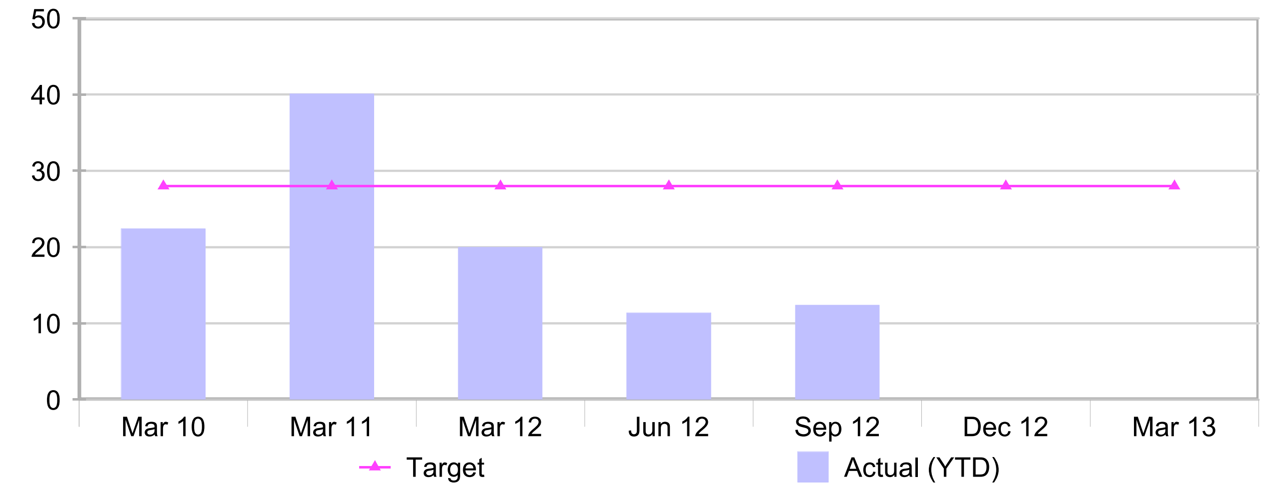
Data Notes

Tolerance: Higher values are better
Data is reported as year to date figures
The indicator includes requests for repairs made by the public but not those identified by highway inspectors.

Data Source: KCC IT system (WAMS)

Average number of days to repair potholes

GREEN ⇩



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	22.4	40.1	20.0	11.4	12.4		
Target	28	28	28	28	28	28	28
RAG Rating	Green	Red	Green	Green	Green		
Jobs	17,217	25,495	11,645	2,501	4,568		

Commentary

Despite the wet summer, the number of required pothole repairs fell again this quarter and for the year to date the number of repairs is almost half the number during the same period last year.

The average time to complete a pothole repair remains very good and well within the 28 day target.

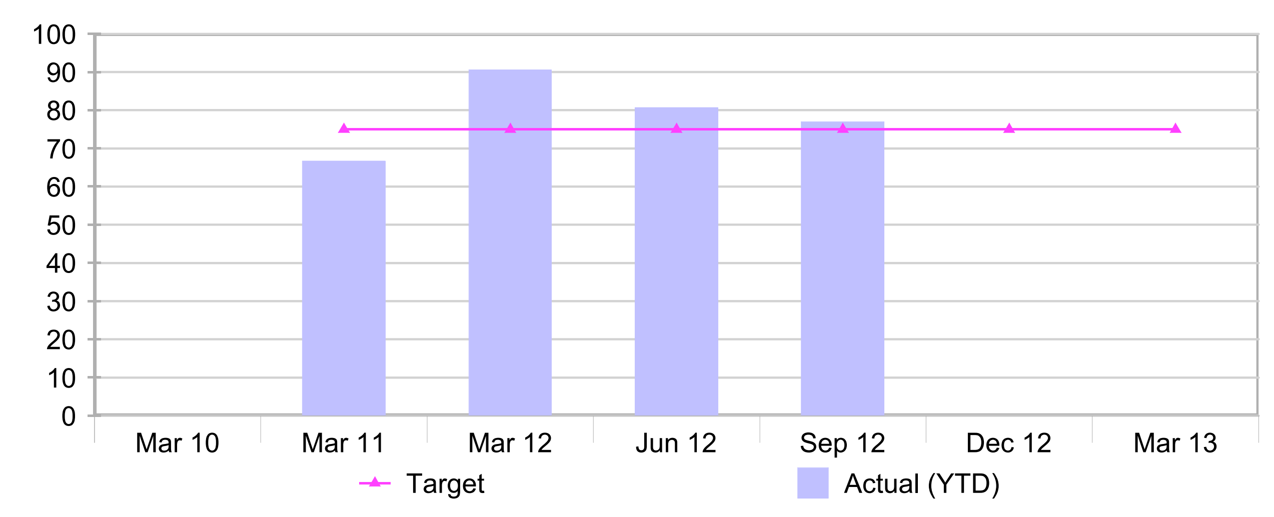
This quarter's monitoring continues to prove the effectiveness of our ongoing preventative maintenance programme and improvements in repair quality.

Data Notes

Tolerance: Lower values are better
Data is reported as year to date figures.
The indicator looks at both requests for pothole repairs made by the public and those identified by highway stewards and inspectors.
Year Mar 10 only includes data from Sept 09 and not April 09.

Data Source: KCC IT systems (WAMS)

Percentage of satisfied callers for Kent Highways and Transportation 100 call back survey	GREEN ⇩



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual		66.7%	90.6%	80.7%	77.0%		
Target		75%	75%	75%	75%	75%	75%
RAG Rating		Amber	Green	Green	Green		

Commentary

Customer satisfaction based on our 100 call back survey has reduced in the first two quarters of this year as a result of seasonal pressures mainly on soft landscaping and drainage. We are not able to meet customer expectations for all enquires at the moment but increased information and explanation of our approach will help mitigate the concerns.

The unseasonal summer weather has made it more difficult to cut grass and treat weeds to the standards we would normally deliver. Further weed treatments are planned for later in the year and we have been undertaking ad-hoc grass cuts and weed removal.

A programmed approach is now being taken for cleansing gullies and we are only reactively cleansing gullies that cause a flood risk or highway hazard. The KCC website has been updated alongside the information we provide to customers when they contact us. By maintaining the programmed approach we expect, in the longer term, less customer demand and a better service overall.

