



AGENDA

CABINET

Monday, 17th March, 2008, at 10.00 am Ask for: **Karen Mannering /
Geoff Mills**
**Darent Room, Sessions House, County Hall, Telephone (01622) 694367/
Maidstone** **694289**

UNRESTRICTED ITEMS

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

1. Declaration of Interests by Member in Items on the Agenda for this meeting
2. Minutes of the Meeting held on 6 February 2008 (Pages 1 - 12)
3. Revenue & Capital Budgets, Key Activity and Risk Monitoring (Pages 13 - 108)
4. Select Committee: Alcohol Misuse (Pages 109 - 134)
5. Integrated Youth Support Strategy (Pages 135 - 138)
6. Joint Strategic Needs Assessment for Adults (JSNA) (Pages 139 - 140)
7. Valuing People Now - From Progress to Transformation (Pages 141 - 158)
8. Kent Health Watch (Pages 159 - 166)
9. Consultation on Local Petitions and Call for Action (Pages 167 - 194)
10. Other items which the Chairman decides are relevant or urgent (Pages 195 - 198)

EXEMPT ITEMS

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

Peter Gilroy
Chief Executive
Friday, 7 March 2008

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

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KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held at Sessions House, County Hall, Maidstone on Wednesday, 6 February 2008.

PRESENT: Mr P B Carter (Chairman), Mr N J D Chard, Mr M C Dance, Mr K A Ferrin, Mr G K Gibbens, Mr R W Gough, Mr M Hill, Mr A J King and Mr K G Lynes. Mrs A Allen was also present.

OFFICERS: Mr P Gilroy, Chief Executive; Mr G Badman, Managing Director for Children, Families and Education; Mr O Mills, Managing Director for Adult Social Services; Mr A Wilkinson, Managing Director for Regeneration and Environment and Ms M Peachey, Director of Public Health. Also present was Mr A Wood on behalf of the Director of Finance and Mr D Shipton on behalf of the Managing Director, Communities.

UNRESTRICTED ITEMS**1. Minutes of the Meeting held on 14 January 2008**

Subject to the comments made by Mr Carter in respect of paragraph 4 (5); the Minutes of the meeting held on 14 January 2008 were agreed as a true record.

2. Revenue and Capital Budget Monitoring Exception Report

(Item 3 – Report by Mr Nick Chard, Cabinet Member for Finance, and Mr Andy Wood, Head of Financial Management)

(1) This exception report highlighted the main movements since the report to Cabinet on 14 January 2008. There had been little change in the overall revenue position but there was a further £1m of savings forecast. There remained significant revenue budget pressures and proposed management actions would be closely monitored throughout the remainder of the year to determine progress towards achieving a balanced outturn position.

(2) Mr Chard said there were still some delays on the capital budget but of more importance was to deliver projects on budget and on time. Mr Lynes said increases in demographics and needs and increased costs associated with the Government's Freedom of Choice and Independence agenda was putting increasing pressure on the Adult Social Services budget. KCC was putting a considerable sum into Area Based Grants which in year 1 would amount to some £24.9m which would not be ring-fenced. In 2009, £32m of Supporting People Grant would be going into the same pot of money. The net result was that Kent Adult Social Services could have an estimated £50m 'hole' in its budget and Mr Lynes said he would be reporting on these issues to a future meeting. Mr Carter said that overall the exception report reflected the good financial management within the Council. The Adult Social Services budget had been increased by £8m to take account of changes in demographics and it was important for Cabinet to have a detailed report on Area Based Grant setting out the consequences of that for KCC in the future. .

(3) Cabinet then noted the latest forecast revenue and capital budget position for 2007/08.

3. Medium Term Plan 2008-11 (Incorporating the Budget and Council Tax Setting for 2008/09) - Update

(Item 4 – Report by Mr Paul Carter, Leader of the Council, Mr Nick Chard, Cabinet Member for Finance, Mr Peter Gilroy, Chief Executive and Mr Andy Wood, Head of Financial Management)

(The Chairman declared consideration of this item to be urgent as the report was not available at the time the agenda was despatched. The reason for that was because the report needed to include the most up to date information and analysis on the final local government settlement figures, the final tax bases agreed by the Kent District Councils and the surplus of deficits announced by the District Councils Collection Funds)

(1) This report provided an update on the Draft Medium Term Financial Plan 2008-11 and summarised the comments made at recent meetings of the Policy Overview Committees and the Cabinet Scrutiny Committee. The budget had also been discussed at a meeting of the Business Consultation Forum on 4 February 2008 and there would also be a consultation meeting with Trade Union and Professional Body Association representatives.

(2) In presenting this report and highlighting key areas, Mr Carter placed on record his thanks to staff for their part in developing this budget and in particular to Mr Wood and his team. Mr Carter said the budget being put forward delivered the required savings, but at the same time brought forward an increase of some £8m into adult social care and some £5m into highways. The budget also delivered a growth in the capital programme. There was still some unmet costs from Government relating to asylum and a report by the consultants acting on behalf of Kent County Council, Birmingham City Council and Hillingdon London Borough Council, would be published within the next few days. That report would be used as a basis for further discussions with the Government aimed at bringing this matter to a satisfactory conclusion.

(3) Mr Carter said the Residents Consultation meeting had provided a valuable opportunity to explain to the residents of Kent the pressures which the County Council faced. Mr Carter also reported on outcomes from meetings of the Policy Overview Committees and the Cabinet Scrutiny Committee. He made clear there would not be any growth in Strategic Management, but work would be undertaken on how this information was presented in future. Mr Carter also spoke about the publicity budget and said it had to be realised that this covered all recruitment costs including those within Kent schools. This budget also covered some high profile publicity campaigns, such as those related to reducing waste and road safety.

(4) Mr Carter also spoke about the perception some had that the County Council invested more resources into the west of the County rather than the east. He said that within east Kent there had been significant investment undertaken by the County Council and examples included the Beaney Project, the Turner Centre, investment in the Theatre Royal, Margate, Manston Industrial Park, EuroKent, Phase II Access Road and other partnership projects. The County Council had also undertaken investment in other initiatives and projects and Mr Carter spoke particularly about the Academies Programme and the Vocational Skills Centre in Whitstable. He also spoke about the Dedicated Schools Grant and said that the County Council would not be making changes to the small school curriculum protection factor. He also said the County Council would continue to work at targeting help and resources to those families in most need and that would be done through initiatives such as the Mosaic Programme. Mr Carter concluded by saying Kent County Council through efficiency savings and better use of resources was now doing more with less staff and therefore it was right for those staff to be appropriately paid. He therefore believed that the pay settlement of 2.5% was the appropriate level to reward staff for their hard work.

(5) Mr Chard briefed Cabinet on some of the factors which had gone into building the budget and also spoke about the outcomes from the meetings of the Policy Overview Committees, the

Business Consultation Forum and the Public Consultation meeting. That had proved very positive and had given an important opportunity for the County Council to give a briefing on the various elements which had gone into the budget and the pressures which the County Council faced. Mr Gilroy said work had commenced on how the Council can improve public consultation and make greater use of technology. Mr Ferrin spoke of the importance of publicity in relation to road safety campaigns and also said whilst the increase in the £5m highway budget would enable take up of unsupported borrowing there must not be an expectation that would solve all problems.

(6) Following further discussion, Mr Lynes said that the pay award reflected the fact that more was being done by fewer people against a backdrop of less Government funding and he therefore proposed, and it was agreed that Cabinet place on record its thanks to all members of staff for their hard work and commitment . Cabinet then agreed

- (1) the Revenue Budget proposals for 2008-09 as detailed in the Cabinet report;
- (2) the budget requirement of £857.0m;
- (3) a total requirement from Council Tax of £536.8m to be raised through precept to meet the 2008-09 budget requirement. This assumes that there will be a satisfactory conclusion to the Asylum funding issue;
- (4) a Council Tax as set out below, for the listed property bands;

Council Tax Band	A	B	C	D	E	F	G	H
£	667.86	779.17	890.48	1001.79	1224.41	1447.03	1669.65	2003.58

being a 3.9% increase over 2007-08;

- (1) the Capital Investment proposals, together with the necessary use of borrowing, revenue, grants, capital receipts, renewals and other earmarked capital funds and external subject to approval to spend arrangements;
- (2) the Prudential Indicators as set out in Appendix B of the Medium Term Plan.

Cabinet also endorsed the following recommendations to the County Council:

the revenue and capital proposals as presented for:

- Operations, Resources and Skills (CFE);
- Children, Families and Educational Achievement;
- Adult Social Services;
- Environment, Highways and Waste;
- Regeneration and Supporting Independence;
- Communities;
- Health;
- Corporate Support and External Affairs;
- Policy and Performance;
- Finance.

Cabinet also agreed that the final recommendations in relation to the School Budgets and the Dedicated Schools Grant be delegated to the Cabinet Member for Operations, Resources and Skills (CFE).

4. Unit Review (Including Designated and Specialist Provision and Very Severe and Complex Needs Support for Children and Young People with Special Educational Needs at Mainstream Schools)

(Item 5 – Report by Mr Mark Dance, Cabinet Member for Operations, Resources and Skills, Mr Chris Wells, Cabinet Member for Children, Families and Educational Standards and Mr Graham Badman, Managing Director for Children, Families and Education)

(1) Mr Dance said that the Unit Review sought to ensure an equitable range and spread of resources and provision for children with Special Educational Needs in mainstream schools across the county. This report provided an update on implementation of the Review and provided detail of the outcomes of the first stage of consultations on Phase Two proposals county-wide. Currently there was no capital allocation for the Unit Review in the Medium Term Plan and therefore the Council would need to be creative on how its outcomes were taken forward.

(2) Cabinet:-

- (a) noted the progress of the Unit Review and agreed the changes to the timetable detailed in paragraph 5 of the Cabinet report;
- (b) noted the feedback and issues raised by stakeholders during the Phase Two consultation process as detailed in Appendix 1 to the report, and;
- (c) noted the potential capital implications of the Phase Two proposals as detailed at paragraph 3 of the Cabinet report and in Appendix 2.

5. Targeted Youth Support

(Item 6 – Report by Mr Chris Wells, Cabinet Member for Children, Families and Educational Standards, Mr Mark Dance, Cabinet Member for Operations, Resources and Skills and Mr Graham Badman, Managing Director, Children, Families and Education)

(Joanna Wainwright, Director – Commissioning (Specialist Services) CFE was present for this item)

See Record of Decision on Pages 7-8.

6. Local Authority Proposed Co-ordinated Scheme for Primary and Secondary Schools in Kent and Admission Arrangements for Primary and Secondary Community and Voluntary Controlled Schools, 2009-10

(Item 7 – Report by Mr Mark Dance, Cabinet Member for Operations, Resources and Skills and Mr Graham Badman, Managing Director – Children, Families and Education)

(Mr Scott Bagshaw, Head of Admissions and Transport was present for this item)

See Record of Decision on Page 9.

7. Endorsement of the Kent Countryside Access Improvement Plan

(Item 8 – Report by Mr Keith Ferrin, Cabinet Member for Environment, Highways and Waste and Mr Adam Wilkinson, Managing Director, Environment and Regeneration)

(Mr Mike Overbeke, Head of Countryside Access was present for this item)

See Record of Decision on Page 10.

8. Regeneration Strategy for KCC

(Item 9 – Report by Mr Keith Ferrin, Cabinet Member for Environment, Highways and Waste, Mr Roger Gough, Cabinet Member for Regeneration and Supporting Independence and Mr Adam Wilkinson, Managing Director, Environment and Regeneration)

See Record of Decision on Page 11.

9. Environment and Regeneration Directorate Review

(Item 10 – Report by Mr Keith Ferrin, Cabinet Member for Environment, Highways and Waste, Mr Roger Gough, Cabinet Member for Regeneration and Supporting Independence and Mr Adam Wilkinson, Managing Director, Environment and Regeneration)

(1) This report provided an update on the ongoing organisational review of the Environment and Regeneration Directorate. Through the Review Mr Wilkinson said he wanted to see further enhanced and joined up working with partners and to also improve relationships with the business community. The Directorate would also be taking on more devolved work from the RDAs and how that would be achieved was also a key element of the Review. Mr Ferrin said there had been a tendency to put work related to Highways and Regeneration in separate boxes but increasingly one was very much dependent on the other and KCC was now putting together the infrastructure which would have a direct impact on regeneration opportunities.

(2) Following further discussion, Cabinet noted the report and supported the functional restructuring of the Environment and Regeneration Directorate.

10. Kent 2012 Progress Report on 2007

(Item 11 – Report by Mr Mike Hill, Cabinet Member for Community Services and Amanda Honey, Managing Director, Communities)

(Mr Chris Hespe, Head of Sport, Leisure and Olympics was present for this item)

(1) Mr Hill said the County Council had set itself some ambitious targets aimed at maximising the long term benefits for Kent and creating a catalyst for the Olympic spirit. In detailing the multi-agency and cross-directorate work which was being undertaken, Mr Hespe said that the County Council led campaign was aimed at achieving maximum and long term benefits for the county of Kent.

(2) Mr King said that the report illustrated how everyone needed to contribute to the economic development of the county and the 2012 games presented a focus and an opportunity to change the profile of Kent. Mr Carter said he welcomed this progress report and said that the County Council needed to maximise the benefits that the games would bring and for information to be widely circulated through a range of media, including Kent TV.

(3) Cabinet then noted the contents of the Progress Report.

11. Cabinet Scrutiny and Policy Overview Standing Report

(Item 12 – Report by Mr Peter Gilroy, Chief Executive)

This report summarised the outcomes and progress on matters arising from the meeting of the Cabinet Scrutiny Committee held on 23 January 2008 and set out progress on the current programme for Select Committee Topic Reviews.

KENT COUNTY COUNCIL
RECORD OF DECISION



DECISION TAKEN BY

Cabinet
6 February 2008

DECISION NO.

07/0110

5. Targeted Youth Support

(Item 6 – Report by Mr Chris Wells, Cabinet Member for Children, Families and Educational Standards, Mr Mark Dance, Cabinet Member for Operations, Resources and Skills and Mr Graham Badman, Managing Director, Children, Families and Education)

(Joanna Wainwright, Director – Commissioning (Specialist Services) CFE was present for this item)

(1) This report outlined the next steps for Kent to implement Targeted Youth Support, a key branch of Integrated Youth Support Services. Both initiatives are derived from the Youth Matters Green Paper launched in July 2005, within the Every Child Matters Framework.

(2) Joanna Wainwright said that unlike some other areas there has been targeted youth support in Kent for a number of years. The report addressed Government requirements and every local authority must be piloting Targeted Youth Support in at least at one locality and have a robust plan for roll out by December 2008, across the entire local authority area. Kent will be doing that by building on and developing existing multi-agency projects which have and continue to target the needs of vulnerable young people. As these projects continue, steps will be taken to make sure that access to support is consistent across the county.

(3) Mr Hill said he welcomed this report and highlighted in particular the multi-agency approach which was being undertaken to target vulnerable young people and help them before they cross the line into offending. Mrs Allen also spoke about the multi-agency work being undertaken in this field and referred to a recent seminar where young people who had been in care or had been looked after children had given very positive feedback on the services they had received.

(4) Cabinet then agreed:-

- (a) to the appointment of a Targeted Youth Support Project Lead together with the establishment of a Project Team as described in paragraphs 5(a) and 5(b) of the Cabinet report;
- (b) to the recommendations set out in the Cabinet Report in respect of the proposed pilot in Canterbury and other geographical areas and to a third pilot to evaluate the implementation of Targeted Youth Support involving the reduction of young people who are not in Education, Employment or Training; and
- (c) agreed the proposed timeframe for implementation of pilots and roll out across the county, as detailed in the Cabinet Report.

Background Documents: Targeted Youth Support: A Guide

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Signed
Chief Executive

date February 2008

FOR COUNCIL SECRETARIAT USE ONLY

Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published
DD/MM/YY

**KENT COUNTY COUNCIL
RECORD OF DECISION**



DECISION TAKEN BY

Cabinet
6 February 2008

DECISION NO.

07/01087

6. Local Authority Proposed Co-ordinated Scheme for Primary and Secondary Schools in Kent and Admission Arrangements for Primary and Secondary Community and Voluntary Controlled Schools, 2009-10

*(Item 7 – Report by Mr Mark Dance, Cabinet Member for Operations, Resources and Skills and Mr Graham Badman, Managing Director – Children, Families and Education)
(Mr Scott Bagshaw, Head of Admissions and Transport was present for this item)*

(1) The County Council as the admissions authority for Community and Voluntary Controlled Schools is required to consult on its proposed admission arrangements for these schools annually and to determine its admission arrangements by 15 April each year. All primary admission authorities in Kent agreed to the proposed co-ordinated scheme but the Council does not have complete agreement on a co-ordinated scheme from all admissions authorities for the secondary co-ordinate scheme and the Secretary of State will therefore be required to impose a scheme.

(2) Cabinet agreed:-

- (a) that the proposed scheme to co-ordinate admissions to primary schools in September 2009 be determined as set out in Appendix C to the Cabinet report;
- (b) that the proposed scheme to co-ordinate admissions to secondary schools in September 2009 be determined as set out in Appendix B to the Cabinet report;
- (c) that the over-subscription criteria detailed in Appendix B and Appendix C of the Cabinet report relating to Community and Voluntary Controlled Primary and Secondary Schools are determined for 2009;
- (d) that the relevant statutory consultation areas detailed in Appendix B and Appendix C relating to Community and Voluntary Controlled Primary and Secondary Schools are determined for 2009, and
- (e) that the Published Admission Numbers for Community and Voluntary Controlled Primary and Secondary School be determined as set out in Appendix B and Appendix C to the Cabinet report.

Background Documents: none

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Signed

date February 2008

FOR COUNCIL SECRETARIAT USE ONLY

Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published
DD/MM/YY

**KENT COUNTY COUNCIL
RECORD OF DECISION**



DECISION TAKEN BY

Cabinet 6 February 2008

DECISION NO.

07/01081

7. Endorsement of the Kent Countryside Access Improvement Plan

*(Item 8 – Report by Mr Keith Ferrin, Cabinet Member for Environment, Highways and Waste and Mr Adam Wilkinson, Managing Director, Environment and Regeneration)
(Mr Mike Overbeke, Head of Countryside Access was present for this item)*

(1) The Kent Countryside Access Improvement Plan has been prepared by the County Council in accordance with the Countryside and Rights of Way Act 2000 which requires local authorities such as the County Council to publish a Rights of Way Improvement Plan. Mr Ferrin said that Rights of Way matters were sometimes a complex and controversial area of and this Plan had achieved a good degree of consensus for which he paid thanks to Mr Overbeke and his team. Mr Overbeke said that in preparing the Plan, officers had consulted widely so the Plan had the endorsement of the public. It would also turn the Service round from being a purely reactive service to one which was more strategic and proactive. Mr Wilkinson said that this piece of work started to address a number of important issues and the Plan put forward actions on how those could be addressed.

(2) Following further discussion, Cabinet supported and agreed the adoption of the Kent Countryside Access Improvement Plan as a strategy to enhance the public rights of way network and open green space until 2017.

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Signed
Chief Executive

date February 2008

FOR COUNCIL SECRETARIAT USE ONLY

Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published
DD/MM/YY

**KENT COUNTY COUNCIL
RECORD OF DECISION**



DECISION TAKEN BY

Cabinet 6 February 2008

DECISION NO.

08/01145

8. Regeneration Strategy for KCC

(Item 9 – Report by Mr Keith Ferrin, Cabinet Member for Environment, Highways and Waste, Mr Roger Gough, Cabinet Member for Regeneration and Supporting Independence and Mr Adam Wilkinson, Managing Director, Environment and Regeneration)

(1) This report provided an update on the Environment and Regeneration Directorate’s plans for a three year KCC Strategy for Regeneration. The report provided a focus for the County Council’s contribution to economic development and regeneration which had played a central part in KCC’s corporate agenda for a number of years.

(2) Mr Wilkinson said the proposed strategy illustrated the continuation of a long term corporate commitment to regeneration through the activities of education, social services, arts, culture, environment and transport and above all, a commitment to tackle deprivation at its root causes. The Strategy would be a living document, update every three years with an annual action plan and would set out KCC’s regeneration priorities and how they relate to existing overarching strategic documents, and make explicit how the Towards 2010 targets contribute to achieving KCC’s corporate regeneration ambitions. Ownership of the strategy would be essential and therefore the report proposed the establishment of a cross-directorate Regeneration Board with Cabinet Member representation. The primary purpose of the Board would be to lead the development of the Strategy and to oversee and monitor its implementation.

(3) Cabinet noted the report and supported the development of the Regeneration Strategy for KCC and the establishment of the new Kent Regeneration Board.

Background Documents: DCLG *review of sub-national economic development and regeneration*

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Signed
Chief Executive

date February 2008

FOR COUNCIL SECRETARIAT USE ONLY

Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published
DD/MM/YY

REPORT TO: CABINET – 17 MARCH 2008

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

**BY: NICK CHARD – CABINET MEMBER FOR FINANCE
ANDY WOOD – HEAD OF FINANCIAL MANAGEMENT
MANAGING DIRECTORS**

SUMMARY:

Members are asked to:

- note the latest monitoring position on the revenue and capital budgets,
- note the additional revenue grant income as identified throughout this report,
- note the changes to the capital programme.

1. INTRODUCTION

1.1 This is the third full monitoring report to Cabinet for 2007-08 based on the monitoring returns for January.

1.2 The format of this report is:

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

2. OVERALL MONITORING POSITION

2.1 Revenue

The net projected variance against the combined portfolio revenue budgets is an underspend of £7.5m. Section 3 of this report provides the detail, which is summarised in Table 1a below.

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

Portfolio	Budget £k	Gross Variance £k	Proposed Management Action £k	Net Variance £k
O,R&S (CFE) *	-807,639	+1,854	-1,606	+248
CF&EA	+104,666	+643	-643	0
Kent Adult Social Services	+271,864	+2,853	-938	+1,915
E,H&W	+121,616	-2,565	0	-2,565
Regen & SI	+9,497	-1,055	0	-1,055
Communities	+53,948	+1,130	0	+1,130
Public Health	+412	-50	0	-50
Corporate Support	+27,292	-449	0	-449
Policy & Performance	+3,148	0	0	0
Finance	+106,449	-6,644	0	-6,644
TOTAL (excl Schools)	-108,747	-4,283	-3,187	-7,470

* The £0.248m residual pressure within the OR&S (CFE) portfolio, relates to budgets managed by the Chief Executives directorate (Kent Works).

2.2 In addition to the projected portfolio variances, there are two projected overspends:

- a) The Asylum Service is expected to overspend by £4.355m
- b) Schools are projecting a draw-down of their reserves of £15m.

Further details are provided throughout this report.

2.3 Capital

In line with previous practice, the capital cash limits have been adjusted in this report to reflect the re-phasing of capital projects which has been built into the 2008-11 MTP. £124.524m of re-phasing from 2007-08 into future years has been reflected in the new MTP for 2008-11, which includes £24.708m in respect of PFI projects. In addition to this, a £11.418m 'underspend' is now being forecast, of which £12.176m is further re-phasing and £0.758m is a real pressure. Section 4 of this report provides further details. A report on some of the outcomes that have been delivered by the capital programme in the recent past is also being presented to Cabinet today.

3. REVENUE

3.1 Virements/changes to budgets

Cash limits have been adjusted to reflect the following virements:

- £0.2m from Waste Management to Capital Programme Group within the Environment, Highways & Waste (EH&W) portfolio for the initial design costs of the Borough Green & Platt bypass as approved by Cabinet on 3 December.
- £0.195m from Waste Management to Environment Group within the EH&W portfolio for Health & Safety requirements, SSSI obligation, income generation priming and e-Government initiative.
- £0.190m from Waste Management, EH&W portfolio to Regeneration & Supporting Independence portfolio for £0.050m contribution to Dover Pride Programme Team; £0.050m Kent Empty Properties Initiative – continued engagement of consultancy advice to handle wider County remit; £0.090m Production of Regeneration Strategy and subsequent consultation and production.
- £0.1m from the Finance portfolio to the Public Health portfolio for Healthwatch as approved by Cabinet on 3 December.

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

3.2 The revenue projection, before management action, is effectively a break-even position, a breakdown of this position by portfolio is shown in table 1b below. The position after assumed management action increases the underspend to £3.115m (including the pressure on Asylum of +£4.355m), a breakdown by portfolio is shown in table 1a above. In addition, we are currently forecasting that schools will overspend their delegated budgets and draw down their reserves by up to £15m this year.