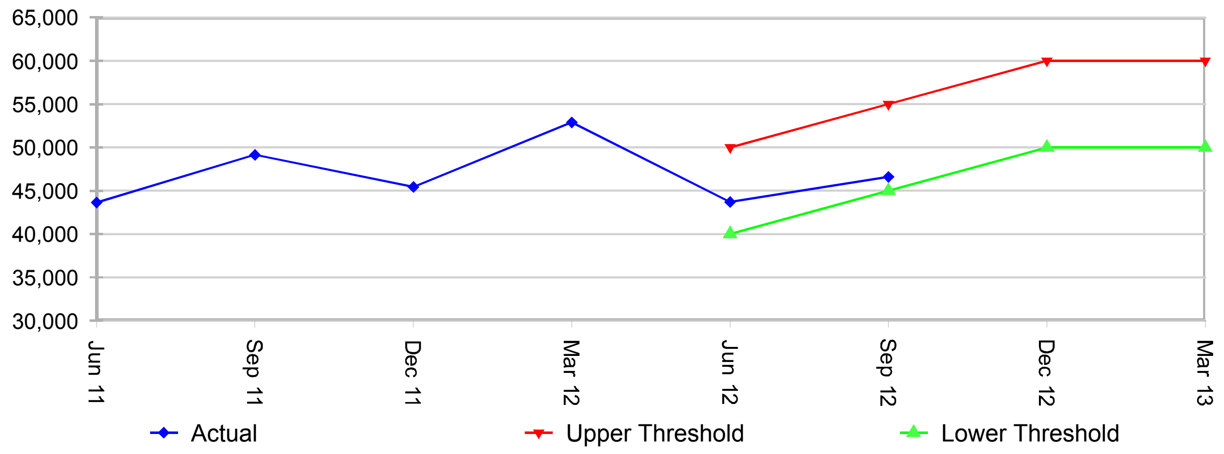
Data Notes

Tolerance: High values are better
Data is reported as year to date figures.
100 customers are asked each month: 'Overall were you satisfied with the response you received from Highways and Transportation?'
Year Mar 11 only includes data from July 10 and not April 10.

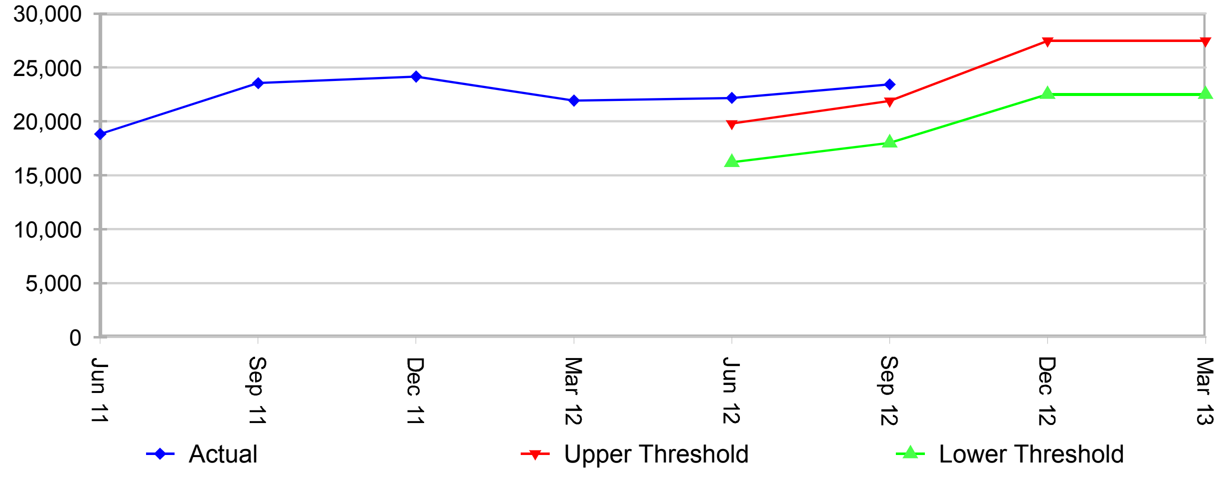
Data Source: Contact Point telephone survey

Highways & Transportation - Lead indicators

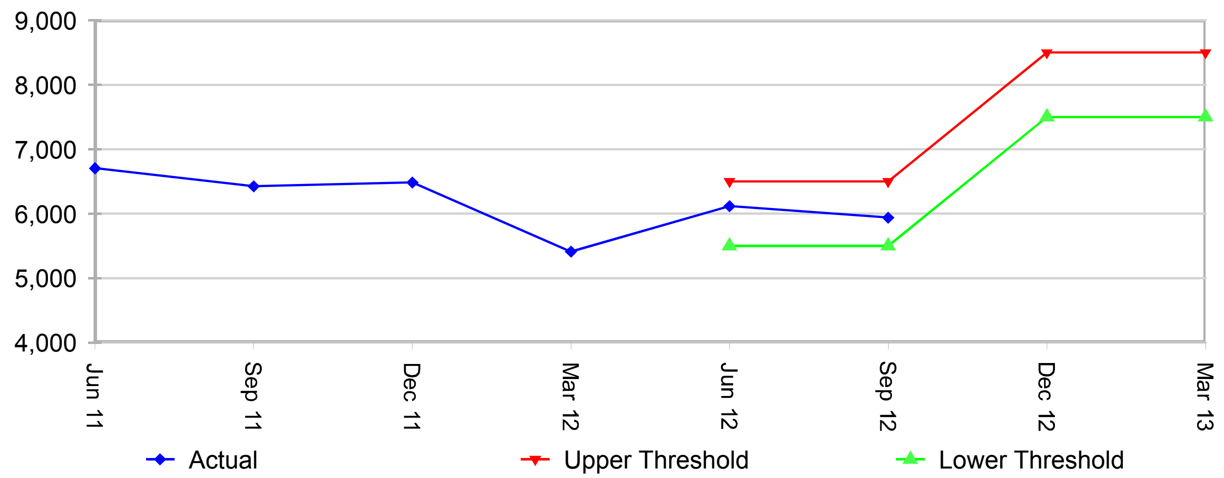
Number of contacts received (by quarter)



Number of enquiries raised (by quarter)



Work in progress (Routine and Programmed customer enquiries)



Waste Management

Bold Steps Priority/Core Service Area	Waste Management
Cabinet Member	Bryan Sweetland
Portfolio	Environment, Highways & Waste
Director	Caroline Arnold
Division	Waste Management

Performance Indicator Summary

Indicator Description	Current Status	Previous Status	Direction of Travel
Percentage of municipal waste recycled or converted to energy and not taken to landfill	GREEN	GREEN	⇧
Percentage of waste recycled and composted at Household Waste Recycling Centres	GREEN	GREEN	⇧

Business Plan progress

Household Waste Recycling Centre (HWRC) Implementation:

Following the decision to change the operating policy at the HWRCs a number of workstreams are in place to implement the various changes. The implementation is being supported through a comprehensive communications plan, a focus on fly-tipping prevention, additional customer case support and the equalities impact assessment.

Waste capital programme:

Leading on from the review of HWRCs, additional investment has been provided for waste infrastructure projects through the capital programme. Several site searches have been initiated in order to identify new or replacement sites. At the same time work is underway to ensure that if compulsory purchase should become necessary, the business case can be fully demonstrated. Construction work has commenced at Herne Bay HWRC to enlarge and improve the site, and redevelopment of the Ashford HWRC has commenced to provide a new waste transfer station and HWRC.

Waste Management

Performance Indicators

The percentage of **municipal waste not taken to landfill** has increased in the quarter and is above target.

The percentage of **waste recycled and composted at Household Waste Recycling Centres** has increased slightly this quarter and performance remains ahead of target.