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

Portfolio	Budget	Variance	Directorate					
			CFE	KASS	E&R	CMY	CED	FI
	£k	£k	£k	£k	£k	£k	£k	£k
O,R&S (CFE)	-807,639	+1,854	+1,606					+248
CF&EA	+104,666	+643	+643					
Kent Adult Social Services	+271,864	+2,853		+2,853				
E,H&W	+121,616	-2,565			-2,565			
Regen & SI	+9,497	-1,055			-1,055			
Communities	+53,948	+1,130				+1,130		
Public Health	+412	-50					-50	
Corporate Support	+27,292	-449					-449	0
Policy & Performance	+3,148	0					0	
Finance	+106,449	-6,644					-110	-6,534
SUB TOTAL (excl Schools)	-108,747	-4,283	+2,249	+2,853	-3,620	+1,130	-361	-6,534
Asylum	0	+4,355	+4,355					
TOTAL (excl Schools)	-108,747	+72	+6,604	+2,853	-3,620	+1,130	-361	-6,534

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

Portfolio	CASH LIMIT			VARIANCE		
	Gross £k	Income £k	Net £k	Gross £k	Income £k	Net £k
O,R&S (CFE)	+145,156	-952,795	-807,639	+1,926	-72	+1,854
CF&EA	+195,180	-90,514	+104,666	+3,021	-2,378	+643
Kent Adult Social Services	+425,401	-153,537	+271,864	+4,883	-2,030	+2,853
E,H&W	+140,628	-19,012	+121,616	-275	-2,290	-2,565
Regen & SI	+12,972	-3,475	+9,497	-460	-595	-1,055
Communities	+100,611	-46,663	+53,948	+4,193	-3,063	+1,130
Public Health	+412	0	+412	-50	0	-50
Corporate Support	+45,687	-18,395	+27,292	+4,440	-4,889	-449
Policy & Performance	+3,526	-378	+3,148	+235	-235	0
Finance	+137,653	-31,204	+106,449	+11,238	-17,882	-6,644
SUB TOTAL (excl Schools)	+1,207,226	-117,313	-108,747	+29,151	-33,434	-4,283
Asylum	+13,200	-13,200	0	-1,122	+5,477	+4,355
TOTAL (excl Schools)	+1,220,426	-130,513	-108,747	+28,029	-27,957	+72
Schools	+938,733	-80,517	+858,216	+15,000	0	+15,000
TOTAL	+2,159,159	+779,613	+749,469	+43,029	-27,957	+15,072

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

Annex 1 Children, Families & Education

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

Annex 2 Kent Adult Social Services

Annex 3 Environment & Regeneration

incl. Environment, Highways & Waste & Regeneration & Supporting Independence portfolios

Annex 4 Communities

Annex 5 Chief Executives

incl. Public Health, Corporate Support, Policy & Performance & Finance portfolios and elements of Operations, Resources & Skills (CFE) and Regeneration & Supporting Independence portfolios

Annex 6 Financing Items

incl. elements of the Corporate Support & Finance portfolios

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ORS	Schools delegated budgets - expected drawdown of reserves	+15,000	FIN	savings resulting from debt restructuring & higher investment income due to cash balances and increased interest rates	-7,014
CFEA	Asylum - Shortfall in grant (income)	+4,720	EHW	Reduced tonnage through the Allington WtE plant. Reduced tonnage in total, compared to the budget assumption.	-3,400
CS	Information Systems costs of additional services\projects	+2,650	CS	Information Systems income from additional services\projects	-2,750
CFEA	Independent Sector Residential Care - increased number and cost of placements	+2,097	CFEA	use of remaining 2006-07 LAA grant - badge against qualifying expenditure within Children's Social Services budgets	-1,500
KASS	Older People Domiciliary expenditure	+1,630	CFEA	Asylum - draw down of residual balance in Corporate Asylum reserve (gross)	-1,122
CFEA	Fostering Service - independent fostering allowances (gross)	+1,232	CMY	KDAAT NTA income for Stonehouse PFI	-900

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
KASS	Learning Disability Residential	+1,059	CFEA	Independent sector residential care - funding from health and education	-757
KASS	Learning Disability Supported Accommodation	+1,012	KASS	Eastern & Coastal Kent PCT income	-750
KASS	Learning Disability Independent Living Schemes & Group Homes	+1,002	CS	P&D income from additional services\courses	-750
ORS	Capital Strategy - costs previously charged to capital (gross)	+970	CS	Legal income resulting from additional work	-750
CMY	KDAAT Costs associated with Stonehouse PFI supported by additional NTA funding	+900	KASS	Assessment & Related - Management action around staffing	-739
KASS	Learning Disability Direct Payments	+839	KASS	Older People Residential	-703
EHW	The Waste WPEG grant was budgeted as 100% revenue grant but it is being paid as 50% capital grant and is therefore not available to support the	+810	EHW	Increased level of external funding enabling more projects within Environment Group	-700
KASS	Physical Disability Direct Payments	+769	EHW	Waste - improved sales / Operation Cubit income	-670
CFEA	Asylum - anticipated shortfall relating to increase in 2006-07 SC bids due to data matching exercise	+757	CFEA	Holding back of budget for superannuation increase from budget managers	-644
CFEA	Independent Sector Residential Care - children in secure accommodation	+750	CMY	YOS Prevention Grant Income	-566
EHW	Directorate Budget Gap (covered from Waste under spend)	+735	KASS	Older People Preserved Rights	-556
EHW	More project expenditure supported by external funding within Environment	+700	ORS	one-off payment from DCSF for prior year mandatory student awards	-535
CS	P&D costs of additional courses\services	+700	KASS	Management Action on Training	-525
CS	Legal Services costs of additional work	+700	KASS	Older People income	-525
CMY	AE loss of Tuition Fees	+568	RSI	Increased Volume of DCLG grant - Kent Thameside & Swale Forward Boards	-500
CMY	YOS Prevention Grant Expenditure	+566	CS	Legal Services costs of disbursements recovered from clients	-500
CFEA	Other Services Support - Recharges from Legal services (gross)	+549	KASS	Provision for risk within SRP expenditure not now required	-468
RSI	Increased Volume of DCLG activity - Kent Thameside & Swale Forward	+500	ORS	Holding back of budget for superannuation increase from budget	-463
CS	Legal Services costs of additional disbursements	+500	RSI	Re-phasing of Fort Hill, Margate de-dualing project	-450
FIN	Commercial Services - outdoor advertising - delays in letting contract & further delays due to requirement for planning consent	+480	EHW	Additional recharges and fees income from KHS Division	-450
ORS	Personnel and Development - Pensions budget (gross)	+474	CFEA	Advisory Service Professional Development - Training courses income from schools	-437
ORS	SEN Home to School Transport - savings targets linked to purchase cards	+470	EHW	Increase on non-grant income on rural bus services	-430
EHW	Rural Bus Services - non-grant income supporting further rural service.	+430	CMY	AE Income for Immigration Contract	-381
ORS	SEN Home to School Transport - increased take-up and fuel costs (gross)	+423	CFEA	Leaving care/16+ - managed underspend (gross)	-359
CFEA	Fostering Service -County Fostering team staffing costs (gross)	+411	EHW	WEEE Grant not budgeted as income	-350
CFEA	Advisory Service Professional Development - Training courses for schools	+408	KASS	Area Contracts & planning Teams - management action around staffing	-336

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Operational Highway Maintenance works	+400	KASS	Management Action - Resources	-326
KASS	Learning Disability Domiciliary	+348	CMY	Central draw down from reserves	-303
KASS	Learning Disability Day Care/Day Opportunities	+346	CMY	Sports - Grant income from Sports England	-300
EHW	Budget under-estimate on KHS depot running costs.	+340	CMY	Increased partner contributions for YOS	-300
CMY	AE Immigration Contract Expenditure covered by increased income	+340	KASS	Mental Health Assessment & Related - vacancy management	-292
KASS	Learning Disability Impact of review of joint funded placements with Health	+306	RSI	Delay in Minerals and Waste Local Development Framework activity	-280
CMY	Expenditure on mediation and litigation on original Turner Gallery	+300	KASS	Management Action in Facilities	-278
CMY	YOS share of staff costs funded from Partner contributions	+300	CMY	AE Business Development Income	-260
ORS	Kent Works - higher costs of on-going operation	+284	RSI	Delay in Shaw Grange remedial works	-250
KASS	Physical Disability Supported Accommodation	+268	CMY	Sports - RSB income to support activities	-250
EHW	KHS Additional SLA charges (Legal Services)	+265	EHW	Street Lighting Maintenance and Inventory	-240
CFEA	Assessment & Related - delay in achieving staffing savings target (gross)	+264	EHW	Unbudgeted income from Districts for Clean Kent and Kent Waste Partnership	-230
ORS	Capital Strategy - closing schools revenue maintenance (gross)	+250	CMY	Additional LSC AE Formula Grants	-230
CFEA	Advisory Service Professional Development - TRP costs	+250	ORS	Client Services - cleaning and refuse contract charges and increased take-up from schools (income)	-214
CMY	Sports - RSB activity expenditure supported by income	+250	KASS	HQ Policy & Performance - management action around staffing	-207
CMY	CDSE income shortfall due to reduced calls	+249	CFEA	Fostering service - training income from county fostering team (income)	-203
KASS	Older Persons Direct Services Unit (staffing costs)	+247	CMY	Turner ACE Grants to support activities	-200
KASS	Older People Nursing (excl Pres Rights)	+242	CFEA	Section 17 - managed underspend	-196
KASS	Physical Disability Day Care Exp.	+226	ORS	Personnel and Development - Recruitment team vacancies and	-195
ORS	Personnel and Development - closing schools redundancy costs (gross)	+225	CFEA	Assessment & Related - additional income for SSKY project and Swindon	-192
KASS	Part year impact of 'fairer charging' decision by Ombudsman	+225	EHW	Additional income from Analysis & Info Team	-190
CMY	Rolled forward deficits form 2006/07	+221	CMY	Registration Fees from weddings and citizenship ceremonies	-188
RSI	1 Unfunded post and Seconded Staff in Change & Development Division	+220	CFEA	KCC Family Support - management of staff vacancies (gross)	-178
CMY	Services chargeable to Dedicated Schools Grant	+220	ORS	Mainstream Home to School Transport - less take-up (gross)	-175
ORS	Client Services - cleaning and refuse contract charges and increased take-up from schools (gross). Offset by income	+214	EHW	Additional income from base revenue supported bus services	-175
ORS	AEN & resources - staff related costs	+202	CMY	CDSE draw-down from reserves	-172
CFEA	Assessment & Related - recruitment to frontline posts (gross)	+200	CFEA	Direct payments - managed underspend	-166
CMY	Expenditure on Turner Contemporary Activities supported by ACE Grant	+200	CMY	AE Project grants	-161
CMY	Increased guided learning hours for Family and Lifelong Learning in AE	+161	CFEA	Residential care - Non Looked after children - reduction in placements	-160

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
KASS	Mental Health Residential Care exp.	+151	EHW	Re-phasing into 2008-09 of design for the Borough Green & Platt Bypass	-160
CFEA	Adoption - allowance costs (gross)	+150	CFEA	In-house residential care - closure of Alderden House (gross)	-150
CFEA	Other Services Support - Out of hours service costs covered by additional	+148	CFEA	Assessment & Related - additional income for Education for best project	-150
CMY	Neighbourhood Learning & SIP	+135	CFEA	Other Services Support - Out of hours service covered by additional income (income)	-148
CMY	AE fee and concessions policy revisions not implemented	+133	ORS	Holding back of TRP budgets from managers	-132
CFEA	Advisory Service Improvement Partnership - project costs (gross)	+129	CFEA	Advisory Service Improvement Partnership - project income	-130
CMY	Registration premises leases	+126	CS	Confirmed profile of Kent TV revenue spend over 2 year period	-130
EHW	Additional cost of temporary and agency staff within KHS	+125	CMY	Key Training bonuses on European Social Fund grant	-127
CMY	AE Business Development Expenditure covered by increased income	+120	ORS	Educational Psychology - staffing vacancies (gross)	-123
CMY	Libraries & Archives underachievement of AV income	+120	KASS	Part year saving on establishment of SRP Systems Support Team	-122
CMY	AE loss of Information & guidance grant and clawback of LSC grants from 2005-06 and 2006-07	+117	CFEA	KCC Family Support - income from projects	-113
CMY	Sports - project expenditure on community sports coaches	+113	CFEA	Policy - Legal costs (Gross)	-100
CMY	Coroners Mortuary fees	+107	ORS	Personnel and Development - reduction in expenditure from incorrectly placing staff on pension schemes	-100
ORS	Mainstream Home to School Transport - reduction in income	+104	KASS	Occupational Therapy Bureau - Provision for Replacement Hoists	-100
CMY	AE project expenditure covered by increased income	+104	RSI	Seconded Staff funded externally in Change & Development Division	-100
ORS	Personnel and Development - reduction in income from incorrectly placing staff on pension schemes	+100	RSI	Kent Regeneration Fund - projects delayed due to expected funding shortfall	-100
EHW	Reduction in Country Parks income due to poor summer weather	+100	CMY	Libraries & Archives savings from reduced expenditure on non staffing	-100
RSI	Kent Regeneration Fund expected funding shortfall	+100	CS	Delayed start to P&D Health Checks programme	-100
CMY	Arts unit reduction in grant income	+100			
		+54,656			-39,676

3.4 Key issues and risks

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

3.4.1.1 **Operations, Resources & Skills (CFE) portfolio:** Forecast excl. Asylum **+£1.606m**

This pressure is mainly due to the inability to achieve the budgeted savings on SEN transport in the current year together with increased take-up of the service; additional pensions and redundancy costs largely as a result of a number of school closures and amalgamations, additional costs of boarding up closing schools and repairs caused by vandalism and a requirement to meet some costs from revenue which were previously charged to capital upon the advice of our external auditors. These pressures have been partially offset by £1.130m of management action achieved to date.

3.4.1.2 **Children, Families & Educational Achievement portfolio:** Forecast excl. Asylum **+£0.643m**
This pressure is mainly due to an increased number of children placed in independent sector residential care and secure accommodation placements; an increase in independent fostering allowances largely due to an increase in placements, and increased legal fees within Children's Social Services. These pressures are partially offset by managed savings elsewhere within the Children's Social Services budgets and £2.144m of management action achieved to date.

3.4.1.3 **Children, Families & Educational Achievement portfolio - Asylum:** Forecast **+£4.355m**
This is largely due to the fact that the unit costs claimable under the grant conditions set by the Home Office and DCSF are significantly lower than the real unit cost of providing the service. Also the Border & Immigration Agency will not be funding any increase in pay and prices in 2007-08. In addition we are experiencing higher rental costs from landlords and once again we saw an increase in applications for Asylum in January representing the highest number of referrals in a single month for over 4 years. Overall this results in a forecast pressure of £4.720m which we have offset by the £1.122m balance in the Asylum Reserve.

In addition, following the results of the ongoing data matching work with both the Home Office and DCSF, a number of clients have been rejected from the main grant claims and have therefore been added to the special circumstances bids for 2006-07. This has resulted in an increase in the special circumstances bids for last year of £1.4m. Historically, to be prudent, we have assumed that we will be successful in receiving only part of this income, if we continue to assume that the same proportion will be successful then a further £0.757m will need to be found to fund the shortfall, adding to the pressure in the current year. However lobbying will continue to ensure a successful outcome.

At the Joint Councils meeting held at the LGA on 13 November to discuss the money which nine local authorities, including Kent, Hillingdon and Hammersmith & Fulham, claim is owed to them by the Government for the care of unaccompanied asylum seeking children, it was agreed to commission an independent audit of these costs. PWC have now completed this audit which has verified our figures and confirmed that KCC has £9.9m outstanding from the government relating to 2005-06, 2006-07 and 2007-08. After several days of intense negotiations with government, with support from MPs who have lobbied on our behalf, this position remains unresolved. It was hoped that there would be a meeting with the Home Office on 18 February to discuss this further but this meeting was cancelled. We continue to work with other local authorities to identify the next course of action and a major part of this must be to establish a system for the future where all costs are reimbursed.

Further details of these pressures are provided in Annex 1.

3.4.2 **Kent Adult Social Services portfolio:** Forecast **+£2.853m**
This pressure is mainly as a result of demographic and placement pressures on most client groups but most significantly people with learning difficulties where we are experiencing young adults transferring from Children's Services and increasing numbers of clients over 65 in line with the trend for people to live longer and many of these clients have very complex needs. In addition, within services for older people, there is increasing demand for domiciliary care which is often seen as the alternative to seeking a permanent placement. Although both the number of clients and the amount of hours provided have dropped slightly since the last detailed monitoring report, the actual average hours provided to each client has increased. This reflects the increasing level of support that is required to enable those clients, who would otherwise be in residential care, to remain in their own homes. As a result there is an increasing number of cases where two care workers are required to meet the needs of the client leading to increased costs overall. Also, our success in meeting the direct payments target continues to identify previously unmet demand/need. These pressures have been partially offset by management action and we have secured funding from the Eastern & Coastal Kent PCT, following a successful agreement in respect of intermediate care proposals and services for patients leaving hospital and requiring social care. This funding recognises the growing pressures that have been seen within our financial forecast on services for older people, and also allows us to start working jointly on a strategy for intermediate care across the East Kent area for 2008-09.
Further details are provided in Annex 2.

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

3.4.3.1 **Environment, Highways & Waste portfolio: Forecast -£2.565m**

There is a large underspend on waste, mainly because the Waste to Energy plant at Allington has not been working as expected. As a result, more waste is sent to landfill than budgeted for, which is currently a cheaper means of disposal. This is offsetting a gap in the budget identified in the 2007-10 MTP as requiring an in-year management action plan of one-off actions and increased demand for operational highway maintenance works. This forecast also assumes that corrective work of £0.650m following the earthquake and floods in June and January will be funded from the Emergency Conditions Reserve, consistent with previous practice. There are also a number of projects which are re-phasing into 2008-09 including Street Lighting maintenance programme and Inventory completion and design for the Borough Green and Platt bypass.

3.4.3.2 **Regeneration & Supporting Independence portfolio: Forecast -£1.055m**

Within the portfolio a number of projects are re-phasing into 2008-09, including the de-dualling of Fort Hill, Margate, Shaw Grange remedial works and the Minerals and Waste Local Development Framework, and £1.190m will be required to roll forward to reflect the revised timing of these projects. This leaves an underlying pressure of £0.135m which mainly relates to a post for which the external funding has now ceased.

Further details are provided in Annex 3.

3.4.4 **Communities portfolio: Forecast +£1.130m**

The main pressures are within Adult Education, Coroners, and the Arts Unit. The pressures within the Adult Education service are largely in respect of a significant reduction in tuition fee income due to lower than anticipated take-up of courses, the additional costs associated with the restructuring of the service and the rationalisation of premises, and difficulties the service has faced in delivering the challenging target of generating a £500k surplus to repay the loan from the Finance portfolio provided in 2006-07. The 2008-11 MTP now assumes that this loan will be repaid in 2008-09 and 2009-10. There is a continuation of the pressures experienced in 2006-07 on the Coroners Service and a reduction in EU grants for the Arts Unit. In addition there is a £0.3m overspend resulting from mediation and litigation costs incurred on the original Turner Gallery. If we are successful these costs involved in preparing our case against the architects and their professional advisers responsible for the original design will be recovered. Delivery of management action has partially offset these pressures.

Further details are provided in Annex 4.

3.4.5 In the Chief Executive's directorate, the key issues are:

3.4.5.1 **Operations, Resources & Skills (CFE) portfolio: Forecast +£0.248m**

Increased costs and reduced income for services provided to schools within Kent Works. A review of the service to try to address this has been delayed due to staff absence.

3.4.5.2 The underspending within the other portfolios (Public Health -£0.050m; Corporate Support -£0.449m and Finance -£0.110m) is largely related to the re-phasing of projects into 2008-09.

Further details are provided in Annex 5

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

Finance portfolio: Forecast -£6.534m

Savings as a result of debt restructuring, lower assumed external borrowing for the capital programme and increased investment income are partially offset by an anticipated reduction in the contribution from Commercial Services as a result of a delay in letting the contract for outdoor advertising and sponsorship and further delays due to the requirement by districts to obtain planning consent for the erection of these signs.

Further details are provided in Annex 6

3.4.7 Directorates have implemented management action plans and the effects are largely reflected in the current overall forecast of -£0.028m as shown in table 1b, and this is expected to reduce further by year end to -£3.215m (including Asylum). There are a number of projects which are re-phasing into 2008-09 and roll forward will be required in order to fund their completion. In addition, residual pressures are currently anticipated at year end within KASS, OR&S (CFE) (in relation to Kent Works) and Communities portfolios. With regard to Asylum, the current forecast of +£4.355m is after the balance of the Asylum Reserve is utilised. Provisionally this residual pressure at year end, will be considered as a call on any Finance portfolio underspend, although KCC fully expects Government to meet the full costs of this national pressure. The underspend within the Finance portfolio will also be expected to offset the £0.3m overspend due to mediation and litigation costs

incurred on the original Turner Gallery. If we are successful with our case then these costs will be recovered and returned to our corporate reserves.

3.5 Implications for future years/MTFP

3.5.1 The key issues and risks identified above have largely been addressed in directorate medium term plans (MTP) for 2008-11. Although these are forecast to be largely offset by management action this year, a lot of the management action is one-off or not sustainable for the longer term. These and other pressures are detailed in the Annex reports.

4. CAPITAL

4.1 Changes to budgets

4.1.1 This year the capital monitoring focuses on projects which are re-phasing by £1m or more and it distinguishes between real variances/re-phasing on projects which are:

- part of our year on year rolling programme or projects which already have approval to spend and are underway , and
- projects which are still only at the preliminary stage or are only at the approval to plan stage and their timing remains uncertain.

We now separately identify projects which have yet to get underway, but despite the uncertainty surrounding their timing they were included in the budget because there is a firm commitment to the project. By identifying these projects separately, we can focus on the real re-phasing in the programme on projects which are up and running. It is intended that from 2008-09 the presentation of the capital budget will also change to show this distinction between projects.

4.1.2 This quarter, the following adjustments have been made to the 2007-08 capital budget. Further details are provided in the relevant annex reports, including the effect on the future years of the capital programme, where applicable.

	£000's
1. As reported to Cabinet on 3 December (excl. PFI)	363,568
2. Marsh Academy Sponsorship (OR&S (CFE) portfolio)	750
3. DCSF grant for Academies (OR&S (CFE) portfolio)	850
4. DCSF grant for Implementation of Primary Strategy (OR&S (CFE) portfolio)	1,015
5. External funding from Channel Corridor Partnership for Arts Projects within Major Road Scheme Designs (EH&W portfolio)	110
6. Fastrack Delivery Executive, DCLG grant to install ticket machines (R&SI portfolio)	500
7. Kent Science Resource Centre – new project funded by 100% DCLG grant (R&SI portfolio)	717
8. Gravesend Old Town Hall refurbishment - funded by DCLG Grant and SEEDA monies (R&SI portfolio)	442
9. East Kent Resource Centre external contribution from East Kent Coastal PCT (CF&EA portfolio)	10
10. Re-phasing included in the 2008-11 MTP:	
• Operations, Resources & Skills (CFE) portfolio	-41,532
• Children, Families & Educational Achievement portfolio	-1,159
• Kent Adult Social Services portfolio	-5,771
• Environment, Highways & Waste portfolio	-25,987
• Regeneration & supporting Independence portfolio	-3,724
• Communities portfolio	-18,280
• Finance portfolio	-1,994
• Corporate Support portfolio	-1,369
11. Thamesway – additional external funding from Kent Police and London & Continental Railways (EH&W portfolio)	407
	£000s
12. External funding from Arts Council for Arts Projects within Major	50

	Road Scheme Designs (EH&W portfolio)	
13.	Gravesend Old Town Hall Refurbishment – removal of revenue costs, funded by SEEDA (R&SI portfolio)	-92
14.	Additional external funding and revenue contributions for Gypsy sites (KASS portfolio)	10
		268,521
15.	PFI	11,593
		280,114

4.1.3 In addition to the cash limit adjustments above, there has been a few virements since the last report:

- £40k from CF&EA portfolio to KASS portfolio in respect of Systems Replacement project funded by Improving Information Management grant.
- £199k from Grants to Village Halls to Herne Bay Youth & Community Centre within the Communities portfolio.
- £100k from Grants to Village Halls to Grant for Outdoor Education Facilities within the Communities portfolio.

4.2 Table 3 – Portfolio/Directorate position – capital

Portfolio	Budget £k	Variance £k	Directorate				
			CFE £k	KASS £k	E&R £k	CMY £k	CED £k
O,R&S (CFE)	+109,758	-4,698	-4,698				
CF&EA	+5,438	-557	-557				
KASS	+5,302	-795		-795			
E,H&W	+86,831	-1,370			-1,370		
Regen & SI	+8,450	-2,471			-2,471		
Communities	+5,381	-563				-563	
Corporate Support	+2,626	-320					-320
Policy & Performance	+501	0					0
Finance	+4,533	-598					-598
TOTAL (excl Schools)	+228,820	-11,372	-5,255	-795	-3,841	-563	-918
Schools	+39,701	-46	-46				
TOTAL	+268,521	-11,418	-5,301	-795	-3,841	-563	-918

Real Variance		+758	+608		+284	-64	-70
Re-phasing (detailed below)		-12,176	-5,909	-795	-4,125	-499	-848
		2007-08	2008-09	2009-10	Future yrs		Total
Re-phasing		-12,176	+11,120	+1,056			0

4.2.1 Table 3 shows that there is an overspend of £0.758m on the capital programme for 2007-08 and £12.176m of re-phasing of expenditure into later years. This is in addition to the £99.816m re-phasing reflected in the 2008-11 MTP (excluding PFI). In excess of £5m of the current £12m forecast re-phasing is made up of projects with variances of under £0.25m which do not get reported in detail in this report. A further £4.9m relates to projects with variances between £0.25m and £1m and these are identified in table 6. Only £2.1m relates to projects with variances of £1m or more which are identified in table 6 and section 4.6 below and reported in detail in the annex reports.

4.3 Table 4 below, splits the forecast variance on the capital budget for 2007-08 as shown in table 3, between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and the timing remains uncertain, and
- projects at the preliminary stage.

Table 4 – Analysis of forecast capital variance by project status (excl. Devolved Capital to Schools & PFI)

Project Status	budget £'000s	Variance			total £'000s
		real variance £'000s	re-phasing £'000s	total £'000s	
Rolling Programme	97,756	809	-318	491	
Approval to Spend	110,946	208	-8,959	-8,751	
Approval to Plan	20,018	-213	-2,809	-3,022	
Preliminary Stage	100	-	-90	-90	
Total	228,820	804	-12,176	-11,372	
	2007-08	2008-09	2009-10	future years	total
	£'000s	£'000s	£'000s	£'000s	£'000s
Re-phasing:					
Rolling Programme	-318	-223	541	-	-
Approval to Spend	-8,959	8,444	515	-	-
Approval to Plan	-2,809	2,809	-	-	-
Preliminary Stage	-90	90	-	-	-
Total	-12,176	11,120	1,056	-	-

4.3.1 Table 4 shows that of the -£11.372m forecast capital variance (excluding devolved capital to schools) -£3.112m is due to projects which are still only at the approval to plan or preliminary stages and their timing remains uncertain. This leaves a variance of -£8.260m which relates to projects that are either underway or are part of our year on year rolling programme.

4.3.2 Table 5 below shows the effect of the capital variance on the different funding sources. The variance against borrowing (supported and prudential) is -£2.502m and this, together with the -£34.669m of re-phasing against borrowing reflected in the 2008-11 MTP, is a contributory factor in the underspend reported within the Finance portfolio.

Table 5: 2007-08 Capital Variance analysed by funding source (incl Devolved Capital to Schools)

	Capital Variance £m
Supported Borrowing	0.137
Prudential	-3.214
Prudential/Revenue (directorate funded)	0.575
Grant	-5.650
External Funding - Other	-0.129
External Funding - Developer contributions	-0.696
Revenue & Renewals	0.453
Capital Receipts	-1.244
General Capital Receipts (generated by Property Enterprise Fund)	-1.650
TOTAL	-11.418

4.4 Table 6 below details all projected capital variances over £250k, in size order. These variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications; or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m, which is due to phasing of the project, excluding those projects identified as only being at the preliminary stage, is explained further in section 1.2.4 of the individual Directorate annex reports, and all real variances are explained in section 1.2.5 of the individual Directorate annex reports, together with the resourcing implications.

Table 6 - All Capital Budget Variances over £250k in size order

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme £'000s	Approval to Spend £'000s	Approval to Plan £'000s	Preliminary Stage £'000s
Overspends/Projects ahead of schedule						
EHW	Highway Major Maintenance	Phasing	+2,329			
EHW	Integrated Transport Programme	Real	+516			
R&SI	East Kent Empty Property Initiative	Phasing		+398		
			+2,845	+398	+0	+0
		<i>Real</i>	+516	0	0	0
		<i>Phasing</i>	+2,329	+398	0	0
Underspends/Projects behind schedule						
R&SI	Eurokent Spine Road	Phasing			-1,650	
EHW	Ashford Ring Road	Phasing		-1,535		
R&SI	Arts & Business Centre at Folkestone	Phasing		-1,219		
EHW	Re-shaping Kent Highways Accommodation	Phasing		-694		
OR&S	Childrens Centres - Swanscombe PS	Phasing		-628		
EHW	Integrated Transport Programme	Phasing	-507			
OR&S	Dev Opps - Darford Campus	Phasing		-494		
FIN	Management & Modernisation of Assets	Phasing	-428			
EHW	Newtown Way Improvement	Phasing			-421	
OR&S	Kennington Juniors	Phasing	-402			
EHW	Everards Link Phase 2	Phasing		-374		
OR&S	Childrens Centres - Knockhall PS	Phasing		-295		
OR&S	Childrens Centres - Broadwater Down PS	Phasing		-280		
OR&S	Childrens Centres - East Stour PS or its replacement	Phasing		-267		
CF&EA	Management & Modernisation of Assets	Phasing	-265			
OR&S	Specialist Schools 2007/08	Phasing	-250			
			-1,852	-5,786	-2,071	0
		<i>Real</i>	0	0	0	0
		<i>Phasing</i>	-1,852	-5,786	-2,071	0
			993	-5,388	-2,071	0
		<i>Real</i>	516	0	0	0
		<i>Phasing</i>	477	-5,388	-2,071	0

4.5 Reasons for Real Variance and how it is being dealt with

4.5.1 The real variance identifies the actual over and underspends on capital schemes and not re-phasing of projects. The main areas of under and overspending in 2007-08 are listed below together with their resourcing implications:-

- +£0.5m on the Integrated Transport programme which will be met by a revenue contribution.
- -£0.2m on Waste Performance Grant funded projects; however there will be a compensatory reduction in grant.

Additional funding has been secured from developer contributions to offset these 3 overspends on the CFE capital programme:

- +£0.1m St James the Great Development Opportunities project – additional works required at the request of English Heritage to secure planning permission.
- +£0.1m Development Opportunities Consultancy due to additional costs incurred in supporting the New Line Learning project.
- +£0.2m Crockenhill Primary School as tender costs came in higher than budgeted.

Further details of smaller real variances are provided in the annex reports.

4.6 **Main projects re-phasing and why.**

4.6.1 The projects that are re-phasing by £1m or more are identified below: -

- -£1.65m Eurokent Spine Road - the proposal for this project assumed that there would be an earlier start date, however the complex suite of agreements needing to be in place before committing to a contract has meant that the construction contract has only recently been awarded.
- -£1.5m Ashford Ring Road - there has been a delay in the construction programme partly due to slower progress than anticipated but also to the adjoining development in County Square encountering problems, which has had an impact.
- -£1.2m Folkestone Arts & Business Centre - there has been a delay in the construction programme due to adverse weather and difficulties in pursuing the ground-works because of archaeological findings.
- +£2.3m Highway Major Maintenance – there has been an acceleration of this programme. The previously declared slippage (which has been reflected in the budget figures in the 2008-11 MTP and therefore also in the cash limits now used in this report) has been reversed and further works are to be completed late in the programme.