Lead Indicators

Lead Indicators are a new feature in our Performance Report for this year. Lead Indicators represent the level of demand for services, the external context and other key activity information which we need to be aware of, to successfully manage service delivery. Lead Indicators are not the same as Performance Indicators, and do not have targets or RAG ratings assigned to them. Lead indicators are assessed against Upper and Lower thresholds, which represent the range of values within which activity is expected to be. If activity is outside of these thresholds this may not necessarily be a good or bad thing. However review of the information encourages the service to ask why we might be outside of the expected range, what the implications of this are, and to consider if any actions need to be taken in response.

Municipal waste tonnage collected has shown an increase in the last quarter following a fall last quarter. The total waste forecast of 715,000 tonnes, based on the last 12 months, is well within the expected range and similar to the amount collected last year.

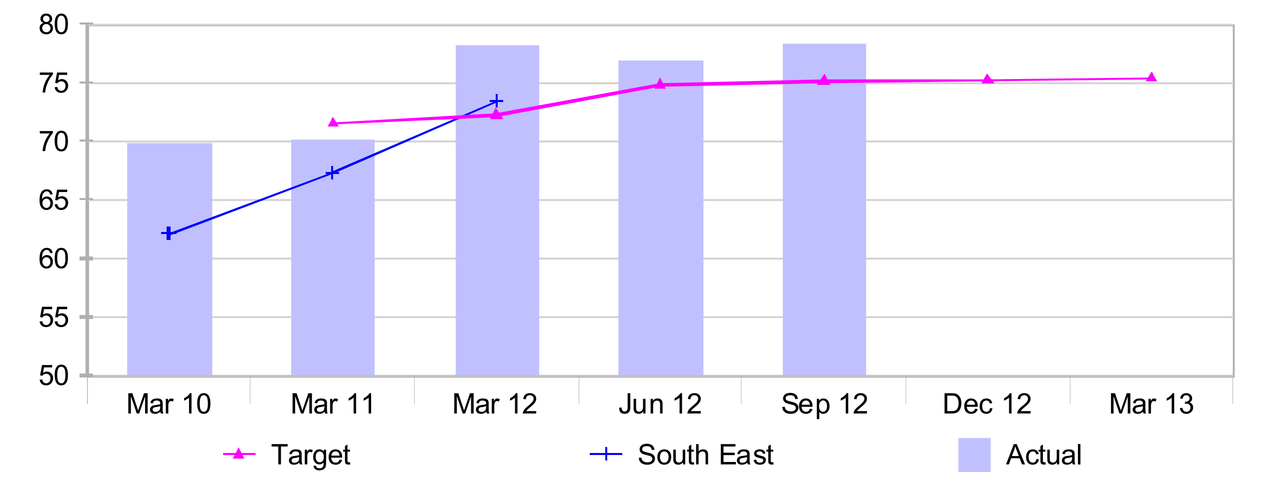
The amount of **waste collected at household waste recycling centres has shown an increase** in the quarter to above the expected level. This is probably explained by an increase in green waste due to weather conditions and high growth rates in vegetation this year.

The amount of **waste collected by district councils** continues to be in line with expectations, which is for a similar amount to be collected compared to last year**.**

The trends for waste tonnage continue to be closely monitored as it is unknown at this point whether the recent upward trend in household waste will continue during the last two quarters of this year.

Percentage of municipal waste recycled or converted to energy and not taken to landfill

GREEN ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	69.8%	70.2%	78.1%	76.9%	78.4%		
Target		71.5%	72.2%	74.8%	75.1%	75.2%	75.4%
RAG Rating		Amber	Green	Green	Green		
South East	54.4%	67.3%	73.4%				

Commentary

The percentage of Kent's waste being diverted away from landfill continues to increase annually and is on track to deliver the current year target by March 2013.

The reduced result for period ending June 2012, when compared to March 2012, is due to routine planned maintenance at the Allington Waste to Energy Plant.

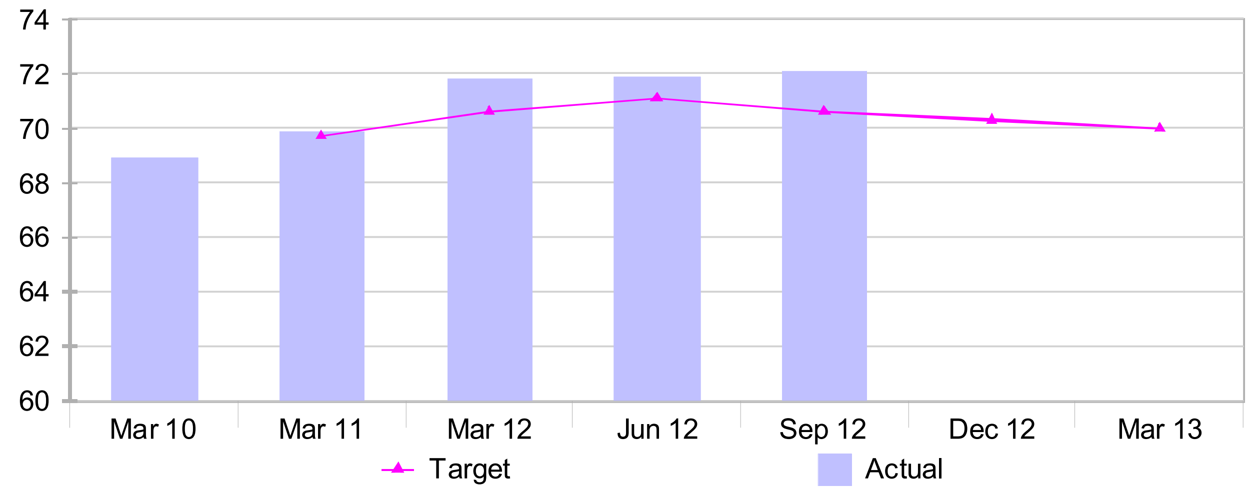
A step change in performance will be delivered when residual waste from Canterbury City Council is diverted away from landfill and used to create energy at the Allington Waste to Energy Plant. This change will happen in 2013 and will result in less than 15% of Kent's municipal waste being sent to landfill.

Data Notes

Tolerance: Higher values are better
Data is reported as rolling 12 month totals.
Municipal waste is the total waste collected by the local authority and includes household waste, street cleansing and beach waste.

Data Source: KCC Waste Management

Percentage of waste recycled and composted at Household Waste Recycling Centres (HWRC) — GREEN ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	68.9%	69.9%	71.8%	71.9%	72.1%		
Target		69.7%	70.6%	71.1%	70.6%	70.3%	70.0%
RAG Rating		Green	Green	Green	Green		

Commentary

Performance continues to improve and remains above target and is forecast to remain above target for the year-end position.

For the first six months of 2012/13 approximately 74% of the waste was recycled and composted at our household waste recycling centres, but performance is highly seasonal hence this is not reflected in the rolling 12 month figures above.

The services provided by the network of household waste recycling centres were subject to review by Members. The adoption of subsequent changes in policies was implemented on 1 October 2012 and could impact on the overall performance of the network. The target profile shown above reflects the impact of the service changes including the exclusion of commercial vehicles. This will result in a reduction in soil and hardcore entering the sites which will reduce costs to the authority.

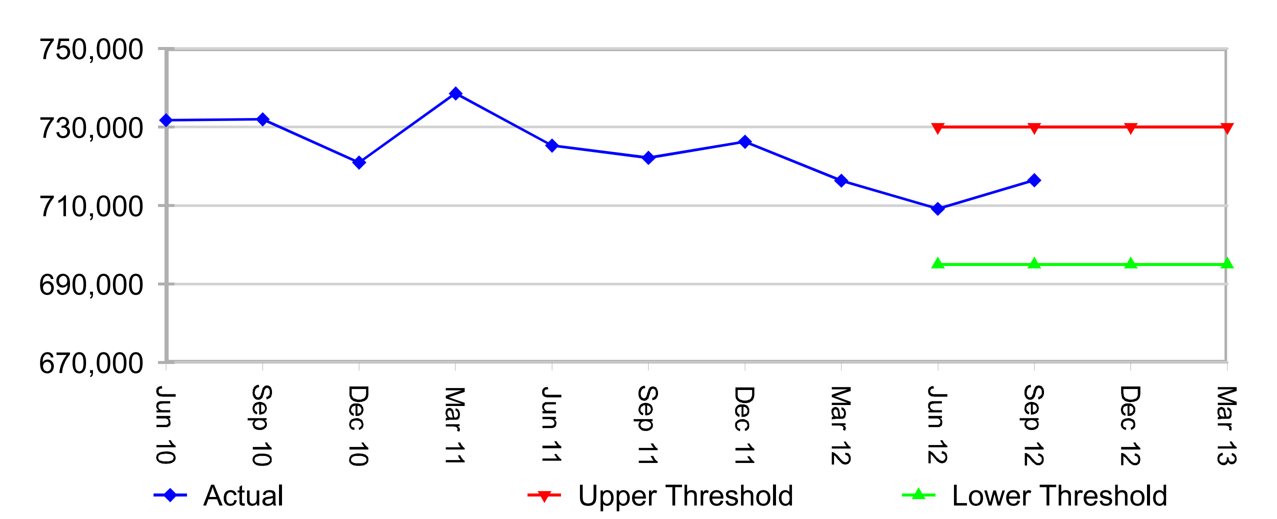
Data Notes

Tolerance: Higher values are better
Data is reported as rolling 12 month total.
No comparator data for other local authorities is currently available for this indicator.

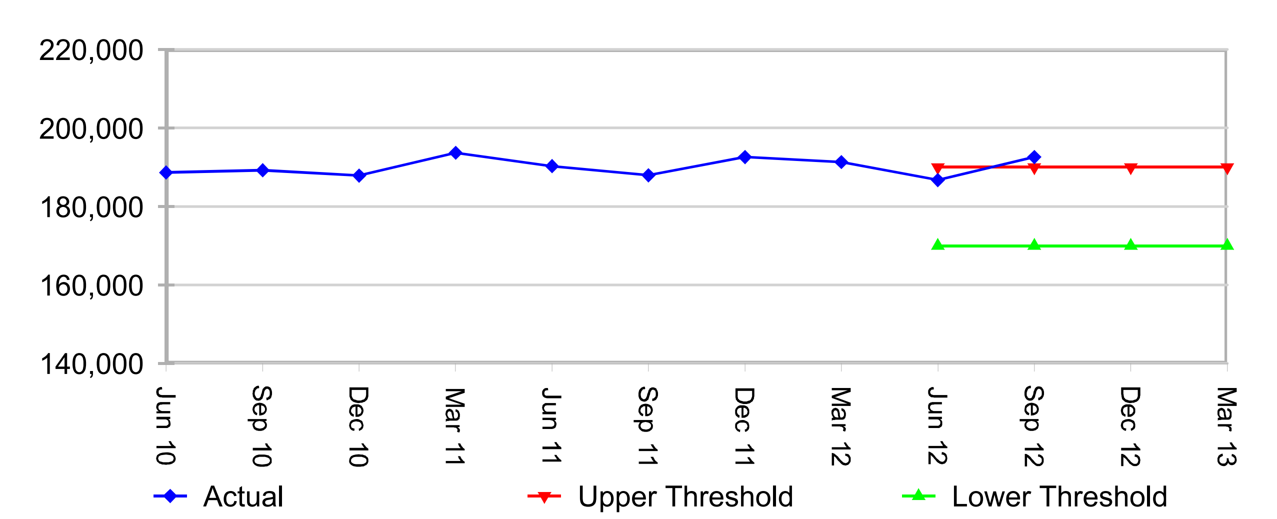
Data Source: KCC Waste Management

Waste Management - Lead indicators

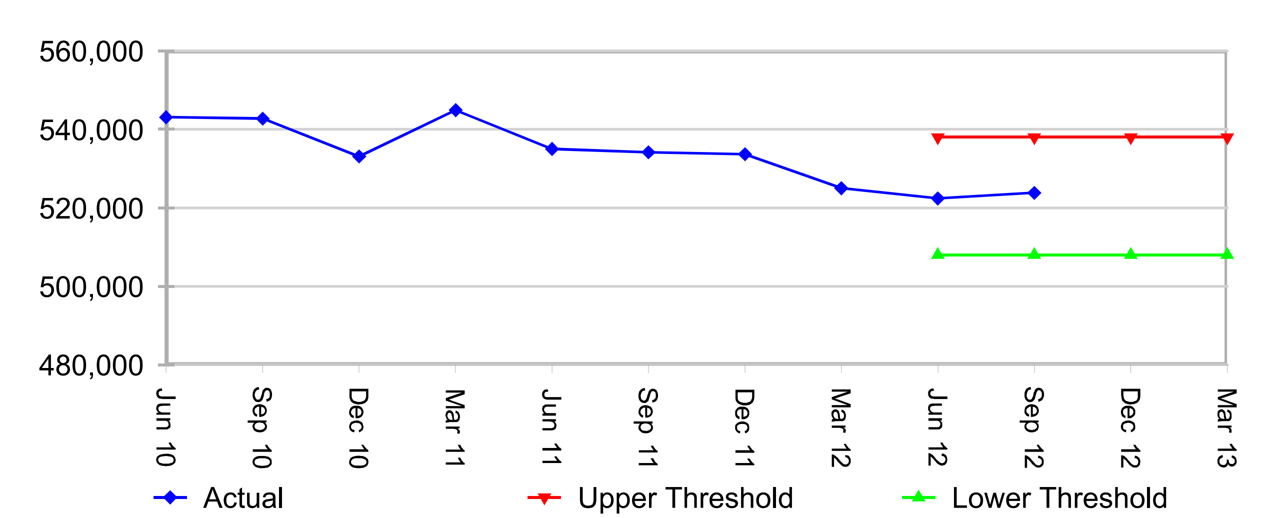
Total Municipal Tonnage (rolling 12 month)



Tonnage managed through HWRC (rolling 12 month)



Tonnage collected by districts (rolling 12 month)



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Environment – CO_2 Emissions

Bold Steps Priority/Core Service Area	Deliver the Kent Environment Strategy
Cabinet Member	Bryan Sweetland
Portfolio	Environment, Highways & Waste
Director	Paul Crick
Directorate	Planning and Environment

Action Plan Progress Report

Our Carbon Management Plan, currently being refreshed and due to be published later in the year, will outline how the council intends to meet its carbon dioxide emissions target and embed carbon management across the whole organisation.