In addition there is £3.6m of re-phasing into 2008-09 on the Children's Centres programme, which is made up of variances on 50 projects. A few of these projects have variances in excess of £250k and these are identified in table 6 but the majority are below £250k. The main reasons for this re-phasing on this programme are difficulties in securing planning permission, legal delays in signing contracts and a degree of over optimistic forecasting

4.7 **Key issues and risks**

4.7.1 The impact on the quality of service delivery to clients as a consequence of re-phasing a capital project is always carefully considered, with adverse impact avoided wherever possible. The impact on service delivery of projects which are re-phasing by £1m or more, as identified in table 6 above, is highlighted in section 1.2.4 of the annex reports.

4.7.2 The funding of the 2007-11 capital programme, is reliant upon capital receipts of some £210.060m. It is not always possible to have receipts 'in the bank' before starting any replacement project, due to the obvious need to have the re-provision in place before the existing provision is closed. Management of the delivery of capital receipts is therefore rigorous and intensive.

4.8 **Implications for future years/MTFP**

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

4.8.2 As a result of the level of capital re-phasing experienced this year, a series of meetings took place to scrutinise the reasons for it. These broadly fell into three categories:

- Delays in obtaining planning permission/public objections ie outside of our control
- Delays caused by a re-think of the project/ new opportunities
- Over optimism in the original budget phasing

To address these issues for next year's capital programme, to avoid as far as possible a repeat of the level of re-phasing experienced in the last few years, the budget setting process included a session for detailed scrutiny of capital spend planned for 2008-09 to help ensure a more realistic timing of delivery of projects was reflected in the budget and that assumptions made around the time required to gain the necessary planning approvals etc are in line with more recent past experience and therefore more realistic. In the 2008-09 budget, capital schemes have been categorised according to the stage of development that they are at, including "projects at

preliminary planning stage" to identify the more embryonic schemes, in line with the format of the monitoring adopted this year.

4.9 Impact on Treasury Management

4.9.1 The re-phasing of the capital programme from 2006-07, resulting in high cash balances at the end of the 2006-07 financial year, and the re-phasing on the capital programme projected in this report are contributory factors in the £7m underspend reported against the Interest on cash balances/debt charges budget within the Financing Items revenue budget. Further details are provided in Annex 6. This re-phasing will impact upon the phasing of the debt charges within the revenue budget and this has been reflected in the 2008-11 MTP.

4.10 Resourcing issues

4.10.1 There will always be an element of risk relating to funding streams which support the capital programme until all of that funding is "in the bank". As detailed in section 2.1 of annex 5, there is an issue surrounding the timing of capital receipts, but over the period of the MTP, the level of receipts required to support the programme is expected to have been 'banked'. At this stage, there are no other significant risks to report.

4.11 Prudential Indicators

4.11.1 The latest monitoring of Prudential Indicators is detailed in **appendix 1**. There has been some deviation from the prudential indicator for the upper limit for principal sums invested for periods longer than 364 days. The limits set for sums invested for 1-2 years, 2-3 years and 4-5 years have all been exceeded because this is where we have been able to get best value in our long term investments. A decision was therefore taken to 'over-invest' against these indicators to take the best advantage of the market yield curve and capitalise on rates prior to a fall in the yield curve, however this has been compensated for by lower 3-4 year and 5-6 year investments. Investments are still within the overall prudential limit of £135m. Further details are provided in section 9 of appendix 1.

5. RISK MANAGEMENT

Directorate risk registers have been refreshed and will be presented to the Governance & Audit Committee in March. The strategic risk register is being refreshed by Resource Directors in April and will be presented to the Governance & Audit Committee in June along with the directorate and financial Governance Statements.

6. BALANCE SHEET AND CONSOLIDATED REVENUE ACCOUNT

6.1 Impact on reserves

6.1.1 A copy of our balance sheet as at 31 March 2007 is provided at **appendix 2**. Highlighted are those items in the balance sheet that we provide a year-end forecast for as part of these quarterly budget monitoring reports, based upon the current forecast spend and activity for the year. The forecast for the three items highlighted are as follows:

Account	Projected balance at 31/3/08 £m	Balance at 31/3/07 £m
Earmarked Reserves	65.5	80.9
General Fund balance	25.8	25.8
Schools Reserves *	52.6	67.6

* Under the school loans scheme, loans to schools are financed from the aggregate of school reserves, hence the sum of such reserves is accordingly reduced by the value of the loans outstanding. The level of school reserves shown in section 2.3 of annex 1 is prior to this reduction and hence differs from the figure in the table above. Both the table

above and section 2.3 of annex 1 include delegated schools reserves and unallocated schools budget.

- 6.1.2 The reduction of £15.4m in earmarked reserves is mainly due to the anticipated movements in the rolling budget reserve, Asylum reserve, Insurance reserve, Consumer Direct reserve and Emergency Conditions reserve and planned movements in reserves such as PRG, Kent Regeneration, Environmental Initiatives, IT Asset Maintenance and the Kingshill Smoothing reserve.
- 6.1.3 The reduction of £15m in schools reserves is our assessment of the impact of the introduction of the 'balance control mechanism' since January 2007, which is a means of clawing back schools reserves over and above a specified level. The December forecast from schools indicates a draw down of approximately £15m this year, as they undertake projects that formed part of their 'committed' balances (which were £37.6m of the total £67.6m of schools reserves as at 31 March 07) to avoid any clawback, but past experience suggests that this is overstated and we are therefore projecting a possible drawdown of reserves of between £10m-£15m.

7. RECOMMENDATIONS

Cabinet is asked to:

- 7.1 Note the latest monitoring position on both the revenue and capital budgets.
- 7.2 Note the additional revenue grant income as identified in table 2 and throughout the annexes of this report.
- 7.3 Note the changes to the capital programme, as detailed in section 4.1.

2007-08 OCTOBER Monitoring of Prudential Indicators

1. Estimate of capital expenditure (excluding PFI)

Actual 2006-07	£237.059m	
Original estimate 2007-08	£315.683m	
Revised estimate 2007-08	£257.103m	(this includes the rolled forward re-phasing from 2006-07 & the re-phasing from 2007-08 into later years reflected in the 2008-11 MTP)

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

	2006-07 Actual	2007-08 Original Estimate	2007-08 Revised Estimate
	£m	£m	£m
Capital Financing Requirement	1,010.127	1,131.934	1,090.567
Annual increase in underlying need to borrow	96.796	104.598	80.440

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 2006-07	11.33%
Original estimate 2007-08	12.01%
Revised estimate 2007-08	10.90%

The lower ratio in the revised estimate reflects increased income from the investment of cash balances.

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 2007-08.

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

	Prudential Indicator 2007-08 £m	Position as at 31.01.08 £m
Borrowing	1,084.0	919.0
Other Long Term Liabilities	8.0	1.5
	1,092.0	920.5

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

	Prudential Indicator 2007-08 £m	Position as at 31.01.08 £m
Borrowing	1,139.0	972.6
Other Long Term Liabilities	8.0	1.5
	1,147.0	974.1

5. **Authorised Limit for external debt**

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the County Council. The limits for 2007-08 are:

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

	£m
Borrowing	1,121
Other long term liabilities	8
	<hr/>
	1,129
	<hr/>

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

	£m
Borrowing	1,179
Other long term liabilities	8
	<hr/>
	1,187
	<hr/>

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 2007-08

(a) Borrowing

Fixed interest rate exposure	100%
Variable rate exposure	30%

(b) Investments

Fixed interest rate exposure	100%
Variable rate exposure	20%

These limits have been complied with in 2007-08. Total external debt is currently held at fixed interest rates.

8. **Upper limits for maturity structure of borrowings**

	Upper limit	Lower limit	As at 31.01.08
	%	%	%
Under 12 months	8	0	0
12 months and within 24 months	8	0	0
24 months and within 5 years	24	0	0
5 years and within 10 years	24	0	8.7
10 years and above	100	40	91.3

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

	Indicator	Actual
1 year to 2 years	£35m	£39m
2 years to 3 years	£35m	£40m
3 years to 4 years	£35m	£22m
4 years to 5 years	£20m	£26m
5 years to 6 years	<u>£10m</u>	<u>£0m</u>
	£135m	£127m

The best value in long-term investments has mostly been in the period of up to 3 years duration. A decision was taken to over-utilise against the Prudential Indicator for investments with a duration of 2-3 years to take best advantage of the market yield curve. Additional long-term investments have been made to capitalise on rates prior to a fall in the yield curve. Investments are still within the overall prudential limit with £127m invested against an overall allowance of £135m.

Balance Sheet

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

	31 March 2007		31 March 2006 Restated	
	£'000	£'000	£'000	£'000
Fixed assets				
Intangible Fixed Assets		4,732		5,935
Tangible Fixed Assets				
Operational assets				
Land and buildings	1,414,844		1,239,411	
Vehicles, plant and equipment	15,863		17,511	
Roads and other highways infrastructure	514,320		518,182	
Community assets	7,775		6,664	
Non-operational assets				
Investment Property	6,584		1,955	
Assets under construction	237,813		131,573	
Surplus and non-operational property	95,423		74,349	
Total Tangible Assets		2,292,622		1,989,645
Total fixed assets		2,297,354		1,995,580
Long-term investments		115,000		66,000
Long-term debtors		59,736		62,002
Deferred Premiums		20,990		21,940
PFI debtor		441		0
Total long-term assets		2,493,521		2,145,522
Current assets				
Stocks and work in progress	5,905		6,809	
Debtors	175,613		173,145	
Investments	153,059		153,234	
Cash and bank balances	96,652		102,615	
Total current assets		431,229		435,803
Current liabilities				
Temporary borrowing	-38		-40	
Creditors	-266,856		-237,452	
Cash balances overdrawn	-124,609		-101,924	
		-391,503		-339,416
Total assets less current liabilities (Net Assets Employed)		2,533,247		2,241,909
Long-term liabilities				
Long-term borrowing	-952,365		-882,523	
Deferred liabilities	-957		-1,523	
Deferred credit - Medway Council	-55,609		-57,926	
Provisions	-13,786		-12,855	
Government grant deferred account	-174,435		-173,058	
Liability related to defined benefit pensions schemes - KCC - DSO	-637,700 -2,487		-719,900 -2,017	
		-1,837,339		-1,849,802
Total assets less liabilities		695,908		392,107

Balance Sheet

Fixed asset restatement account		-664,125	-498,986
Capital financing account		-462,092	-416,820
Earmarked capital reserve		-26,698	-24,884
Usable capital receipt reserve		-7,942	-7,473
Pensions reserve	- KCC	637,700	719,900
	- DSO	2,487	2,017
Earmarked reserves		-80,929	-74,094
General Fund balance		-25,835	-25,835
Schools reserves		-67,639	-65,626
Surplus on trading accounts		-835	-306
Total net worth		-695,908	-392,107

CHILDREN, FAMILIES & EDUCATION DIRECTORATE SUMMARY JANUARY 2007-08 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 last full monitoring report to reflect a number of technical adjustments to budget.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
OPERATIONS, RESOURCES & SKILLS (CFE) portfolio							
Delegated Budget:							
- Delegated Schools Budget	836,939	-80,517	756,422	15,000	0	15,000	Expected drawdown of reserves of up to £15m due to the balance control mechanism
- Standards Fund (incl SSG)	101,794	0	101,794	0	0	0	
TOTAL DELEGATED	938,733	-80,517	858,216	15,000	0	15,000	
Non Delegated Budget:							
- Finance	3,384	-931	2,453	-19	0	-19	
- Awards	5,067	-1,000	4,067	-10	87	77	
- Grant income & contingency	4,771	-924,445	-919,674	-1,130	0	-1,130	Management action - one off pensions money, superannuation uplift, TRP funding
- Personnel & Development	15,799	-3,493	12,306	329	87	416	Pensions overspend £474k; redundancy overspend due to closed schools £225k; Savings on recruitment budget £195k and training £77k, employment tribunals £30k
- School Support Service	53	0	53	0	0	0	
- Capital Strategy	4,880	-3,284	1,596	1,284	-43	1,241	Costs previously charged to capital £970k; Revenue maintenance due to school closure and vandalism £250k
- Building Schools for the Future	693	-243	450	0	0	0	
- Client Services	6,810	-4,281	2,529	294	-223	71	Increase cost and take up of contracts balanced by increased income
- Business Management	2,760	-143	2,617	15	-10	5	
- ICT	13,512	-3,770	9,742	-5	0	-5	
- Health & Safety	434	-8	426	4	-12	-8	
- Strategic Management	2,395	-103	2,292	1	-1	0	
- Kent Music School	838	0	838	0	0	0	
- Extended Schools	5,931	-2,378	3,553	0	-16	-16	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
-14-24 unit	1,690	-435	1,255	0	0	0	
- School Organisation	2,803	-141	2,662	-9	-7	-16	
- Mainstream HTST	15,432	-484	14,948	-175	104	-71	Less than expected numbers of children travelling. Reduction in tickets purchased
- SEN HTST	14,806	0	14,806	895	-2	893	Travel requirements of SEN children have increased and the service is unable to meet all of the savings targets of £989k
- Clusters	18,299	-2,654	15,645	-34	0	-34	
- Kent Children's Trusts	536	0	536	0	0	0	
- AEN & Resources	13,719	-3,917	9,802	202	0	202	Additional staffing costs
- Independent Sector Provision	9,719	-260	9,459	0	0	0	
TOTAL NON DELEGATED	144,331	-951,970	-807,639	1,642	-36	1,606	
OR&S Assumed Mgmt Action				-1,606		-1,606	
OR&S Non delegated forecast after Mgmt Action				36	-36	0	
Total OR&S incl delegated	1,083,064	-1,032,487	50,577	15,036	-36	15,000	
CHILDREN, FAMILIES & EDUCATIONAL ACHIEVEMENT portfolio:							
- Attendance & Behaviour Service	16,656	-5,359	11,297	21	-22	-1	
- Specialist Teaching Service	3,064	-337	2,727	0	0	0	
- Educational Psychology Service	3,721	-129	3,592	-123	34	-89	Staff vacancies
- Minority Community Achievement Service	1,850	-96	1,754	0	0	0	
- Children's Safeguard Service	763	-13	750	0	0	0	
- Joint Commissioning	1,716	-226	1,490	0	0	0	
- Commissioning General	646	0	646	0	0	0	
- In House Residential care	2,630	-25	2,605	-214	-6	-220	Savings from closure of Alderden £150k, income from internal trading additional £70k
- Ind sector residential care	3,424	-403	3,021	2,847	-757	2,090	Higher number of placements than budgeted for, plus 3 children in secure accommodation costing £750k in 07-08. Additional income for placements
- Residential care - not looked after children	649	-7	642	-160	-13	-173	Number of placements reduced
- KCC Family support	9,804	-960	8,844	-178	-113	-291	Staff vacancies; Various income for projects
- Family group conferencing	1,106	-241	865	-10	-21	-31	
- Fostering service	21,389	-97	21,292	1,606	-203	1,403	Increase in independent fostering allowances £1.2m and County fostering team £400k
- Adoption service	6,026	-22	6,004	213	-74	139	Adoption payments £150k, County adoption team £62k
- Independent Sector day care	885	0	885	-87	0	-87	
- Section 17	1,030	-5	1,025	-196	0	-196	Planned underspend
- Link placements	232	0	232	-32	0	-32	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Grants to voluntary organisations	7,166	-398	6,768	0	0	0	
- Direct payments	826	0	826	-166	0	-166	planned underspend
- Teenage pregnancy	616	0	616	0	0	0	
- Leaving care/16+	3,399	0	3,399	-359	-6	-365	Budget historically underspent - planned underspend
- Other services support	5,262	-824	4,438	652	-148	504	Legal costs, Out of Hours service increased costs & income
- Assessment and related	19,029	-16	19,013	497	-342	155	high social worker recruitment costs, various income
- Policy & Service Development	9,436	-2,363	7,073	-184	0	-184	Legal savings £100k, staff savings £84k
- Management Information	28,356	-35	28,321	-34	-12	-46	
- International Development	194	-100	94	115	-8	107	Additional staffing costs; health and safety expenditure
- Early Years & Childcare Operations unit	17,379	-234	17,145	31	-25	6	
- Advisory Service Kent (ASK) Secondary Team	3,577	-160	3,417	-11	1	-10	
- ASK Primary Team	4,455	-650	3,805	63	-17	46	
- ASK Early Years Team	6,564	-12	6,552	15	-10	5	
- ASK Improvement & Leadership	2,665	-150	2,515	72	-69	3	
- ASK Improvement Partnerships	3,975	0	3,975	129	-130	-1	Additional project costs balanced by increased income from schools
- ASK Professional Development	4,975	-2,262	2,713	658	-437	221	TRP costs; Additional training for schools expenditure and income
- Grant income & contingency	1,715	-75,390	-73,675	-2,144	0	-2,144	Management action - superannuation uplift, LAA roll forward
Total CF&EA	195,180	-90,514	104,666	3,021	-2,378	643	
CF&EA Assumed Mgmt Action				-643		-643	
CF&EA Forecast after Mgmt Action	195,180	-90,514	104,666	2,378	-2,378	0	
- Asylum Seekers	13,200	-13,200	0	-1,122	5,477	4,355	grant shortfall offset by draw down from reserve
Total CF&EA incl. Asylum	208,380	-103,714	104,666	1,256	3,099	4,355	
SUMMARY:							
Total Delegated	938,733	-80,517	858,216	15,000	0	15,000	
Total Non Delegated (excl. Asylum)	339,511	-1,042,484	-702,973	4,663	-2,414	2,249	
Total Directorate Controllable (excl. Asylum)	1,278,244	-1,123,001	155,243	19,663	-2,414	17,249	
Directorate Assumed mgmt action				-2,249	0	-2,249	
Total Directorate Controllable (excl. Asylum) after mgmt action	1,278,244	-1,123,001	155,243	17,414	-2,414	15,000	
Directorate Net Total (incl. Asylum) before mgmt action	1,291,444	-1,136,201	155,243	18,541	3,063	21,604	
Directorate Net Total (incl. Asylum) after mgmt action	1,291,444	-1,136,201	155,243	16,292	3,063	19,355	

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:

O,R&S (CFE) Portfolio

1.1.3.1 **Grant Income and Contingency (Gross)**

The following management action has been put into place to reduce the predicted pressure within the Operation, Resources and Skills Portfolio: holding back of superannuation and Technology Refresh Programme (TRP) budgets from managers (£463k and 132k respectively) and use of a one-off payment from the DCSF for prior year mandatory student awards (£535k). These are discussed further in section 1.1.4.

1.1.3.2 **Personnel and Development (Gross)**

The Personnel and Development unit is projecting a £416k net pressure. The pensions budget is due to overspend by £474k, the majority of which is due to early retirements resulting from school closures and amalgamations. The remainder of the overspend is mainly attributed to the redundancy costs associated with closing schools (£225k) as a result of the implementation of the primary strategy and the transfer of 6 secondary schools to academies. The overspends have been partly offset by savings on the recruitment budget due to staff vacancies and reduced spending on advertising of £195k. The balance of the net pressure is made up of a number of small savings including employee tribunal and training budgets and additional Medway income.

There is a gross and income variance of £100k which represents a reduction in income compared to budget, associated with additional pensions contributions where teaching staff who have been incorrectly charged against the Kent pensions scheme, and the corresponding reduction in expenditure, compared to budget, as this money is passed on to the teachers pension agency.

1.1.3.3 **Capital Strategy (Gross)**

Following the audit of the accounts and latest advice from the external auditors, £970k of items previously charged to capital will be processed through revenue. This includes tree safety costs of £270k and the costs of moving and hiring mobile classrooms estimated at £700k. This has been reported previously. The remainder of the overspend is largely attributed to the revenue maintenance costs associated mainly with the boarding up of closing schools and repairs caused by vandalism (£250k).

1.1.3.4 **Client Services (Gross and income)**

The increased spend on cleaning and refuse collection contracts in schools and additional schools taking up the contract have led to a corresponding increase in income of £214k.

1.1.3.5 **Mainstream Home to School Transport (Gross and income)**

The number of children travelling has been below affordable levels for much of the year, as reflected in the activity data in section 2.1, and this has resulted in a gross saving of £175k. There is a reduction in the anticipated income by £104k due to the number of vacant seat places purchased by parents being lower than anticipated

1.1.3.6 **SEN Transport (Gross)**

As part of the 2007-10 MTP process the SEN transport budget was reduced by 10% over the period 2007-09 and the Directorate was asked to look at implementing purchase cards as a way of delivering part of that saving (£870k) and keeping price increases to under 5% (£119k). It is anticipated that the purchase card saving will not be fully realised this financial year and as a consequence a pressure of £470k has been created. The remaining pressure of £423k is due to the increasing number of children requiring transport to schools (as reflected in the activity data in section 2.1), renegotiating of contracts and increased fuel costs.

1.1.3.7 **AEN & Resources**

A forecast overspend of £202k is due the costs of temporary staff providing sickness cover and the budget being unable to absorb the additional cost of increments.

- 1.1.3.8 Educational Psychology Service (Gross)
A forecast underspend of £123k is due to staff vacancies.
- 1.1.3.9 In House Residential Care (Gross)
A part year saving of £150k is forecast as a result of the closure of the Alderden Centre and a saving of £70k from internal trading with the County Provider Unit.
- 1.1.3.10 Independent Sector Residential Care (Gross and Income)
A pressure of £2,847k is forecast which is an increase of £141k due the particular needs of a small number of children and the difficulty in securing foster placements for them. Of the total, £750k has been previously reported resulting from 3 children being placed in high-cost secure placements. The remainder of the overspend is attributed to a 33% increase in the number of paid placement weeks compared to last year and an increase in the unit cost of these placements by 15%.
Additional funding of £757k from education and health is due for placements following agreement from the Joint Residential Assessment Panel for this financial year.
- 1.1.3.11 Residential Care – Non Looked after Children (Gross)
A saving of £160k is forecast from a reduction of 2 placements; these children have been moved to looked after children residential care budget lines.
- 1.1.3.12 KCC Family Support (Gross and Income)
A forecast underspend of £178k is due to the management of staff vacancies. A number of posts are being held vacant to help with pressures on other budget lines. The £113k income variance is due to funding received for Social Work Ready for Practice and Adolescent Resource Centres (ARC) projects.
- 1.1.3.13 Fostering Service (Gross and Income)
The independent fostering allowances budget is forecasting an overspend of £1,232k. There have been growing difficulties placing difficult children with foster parents, along with resistance from both the Guardians and the children themselves from being moved to alternative placements. This has resulted in a net increase of 22 placements since April 2007. This is now only partly being offset by £37k savings on other fostering lines due to management action.
The County Fostering Team is due to overspend by £411k due to staffing. This is partly offset by an increase of £203k in training income from this team and income received from other local authorities for work with non Kent children.
- 1.1.3.14 Adoption service (Gross)
An overspend of £213k is forecast due mainly to an increase in the number of allowances. There have been 44 new allowances approved since April 2007 at a cost of £150k. The County Adoption Team is due to overspend by £62k due to staffing.
- 1.1.3.15 Section 17 (Gross)
An underspend of £196k is forecast due to the management of section 17 payments to help with the pressure on the Fostering service budget lines.
- 1.1.3.16 Direct Payments (Gross)
An underspend of £166k is forecast due to managing a delay in introducing new clients to the direct payment scheme. This will result in a reduced take-up of direct payments for this financial year which will help with pressures on other children social services budget lines.
- 1.1.3.17 Leaving care/16+ (Gross)
Expenditure against this service is being managed through revised contracts, in order to assist with pressures on other Children's Social Services budget lines, and is currently forecasting an underspend of £359k.
- 1.1.3.18 Other Services Support (Gross and Income)
There is a pressure of £549k forecast against the budget for Legal services due to higher than average monthly bills. This service line is currently under review with a view to identifying efficiencies. There is also a £148k overspend on the Out of Hours Service offset by equivalent increase in income.

1.1.3.19 Assessment and Related (Gross and Income)

The forecast pressure on the assessment and related gross budget line is down to a shortfall in achieving the staffing savings target for 07/08 plus the introduction of market premium for new front-line social work staff (£264k and £30k respectively). This has been further increased through a number of key front line posts that cannot be left vacant (£200k). Much of this has been offset by further income received from other projects mainly Education for Best Project £150k (Social Workers visiting schools to promote best behaviour), Support Service for Kids and Young People (SSKY) project and income from Swindon contract (£192k).

1.1.3.20 Policy and Service Development (Gross)

The budget for legal services (non children's social services) is forecast to underspend by £100k and there are forecast staff savings of £84k.

1.1.3.21 Advisory Service (ASK) Improvement Partnerships

The forecast overspend of £129k for additional projects has been offset by £130k of income received from schools attending the projects.

1.1.3.22 Advisory Service (ASK) Professional Development

Professional Development is forecasting a net overspend of £221k. The training budget for training of school staff is forecast to overspend by £408k due to additional training courses. This is offset by income received from schools for attending courses of £437k.

There is a forecast overspend of £250k for additional computer related costs incurred during the Technology Refresh Programme (TRP) process.

1.1.3.23 Grant Income and Contingency (Gross)

The following management action has been put into place to reduce the predicted pressures within the Children, Families and Educational Achievement Portfolio: holding back of superannuation budget (£644k) and use of the remaining 2006-07 LAA Grant underspend totalling £1,500k. These are discussed further in section 1.1.4.

1.1.3.24 Asylum

The Asylum Service is now forecast to have a funding shortfall of £4,720k for the 2007-08 financial years, £4,220k of direct spending and £500k of indirect spending. This is mainly due to the fact that the unit costs claimable under the grant conditions set by the Home Office and Department for Children, Schools & Families (DCSF) are significantly lower than the real unit costs of providing the service.

The forecast pressure on this budget has worsened by £202k since the last report. This is partly due to higher duty referrals which have an increased pressure of £102k; (section 2.10 of this report highlights the additional number of referrals). In January there were 80 referrals, which is the highest number of referrals for a single month in over 4 years and our forecast for the whole of the fourth quarter is 100. The remaining £100k is due to a change in the number of clients: lower client numbers (under 18) have resulted in £70k decreased spend and £145k decreased income, and higher client numbers (over 18) have resulted in £40k increased spend and increased income of £15k.

The outstanding special circumstances bids for 2006-07 currently stand at £2.4m from the Home Office and £2.1m from the DCSF. These have increased by £0.9m and £0.5m respectively since we closed the accounts for 2006-07, following the results of the ongoing data matching work with both departments. A number of clients which were rejected from the main claims due to data matching problems have been added to the special circumstances bids. If we continue to assume that we will be successful in receiving only part of this income then a further £757k will need to be found to fund the shortfall, therefore increasing the pressure on the Asylum budget this year. In addition, there is £0.7m outstanding from the DCSF relating to the Special Circumstances bid for 2005-06. There is no formal procedure for the DCSF SC bids and we are reliant on lobbying central government to meet these additional costs.

The overall funding shortfall is partly offset by the expected draw down of the remaining balance in the corporate asylum reserve of £1,122k, leaving a residual net pressure of £4,355k. However, if we receive less income than we have assumed from these SC bids, then this pressure will increase.

In conjunction with other local authorities, the 2006/07 and 2007/08 figures mentioned above have been subject to an independent audit by PWC which have confirmed these figures are sound. It was hoped there would be a meeting with the Home Office on 18th February to discuss this further. However, as the Leader reported at county Council on 19th February this meeting was cancelled. We are now working with other local authorities to identify the next course of action and a major part of this must be to establish a system for the future where all costs are re-imbursed.

Other Issues

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

The latest forecast suggests an underspend of around £1.2m on payments to PVI providers for 3 and 4 year olds. This budget is funded entirely from DSG and therefore any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations, and cannot be used to offset over or underspends elsewhere in the directorate budget. Therefore, as any unspent Early Years funding has to be returned to schools, at year end any underspend will be transferred to the schools unallocated reserve for DSG and hence is not included in the overall directorate forecast in this report.