A programme of energy efficiency and renewable energy investments is ongoing with over £500,000 due to be invested in 2012/13 using our energy efficiency loan fund. Further investments including boiler replacements will be made using the modernisation of assets budget.

Street lighting electricity consumption is the most significant contributor to the estate carbon footprint and this has remained static since 2010/11. Projects to upgrade to low energy lamps are due to commence in 2012/13, and implementation of part night lighting and light dimming is expected to achieve significant reductions over the next 3 years.

The long term strategy for council buildings is also being refreshed, with a future focus of investment on core offices and strategic buildings as well as engaging all staff to conserve energy and adopt smarter working practices as part of this year's Smart campaign.

A significant number of fleet vehicle leases are due to be renewed this year. Newer vehicles will have lower emissions levels and likely to be more fuel efficient.

As investments in ICT continue further efficiencies and carbon emissions reduction are expected to be realised through further adoption of conferencing technology and more flexible and mobile working models.

Performance Indicator

Emissions for 2011/12 show a reduction on the previous year but the result was behind the target. This trend has been influenced by the following factors:

- A reduction in electricity consumption from estate buildings but increase in street lighting data captured as more supplies are now being counted
- The impact of a mild winter reducing the consumption of natural gas and oil
- A reduction in staff business miles for a fourth consecutive year
- Increase in emissions from fleet vehicles due to business growth
- Ongoing rationalisation of estate buildings Engagement of staff to adopt Smart behaviours reducing energy consumption.

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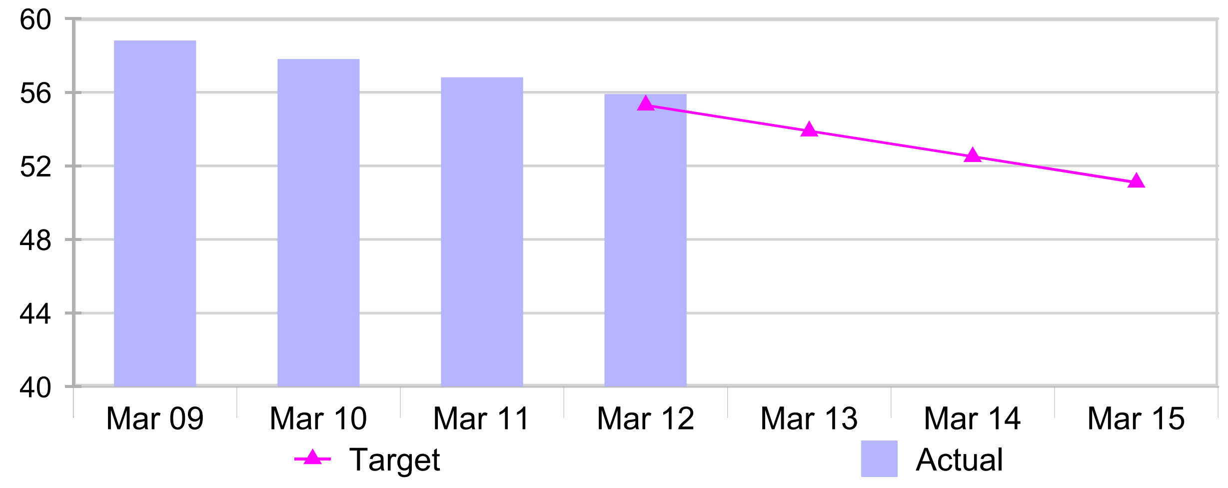
Carbon dioxide Emissions from KCC estate and operations (1,000's of tonnes CO_2) — AMBER ⇧



Trend Data – annual data	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Actual	58.8	57.8	56.8	55.9			
Target				55.3	53.9	52.5	51.1
RAG Rating				Amber			

Commentary

For the purposes of corporate performance reporting against the council's carbon emissions target, 2010/11 is being used as the baseline year. This also aligns with the refresh of the council's Carbon Management Plan and the baseline year for the Carbon Reduction Commitment Energy Efficiency Scheme. This data set is derived from energy and fuel use from KCC buildings, streetlighting, fleet transport and business travel.

Data Notes

Tolerance: Lower values are better
Data is reported as financial year totals
Data includes emissions from energy and fuel consumed by estate buildings, street lighting, council owned transport and business travel using staff's own vehicles.

Data Source: KCC Sustainability & Climate Change team.

Economic Support

Bold Steps Priority/Core Service Area	Respond to key regeneration challenges working with our partners
Cabinet Member	Mark Dance
Portfolio	Regeneration and Economic Development
Director	Barbara Cooper
Directorate	Economic Development

Progress Report

Activity is focused on three key areas:

1. Building our relationship with business
   - **Sector conversations.** Planning is underway for an Advanced Manufacturing and Engineering event in January and for a Digital Economy event in Thanet in February to coincide with the GEEK (Gaming Expo East Kent) event. Other sectors being considered for future events are Logistics and Professional Services. The programme is being developed collaboratively to maximise benefits with the Grow for It: East Kent inward invest campaign (see below)
   - **The Kent Rural PLC** annual report was launched on 26 October by the private sector-led Rural PLC Kent Board.
   - **Kent Developers Group** met with Paul Carter and Mark Dance on 18 October to discuss how to get development underway in the county.

2. Unlocking business growth
   - £1.5m Growing Places Funding secured to support the £3m KCC funding for new and enhanced high quality **flexible business space** to support SME growth in Kent. In advance of this, we have input £0.5m of KCC funding to expand the Marlowe Innovation Centre, Thanet, doubling the amount of business space for SMEs in the area. Improvements also planned to the Old Rectory, Northfleet, to create a minimum of five additional furnished offices capable of providing at least 11 workstations to support local businesses.
   - £20m secured from the Regional Growth Fund for **Thames Gateway Innovation and Enterprise (TIGER) Programme** which will offer direct financial support to innovative businesses seeking investment leading to job creation in North Kent and Thameside.
   - **Expansion East Kent p**rogramme has committed £5,331,056 funding to projects which aim to create 384 FTE jobs, safeguard 145 FTE jobs and lever in £11,407,384 private investment. A good pipeline of projects is being developed.
   - **Kent and Medway Broadband Delivery UK** “Invitation to Tender” launched on 28 October formally starting the procurement stage of the project.
   - **Discovery Park** is now in new ownership and so far, approximately 800 jobs have been secured on site. International marketing of the Park to potential tenants is underway.
   - An agreement has been reached with Department for Communities and Local Government (DCLG) and Department for Transport (DfT) regarding their continued commitment to the **Homes and Roads Programme.** This includes a commitment by the DfT/Highways Agency (HA) to invest in further work to refresh the business

case/preliminary design for the improvement of the A2 Bean and A2 Ebbsfleet junctions.

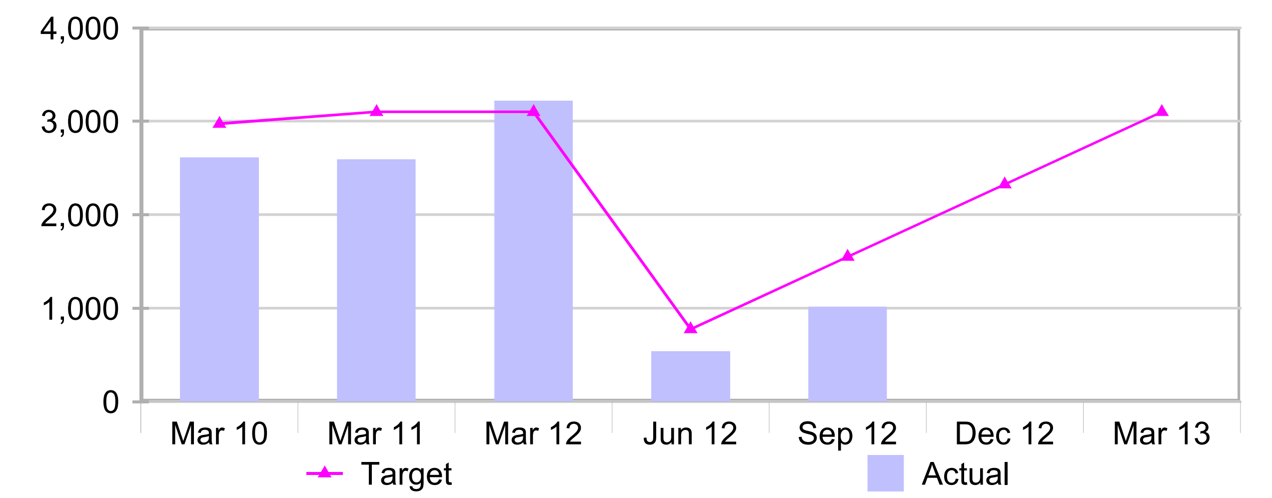
- A Deed of Variation to the S.106 Agreement for **Eastern Quarry** was also completed with Land Securities on 17 August, securing a £24.7m contribution towards the programme. Land Securities has also committed to accelerate development at Eastern Quarry.

3. Promoting Kent to the world
   - **Seven Hills Consultancy** has been appointed to deliver an inward investment campaign for East Kent: "Grow for It: East Kent". Launch events are being planned for both London and East Kent on 28 and 29 November as well as debates to explore future opportunities in key sectors including Green business, Life sciences, Digital and Tourism.
   - The **2013 Big Weekend Campaign** has been launched. The event which is in its seventh year will take place 23/24 March as part of Visit England's English Tourism Week.
   - **Taste of Kent Awards** launched In September coinciding with the Kent Festival of Food and Drink at which Produced in Kent was present.
   - Events held in October have included the Kent Property Market Review and the Kent Design Awards

Performance Indicator

The number of gross jobs (direct and indirect) created or safeguarded through investment facilitated by Locate in Kent up to the end of September is behind target but Locate In Kent are confident it will meet its SLA target for 2012/13.

Number of gross jobs created in Kent and Medway through inward investment	RED ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	2,611	2,588	3,217	536	1,012		
Target	2,973	2,325	3,100	775	1,550	2,325	3,100
RAG Rating	Amber	Red	Green	Red	Red		

Commentary

Although there have been plenty of project successes so far this year, they are producing fewer jobs and consequently, jobs are currently lower than target. There are larger projects in the pipeline and Locate in Kent is working hard to convert these. Specific activity underway and planned includes:

- Visits to a series of life sciences events in the US and Germany with Discovery Park
- Interrogation and active pursuit of foreign direct investment (fdi) companies on the UK Trade and Investment (UKTI) database as well as attendance at overseas trade shows and lead generation in France
- Further work on website to attract more projects
- Significant work to attract companies to Discovery Park and support new owners- Discovery Park Ltd
- Work in support of Expansion East Kent.

Data Notes

Tolerance: Higher values are better
Data is reported as count for financial year to date (April to March) at each quarter end.
Gross jobs created include jobs safeguarded and indirect jobs.

Data Source: Locate in Kent monthly monitoring

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Risk Management

KCC Risk Register

The Corporate Risk Register has been refreshed as shown below in summary (full report available for Cabinet meeting 3 December 2012). The refresh has taken account of discussions with Cabinet Members, liaison with the Corporate Management Team and information being gathered from Directorate Management Teams.

It is proposed that two new risks are added to the Corporate Risk Register. These relate to:

- The challenge of delivering the savings required of the Authority over the medium term;
- Risks relating to procurement.

It is proposed that several corporate risks will be transferred to directorate-level risk registers for management. These are:

Risk Title	Reason for Delegation
CRR 7 – Governance & Internal Control	Low-to-medium level of risk (score of 9) and actions relating to change in KCC governance arrangements now completed and classified as controls.
CRR 8 – Academies independence from KCC	Risk being managed at directorate level.
CRR 11 – Responsiveness to emerging Government Reforms and Directives	Low-to-medium level of risk (score of 9) and specific areas of reform requiring action are captured elsewhere on register (i.e. Health and Welfare reforms).

If the level of risk in these areas is judged to increase, then they will be escalated back up to Corporate Management Team and Cabinet Members.

Summary Risk Profile

1-6 = Low Risk	8-15 = Medium Risk	16-25 = High Risk

Risk No.	Risk Title	Current Risk Rating	Target Risk Rating
CRR 1	Data and Information Management	12	9
CRR 2	Safeguarding	16	12
CRR 3	Economic Climate	12	12
CRR 4	Civil Contingencies and Resilience	12	9
CRR 5	Organisational Transformation	12	8
CRR 6	Localism	9	9
CRR 9	Health Reform	12	6
CRR 10	Management of Social Care Demand	25	16*
CRR 12	Welfare Reform Act	16	9
CRR13	Delivery of Medium Term Financial Plan savings	12	2
CRR14	Procurement	9	6

*Interim position, as we clearly wish to reduce this risk further. Early intervention and transformational initiatives are being pursued and the impact of them is to be evaluated before exploration of further mitigating actions.

Progress against mitigating actions

There were ten actions listed to mitigate elements of corporate risks during quarter two that were due for completion. Six have been completed, two are still outstanding, and one was removed as alternative action has been employed.

Completed actions

Specialist Children's Services: • Service restructure in specialist children's services completed (although some recruitment gaps remain). • Practice Improvement Programme to strengthen practice across Children and Families teams. • Peer review of children's services as part of the nationally established sector-led improvement programme by local authorities.
Public Health Transition: • Finalisation of project plans within the overall programme.
Welfare Reform: • Mechanism to track benefit cap migration developed (now liaising with district councils to ensure consensus).