1.1.3.26 Delegated Schools Budgets

The December forecast from schools indicates a draw down of reserves this year of approximately £15m. Past experience indicates that this figure is overstated, but January 2007 saw the introduction of the 'balance control mechanism' which is a means of clawing back schools reserves over and above a specified level. We predict that this will start to have an impact on the level of reserves held by schools in this financial year, and we are therefore projecting a possible drawdown of reserves of £10m-15m as schools undertake the projects that formed part of their 'committed' balances in the previous year.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ORS	Schools delegated budgets - expected drawdown of reserves	+15,000	CFEA	use of remaining 2006-07 LAA grant - badge against qualifying expenditure within Children's Social Services budgets	-1,500
CFEA	Asylum - Shortfall in grant (income)	+4,720	CFEA	Asylum - draw down of residual balance in Corporate Asylum reserve	-1,122
CFEA	Independent Sector Residential Care - increased number and cost of placements (gross)	+2,097	CFEA	Independent sector residential care - funding from health and education (income)	-757
CFEA	Fostering Service - independent fostering allowances (gross)	+1,232	CFEA	Holding back of budget for superannuation increase from budget managers	-644
ORS	Capital Strategy - costs previously charged to capital (gross)	+970	ORS	one-off payment from DCSF for prior year mandatory student awards	-535
CFEA	Asylum - anticipated shortfall relating to increase in 2006-07 SC bids due to data matching exercise	+757	ORS	Holding back of budget for superannuation increase from budget managers	-463
CFEA	Independent Sector Residential Care - children in secure accommodation (gross)	+750	CFEA	Advisory Service Professional Development - Training courses income from schools	-437
CFEA	Other Services Support - Recharges from Legal services (gross)	+549	CFEA	Leaving care/16+ - managed underspend (gross)	-359

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ORS	Personnel and Development - Pensions budget (gross)	+474	ORS	Client Services - cleaning and refuse contract charges and increased take-up from schools (income)	-214
ORS	SEN Home to School Transport - savings targets linked to purchase cards	+470	CFEA	Fostering service - training income from county fostering team (income)	-203
ORS	SEN Home to School Transport - increased take-up and fuel costs (gross)	+423	CFEA	Section 17 - managed underspend (gross)	-196
CFEA	Fostering Service -County Fostering team staffing costs (gross)	+411	ORS	Personnel and Development - Recruitment team vacancies and advertising savings (gross)	-195
CFEA	Advisory Service Professional Development - Training courses for schools	+408	CFEA	Assessment & Related - additional income for SSKY project and Swindon Contract (income)	-192
CFEA	Assessment & Related - delay in achieving staffing savings target (gross)	+264	CFEA	KCC Family Support - management of staff vacancies (gross)	-178
ORS	Capital Strategy - closing schools revenue maintenance (gross)	+250	ORS	Mainstream Home to School Transport - less take-up (gross)	-175
CFEA	Advisory Service Professional Development - TRP costs	+250	CFEA	Direct payments - managed underspend	-166
ORS	Personnel and Development - closing schools redundancy costs (gross)	+225	CFEA	Residential care - Non Looked after children - reduction in placements (gross)	-160
ORS	Client Services - cleaning and refuse contract charges and increased take-up from schools (gross). Offset by income	+214	CFEA	In-house residential care - closure of Alderden House (gross)	-150
ORS	AEN & resources - staff related costs (gross)	+202	CFEA	Assessment & Related - additional income for Education for best project (income)	-150
CFEA	Assessment & Related - recruitment to frontline posts (gross)	+200	CFEA	Other Services Support - Out of hours service covered by additional income (income)	-148
CFEA	Adoption - allowance costs (gross)	+150	ORS	Holding back of TRP budgets from managers	-132
CFEA	Other Services Support - Out of hours service costs covered by additional income	+148	CFEA	Advisory Service Improvement Partnership - project income	-130
CFEA	Advisory Service Improvement Partnership - project costs (gross)	+129	ORS	Educational Psychology - staffing vacancies (gross)	-123
ORS	Mainstream Home to School Transport - reduction in income	+104	CFEA	KCC Family Support - income from projects	-113
ORS	Personnel and Development - reduction in income from incorrectly placing staff on pension schemes	+100	CFEA	Policy - Legal costs (Gross)	-100
			ORS	Personnel and Development - reduction in expenditure from incorrectly placing staff on pension	-100
		+30,497			-8,642

1.1.4 Actions required to achieve this position:

The above position can only be achieved as a result of a number of management actions which are now in place and reflected within the grant income & contingency forecasts shown in table 1:

- Use of £535k one-off payment from the DCSF for prior year mandatory student awards, which had not been accrued for in the accounts in the interests of prudence, as the debt dated back to 2002-03. This has resulted in an opportunity cost of the funding not being able to be used elsewhere.

- Use of this year's superannuation uplift of £1,107k (ORS £463k, CFEA £644k) and the budget for the costs of the technology refresh programme (£132k). This may impact on service delivery and running costs of services as managers have been required to cover any cost increases associated with superannuation and TRP from within existing budgets so that these funds could be used to offset other pressures identified this year.
- Use of the directorate underspent LAA grant in 2006-07. This is one-off money which was rolled forward as a receipt in advance in accordance with the grant rules. The remaining £1,500k has been used to badge against qualifying expenditure within the Children's Social Services budgets in order to fund some of the overspends in the current financial year.

The balance control mechanism is designed to discourage schools from holding excessive reserves for future years and instead to spend their budgets for the benefit of the pupils in school today. The £15m "pressure" above represents an anticipated drawdown of reserves which would not be achievable without such a scheme being in place.

The pressure on the directorate budget would be significantly greater without the management action which has been put in place within the Children's Social Services budget lines. A number of vacancies are being held and various other budgets are being managed in order to assist with the difficulties within the residential care and fostering lines.

1.1.5 **Implications for MTFP:**

Some of these ongoing pressures have been addressed in the 2008-11 MTP, such as fostering and covering the costs of services previously funded from capital. We are expecting to manage the remaining pressures downwards on an ongoing and sustainable basis, however if this is not fully achieved we may need to develop further actions to address these pressures and this will be on top of what has already been an extremely difficult 2008-11 MTP.

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

None

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

The Directorate intends to balance the 2007-08 budget using the proposals listed below:

- The majority of the pensions and redundancy overspends relate to school staff and following a recent change there are now specific limited circumstances under which these costs can be charged to the DSG. The redundancy costs associated with closing schools may also be chargeable to DSG. This would be subject to proving an overall saving in the schools budget, such as that arising from a school closure under the Primary Strategy. In addition to this condition, it would also require school funding forum approval. Therefore we are currently investigating the possibility of using one-off DSG underspend from the previous financial year, to fund this £699k pressure.

This will leave a pressure of £1,550k and the directorate is currently exploring a variety of options to cover this shortfall including further managing the pressures downwards and identifying possible eligible expenditure that could be re-badged against any underspends on specific grant where current commitments have had to be re-phased. The directorate is confident they will achieve a balanced position at the end of the year.

Although these measures will cover this year's overspend, there will still be an underlying significant pressure in the base budget, as most of the actions detailed above and in paragraph 1.1.4 are using one-off monies. This will amount to over £4m. Some of this has been addressed within the 2008-11 MTP but this will still leave the directorate with substantial additional pressures to manage in the new financial year.

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.

Cash limits have been adjusted since the last full monitoring report to reflect the following adjustments:

	2007-08	2008-09	2009-10	Future Years
	£000s	£000s	£000s	£000s
<u>Operations, Resources & Skills (CFE) portfolio:</u>				
▪ Marsh Academy Sponsorship	750			
▪ DCSF grant for Academies	850			
▪ DCSF grant for Implementation of Primary Strategy	1,015			
▪ Re-phasing per the 2008-11 MTP	-41,532	9,118	51,118	105,762
- <u>Devolved Capital to Schools:</u>				
▪ Re-phasing per the 2008-11 MTP		-1,534	-1,584	22,921
<u>Children, Families & Educational Achievement portfolio:</u>				
▪ East Kent Resource Centre – external contribution from East Kent Coastal PCT	10			
▪ Re-phasing per the 2008-11 MTP	-1,159	188	896	250
▪ Reversal of previous virement from KASS portfolio in respect of Improving Information Management grant	-40			

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position.

	Prev Yrs Exp	2007-08	2008-09	2009-10	Future Yrs	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s
Operations, Resources & Skills (CFE) portfolio						
Revised Budget per Dec Cabinet	94,490	148,675	96,077	53,180	53,863	446,285
Adjustments :						
- Marsh Academy Sponsorship		750				750
- DCSF Grant for Academies		850				850
- Implementation of Primary Strategy		1,015				1,015
- re-phasing per 2008-11 MTP		-41,532	9,118	51,118	105,762	124,466
Revised Budget	94,490	109,758	105,195	104,298	159,625	573,366
Variance		-4,698	+4,399	+1,024	0	+725
split:						
- real variance		+658	+99	-32	0	+725
- re-phasing		-5,356	+4,300	+1,056	0	0
Children & Family & Educational Achievement portfolio						
Revised Budget per Dec Cabinet	5,627	6,627	300	350	500	13,404
Adjustments :						
- East Kent Resourcues Centre		10				10
- re-phasing per 2008-11 MTP		-1,159	188	896	250	175
- Virement to KASS portfolio		-40				-40
Revised Budget	5,627	5,438	488	1,246	750	13,549
Variance		-557	+553	0	0	-4
split:						
- real variance		-4	0	0	0	-4
- re-phasing		-553	+553	0	0	0
Directorate Total						
Revised Budget	100,117	115,196	105,683	105,544	160,375	586,915
Variance	0	-5,255	4,952	1,024	0	721
Operations, Resources & Skills (CFE) portfolio						
Devolved Capital to Schools						
Revised Budget per Dec Cabinet		39,701	27,673	27,673	55,346	150,393
Adjustments :						
- re-phasing per 2008-11 MTP			-1,534	-1,584	22,921	19,803
Revised Budget	0	39,701	26,139	26,089	78,267	170,196
Variance		-46	0	0	0	-46
split:						
- real variance		-46	0	0	0	-46
- re-phasing		0	0	0	0	0
Real Variance		+608	+99	-32	0	+675
Re-phasing		-5,909	+4,853	+1,056	0	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2007-08 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary planning stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary planning stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Planning Stage
			£'000s	£'000s	£'000s	£'000s
Overspends/Projects ahead of schedule						
	None					
			+0	+0	+0	+0
Underspends/Projects behind schedule						
OR&S	Childrens Centres - Swanscombe PS	Phasing		-628		
OR&S	Dev Opps - Darford Campus	Phasing		-494		
OR&S	Kennington Juniors	Phasing	-402			
OR&S	Childrens Centres - Knockhall PS	Phasing		-295		
OR&S	Childrens Centres - Broadwater Down PS	Phasing		-280		
OR&S	Childrens Centres - East Stour PS or its replacement	Phasing		-267		
CF&EA	Management & Modernisation of Assets	Phasing	-265			
OR&S	Specialist Schools 2007/08	Phasing	-250			
			-917	-1,964	0	0
			-917	-1,964	0	0

1.2.4 Projects re-phasing by over £1m:

None

1.2.4 Projects with real variances

The overall variance over the lifetime of the recently updated Medium Term Plan indicates an overspend of £0.675m (OR&S portfolio +£0.725m, CF&EA portfolio -£0.004m & Schools -£0.046m).

The main contributing factors to the £0.675m overspend over the lifetime of the MTFP are as follows:

- Crockham Hill Primary School (+£0.233m). This project is part of the 2006/07/08 Modernisation Programme. This overspend has arisen because tender costs were higher than the resources that had been earmarked for the project.
- Develop Opportunities Consultancy (+£0.120m) - additional costs incurred in supporting the New Line Learning project.
- St James the Great Primary School (+£0.108m). A development opportunities project where the overspend has occurred because additional works have been required, at the request of English Heritage, to secure planning permission.
- Catering Equipment (+£0.054m) - additional costs required to renew equipment to meet current Health and Safety guidelines

- Site Acquisitions (+£0.050m) - additional stamp duty & consultancy fees on the Clarendon House land swap project.
- There is also a residual balance of +£0.110m on a number of more minor projects.

The additional expenditure of £0.675m will be funded by a mixture of: Developer Contributions (£0.636m), Revenue Contributions (£0.043m) and External Funding (£0.008m) offset by a small saving on prudential borrowing (-£0.012m).

1.2.6 **General Overview of capital programme:**

(a) Risks

The major risk remains those that were associated with the programme when it was approved, namely that a number of projects are wholly or partly dependant on capital receipts and/or external funding and if this funding is not achieved the projects will not proceed. This is particularly relevant to The Bridge Development at Dartford which is to be fully funded by development contributions. In the event that the developer contribution is insufficient to cover the costs of the project the capital programme will either need to be reduced to compensate or additional resources will need to be found.

(b) Details of action being taken to alleviate risks

If external funding/capital receipts are not realised and this shortfall cannot be managed within the capital programme, then Members would be asked to consider the cancellation of projects.

1.2.7 **PFI projects**

- Schools PFI

The £92.4m investment in the Schools PFI project represents investment by a third party. No payment is made by KCC for the new/refurbished assets until the assets are ready for use and this

is by way of a unitary charge which is charged to the revenue budget through an equalisation reserve and supported by grant.

	Previous Years	2007-08	2008-09	2009-10	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Budget	89,709	2,701	0	0	92,410
Actual/Forecast	85,735	6,675	0	0	92,410
Variance	-3,974	3,974	0	0	0

(a) **Progress and details of whether costings are still as planned (for the 3rd party)**

It is envisaged that the third party contractor will have incurred some additional costs beyond the capital expenditure originally priced as a result of the delays. This is a risk that is borne entirely by the third party contractor and is not reported to the Authority.

(b) **Implications for KCC of details reported in (a) ie could an increase in the cost result in a change to the unitary charge ?**

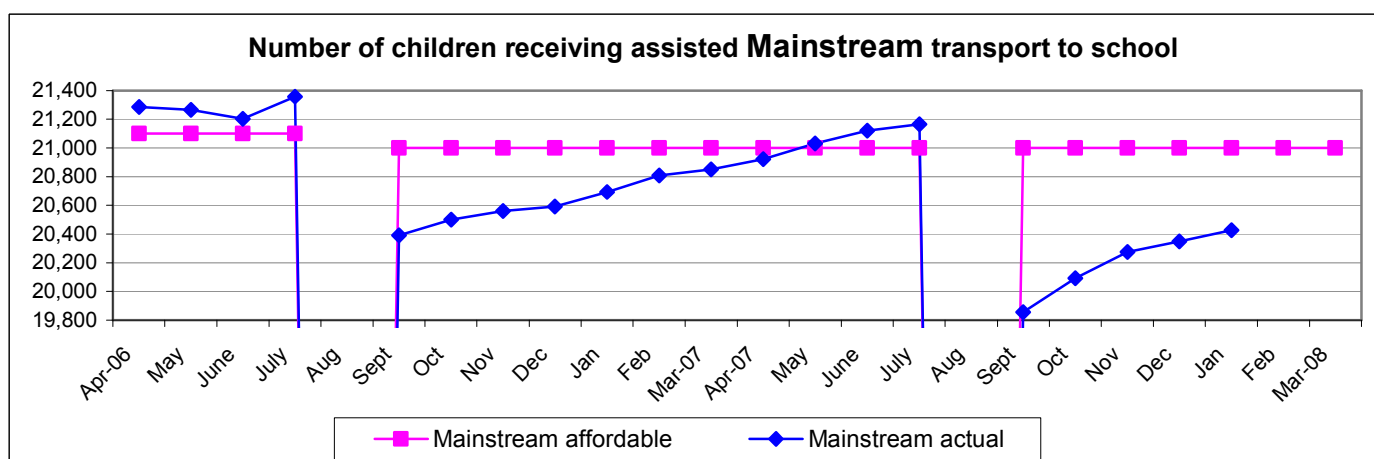
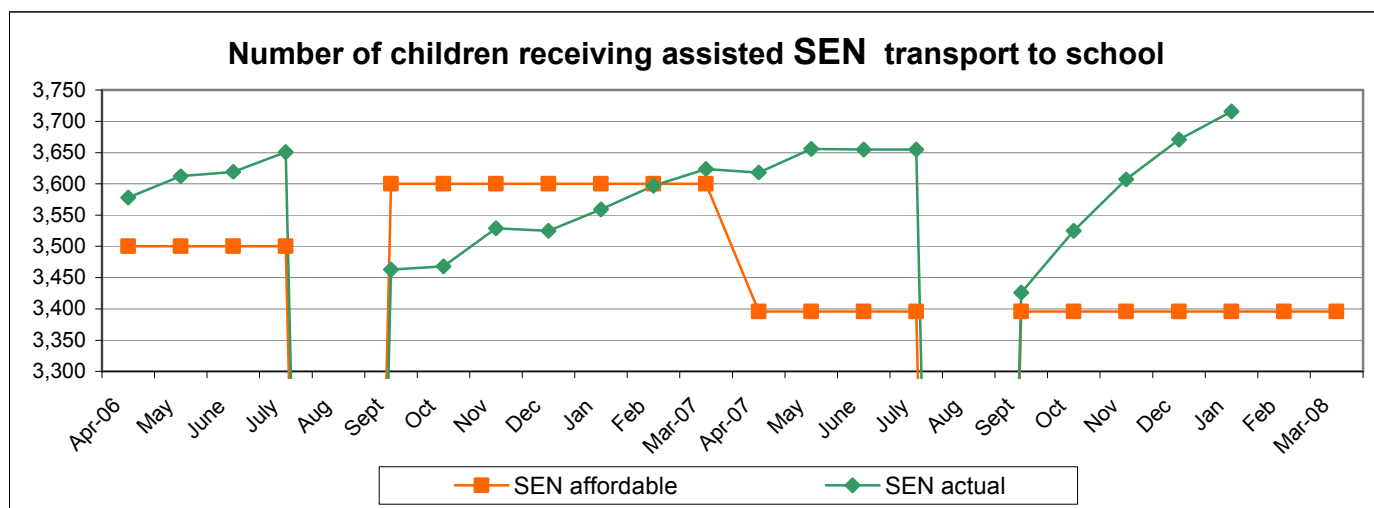
The delays to the construction programme do not impact on the level of the unitary charge that is payable by KCC to the contractor as any delays, unless caused by the Authority, are at the risk of the third party contractor. The unitary charge (as a percentage for each school) does not become payable until the relevant school (or phase) has been completed and is ready for occupation. As a consequence, the unitary charge that is met from the equalisation reserve for 2007/08 is less than originally anticipated.

Overall, there will be no net effect on the forecast revenue position for the current year as payments will continue to be made into the equalisation reserve to meet future expenditure.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2006-07				2007-08			
	SEN		Mainstream		SEN		Mainstream	
	planned	actual	planned	actual	affordable	actual	Affordable	actual
April	3,500	3,578	21,100	21,285	3,396	3,618	21,000	20,923
May	3,500	3,612	21,100	21,264	3,396	3,656	21,000	21,032
June	3,500	3,619	21,100	21,202	3,396	3,655	21,000	21,121
July	3,500	3,651	21,100	21,358	3,396	3,655	21,000	21,164
August	0	0	0	0	0	0	0	0
September	3,600	3,463	21,000	20,392	3,396	3,426	21,000	19,855
October	3,600	3,468	21,000	20,501	3,396	3,525	21,000	20,093
November	3,600	3,529	21,000	20,561	3,396	3,607	21,000	20,276
December	3,600	3,525	21,000	20,591	3,396	3,671	21,000	20,349
January	3,600	3,559	21,000	20,694	3,396	3,716	21,000	20,426
February	3,600	3,597	21,000	20,810	3,396		21,000	
March	3,600	3,624	21,000	20,852	3,396		21,000	

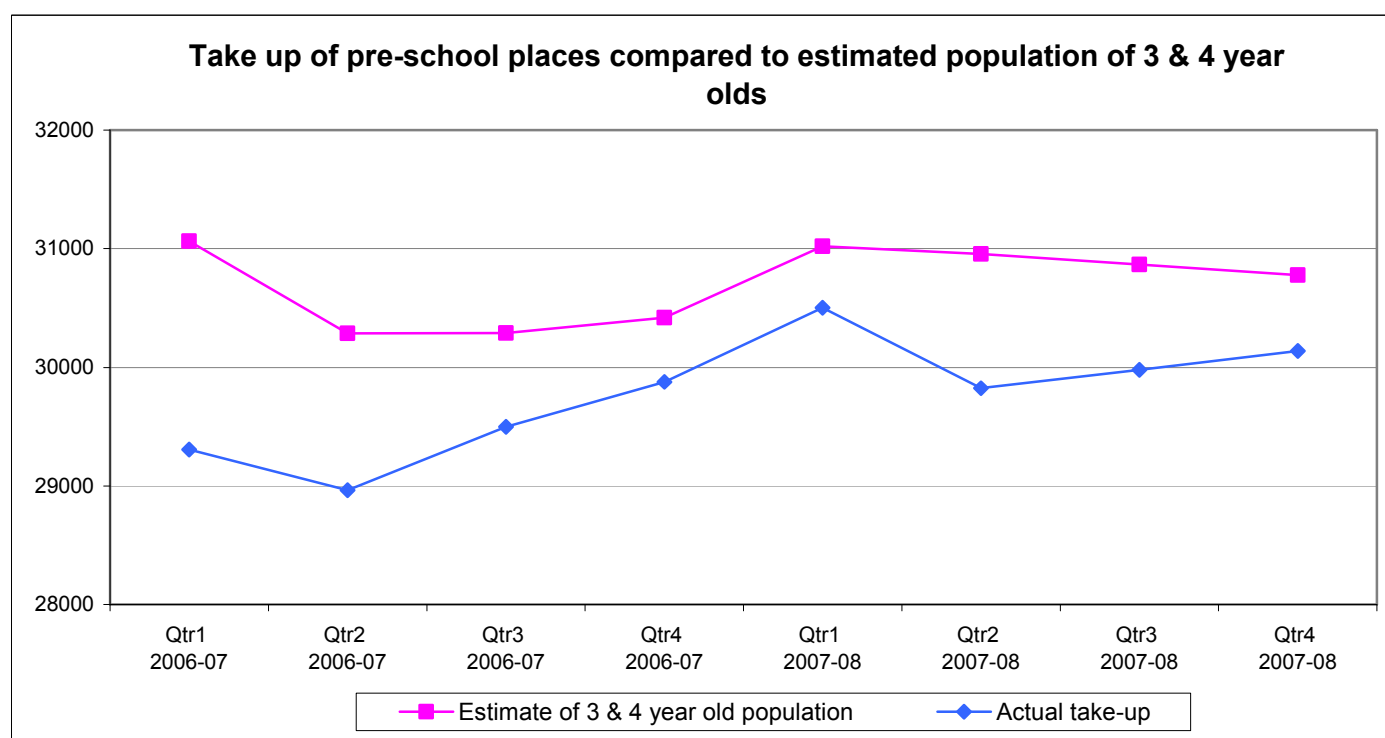


Comments:

- **SEN HTST** - The significant gap between the actual and affordable assisted SEN transport to school relates to the savings targets which have significantly reduced the affordable level from last year, and the fact that the service is currently unable to achieve these savings in full as reported in section 1.1.3.6 of this annex. The affordable level has been calculated by dividing the 2007/08 budget (after it has been reduced for the savings target) by the current average cost per child.
- **Mainstream HTST** - There is a slight decrease in the actual number of children receiving assisted mainstream transport to schools and this is reflected by the £175k gross saving shown in table 1 above.

2.2.1 Take up of pre-school places against the estimate of 3 & 4 year old population, split between Private Voluntary and Independent Sector (PVI) places and School places:

	2006-07			2007-08				
	Total places taken up	Estimate of 3 & 4 year old population	% take up	PVI places taken up	School places taken up	Total places taken up	Estimate of 3 & 4 year old population	% take up
April - June	29,307	31,062	94%	21,027	9,475	30,502	31,019	98%
July - Sept	28,963	30,287	96%	20,323	9,496	29,823	30,956	97%
Oct - Dec	29,498	30,289	97%	14,691	15,290	29,981	30,867	97%
Jan - March	29,878	30,419	98%	17,772	12,366	30,138	30,778	98%

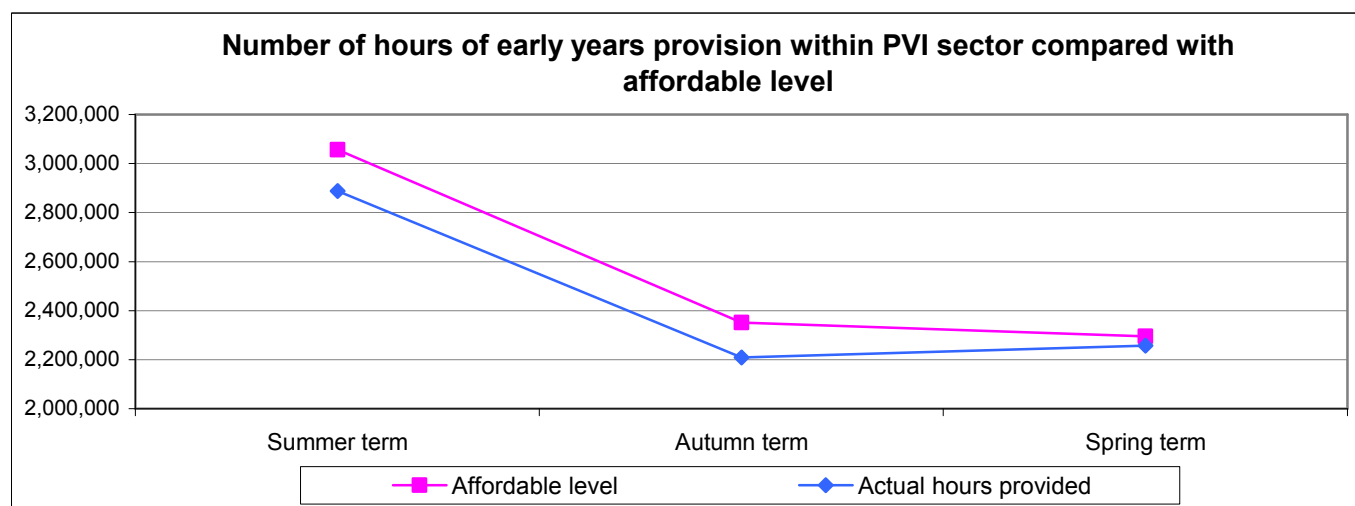


Comments:

- Please note the total places taken-up for January to March is an estimate and may change marginally once the reconciliation process is complete. This estimate is based on the take-up at the beginning of the term but is subject to a large number of adjustments as parents are allowed to alter their take-up and the provider used mid term rather than at the end of term.
- This graph shows that currently 98% of the estimated population of 3 and 4 year olds are receiving some level of early years provision, whether this be one session per week for 33 weeks or the maximum of five sessions per week for the full 38 weeks. This activity indicator is based on headcount and provides a snapshot position at a point in time, whereas the activity data in 2.2.2 below provides details of the number of hours provided in the Private, Voluntary & Independent sector, and will correlate with the variance on the Early Years budget within the Management Information Unit. However as this budget is funded entirely from DSG, any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations, and cannot be used to offset over or underspends elsewhere in the directorate budget. Therefore, as any unspent Early Years funding has to be returned to schools, at year end any underspend will be transferred to the schools unallocated reserve for DSG and hence is not included in the overall directorate forecast shown in table 1, but is reported in the narrative in section 1.1.3.25 of this annex.
- The split between PVI and school places is weighted more heavily to school places in the 3rd quarter as 4 year olds move into reception classes in mainstream schools at the start of the autumn term. This gradually balances back out again as more 3 year olds take-up PVI places throughout the remainder of the year. The number of school places taken up reduces in the 4th quarter as some of the children turn 5 and are no longer included in the count.

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

	2007-08	
	Affordable number of hours	Actual hours provided
Summer term	3,056,554	2,887,134
Autumn term	2,352,089	2,209,303
Spring term	2,294,845	2,257,051
	7,703,488	7,353,488



Comments:

- Please note the total number of hours of early provision within the PVI sector for January to March is an estimate and may change marginally once the reconciliation process is complete. This is due to the large number of adjustments that now take place as parents are allowed to alter the number of hours taken up and the provider used mid term rather than at the end of term.
- The affordable number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The current activity suggests an underspend on this budget which has been mentioned in section 1.1.3.25 of this annex.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

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

	2005-06	2006-07	2007-08
	as at 31-3-06	as at 31-3-07	Projection
Total number of schools	600	596	575
Total value of school revenue reserves	£70,657k	£74,376k	£59,376k
Number of deficit schools	9	15	16
Total value of deficits	£947k	£1,426k	£1,150k

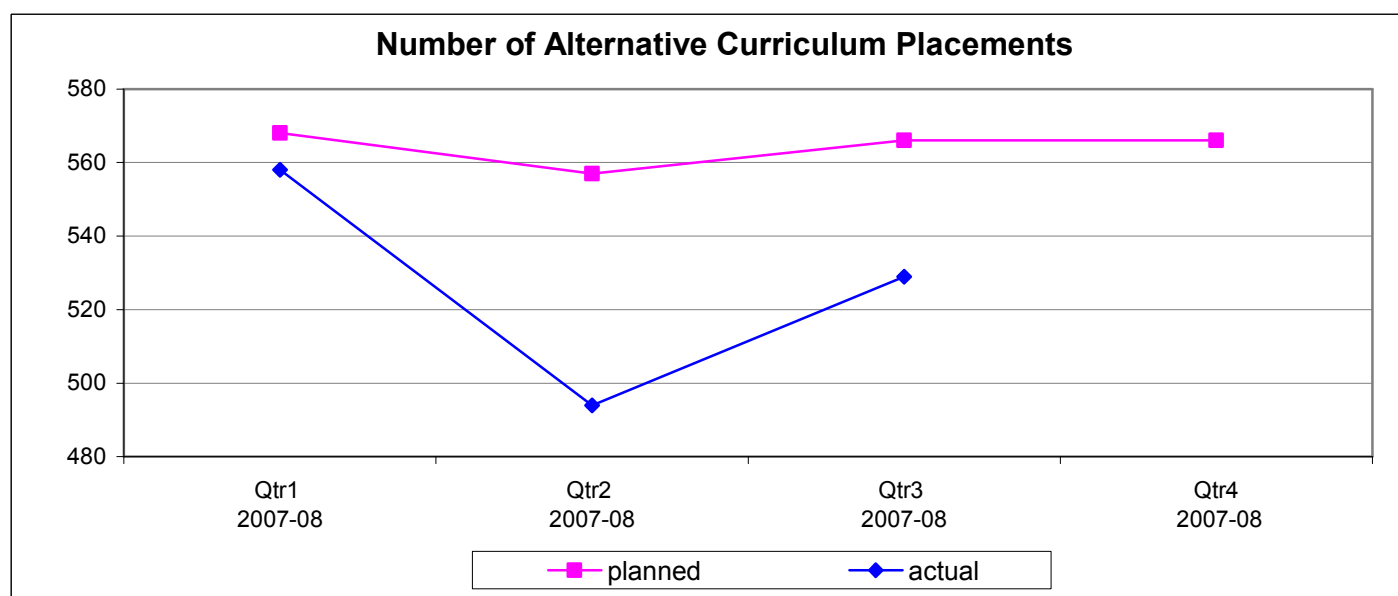
Comments:

- We are currently forecasting that schools will drawdown up to £15m of their reserves this year in response to the introduction of the balance control mechanism, which is a means of clawing back schools reserves over and above a specified level.

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

2.4 Number of Alternative Curriculum Placements:

	2007-08	
	planned	actual
April - June	568	558
July - September	557	494
October - December	566	529
January - March	566	

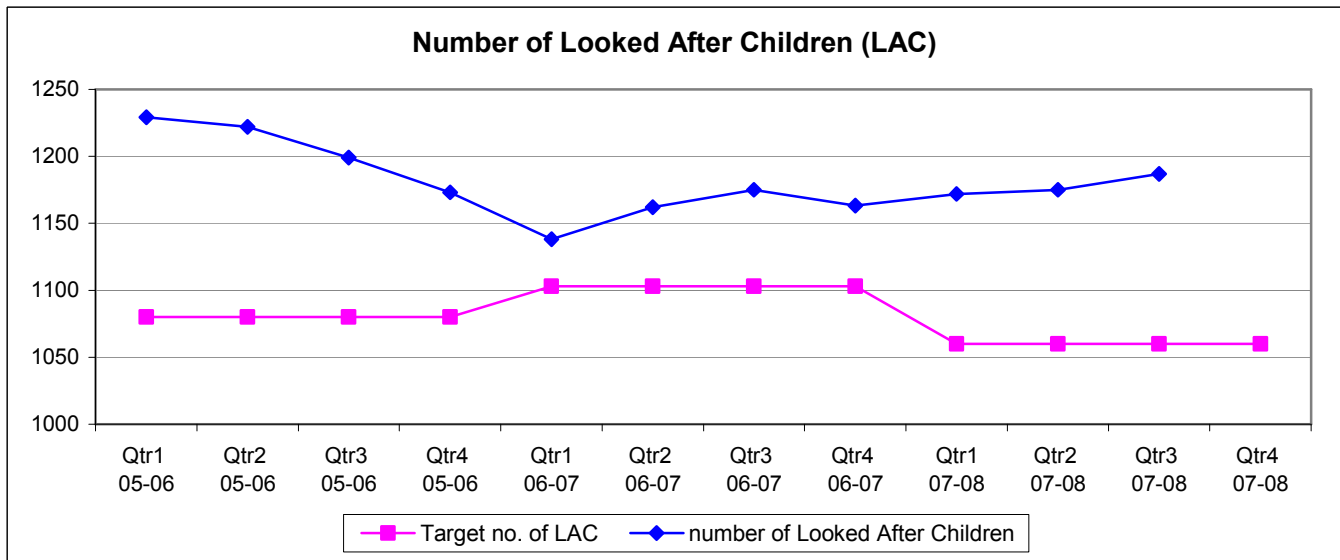


Comments:

- Full time alternative curriculum places need to be purchased 6 months in advance in order to secure them. From September 2007, Government guidelines required excluded pupils to be placed in full-time education within 6 days of being excluded. This target is now being met in the vast majority of cases.
- Please note that spare capacity is expected at this stage in the school year and is essential to cope with predicted demand throughout the school year.

2.5 Numbers of Looked After Children (LAC):

	2005-06		2006-07		2007-08	
	Target	number of Looked After Children	Target	number of Looked After Children	Target	number of Looked After Children
Apr – Jun	1,080	1,229	1,103	1,138	1,060	1,172
Jul – Sep	1,080	1,222	1,103	1,162	1,060	1,175
Oct – Dec	1,080	1,199	1,103	1,175	1,060	1,187
Jan – Mar	1,080	1,173	1,103	1,163	1,060	

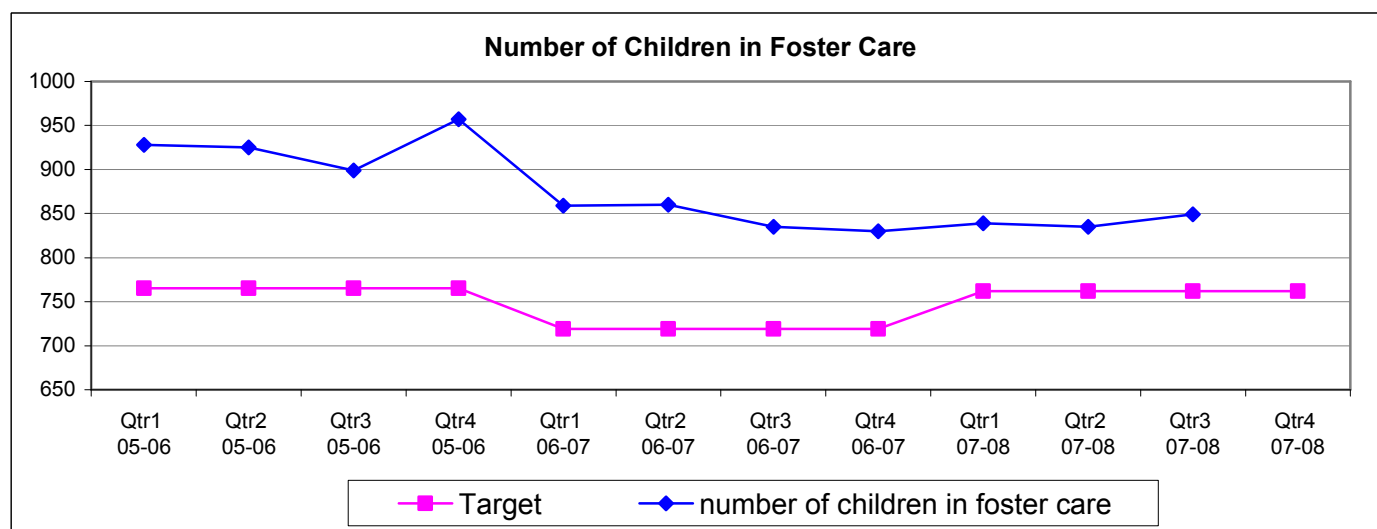


Comments:

- The current number of looked after children compared to the targeted level is of cause for concern.
- The target number of children does not represent the affordable level, but the position which the county is aiming to achieve.
- The financial implications of the current level of looked after children has been reported in section 1.1.3 and steps have been taken in the MTP to help address some of these pressures however further actions may need to be developed.

2.6 Number of Children in KCC Foster Care placements:

	2005-06		2006-07		2007-08	
	Target	number of children in foster care	Target	number of children in foster care	Target	number of children in foster care
Apr - Jun	765	928	719	859	762	839
Jul - Sep	765	925	719	860	762	835
Oct - Dec	765	899	719	835	762	849
Jan - Mar	765	957	719	830	762	



Comments:

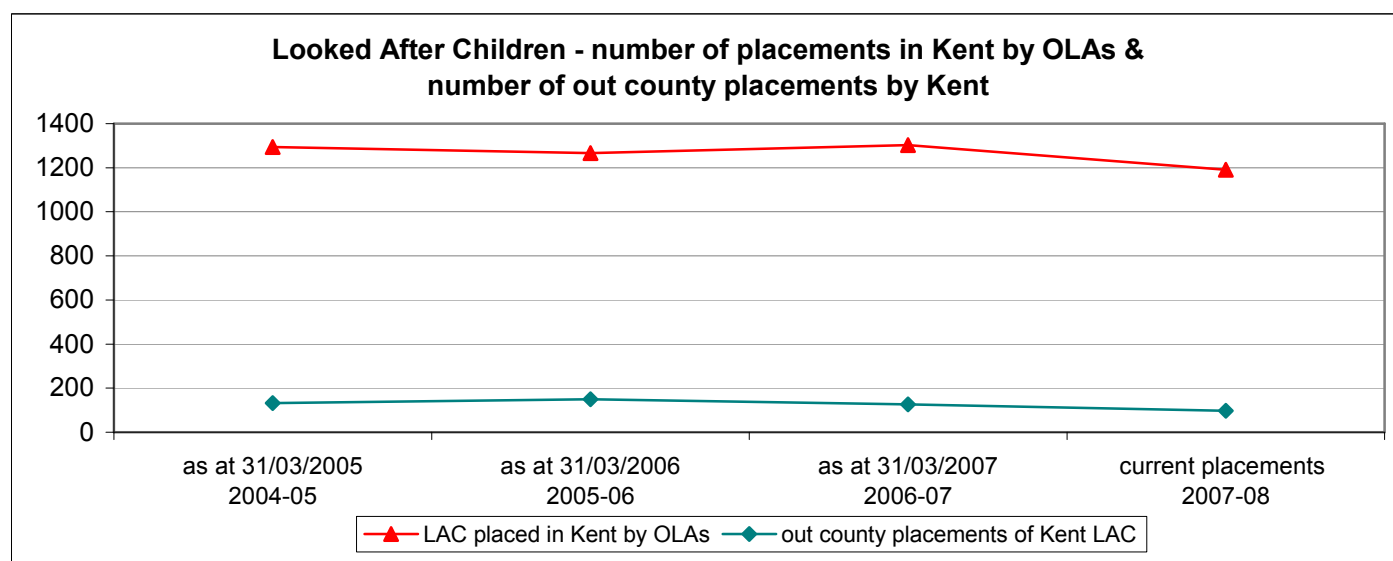
- The number of children in foster care represents the number of children placed in KCC placements. It excludes foster placements in the independent sector.
- The current number of children in foster care compared to the target is of cause for concern.
- The target number of children does not represent the affordable level, but the position which the county is aiming to achieve. There are expected to be no financial implications, as although we are above the target number of children in foster care provided by KCC, we are within affordable levels. (The budget pressure reported in section 1.1.3.13 relates to independent sector foster care placements. We will look to include this activity indicator in the monitoring for 2008-09).

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

2004-05 as at 31/03/2005	2005-06 as at 31/03/2006	2006-07 as at 31/03/2007	2007-08 Current placements
1,294	1,266	1,303	1,191

2.8 Number of Out County Placements of LAC by Kent:

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

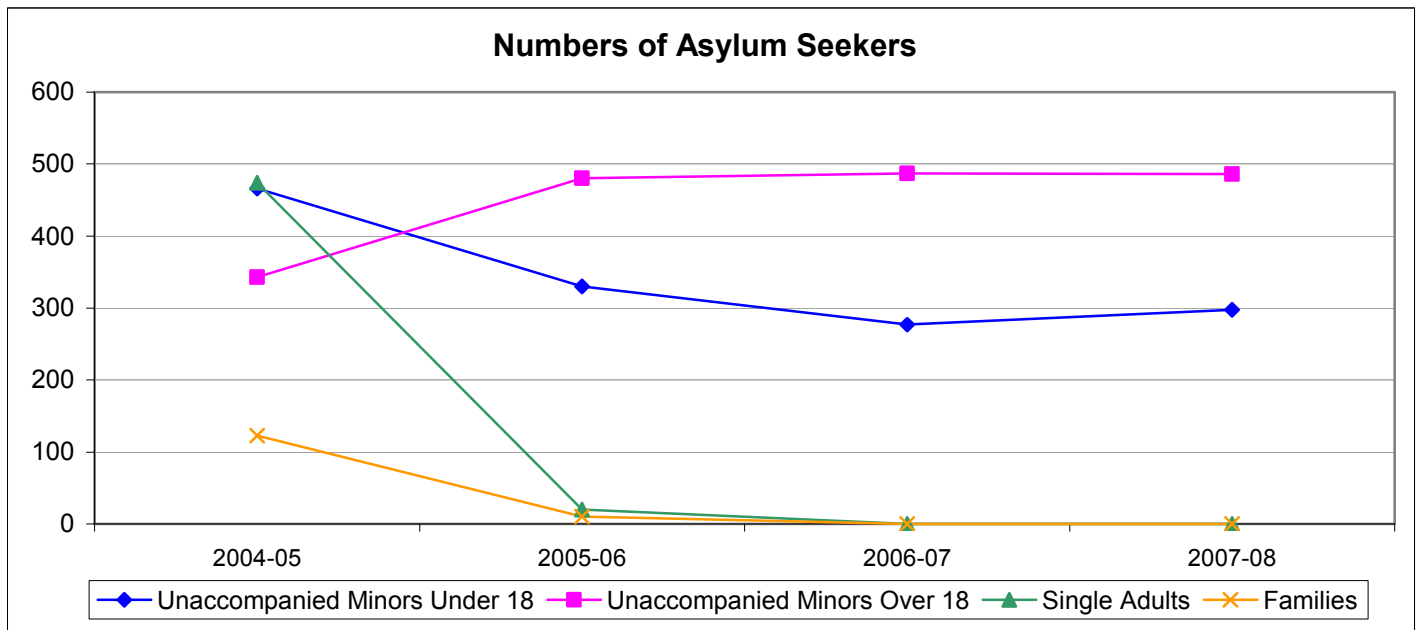


Comment:

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

2.9 Numbers of Asylum Seekers (by category):

	2004-05	2005-06	2006-07	2007-08
	31-03-05	31-03-06	31-03-07	31-01-08
	Number	Number	Number	Number
Unaccompanied Minors Under 18	466	330	277	298
Unaccompanied Minors Over 18	343	480	487	486
Single Adults	474	20	0	0
Families	123	10	0	0

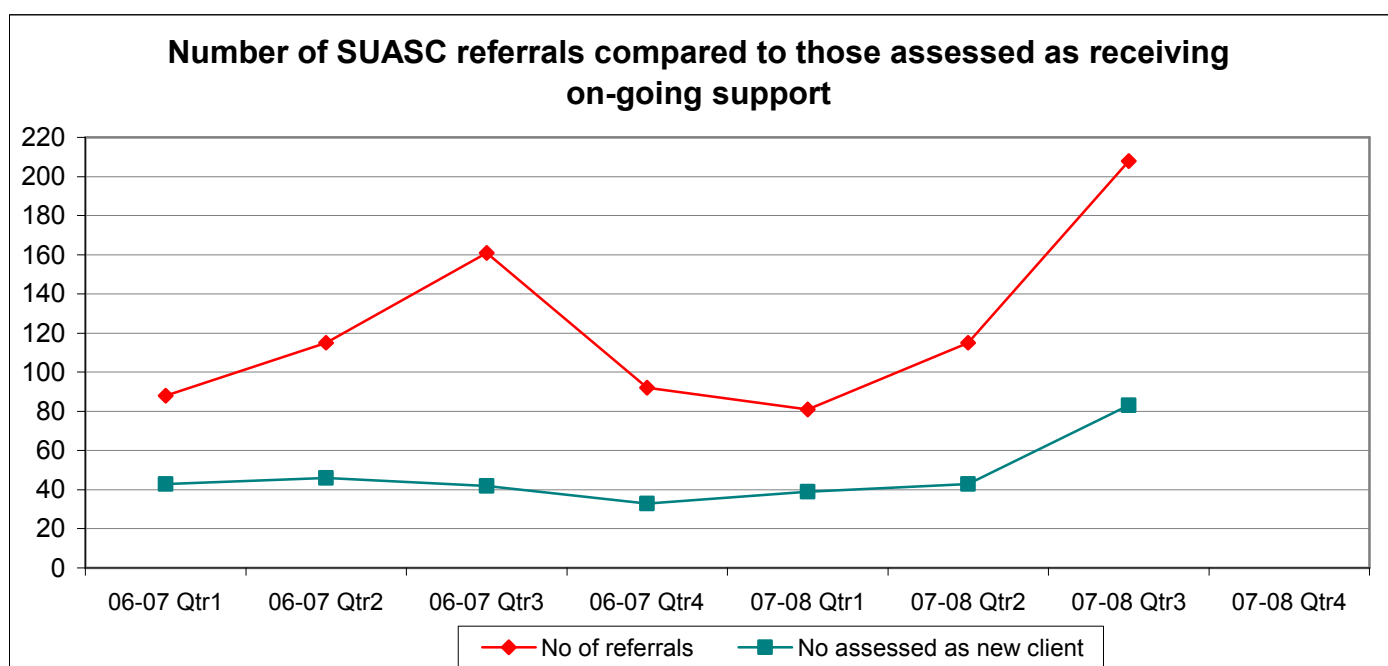


Comment:

- The numbers above refer to clients who have been assessed as qualifying for asylum. The numbers are slightly lower than originally forecast. This is a result of the numbers leaving the Service being higher than we originally anticipated.

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

	2006-07			2007-08		
	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%
April - June	88	43	49%	81	39	48%
July - Sept	115	46	40%	115	43	37%
Oct - Dec	161	42	26%	208	83	40%
Jan - March	92	33	36%	80 (January only)		



Comments:

- The number of referrals in the third quarter is significantly higher than the forecast of 140 and is greater than the total for the two previous quarters.
- The percentage of referrals that become on-going referrals remains below the forecast level of 50%. As a result the number of on-going new referrals is in line with the original forecast of 165 by the end of December. The forecast to the end of the financial year is 215, but based on the number of referrals this quarter to date, we anticipate that we may exceed this forecast.
- In January we had 80 referrals, our forecast for the whole of the fourth quarter is 100. This is the highest number of referrals in a single month for over 4 years.

KENT ADULT SOCIAL SERVICES DIRECTORATE SUMMARY JANUARY 2007-08 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” i.e. where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the last full monitoring report to reflect a number of technical adjustments to budget.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Adult Services portfolio							
Older People	167,460	-68,849	98,611	1,246	-1,439	-193	Demographic and placement pressures
People with a Learning Difficulty	72,939	-20,502	52,437	4,267	514	4,781	Demographic and placement pressures
People with a Physical Disability	26,089	-5,558	20,531	1,454	38	1,492	Demographic and placement pressures
Adults Assessment & Related	29,559	-4,357	25,202	-730	-209	-939	Management action around staffing
Older Persons Direct Service Unit	24,273	-3,712	20,561	275	-15	260	Staffing & utility costs
Adult Service Provider Unit	13,868	-780	13,088	-128	7	-121	Management action
SESEU	1,876	-436	1,440	14	10	24	
Occupational Therapy Bureau	9,055	-2,885	6,170	670	-837	-167	Release of provision for replacement hoists
Mental Health Service	23,323	-7,275	16,048	-216	106	-110	Management action around residential placements and staffing
Supporting People	33,006	-33,006	0	-20	0	-20	
Gypsy Unit	625	-280	345	-9	6	-3	
Asylum All Appeal Rights Exhausted	100	0	100	-20	0	-20	
Strategic & Area Management	649	-3	646	21	3	24	
Performance, Contracting & Planning	7,331	-1,784	5,547	-696	-147	-843	Management action around staffing
Training, Duty & Support	15,248	-4,110	11,138	-1,245	-67	-1,312	Staff savings, training budget and facilities
Total Adult Services controllable	425,401	-153,537	271,864	4,883	-2,030	2,853	
Assumed Management Action				-1,227	289	-938	
Forecast after Mgmt Action				3,656	-1,741	1,915	

1.1.3 Major Reasons for Variance:

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

1.1.3.1 General Comment

KASS continues to face significant budget pressures in common with many other local authorities. These primarily relate to demographic and price pressures within services for People with Learning Disabilities.

Contributions to KASS from the Eastern & Coastal Kent PCT

Over recent weeks, we have reached a successful agreement with the Eastern & Coastal Kent PCT in respect of intermediate care proposals and services for patients leaving hospital and requiring social care. We have secured funding from the PCT, which both recognises the growing pressures that have been seen within our financial forecast on services for older people, but also allows us to start working jointly on a strategy for intermediate care across the East Kent area for 2008-09. The income and any associated costs have now been included within the forecast

1.1.3.2 Older People (-£193k)

The number of permanent residential placements continues to fall, both as result of higher than expected attrition, together with the implementation of management actions. The number of placements remains at a level well below target and this has resulted in a significant underspend of £703k. Although the number of permanent nursing placements has fallen since a high of 1,433 in September, the number remains at a level in excess of target and this has resulted in a forecast overspend of £242k. Despite the on-going demand for beds for transfers from hospitals, as with residential, there has been a higher than expected level of attrition in nursing placements. The Directorate also continues to benefit from the Preserved Rights Specific Grant as attrition remains higher than allowed for in the grant allocation. The current underspend against this line is £556k.

Expenditure on domiciliary care remains the most significant pressure within Older People. The reduced rate of residential placements continues to impact on this line as domiciliary care is often seen as the alternative to seeking a permanent placement. From Section 2 of this report it can be seen that although both the number of clients and the amount of hours provided have dropped slightly in Quarter 3, the actual average hours provided to each client has increased. This reflects the increasing level of support that is required to enable those clients, who would otherwise be in residential care, to remain in their own homes. As a result there is an increasing number of cases where two care workers are required to meet the needs of the client leading to increased costs overall. This, together with on-going demographic pressures, and the transfer of budget to Direct Payments without evidence of a corresponding reduction in activity as clients switch to Direct Payments, have all contributed to the forecast overspend of £1,630k.

The forecasts also include the impact of the Ombudsman decision in relation to our practices on charging for domiciliary care, specifically that we backdate charges to the date that a service starts and not to the date of notification of the charge to the client. This has resulted in a reduction in income of £225k. However there have been increases in income of £525k across a number of other budget lines as a result of increased activity.

Following review it has been identified that both the gross and income forecasts relating to the Partnerships for Older People Projects (POPPS) – Independence through the Voluntary Action of Kent's Elders (INVOKE) project in East Kent were incorrectly included against Assessment & Related. Although there has been no impact on the net position this has resulted in a transfer of forecast of £454k gross and income to Older People. The project will be run by a number of partners including KASS, the Eastern & Coastal Kent PCT, Voluntary Sector Providers and Community Action groups. Its objectives include reducing inappropriate hospital admissions and long term placements, creating community services that focus on prevention of ill health and promotion of wellbeing, and involving the public, patients, and other members of the community in the redesign of services and service delivery.

As indicated above funding has been secured from the Eastern & Coastal Kent PCT to allay some of the pressures within Older People and to date some £550k of additional income has been factored into the forecast.

1.1.3.3 People with Learning Disabilities (+£4,781k)

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

In December the Directorate reached agreement with Health over a number of jointly funded residential placements, the responsibility for whom had been in dispute for several years. These clients were jointly assessed as having social care needs rather than health, with the result that the Directorate has had to write off over £300k of invoices that had been raised. Although these invoices had been 100% provided for in previous years, the action of writing off a debt reduces the income reported for the current year.

1.1.3.4 People with Physical Disabilities (+£1,492k)

There are similar pressures here to those for services for People with Learning Disabilities – an increase in direct payments, without a corresponding reduction in domiciliary and other costs, together with demand and demographic pressures against residential care budgets, day-care and supported accommodation.

1.1.3.5 Assessment & Related (-£939k)

The underspend results from management action around staffing vacancies. There is planned slippage across all areas including the Policy team, Direct Payments Advisory service and Exchequer services (Specialist Finance Teams).

Also within this position is £200k of income from the Eastern & Coastal Kent PCT which in part is being used to offset staffing pressures within the hospital care management team. These relate to posts that could not be held vacant and could therefore not form part of the Directorate’s Management Actions.

1.1.3.6 Older People Direct Services Unit (+£260k)

The overspend is a combination of higher than anticipated utility costs, together the continuing need to cover sickness and other absence with agency staff in order to meet care standards set by the regulator (Commission for Social Care Inspection).

1.1.3.7 Adult Services Provider Unit (-121K)

The underspend relates to vacancy management, some additional rent for group homes and the decision to close some respite units over the Christmas period, which was not previously anticipated.

1.1.3.8 Occupational Therapy Bureau (-£167k)

This underspend has arisen for two reasons. Firstly, although a provision of £100K was set up last year to fund the bulk replacement of hoists on health and safety grounds, the OTB has been able to absorb these costs within existing budgets’. This allows the full amount of the provision to be released as an underspend. Secondly there is also some slippage against planned recruitment.

1.1.3.9 Mental Health (-£110k)

The underspend within Mental Health relates to Management Actions, primarily reductions and delays in planned residential placements which has brought the forecast down by £90K in recent months, together with vacancy management.