Outstanding actions

Mitigating Action	Reason
Civil Contingencies & Resilience: • Work to improve Information Technology (IT) resilience arrangements • Implementation of action plan to improve resilience of Contact Point	Draft business continuity management plans in place with further development in progress. IT function now has a dedicated security and infrastructure team. Funds have been secured to implement several resilience improvements before March 2013, including for Contact Point. These actions have been added to the Corporate Register for monitoring.
Localism - Phase 2 of Make Buy Sell reviews	Delivery of recommendations from Phase 1 reviews in progress. Any proposals for Phase 2 reviews will be agreed when Corporate Board considers the council's approach to managing the Right To Challenge process for 2013/14.

Incomplete actions will routinely be assessed to gauge the level of risk that the Authority is exposed to, and may be escalated to the Performance and Evaluation Board for review.

Actions removed

The action to embed an economist role within the Financial Strategy team has been removed, as an alternative arrangement has been agreed.

Organisational Development

Bold Steps Priority/ Core Service Area	Change to Keep Succeeding
Cabinet Member	Roger Gough
Portfolio	Business Strategy, Performance and Health Reform
Director	Amanda Beer
Division	Human Resources

Organisation Development and People Plan

Action plans to support the achievement of KCC's organisation development plan for 2011 – 2015 have been discussed by each Directorate management team. Each Directorate is now prioritising its action plan, concentrating on Organisational Development issues which will have most impact on their business delivery.

Organisation Development Groups are now well established. Their initial focus was the design of training plans which have now been established and training is being commissioned centrally as part of an overall development plan for the council. The future focus of the Groups will include workforce planning, cross-service priorities and monitoring and evaluation work.

Talk to the Top sessions covering all of the main office locations across the county are in progress, with involvement of Cabinet Members, Corporate Directors and Directors. The current programme will continue up to January next year.

An internal communications Board has been established to develop a forward plan of messages for staff to support KCC's engagement strategy and business objectives. The Board will also use staff feedback to identify where 'deep dive' activity is needed to address specific internal communications issues.

As a result of the staff engagement survey and the 'Because of You' engagement campaign is to be launched in January 2013. This is to ensure that managers give due recognition to staff who are continuing to deliver service standards in a tough financial climate. The Staff Awards scheme was also re-launched in September 2012 and we will be using a variety of methods to recognise and reward staff who have made exceptional contributions.

An extensive Reward Survey has now been completed and the findings are being used to inform the review of staff Terms and Conditions. Subsequently consultation with staff, trade unions and business units will enable an informed and detailed proposal for any change to be considered by Personnel Committee in January 2013.

The Kent Manager Standard has been updated to differentiate between management accountability levels and align with current and future business priorities, increasing engagement levels and the overall effectiveness.

Restructures

There has been a very significant level of restructuring in divisions and business units since the new Directorate structures were established in April 2011. Since July 2011, the HR team has supported 74 change projects of varying magnitude and there remain a further 150 notified projects to complete. The level of restructure activity throughout the Authority remains high. The significant restructure of Education, Learning and Skills is nearing completion, although Specialist Teaching Services and Pupil Referral Units continue to be the subject of change. Other major HR activity is currently focussed on the Youth Service transformation, Communication and Engagement, and Strategic Commissioning.

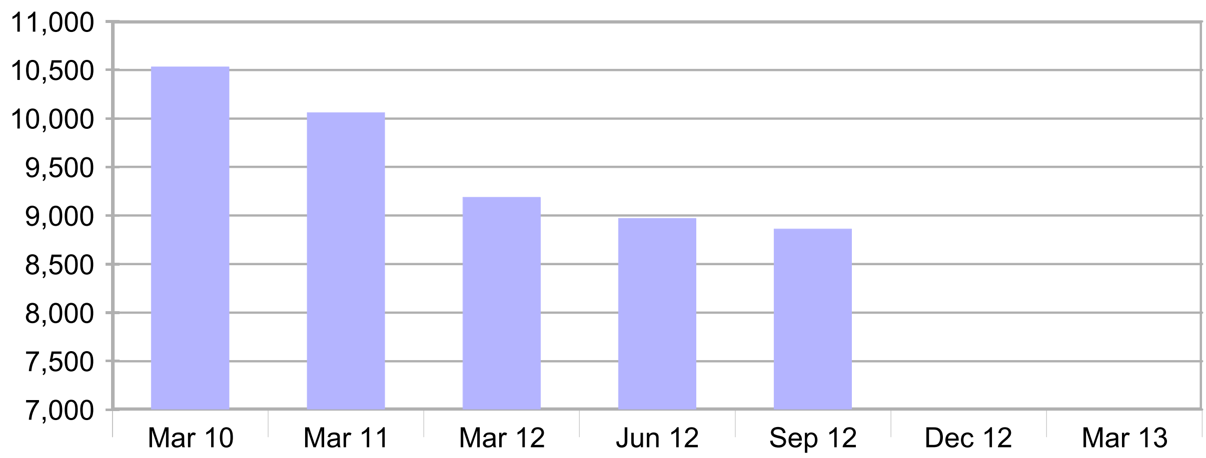
The Decision Making Accountability (DMA) model is being applied to all restructures. In order to meet the commitment within ‘Bold Steps for Kent’ to develop a structure that is as flat as possible and to create effective spans of control, the intention is to monitor changes in the organisation as restructuring takes place. The aim is to move from an organisation which in December 2011 was 11 layers deep with an average span of control of 5.2 FTE to an organisation with 6 layers from Corporate Director to the front line and an average span of 7 FTEs. Any new structures that fall outside this framework are reported as exceptions to the Corporate Management Team.

Staffing Numbers and Reductions

Part of the Authority’s response to the very significant financial pressures it is facing is to reduce spending on staffing budgets. It is expected that a total of 1,500 posts will be lost over the four financial years from April 2011.

The figures attached show a reduction in FTE (excluding casual, relief, Sessional and supply staff) of 874.3 in the 12 months to March 2012 and a further reduction of 323.2 so far this year. This reduction includes both redundancies and ‘natural wastage’ where staff have left KCC and not been replaced. 605 staff were made redundant between 1 April 2011 and 31 March 2012 and there were 184 redundancies in the first half of 2012/13.