1.1.3.10 Other (-£2,150k)

Principally relates to management action around staffing vacancies, but there are some specific savings including:

- -£525k – management action against training.
- -£468k – provision for risks in SRP costs not now required
- -£122k – delay in recruitment of the systems support team.
- -£278k – management action in facilities.
- -£336k – management of vacancies in area business units.
- -£207k – Performance, Planning & Contracting – management of vacancies
- -£89k – management of vacancies in Finance.
- -£20k – Asylum All Appeal Rights Exhausted – underspend
- -£326k – management action – Resources
- -£20k – Supporting People Admin underspend

Alongside these savings are several areas of budget pressure:

- +£15k – pressure on Personnel.
- +£80k – pressure on legal costs of Housing PFI
- +£50k – pressure on legal services SLA
- +£79k – pressure on enhanced pensions

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
KASS	Older People Domiciliary expenditure	+1,630	KASS	Eastern & Coastal Kent PCT income	-750
KASS	Learning Disability Residential	+1,059	KASS	Assessment & Related - Management action around staffing	-739
KASS	Learning Disability Supported Accommodation	+1,012	KASS	Older People Residential	-703
KASS	Learning Disability Independent Living Schemes & Group Homes	+1,002	KASS	Older People Preserved Rights	-556
KASS	Learning Disability Direct Payments	+839	KASS	Management Action on Training	-525
KASS	Physical Disability Direct Payments	+769	KASS	Older People income	-525
KASS	Learning Disability Domiciliary expenditure	+348	KASS	Provision for risk within SRP expenditure not now required	-468
KASS	Learning Disability Day Care/Day Opportunies	+346	KASS	Area Contracts & planning Teams - management action around staffing	-336
KASS	Learning Disability Impact of review of joint funded placements with Health	+306	KASS	Management Action - Resources	-326
KASS	Physical Disability Supported Accommodation	+268	KASS	Mental Health Assessment & Related - vacancy management	-292
KASS	Older Persons Direct Services Unit (staffing costs)	+247	KASS	Management Action in Facilities	-278
KASS	Older People Nursing (excl Pres Rights)	+242	KASS	HQ Policy & Performance - management action around staffing	-207

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
KASS	Physical Disability Day Care Exp.	+226	KASS	Part year saving on establishment of SRP Systems Support Team	-122
KASS	Part year impact of 'fairer charging' decision by Ombudsman	+225	KASS	Occupational Therapy Bureau - Provision for Replacement Hoists	-100
KASS	Mental Health Residential Care exp.	+151			
		+8,670			-5,927

1.1.4 Actions required to achieve this position:

Management Action plans were finalised in August which, at the time, were anticipated to bring us back to a breakeven position. Whilst there has been some progress in Management Actions within the Area commissioning budgets, doubts remain about achieving the full amount required to bring the Directorate back to a balanced position. It is therefore considered prudent to continue to forecast a year end pressure, after Management Action, of £1,915k.

It should be noted that the management actions that KASS has implemented, were considered to be within existing policy and targeted across all expenditure lines. The main elements were:

- Higher level of scrutiny through panel process on new placements of residential and nursing.
- Review all domiciliary care packages to maximise throughput, reduce long term dependency & increase recovery / rehabilitation.
- Invest to Save Scheme for LD Residential Change to reduce residential placements in favour of supported living arrangements.
- Continue to pursue large health debt cases for specific clients.
- Recruit only to posts in care management where the traffic light system indicated as essential.
- Reduce use of agency staff and other costs across the non-direct service lines.

However as a result of discussion in November with the Leader and Chief Executive a number of those actions which potentially impacted on transfers of care and hospital staffing were relaxed.

We do feel that management actions have been achieved in the following areas:

- Older People Residential & Nursing Care – a net reduction of approximately 130 permanent clients, this has however been offset by some increases in non-permanent and intermediate care placements. This has been partly achieved by the joint working with the NHS in respect of their contribution to hospital transfers and the setting up of intermediate care schemes.
- Less clients are now in receipt of domiciliary care, however those new clients now requiring services, generally have more complex needs and therefore the hours being provided have increased, and hence costs have not reduced significantly.
- In the past 5 months there has been no net increase to the number of learning disabled clients in residential care, and there have been significant increases in clients being placed in supported living arrangements. It should be noted however that those clients who are requiring residential care, have far more complex needs and their costs are significantly more than those who are able to move into community type placements.
- The Mental Health service has achieved some £400K of management action in the past 5 months which has been across a number of services.
- Successful negotiation has been reached with the Eastern & Coastal Kent PCT regarding all aged debts, and this has allowed us to release some £300K of our bad debt provision back to revenue.
- We have achieved approximately £200K of savings in Assessment and Related services in recent months.
- A further £200K of savings has been achieved across the non-direct service lines since August.

1.1.5 Implications for MTFP:

The 2008-11 Medium Term Plan fully reflects the underlying pressure the directorate faces.

1.1.6 Details of re-phasing of revenue projects:

No revenue projects have been re-phased.

1.1.7 Details & impact of proposals for residual variance:

The roll forward of the £1.915m residual variance to 2008-09 will be considered at year end in the light of the overall outturn position for the Authority.

1.2 CAPITAL

1.2.3 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.

Cash limits have been adjusted since the last full monitoring report to reflect:

	2007-08	2008-09	2009-10	Future Years
	£000s	£000s	£000s	£000s
▪ Re-phasing per 2008-11 MTP	-5,771	155	2,438	2,053
▪ External funding and revenue funding for Gypsy Sites	10			
▪ Reversal of previous virement to CF&EA portfolio in respect of Improving Information Management grant	40			

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position.

	Prev Yrs Exp	2007-08	2008-09	2009-10	Future Yrs	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s
Kent Adult Social Services portfolio						
Revised Budget per Dec Cabinet	16,764	11,023	5,786	1,794	4,687	40,054
Adjustments:						
- Re-phasing per 2008-11 MTP		-5,771	155	2,438	2,053	-1,125
- Gypsy Sites		10				10
- virement from CF&EA portfolio		40				40
						0
Revised Budget	16,764	5,302	5,941	4,232	6,740	38,979
Variance		-795	795	0	0	0
split:						
- real variance		0				0
- re-phasing		-795	+795			0
Real Variance		0	0	0	0	0
Re-phasing		-795	+795	0	0	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2007-08 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary planning stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary planning stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

Even though table 3 above shows re-phasing of £0.795m into 2008-09, table 4 and section 1.2.4 below, contain no detail of forecast capital variances over £250k, and slippage in excess of £1m in 2007-08 respectively, as the individual projects affected fall below these amounts now that the capital cash limits have been adjusted for the re-phasing reflected in the 2008-11 MTP.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Planning Stage
			£'000s	£'000s	£'000s	£'000s
Overspends/Projects ahead of schedule						
	None					
			0	0	0	0
Underspends/Projects behind schedule						
	None					
			0	0	0	0
			0	0	0	0

1.2.4 Projects re-phasing by over £1m:

None

1.2.5 Projects with real variances, including resourcing implications:

KASS are currently not forecasting any real variances within its capital programme.

1.2.6 General Overview of capital programme

(a) Risks

The majority of the directorate's capital programme comprises 'back-to-back' schemes predicated on generating capital receipts. There is a risk around the valuations of the identified capital receipts.

(b) Details on action being taken to alleviate risks

Schemes reliant on capital receipts are being reviewed regularly with our Corporate Property colleagues.

1.2.7 PFI projects

- PFI Housing

The £72.489m investment in the PFI Housing project represents investment by a third party. No payment is made by KCC for the new/refurbished assets until the asset are ready for use and this is by way of an annual unitary charge to the revenue budget, to be funded from the PFI credits.

	Previous years	2007-08	2008-09	2009-10	TOTAL
	£000s	£000s	£000s	£000s	£000s
Budget	-	8,892	51,818	11,779	72,489
Forecast	-	8,892	51,818	11,779	72,489
Variance	-	-	-	-	0

- (a) **Progress and details of whether costings are still as planned (for the 3rd party)**

Overall costings are still as planned.

- (b) **Implications for KCC of details reported in (a) i.e. could an increase in the cost result in a change to the unitary charge?**

The unitary charge is not subject to indexation as the contractor has agreed to a fixed price for the duration of the contract. Deductions will be made during the contract period if performance falls below the standards agreed or if the facilities are unavailable for use.

During the contract period if one of the partners proposes a change that either results in increased costs or a change in the balance of risk this must be taken to the Project Board for agreement. Each partner has a vote and any decision resulting in a change to the costs or risks would need unanimous approval.

- (c) **Reason for Variance/Rephasing**

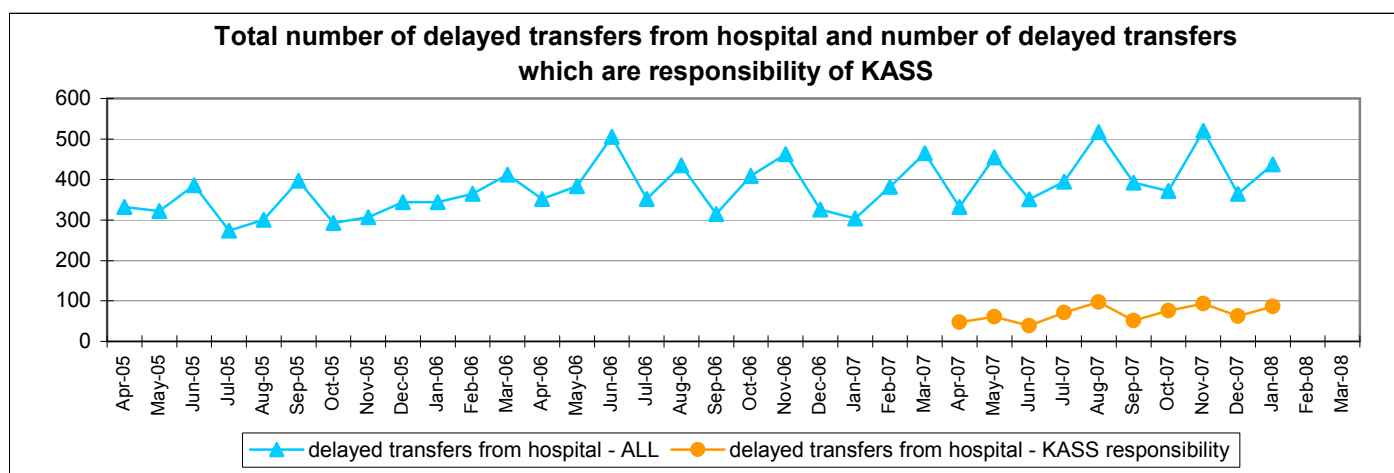
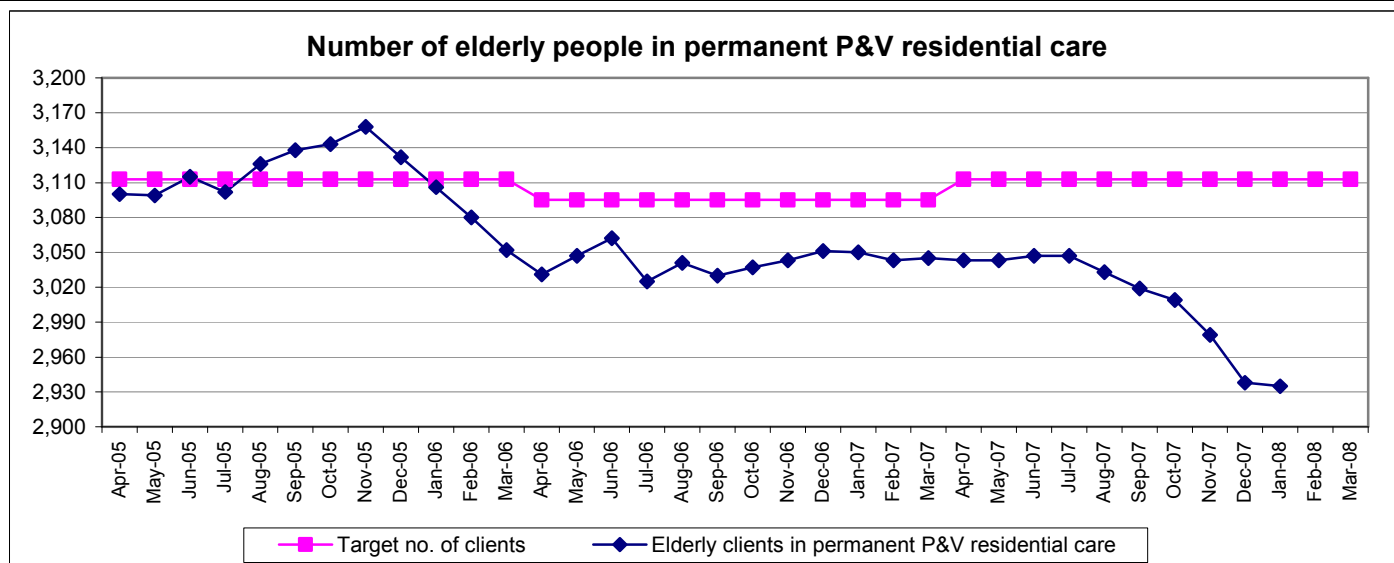
The forecast reflects the anticipated capital expenditure by the contractor in the PFI contract. The contract was signed on 5th October and any figures prior to this were estimated.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

Owing to delays in implementing SWIFT (client activity system), the activity data for the period August 2006 to March 2007 has been reliant on local records and manual counts.

2.1.1 Numbers of elderly people in permanent P&V residential care, including indicators on delayed transfers:

	2005-06			2006-07			2007-08			
	Target	Elderly clients in permanent P&V residential care	Delayed transfers from hospital	Target	Elderly clients in permanent P&V residential care	Delayed transfers from hospital	Target	Elderly clients in permanent P&V residential care	Delayed transfers from hospital (DTCs)	
									All	KASS
April	3,113	3,100	332	3,095	3,031	352	3,113	3,043	332	47
May	3,113	3,099	322	3,095	3,047	384	3,113	3,043	455	61
June	3,113	3,115	386	3,095	3,062	505	3,113	3,047	351	39
July	3,113	3,102	274	3,095	3,025	352	3,113	3,047	395	71
August	3,113	3,126	301	3,095	3,041	435	3,113	3,033	517	97
September	3,113	3,138	397	3,095	3,030	315	3,113	3,019	392	51
October	3,113	3,143	293	3,095	3,037	409	3,113	3,009	372	76
November	3,113	3,158	307	3,095	3,043	463	3,113	2,979	520	93
December	3,113	3,132	344	3,095	3,051	326	3,113	2,938	365	62
January	3,113	3,106	344	3,095	3,050	304	3,113	2,935	437	86
February	3,113	3,080	365	3,095	3,043	382	3,113			
March	3,113	3,052	412	3,095	3,045	465	3,113			

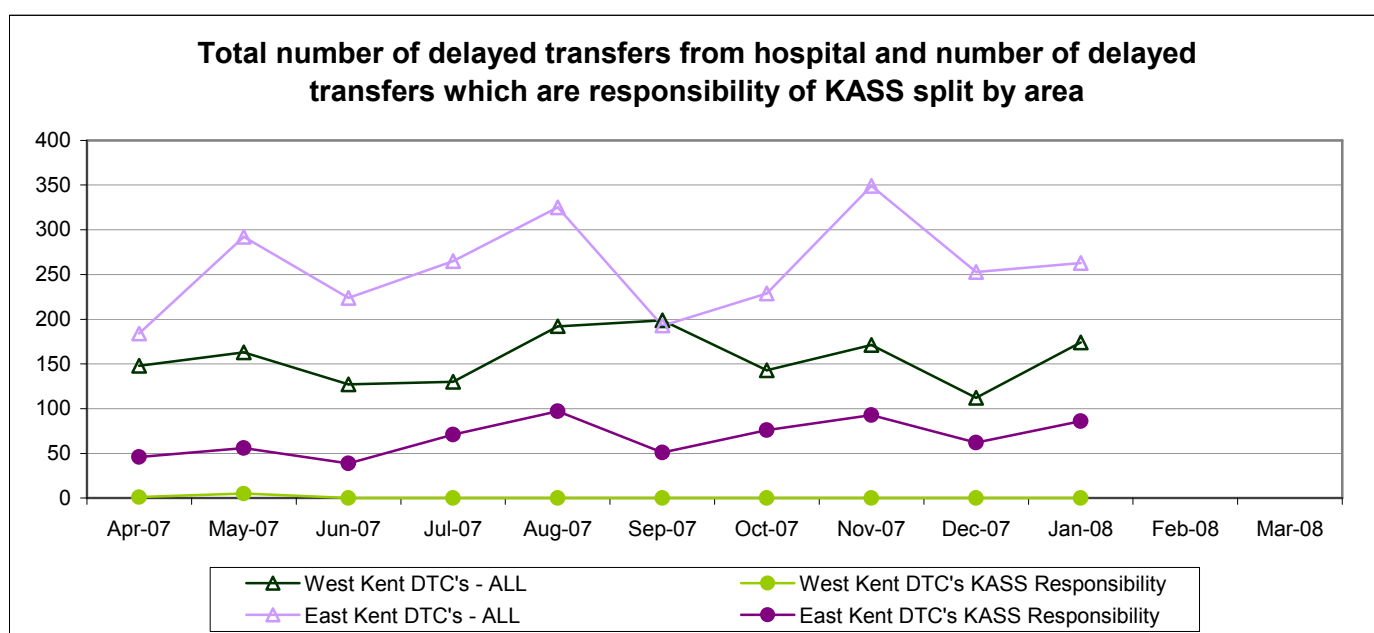


Comments:

- The Delayed Transfers of Care (DTCs) show the numbers of people whose movement from an acute hospital has been delayed. Typically this may be because they are waiting for an assessment to be completed, they are choosing a residential or nursing home placement, or waiting for a vacancy to become available. This figure shows all delays, but those attributable to Adult Social Services, and therefore subject to the reimbursement regime, are a minority and these are also now shown on the graph. There are many reasons for fluctuations in the number of DTCs which result from the interaction of various different factors within a highly complex system over which we have very little influence. It should also be noted that each third month is a five-week month.

2.1.2 Indicators on delayed transfers, split between East and West Kent

2007-08						
	Delayed transfers from hospital (DTCs)					
	West Kent		East Kent		TOTAL	
	ALL	KASS	ALL	KASS	ALL	KASS
April	148	1	184	46	332	47
May	163	5	292	56	455	61
June	127	0	224	39	351	39
July	130	0	265	71	395	71
August	192	0	325	97	517	97
September	199	0	193	51	392	51
October	143	0	229	76	372	76
November	171	0	349	93	520	93
December	112	0	253	62	365	62
January	174	0	263	86	437	86
February						
March						

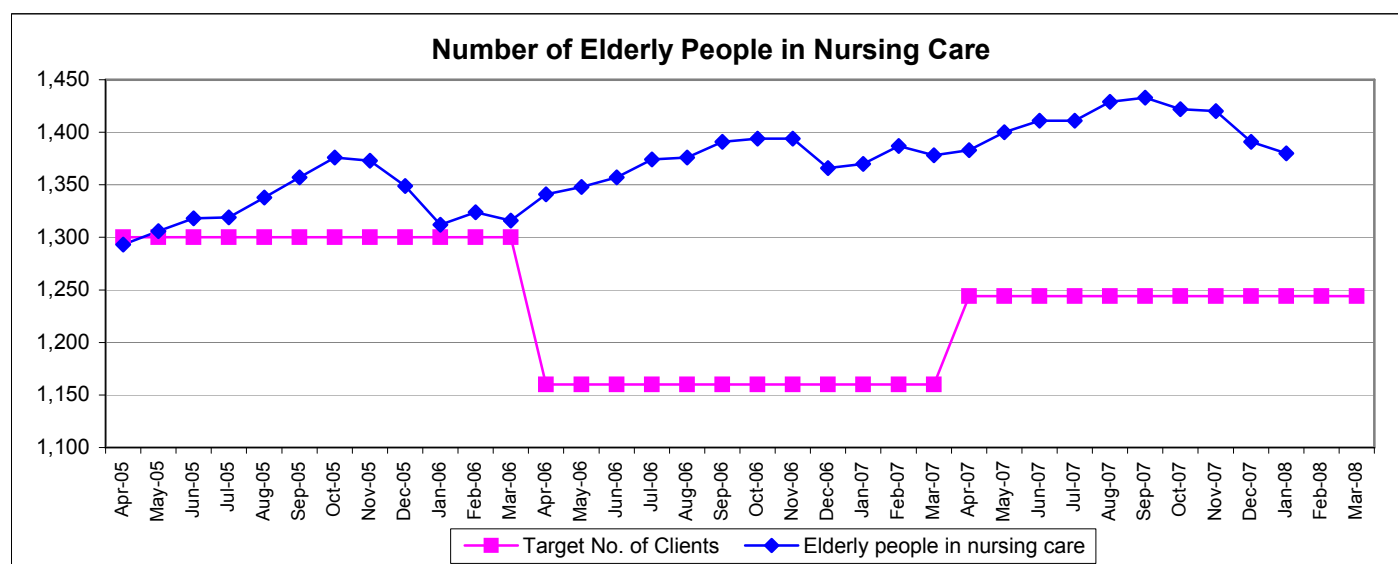


Comments:

- This graph analyses the data by KASS Area in order to reflect the differences in both the finances and performance of the East Kent and West Kent PCTs.

2.2 Numbers of elderly people in nursing care:

	2005-06		2006-07		2007-08	
	Target	Elderly people in nursing care	Target	Elderly people in nursing care	Target	Elderly people in nursing care
April	1,300	1,293	1,160	1,341	1,244	1,383
May	1,300	1,306	1,160	1,348	1,244	1,400
June	1,300	1,318	1,160	1,357	1,244	1,411
July	1,300	1,319	1,160	1,374	1,244	1,411
August	1,300	1,338	1,160	1,376	1,244	1,429
September	1,300	1,357	1,160	1,391	1,244	1,433
October	1,300	1,376	1,160	1,394	1,244	1,422
November	1,300	1,373	1,160	1,394	1,244	1,420
December	1,300	1,349	1,160	1,366	1,244	1,391
January	1,300	1,312	1,160	1,370	1,244	1,380
February	1,300	1,324	1,160	1,387	1,244	
March	1,300	1,316	1,160	1,378	1,244	

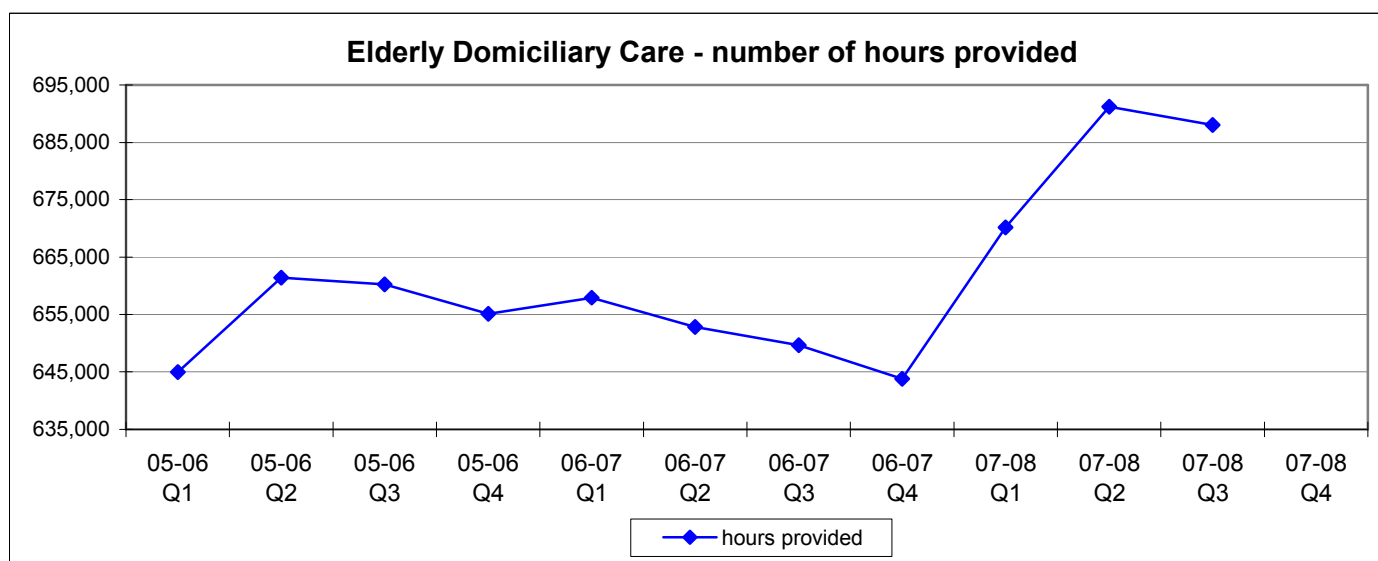
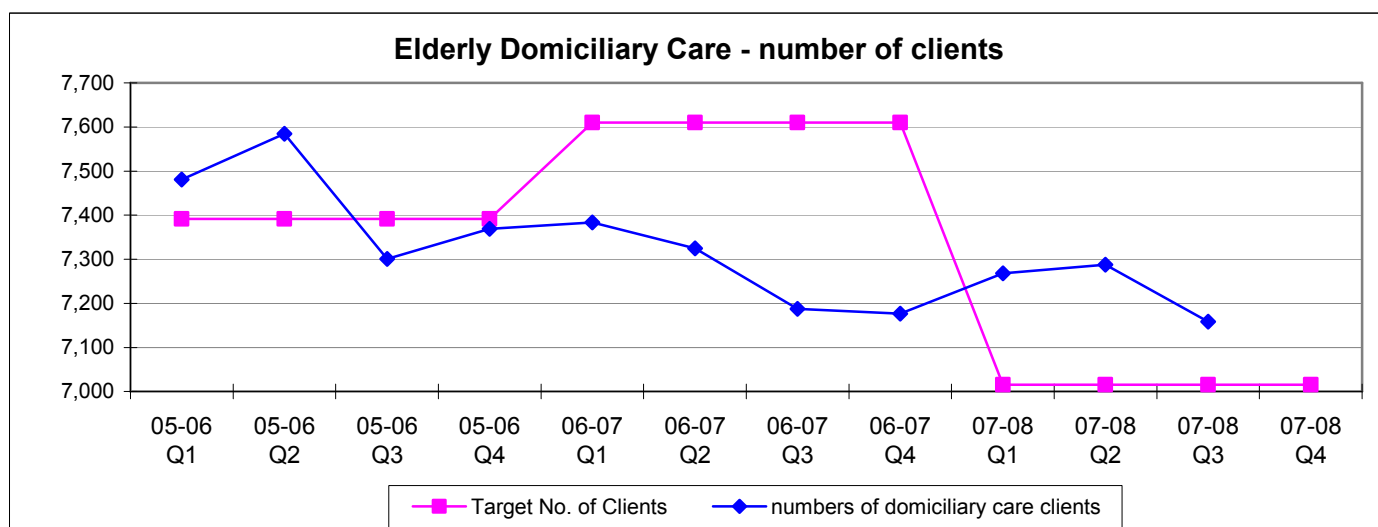


Comment:

- Increases in permanent nursing care may happen for many reasons. The main influences over the last year have been the closure of hospital beds in the East of the County. The knock on effect of minimising delayed transfers of care has resulted in an increase in the number of older people being admitted to nursing care. Demographic changes – increasing numbers of older people with long term illnesses – also means that there is an underlying trend of growing numbers of people needing more intense nursing care. The recent downturn in placements is the result of higher than expected attrition.

2.3 Elderly domiciliary care – numbers of clients and hours provided:

	2005-06			2006-07			2007-08		
	Target	numbers of domiciliary care clients	hours provided	Target	numbers of domiciliary care clients	hours provided	Target	numbers of domiciliary care clients	hours provided
Apr - Jun	7,391	7,481	644,944	7,610	7,383	657,948	7,015	7,268	670,203
Jul - Sep	7,391	7,585	661,415	7,610	7,325	652,789	7,015	7,288	691,231
Oct - Dec	7,391	7,301	660,282	7,610	7,188	649,624	7,015	7,159	688,032
Jan - Mar	7,391	7,369	655,071	7,610	7,177	643,777	7,015		

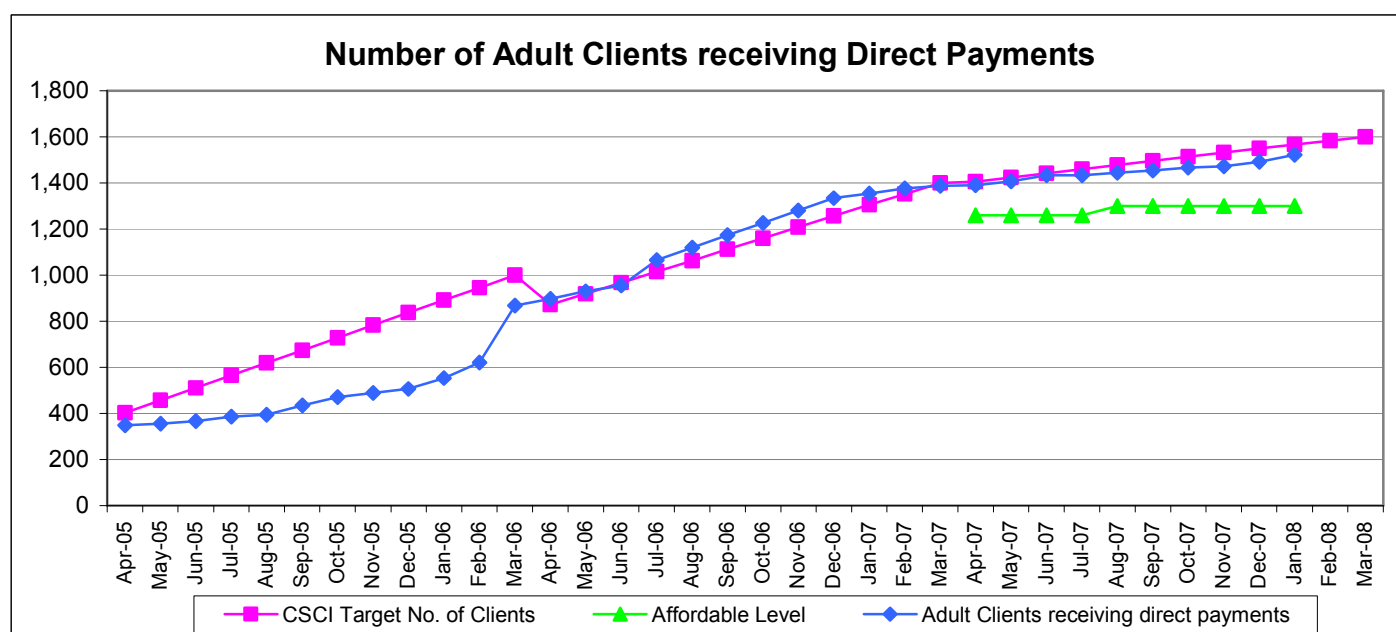


Comment:

- Although the number of people receiving domiciliary care, together with the number of hours provided, has decreased in Quarter 3, the average number of hours provided per client has increased slightly. Indeed the average has been higher than in previous years and reflects the increasing number of clients who require a higher level of support to enable them to remain within their own homes. Often this support could be through two care workers rather than one. As indicated earlier in the report the reduction in residential placements has also had an impact on activity, as this is often the alternative to seeking a permanent placement. Data quality issues in Swift make comparison with last year more difficult which might also explain the significant increase in clients.

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

	2005-06		2006-07		2007-08		
	CSCI Target	Adult Clients receiving Direct Payments	CSCI Target	Adult Clients receiving Direct Payments	CSCI Target	Affordable Level	Adult Clients receiving Direct Payments
April	403	349	871	896	1,406	1,259	1,390
May	457	355	919	930	1,424	1,259	1,407
June	511	366	967	954	1,442	1,259	1,434
July	566	386	1,015	1,065	1,460	1,259	1,434
August	620	395	1,063	1,119	1,478	1,299	1,444
September	674	434	1,112	1,173	1,496	1,299	1,454
October	728	470	1,160	1,226	1,514	1,299	1,467
November	783	489	1,208	1,280	1,532	1,299	1,472
December	837	507	1,256	1,334	1,549	1,299	1,491
January	891	553	1,304	1,355	1,566	1,299	1,522
February	945	621	1,352	1,376	1,583		
March	1,000	868	1,400	1,388	1,600		

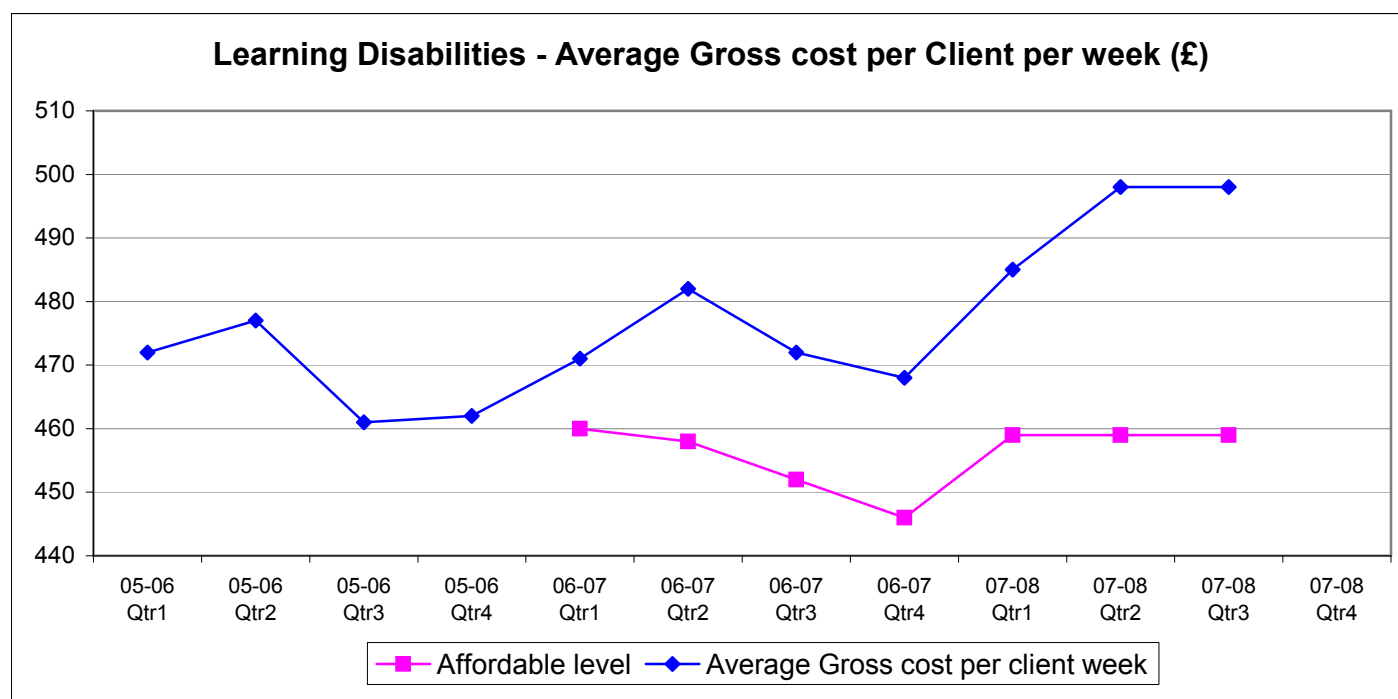


Comments:

- Direct payments are increasing, however a body of evidence is growing which suggests that the introduction of direct payments is identifying some previously unmet demand/need. Work is ongoing to track all new direct payment clients to prove /disprove this belief.
- It should be noted that the affordable level is 1,299, which relates to the budgets that are currently set for direct payments. This level has been increased since July to reflect budgets vired from other service lines, such as domiciliary and day-care, to recognise the move away from traditional services into self directed support.
- The financial forecast and variances being reported cover the ongoing costs of the 1,491 direct payment users we currently have.
- The original target of 1,662 clients was a self-reported target to the Commission for Social Care Inspection (CSCI). Following review the Directorate has now decided to assume a target of 1,600 clients by year-end which would still leave us in the top band.

2.5 Learning Disabilities – Average Gross Cost per Client per Week:

	2005-06	2006-07		2007-08	
	Average Gross cost per client £	Affordable level £	Average Gross cost per client £	Affordable level £	Average Gross cost per client £
April - June	472	460	471	459	485
July - September	477	458	482	459	498
October - December	461	452	472	459	498
January - March	462	446	468		

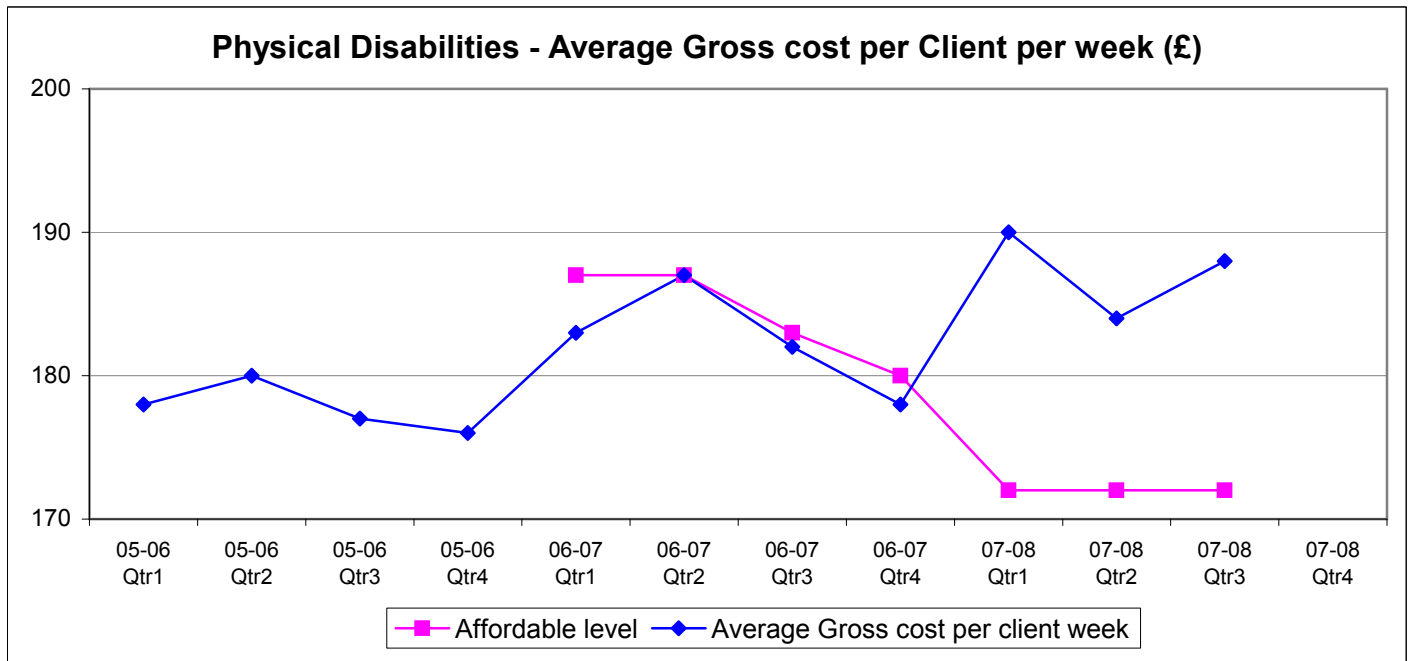


Comments:

- Targets did not exist prior to 2006-07 as this average cost is not a real performance indicator. It is merely intended to demonstrate the general upward trend in the cost of supporting clients with Learning Disabilities.
- This graph reflects the average cost per client week across all Learning Disability services, including those with the lowest levels of need.
- The basis for calculation has changed from last year in order to include both the costs of services provided by the private and voluntary sector and in-house service provision. The previous years' figures have been adjusted accordingly.

2.6 Physical Disabilities – Average Gross Cost per Client per Week:

	2005-06	2006-07		2007-08	
	Average Gross cost per client £	Affordable level £	Average Gross cost per client £	Affordable level £	Average Gross cost per client £
April - June	178	187	183	172	190
July - September	180	187	187	172	184
October - December	177	183	182	172	188
January - March	176	180	178		



Comments:

- Targets did not exist prior to 2006-07 as this average cost is not a real performance indicator. It merely attempts to demonstrate the general upward trend in the cost of supporting clients with Physical Disabilities.
- This graph reflects the average cost per client week across all Physical Disability services, including those with the lowest levels of need.
- The basis for calculation has changed from last year in order to include both the costs of services provided by the private and voluntary sector and in-house service provision. The previous years' figures have been adjusted accordingly.

ENVIRONMENT & REGENERATION DIRECTORATE SUMMARY JANUARY 2007-08 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 last full monitoring report to reflect a number of technical adjustments to budget, and the following virements:
 - £0.2m from Waste Management to Capital Programme Group for the initial design costs of the Borough Green & Platt bypass
 - £0.195m from Waste Management to Environment Group for Health & Safety requirements, SSSI obligation, income generation priming and e-Government initiative.
 - £0.190m from Waste Management to Regeneration & Supporting Independence portfolio for £0.050m contribution to Dover Pride Programme Team; £0.050m Kent Empty Properties Initiative – continued engagement of consultancy advice to handle wider County remit; £0.090m Production of Regeneration Strategy and subsequent consultation and production.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment, Highways & Waste portfolio							
Kent Highways Services	56,646	-8,511	48,135	1,030	-415	615	Additional Depot, Running Costs and SLA charges. Assumes Emergency Works met by Corporate Centre. Extra Recharges & Fees
Public Transport Contracts	7,677	-634	7,043	-25	-175	-200	Income from CFE and others above budget expectation
Rural Bus Grant	2,276	-2,276	0	430	-430	0	Non-grant income supporting further rural service.
Capital Programme Group	889	-444	445	-115	0	-115	A bid will be made to roll £160k of the design funds for Borough Green and Platt Bypass
Waste Management	60,037	-2,749	57,288	-3,245	-445	-3,690	Less tonnage via Allington and less tonnage overall. WEEE Grant and improved sales/Op. Cubit income.
Environmental Group	8,096	-3,931	4,165	795	-660	135	More project expenditure, supported by external funding, than included in the budget. Reduced income from Country Parks.
Transport Strategy	558	0	558	-115	0	-115	Vacant post. Slippage on CTRL Impact Study.
Resources	4,449	-467	3,982	970	-165	805	Directorate Budget Gap. IT licences higher than budgeted. Extra recharge (AIT) income.
Total E, H & W	140,628	-19,012	121,616	-275	-2,290	-2,565	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Regeneration & Supporting Independence portfolio							
Regeneration & Projects - Area Teams & Major Projects	5,422	-1,112	4,310	-35	-565	-600	Extra DCLG activity. De-dualling of Fort Hill Road will slip to 2008/09 as will part of the funding for EK Empty Properties and Manston/Eurokent
Economic Development	2,946	-988	1,958	40	-65	-25	Minor Variations
Planning & Development	1,181	-57	1,124	-310	20	-290	£280k of delay in Local Development Framework, to be bid for roll forward. Similarly for Household & LT Crossing Studies. Reduced grant from Government.
Planning Applications	1,580	-468	1,112	-275	10	-265	Vacant posts. Delay on Shaw Grange remedials £250k, to be bid for roll forward.
Change & Development	285	0	285	220	-95	125	Unfunded post and seconded staff, with income
Kent Regeneration Fund	954	-850	104	-100	100	0	Projects held-back due to shortfall in funding.
Total Regen & SI	12,368	-3,475	8,893	-460	-595	-1,055	
Total Directorate Controllable	152,996	-22,487	130,509	-735	-2,885	-3,620	

1.1.3 Major Reasons for Variance:

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

Environment, Highways & Waste portfolio:

1.1.3.1 Kent Highway Services (KHS):

The budget requirement for the running costs of the KHS depot network was under estimated, at a cost of £340k, and SLA charges from Legal Services will be £265k in excess of budget reflecting an upsurge in the volume of work submitted.

Recharge and fees income for KHS is estimated to exceed the budget, particularly in the area of Section 38 Agreements (developer contributions towards the KHS design and supervision fee in respect of new housing developments), generating an extra £450k.

The demand, for operational (non street lights) maintenance on the Highway, will lead to an over spend of some £400k. However, a £240k under spending on Street Lighting Maintenance will form a roll forward bid.

A number of vacant posts in KHS Division have led to temporary appointments and there will be a cost overrun of £125k.

1.1.3.2 Public Transport Contracts:

One of the Towards 2010 targets is the provision of a Freedom Pass for public transport usage by 11 to 16 year olds. Two pilots are in progress. The take-up of passes has exceeded expectations but there hasn't been a commensurate increase in costs due to greater use of non-peak travel than anticipated. There will be additional income received from the Education Service, and others, exceeding the budget assumption by £175k.

1.1.3.3 Rural Bus Grant:

Additional non-grant income of £430k on Rural Bus Services is supporting further service provision.

1.1.3.4 Capital Programme Group:

There will be a re-phasing into 2008-09 of the design work on the Borough Green and Platt Bypass and £160k will be sought as roll-over.

1.1.3.5 Waste Management:

The Allington Waste to Energy plant is still not fully operational. After a long period of shutdown for repairs it began to come back on stream again on February 8th. As a result more waste is sent to Landfill than budgeted for, but this is at a cheaper rate, for the moment. Also, the waste tonnage to date, compared to last year, is reduced but remains volatile, hence an estimated saving on the budget of some £3.4m is the result. Within this forecast an assessment has been made as to the period needed before full working of the Waste to Energy plant is achievable.

KCC has received WEEE grant income of £350k that was not built into the budget. Additional sales and Operation Cubit income of some £670k will be achieved. However, some £810k of WPEG budgeted income has been paid as a capital grant and therefore is not available to support the revenue budget as planned.

Income has been received from the district councils for the work of the Kent Waste Partnership and the Clean Kent Campaign (£230k).

A bid will be made to roll forward £280k to support the Kent Waste Partnership objectives.

1.1.3.6 Environmental Group:

In Environment, an ability to increase the level of external funding received, compared to the budget assumption, has enabled more projects to be achieved, resulting in an increase in both costs and income of £700k. However a reduction in the income from Country Parks, ascribed to the poor summer weather, has meant a shortfall on the budget of £100k.

1.1.3.7 Resources:

The Resources Division within the E,H&W Portfolio holds the Directorate-wide budget imbalance of £735k, which relies upon a Management Action Plan to ensure a balanced Portfolio budget by the year-end. The under spending of the Waste Management budget, detailed in 1.1.3.5 above, will provide the needed funding cover.

The Analysis & Information Team within Resources Division will exceed its income target by £190k.

Regeneration & Supporting Independence portfolio:

1.1.3.8 Regeneration & Projects Team:

There is an increased volume of DCLG activity within Regeneration & Projects, in relation to the Kent Thameside and Swale Forward Boards resulting in increased costs of £500k, which will be matched by 100% grant. The budget for this item has to be determined often before knowledge of all programmes of work is available. However, slippage of £450k on the Fort Hill, Margate de-dualling project will require a bid for roll-forward to next year.

1.1.3.9 Planning & Development:

A delay in the Minerals and Waste Local Development Framework will require a bid for roll-forward of £280k.

1.1.3.10 Planning Applications:

There is also a delay in the remedial works required to Shaw Grange of £250k.

1.1.3.11 Change & Development:

Within Change and Development, one occupied post is unfunded as the external funding has now ceased, and there are three seconded staff matched by 100% external funding of £100k. Expenditure will exceed the budget by £220k.

1.1.3.12 Kent Regeneration Fund:

Due to an expected shortfall in the Kings Hill income available for the Kent Regeneration Fund, projects have been held back wherever possible, leading to a reduction in costs and income of £100k.

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	The Waste WPEG grant was budgeted as 100% revenue grant but it is being paid as 50% capital grant and is therefore not available to support the revenue budget	+810	EHW	Reduced tonnage through the Allington WtE plant. Reduced tonnage in total, compared to the budget assumption.	-3,400
EHW	Directorate Budget Gap (covered from Waste under spend)	+735	EHW	Increased level of external funding enabling more projects within Environment Group	-700
EHW	More project expenditure supported by external funding within Environment Group	+700	EHW	Waste - improved sales / Operation Cubit income	-670
RSI	Increased Volume of DCLG activity - Kent Thameside & Swale Forward Boards	+500	RSI	Increased Volume of DCLG grant - Kent Thameside & Swale Forward Boards	-500
EHW	Rural Bus Services - non-grant income supporting further rural	+430	RSI	Re-phasing of Fort Hill, Margate de-dualing project	-450
EHW	Operational Highway Maintenance works	+400	EHW	Additional recharges and fees income from KHS Division	-450
EHW	Budget under-estimate on KHS depot running costs.	+340	EHW	Increase on non-grant income on rural bus services	-430
EHW	KHS Additional SLA charges (Legal Services)	+265	EHW	WEEE Grant not budgeted as income	-350
RSI	1 Unfunded post and Seconded Staff in Change & Development Division	+220	RSI	Delay in Minerals and Waste Local Development Framework activity	-280
EHW	Additional cost of temporary and agency staff within KHS	+125	RSI	Delay in Shaw Grange remedial works	-250
EHW	Reduction in Country Parks income due to poor summer weather	+100	EHW	Street Lighting Maintenance and Inventory	-240
RSI	Kent Regeneration Fund expected funding shortfall	+100	EHW	Unbudgeted income from Districts for Clean Kent and Kent Waste Partnership	-230
			EHW	Additional income from Analysis & Info Team	-190
			EHW	Additional income from base revenue supported bus services	-175
			EHW	Re-phasing into 2008-09 of design for the Borough Green & Platt Bypass	-160
			RSI	Seconded Staff funded externally in Change & Development Division	-100
			RSI	Kent Regeneration Fund - projects delayed due to expected funding shortfall	-100
		+4,725			-8,675

1.1.4 Actions required to achieve this position:

Whilst the Regeneration and Supporting Independence Portfolio shows a net under spending of £1,055k, it should be noted that a sum of £1,190k will be the subject of bids for roll forward into 2008/09, in order to complete key activities. Hence the imbalance is in reality +£135k, which relates, mainly, to a post in Change & Development for which the external funding has now ceased. The Directorate is confident that a funding solution will be found before the year-end.

The E, H & W Portfolio is showing a forecast net £2,565k under spend. This reflects that the Directorate budget net gap of £735k is a first call on the Waste Management under spend, which is forecast at £3,690k. Of the £2,565k net forecast under spend, a bid for roll forward will be made for £740k in order to complete a number of projects, leaving a residual £1,825k under spend. It is proposed to submit other bids for roll-over, subject to further discussion, as linked to the restructure of the Directorate and the replacement of a key management and financial information system.

It should be noted that this forecast assumes that the County Council's Emergency Reserve will provide funding to meet the estimated cost of £650k, for corrective work following the earthquake and floods in June and January, consistent with previous practice.

1.1.5 Implications for MTFP:

- The WtE plant at Allington is assumed to be at full operational capacity from 1st April 2008.
- The Directorate budget net gap of £735k has been re-aligned within the 2008/09 budget.

1.1.6 Details of re-phasing of revenue projects:

The following revenue projects are re-phasing into 2008-09, and therefore roll forward will be requested in order to complete these activities:

R&SI portfolio:

- £280k in respect of a delay in the Local Development Framework for Waste and Mineral Studies,
- £25k for the Lower Thames Crossing Study,
- £35k for the Household Study,
- £250k for Shaw Grange remedial works,
- £450k slippage on the Fort Hill de-dualling work
- £100k for the running costs of the Manston/Eurokent project.
- £50k for East Kent Empty Properties Initiative

EH&W portfolio:

- £60k in order to complete the CTRL Impact Study,
- £160k for the design of the Borough Green and Platt Bypass and
- £240k for Street Lighting maintenance programme and Inventory completion.
- £280k will be requested to roll forward to 2008-09 to support the Kent Waste Partnership objectives.

1.1.7 Details & impact of proposals for residual variance:

R&SI portfolio:

Under spends elsewhere in the Directorate will be achieved to provide a solution to the unfunded post within Change & Development Division.

EH&W portfolio:

As detailed in 1.1.4 above, roll forward bids will be submitted for the residual underspend after allowing for the re-phased projects detailed in 1.1.6, which are linked to the restructure of the Directorate and the replacement of a key management and financial information system.

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.

Cash limits have been adjusted since the last full monitoring report to reflect:

	2007-08	2008-09	2009-10	Future Years
	£000s	£000s	£000s	£000s
<u>Environment, Highways & Waste portfolio:</u>				
▪ Major Scheme Design – external funding for Arts Projects	160			
▪ Re-phasing per 2008-11 MTP	-25,987	6,782	15,265	79,330
▪ Thamesway – additional external funding from Kent Police & London & Continental Railways	407			
<u>Regeneration & Supporting Independence portfolio:</u>				
▪ Fastrack Delivery Executive – DCLG grant to install ticket machines	500			
▪ Kent Science Resource Centre – DCLG grant	717			
▪ Gravesend Community Arts Complex – DCLG grant & SEEDA funding	442			
▪ Re-phasing per 2008-11 MTP	-3,724	6,335	1,235	1,235
▪ Eurokent Road – inclusion of external funding and developer contributions in order to reflect the gross costs of the project		1,304		
▪ Gravesend Community Arts Complex – removal of revenue costs	-92	-10		

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position.

	Prev Yrs Exp £000s	2007-08 £000s	2008-09 £000s	2009-10 £000s	Future Yrs £000s	TOTAL £000s
Environment, Highways & Waste Portfolio						
Revised Budget per Dec Cabinet	64,753	112,251	67,028	53,795	88,428	386,255
Adjustments:						
- Major Scheme Design Art projects		160				160
- re-phasing per 2008-11 MTP		-25,987	6,782	15,265	79,330	75,390
- Thamesway external funding		407				407
Revised Budget	64,753	86,831	73,810	69,060	167,758	462,212
Variance		-1,370	3,409	0	0	2,039
split:						
- real variance		+284	+1,755			+2,039
- re-phasing		-1,654	+1,654			0
Regeneration & Supporting Independence Portfolio						
Revised Budget per Sept Cabinet	3,904	10,607	1,500	2,000	1,000	19,011
Adjustments:						
- Fastrack Delivery Exec DCLG grant		500				500
- Kent Science Resource Centre		717				717
- Gravesend Community Arts Complex		350	-10			340
- re-phasing per 2008-11 MTP		-3,724	6,335	1,235	1,235	5,081
- Eurokent Road external funding			1,304			1,304
Revised Budget	3,904	8,450	9,129	3,235	2,235	26,953
Variance		-2,471	+2,471	0	0	0
split:						
- real variance						0
- re-phasing		-2,471	+2,471			0
Directorate Total						
Revised Budget	68,657	95,281	82,939	72,295	169,993	489,165
Variance	0	-3,841	+5,880	+0	+0	2,039
Real Variance		+284	+1,755	0	0	+2,039
Re-phasing *		-4,125	+4,125	0	0	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2007-08 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary planning stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary planning stage, is explained further in section 1.2.4 below.

All real variances in excess of £250k are explained in section 1.2.5, together with the resourcing implications.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Planning Stage
			£'000s	£'000s	£'000s	£'000s
Overspends/Projects ahead of schedule						
EHW	Highway Major Maintenance	Phasing	+2,329			
EHW	Integrated Transport Programme	Real	+516			
R&SI	East Kent Empty Property Initiative	Phasing		+398		
			+2,845	+398	0	0
Underspends/Projects behind schedule						
R&SI	Eurokent Spine Road	Phasing			-1,650	
EHW	Ashford Ring Road	Phasing		-1,535		
R&SI	Arts & Business Centre at Folkestone	Phasing		-1,219		
EHW	Re-shaping Kent Highways Accommodation	Phasing		-694		
EHW	Integrated Transport Programme	Phasing	-507			
EHW	Newtown Way Improvement	Phasing			-421	
EHW	Everards Link Phase 2	Phasing		-374		
			-507	-3,822	-2,071	0
			+2,338	-3,424	-2,071	0

1.2.4 Projects re-phasing by over £1m:

There are four schemes/programmes falling into this category, namely the Arts and Business Centre at Folkestone, the Eurokent Spine Road, the Ashford Ring Road, and the Highway Major Maintenance programme of works.

1.2.4.1 R&SI portfolio - Arts and Business Centre at Folkestone– slippage £1.219 million

This scheme is designed to assist the regeneration and employment opportunities in this part of East Kent. The project has slipped by £1.219 million representing 35% of the total value of the scheme. There has been a delay in the construction programme due to adverse weather and difficulties in pursuing the ground-works because of archaeological findings. There will be a delay in completion until late spring 2008. There are no specific service implications of this delay. Revised phasing of the scheme is now as follows:

	Prior Years	2007-08	2008-09	2009-10	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
BUDGET & FORECAST						
Budget	477	2,223	800			3,500
Forecast	477	1,004	2,019			3,500
Variance	0	-1,219	1,219	0	0	0
FUNDING						
Budget:						
prudential	477	2,223	800			3,500
TOTAL	477	2,223	800	0	0	3,500
Forecast:						
prudential	477	1,004	2,019			3,500
TOTAL	477	1,004	2,019	0	0	3,500
Variance	0	-1,219	1,219	0	0	0

1.2.4.2 R&SI portfolio - Eurokent Spine Road– slippage £1.650m

This project is necessary in order that the regenerative benefits from the Manston/Eurokent developments can be achieved. The project has slipped by £1.65million representing 25% of the total value of the scheme. The proposal for this project assumed that there would be an earlier start date. However, the complex suite of agreements needing to be in place before committing to a contract has meant that the construction contract has only recently been awarded. The works are expected to complete in November 08 (3 months later than originally expected).