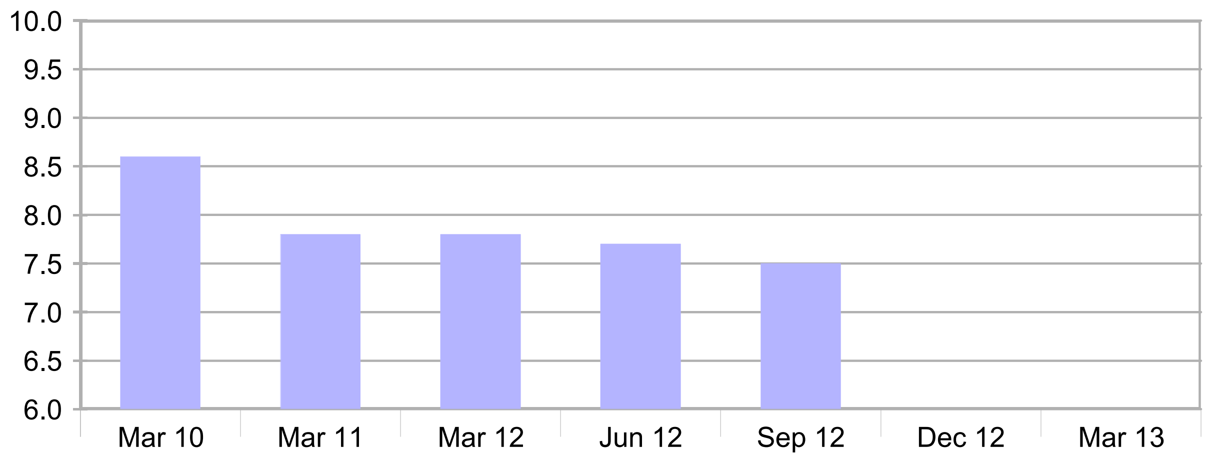
Number of full time equivalent (FTE) staff employed



Trend Data- snapshot	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
FTE	10,530.9	10,060.9	9,186.6	8,971.0	8,863.4		

Data Notes
Data is reported as count at each quarter end
Casual Relief, Sessional and Supply (CRSS) staff are not included
Schools staff are not included

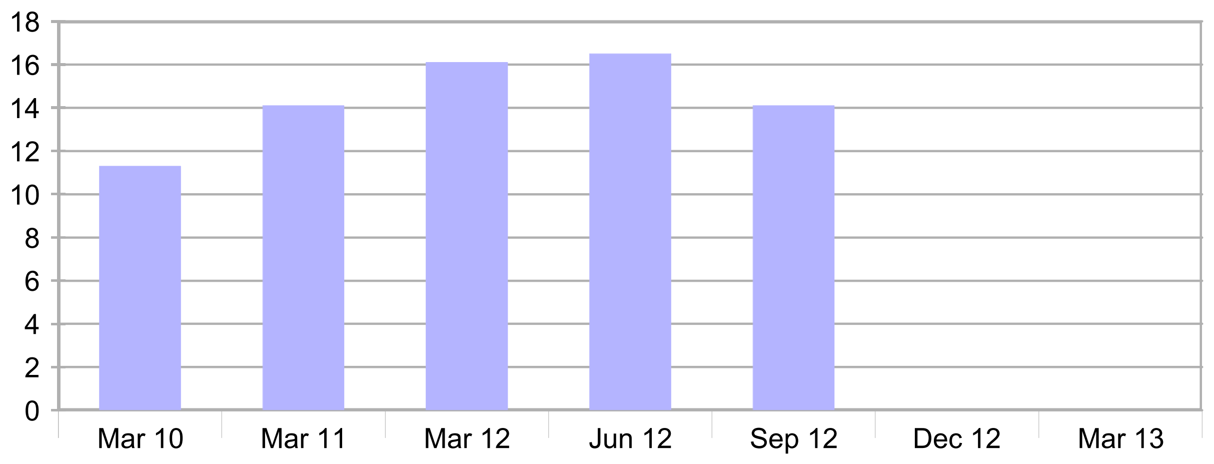
Average number of days of sickness per FTE



Trend Data - rolling 12 months	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Sickness	8.6	7.8	7.8	7.7	7.5		

Data Notes
Data is reported as average days sick per FTE for the past 12 months
Sickness relating to CRSS staff is included in the count of days lost

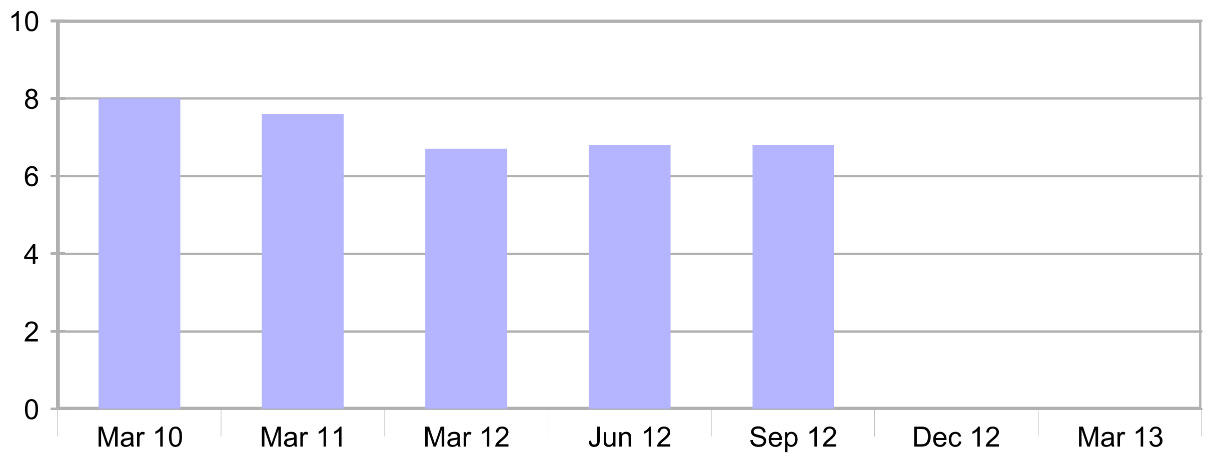
Turnover - percentage of staff leaving as a percentage of headcount



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Turnover	11.3%	14.1%	16.1%	16.5%	14.1%		

Data Notes
Data is reported as a rolling 12 month rate
Casual Relief, Sessional and Supply (CRSS) staff are not included
Schools staff are not included

Percentage of staff (headcount basis) aged 25 or under



Trend Data - snapshot	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Aged 25	8.0%	7.6%	6.7%	6.8%	6.8%		

Data Notes
Data is reported as snapshot position at each quarter end
Casual Relief, Sessional and Supply (CRSS) staff are not included
Schools staff are not included

Disciplinaries, Grievances and Employment Tribunals

Trend Data – snapshot	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Disciplinaries	46	39	61		
Grievances	4	9	10		
Harassment	7	3	5		
Performance & Capability - Performance - Ill Health	 20 124	 27 100	 27 104		
Employment Tribunals	0	4	3		
TOTAL CASES	**203**	**182**	**210**		

Data Notes
Data is reported as the number of cases open and being dealt with at quarter end.

Health and Safety Incidents

Trend Data – rolling 12 months	Previous Years		Current Financial Year			
	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Incidents reported	1,823	1,350	1,340	1,153		
Days lost	1,472	1,027	1,050	821		

Data Notes
Data is reported as 12 month rolling totals
Schools staff are included

RIDDOR

Trend Data	Previous Years		Current Financial Year			
	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Major injury incidents	12	6	1	2		
Over 3 day injuries	54	42	N/A	N/A		
Over 7 day injuries	N/A	N/A	7	3		

Data Notes
Data is reported as quarter totals for current year and full year counts for previous year
Reporting of this data is a legal requirement under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR 1995).
The requirement to report to the Health & Safety Executive major injury incidents resulting in over 3 days lost time has changed to over 7 days.

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