	Prior Years	2007-08	2008-09	2009-10	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
BUDGET & FORECAST						
Budget		2,400	4,304			6,704
Forecast		750	5,954			6,704
Variance	0	-1,650	1,650	0	0	0
FUNDING						
Budget:						
Developer contribution			763			763
External			541			541
capital receipt		2,400	3,000			5,400
TOTAL	0	2,400	4,304	0	0	6,704
Forecast:						
Developer contribution			763			763
External			541			541
capital receipt		750	4,650			5,400
TOTAL	0	750	5,954	0	0	6,704
Variance	0	-1,650	1,650	0	0	0

1.2.4.3 EH&W portfolio - Ashford Ring Road – slippage £1.535 million

This scheme is one element of the infrastructure required for the Ashford growth area. The project has slipped by £1.535 million representing 11% of the total value of the scheme. There has been a delay in the construction programme partly due to slower progress than anticipated but also to the adjoining development in County Square encountering problems, which has had an impact. There will be a delay in completion, the precise effect of which is under discussion. It should be noted that this forecast is based on the full scheme, although not all the funding is yet confirmed to be in place (and hence the noted over run in 2008/09 of £1.922m). It could be necessary to trim the scheme if the required funding is not achieved. There are no specific service implications of this delay. Revised phasing of the scheme is now as follows:

	Prior Years	2007-08	2008-09	2009-10	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
BUDGET & FORECAST						
Budget	1,437	8,697	1,840			11,974
Forecast	1,437	7,162	5,297			13,896
Variance	0	-1,535	3,457	0	0	1,922
FUNDING						
Budget:						
grant	1,437	7,458	850			9,745
loan	0	117	0			117
developer contribution	0	1,122	990			2,112
TOTAL	1,437	8,697	1,840	0	0	11,974
Forecast:						
grant	1,437	7,162	3,547			12,146
loan		0	50			50
developer contribution		0	1,700			1,700
TOTAL	1,437	7,162	5,297	0	0	13,896
Variance	0	-1,535	3,457	0	0	1,922

1.2.4.4 EH&W portfolio – Highway Major Maintenance – acceleration £2.329 million

In previous exception reports, it was reported that this £29m programme would not be completed by the year-end. Excellent progress has turned that position around, to the extent that the slippage declared previously of £1.060m (which has been reflected in the budget figures in the 2008-11 MTP and therefore also in the cash limits now used in this report) has been reversed and further works are to be completed late in the programme. There is a £2.329m acceleration against the revised budget which represents 8% of the total value of the 2007-08 annual highway major maintenance programme. It is recognised that this position results in a funding issue, and that if temporary borrowing is needed the Directorate will be required to meet the financing costs involved. The precise funding of this accelerated spend will be reviewed at year end once the final funding streams available to finance the overall 2007-08 capital spend for the authority are known. It is also acknowledged that next year's programme of works will need to be reduced as a result of the acceleration in the current year.

	Prior Years	2007-08	2008-09	2009-10	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
BUDGET & FORECAST						
Budget		29,119	23,697	25,085	85,102	163,003
Forecast		31,448	21,368	25,085	85,102	163,003
Variance	0	2,329	-2,329	0	0	0
FUNDING						
Budget:						
Prudential		2,909	1,000			3,909
Prudential/Revenue		2,450				2,450
Loan		14,714	22,647	24,875	84,902	147,138
Grant		9,046	50	210	200	9,506
TOTAL	0	29,119	23,697	25,085	85,102	163,003
Forecast:						
Prudential		2,909	1,000			3,909
Prudential/Revenue		3,719	-1,269			2,450
Loan		15,774	21,587	24,875	84,902	147,138
Grant		9,046	50	210	200	9,506
TOTAL	0	31,448	21,368	25,085	85,102	163,003
Variance	0	2,329	-2,329	0	0	0

1.2.5 Projects with real variances, including resourcing implications:

Table 3 shows a real (net) over spend of £0.284m in 2007-08 and £1.755m in 2008-09, which is in respect of the following:

2007-08:

- +£516k Integrated Transport Programme which is to be met by a revenue contribution. In addition there is £0.507m being re-phased into 2008-09 funded by of supported borrowing.
- +£0.069m on Waste and country Parks projects which will be met by revenue contributions.
- -£0.213m on Waste Performance Grant funded projects; however there will be a compensatory reduction in grant.
- -£0.088m on the Thamesway project which will be matched by a compensatory reduction in grant funding.

2008-09:

- +£1.922m Ashford Ring Road – this is subject to the accessing of additional funding, otherwise the scheme will be trimmed back. A bid for additional Government grant has been submitted.
- -£0.112m Ashford Newtown Way improvement, which will be matched by a compensatory reduction in grant funding.
- -£0.055m on the Thamesway project which will be matched by a compensatory reduction in grant funding.

1.2.6 General Overview of capital programme:

(a) Risks:

The time limits placed on Government grant funding is posing operational problems with the timetable movements that is inherent in complex and large scale projects.

(b) Details of action being taken to alleviate risks:

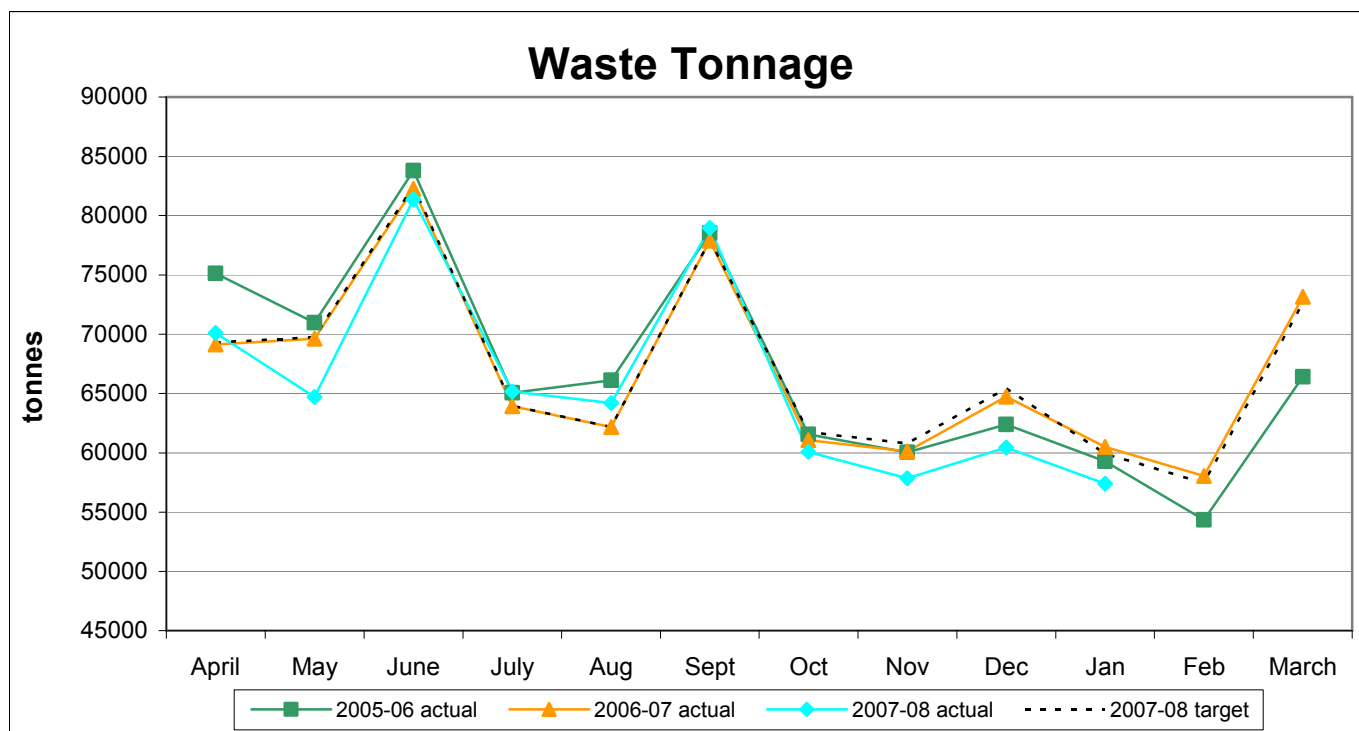
Monthly meetings with project managers take place to revise the forecast.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Waste Tonnage:

	2005-06	2006-07	2007-08	
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Business Plan Target *
April	75,142	69,137	70,102	69,290
May	70,964	69,606	64,715	69,760
June	83,770	82,244	81,351	82,425
July	65,063	63,942	65,172	63,953
August	66,113	62,181	64,202	62,189
September	78,534	77,871	78,956	77,912
October	61,553	61,066	60,086	61,751
November	60,051	60,124	57,853	60,807
December	62,397	64,734	60,450	65,426
January	59,279	60,519	57,382	59,932
February	54,337	58,036		57,443
March	66,402	73,171		72,610
TOTAL	803,605	802,631	660,269	803,498

* there has been some minor re-alignment of the profile since the first detailed monitoring report for 2007-08 to reflect outstanding data received from a number of district councils



Comments:

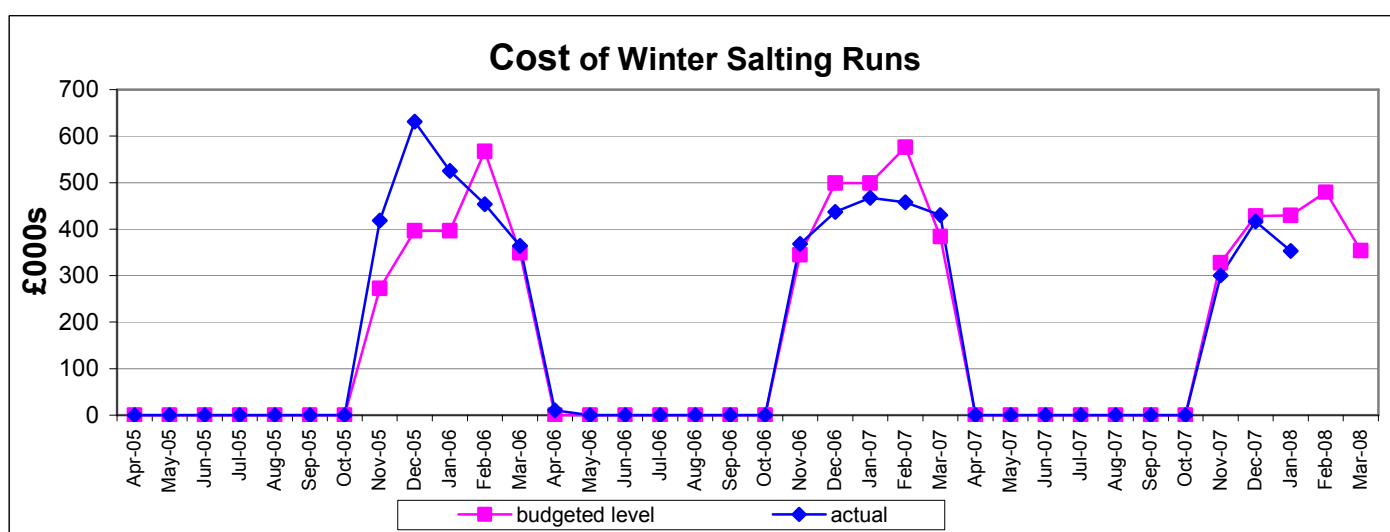
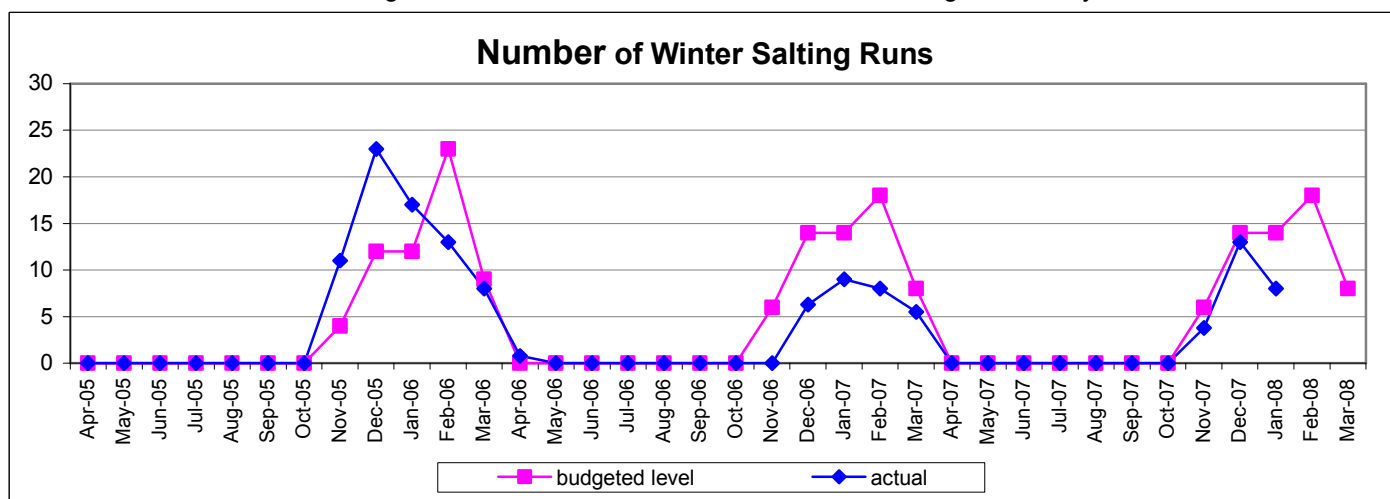
- Tonnage has declined slightly from last year. Also the expected volume to be put through the Allington WtE Plant is significantly below expectation. As, in the early years, the cost of Allington processing is higher than standard Landfill, the budget benefits from reduced costs. So, even if the total tonnage to be managed was the same as last year, there would still be an under spending on the budget, all other things being equal.
- The target tonnage profile has been amended slightly since the first detailed monitoring report for 2007-08.

2.2 Number and Cost of winter salting runs:

	2005-06				2006-07				2007-08			
	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	Budgeted level	Actual	Budgeted Level	Actual	Budgeted Level	Actual	Budgeted level	Actual	Budgeted Level ²
					£000s	£000s	£000s	£000s			£000s	£000s
April	-	-	-	-	0.8 ¹	-	10	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-	-
November	11	4	418	272	-	6	368	345	3.8	6	300	328
December	23	12	631	396	6.3	14	437	499	13	14	416	428
January	17	12	525	396	9.0	14	467	499	8	14	353	429
February	13	23	453	567	8.0	18	457	576	18			479
March	8	9	364	349	5.5	8	430	384	8			354
TOTAL	72	60	2,391	1,980	29.6	60	2,169	2,303	24.8	60	1,069	2,018

Note¹: only part of the Kent Highways Network required salting

Note²: the 2007-08 budget excludes overheads, as these are now charged centrally

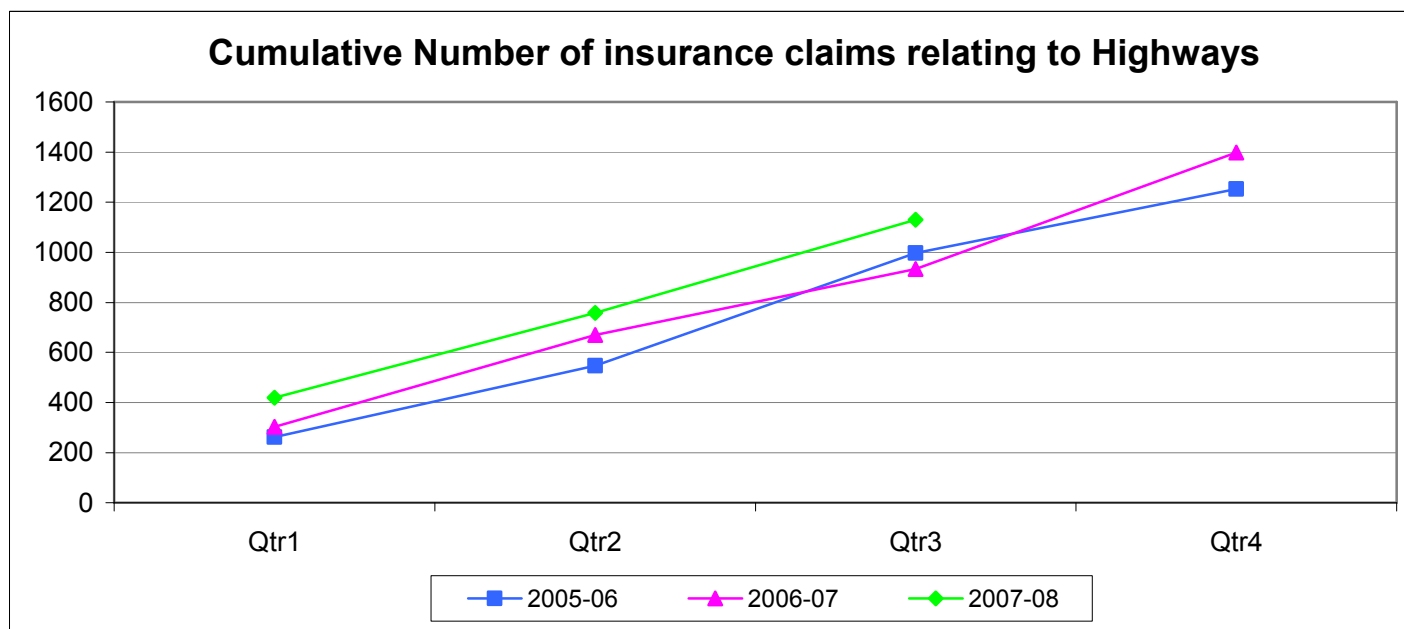


Comment:

- The charges for the Winter Maintenance Service reflect a large element of fixed cost; the smaller element being the variable cost of the salting runs. Contractual fixed costs have been apportioned equally over the 5 months of the salting period.

2.3 Number of insurance claims arising related to Highways:

	2005-06	2006-07	2007-08
	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims
April – June	263	303	419
July – September	547	669	758
October – December	997	933	1,130
January - March	1,252	1,398	



Comments:

- The increase in claims between 2005-06 and 2006-07 appears to reflect a national trend. Nearly all other county councils in South East England have reported a similar rise in 2006. Carriageway claims are starting to increase and this may be evidenced by the relatively high figure for the first three quarters of this financial year.

COMMUNITIES DIRECTORATE SUMMARY JANUARY 2007-08 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" i.e. where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the last full monitoring report to reflect a number of technical adjustments to budget.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Communities portfolio							
Turner Contemporary	885	-82	803	234	-234	0	Increased grant from Arts Council and expenditure on activities
Kent Drug & Alcohol Action Team	15,165	-13,438	1,727	976	-1,004	-28	Increased income from NTA and expenditure on Stonehouse PFI
Youth Offending Service	5,613	-1,889	3,724	1,017	-927	90	Additional income from prevention grant & partners & associated expenditure
Adult Education	12,667	-13,213	-546	1,097	-267	830	Non delivery of surplus, additional grant and contract income with associated expenditure, and loss of tuition fee income
Cultural Development	1,404	-225	1,179	38	102	140	Ongoing impact of the loss of EU grants which have supported unit budget since restructuring in 2003/04
Libraries, Information & Archives	26,069	-2,787	23,282	-152	-98	-250	Directorate savings & book fund purchases funded from developers contributions.
Dover Discovery Centre	383	-383	0				
Sports, Leisure & Olympics	1,128	-312	816	1,180	-1,203	-23	External grants and directorate savings.
Youth Services	9,092	-1,570	7,522	-23		-23	Directorate savings
Key Training	4,000	-3,865	135	7	-134	-127	Bonuses on European Social Fund projects
Kent Community Safety Partnership	4,706	-134	4,572	-86	75	-11	Directorate savings
Contact Centre	4,877	-1,921	2,956	-299	266	-33	income shortfall due to reduced CDSE activity & directorate savings
Coroners	2,089	-322	1,767	255	-49	206	Mortuary & specialist fees, pay award & income from Medway
Emergency Planning	753	-172	581	-41	30	-11	Directorate savings

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Kent Scientific Services	1,575	-1,578	-3	-81	36	-45	Directorate savings
Registration	4,242	-2,452	1,790	123	-188	-65	Accommodation expenditure & additional fee income
Trading Standards	4,432	-485	3,947	64	-93	-29	Directorate savings
Policy & Resources	1,456	-97	1,359	2	-8	-6	Directorate savings
Centrally Managed directorate budgets	75	-1,738	-1,663	-418	633	215	Deficit rollover from 06-07, unachieved vacancy savings, DSG and draw down from reserves
Total Communities controllable	100,611	-46,663	53,948	3,893	-3,063	830	
Original Turner Contemporary				300		300	
Total	100,611	-46,663	53,948	4,193	-3,063	1,130	

1.1.3 Major Reasons for Variance:

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

1.1.3.1 Turner Contemporary – The latest forecast gross expenditure and income on Turner Contemporary are £234k more than the cash limit. The additional income includes £200k secured from the Arts Council to support activities on Turner Contemporary. The additional expenditure relates to these activities.

1.1.3.2 Kent Drug and Alcohol Action Team – The latest forecast gross expenditure is £976k more than the cash limit and income is £1004k more than cash limit giving a net under spend of £28k. The net under spend represents the service's contribution from slowing down expenditure on non essential non staffing budgets as part of the directorate's response to over spends in other services within the directorate.

The main reason for the variation in expenditure and income is £900k received from the National Treatment Agency to support the Stonehouse PFI project which provides 16 in patient detoxification beds in a dedicated facility in Dartford.

1.1.3.3 Youth Offending Service – The latest forecast gross expenditure on YOS is £1.017m more than the cash limit and income is £927k more than cash limit giving a net overspend of £90k. Earlier forecasts identified that the net pressure was due to anticipated placement of offenders in secure accommodation following decisions by the courts. As the year has progressed there have been fewer placements in secure accommodation than we had forecast and this pressure has been resolved. Nonetheless, decisions by courts remain an unavoidable pressure for the service requiring a contingency in future year's budgets. However, a net £90k overspend is still being reported as since the last quarter's report we have identified unbudgeted office accommodation charges that have to be paid.

The main reason for the variation in expenditure and income is £566k Prevention Grant secured from the Youth Justice Board that was not included in the original budget. The remainder of the variances arise from expenditure on the head office and area teams and specific projects, which is offset by increased contributions from partners and funding for specific projects that were not included when the original budget was set. The staff element is £300k as when budgets have been set in the past the element of staff costs funded from partners has not been included as partner's additional contributions had not been finalised in time.

1.1.3.4 Adult Education – The latest forecast gross expenditure on the AE service is £1,097k more than cash limit, income is £267k more than the cash limit giving a net over spend of £830k which can be attributed to the difficulty the service has faced to deliver the challenging target to generate a £500k surplus in 2007/08 to fully repay the loan from Finance portfolio used to cover the deficit in 2006/07, the significant loss of tuition fee income due to lower than anticipated take-up of courses which cannot be fully offset by reducing expenditure on course provision, and the additional costs associated with restructuring and premises reorganisation. All the other variances represent matching income and expenditure and have no impact on the net costs.

The major reasons for the variances are by and large as previously reported and include:

- *Immigration Service* – The budget included the removal of the previous contract for the prisons service which came to end in July 2006 and transferred to the voluntary sector. Following a review the service has retained the provision of education services to the Immigration Service effective from April 2007. The revised forecast includes planned income of £381k and expenditure of £340k under this contract.
- *Business Development* – since the budget was agreed the AE service has adopted a new strategy towards business development and has employed a business development manager with a remit to generate more than twice as much income (£260k) than the annual salary and running costs (£120k).
- *LSC Formula Grants* – The service has received £230k more in its final settlement from the LSC for Adult and Community Learning (ACL) and Further Education (FE) than expected when the budget was set. Some of this additional funding has to be spent on particular activities e.g. £161k additional guided learning hours for Family Language, Literacy and Numeracy (FLLN) and Family Learning (FL) programmes. The service is facing the loss of Information and Guidance grant and clawback on LSC grants for 2005/06 and 2006/07 which collectively reduce grant income by £117k.
- *Tuition Fees* – The budget included proposed changes to the fee and concession structures which would have increased total fee income by £133k but these have not been fully implemented as they were deemed not necessary in light of the other changes in income and expenditure. The budget also included an increase in the yield from tuition fees due to increased enrolments and charges. We are forecasting a further shortfall on tuition fees of £568k due to lower than anticipated take-up of courses in September. Enrolments in January are also slightly lower than planned but the impact is minimal as the majority of enrolments happen at the start of the academic year in September.
- *Staff Restructure & Redundancies* – The restructuring of the service in response to reductions in LSC funding has resulted in significant redundancies in 2006/07 and 2007/08. It was agreed that up to £240k would be funded from a corporate reserve. In 2007/08 the service is estimating redundancy costs of £176k of which only £95k can be funded out of the remainder of the £240k available leaving a net pressure of £81k. There is also a pressure of £15k resulting from delays in implementing the new arrangements resulting in an overall net pressure in 2007/08 of £96k.
- *Projects* – these include a number of projects that were not finalised at the time the budget was set that attract external funding increasing income (£161k) and expenditure (£104k).
- *Neighbourhood Learning and SIP* – The original budget included contributions of £135k towards the cost of these programmes which we no longer expect to receive. There has been a one-off contribution from the roll forward of Finance Portfolio under spend from 2006/07 towards the deficit carried forward from the 2006/07 programme but the service has to cover the ongoing cost of the programme within its overall income from 2007/08 and beyond without receiving these additional contributions.

1.1.3.5 Cultural Development Unit – The latest forecast spending is £38k more than cash limit, income is £102k less than cash limit, giving a net overspend of £140k. We had previously identified a shortfall of £100k on the Arts Unit budget due to the loss of income from EU grants. This will be addressed through a staff restructuring which will take effect in 2008/09. It was agreed to exclude the small team that produces audio visual resources for schools on a trading basis from the restructuring even though it was identified that the team is not fully recovering its costs from sales of audio visual materials to schools. The additional £40k overspend reflects this deficit on trading activities. We are seeking to outsource this venture and we have had some encouraging expressions of interest.

- 1.1.3.6 Libraries and Archives – The latest forecast spending is £152k less than the cash limit, income is £98k more than the cash limit giving a net under spend of £250k. The main contributing factor to the under spend is £100k savings being achieved by slowing down expenditure on non essential non staffing budgets as part of the directorate's response to over spends in other services within Communities.

The service has faced diminishing income from the rental of audio visual materials. The service undertook a thorough review and concluded that they could significantly increase issues if they focussed on the more specialist areas, offered loans for longer periods and reduced the cost of loans. This review resulted in a revised income projection of £701k against a budget of £821k. Although the graph and statistics in section 2.3 indicate we are falling short of this revised projection, the income for quarter 3 is incomplete as a number of districts missed the deadline for banking December income over the Christmas period which meant it was not included in January reports. This income has now been banked and will be reflected in February reports. The service is confident they will still deliver the revised income projection resulting in £120k overspend. This will be offset by a combination of additional income from other sources not included in the original budget and a further reduction in spending on consumables. The income forecast also includes £60k of developer contributions which will be used to fund the cost of new library stock purchases in response to housing developments.

- 1.1.3.7 Sports, Leisure and Olympics – The latest forecast spending is £1.180m more than the cash limit and income £1.203m leaving a net under spend of £23k representing the unit's contribution from slowing down expenditure on non essential non staffing budgets as part of the directorate's response to over spends elsewhere within Communities.

The main sources of the additional income are grants from Sport England £300k, Regional Sports Board (RSB) of £250k, and the balance from a range of other bodies. Additional expenditure includes £113k on community sports coaches and £250k on staff and running costs associated with RSB grants.

- 1.1.3.8 KEY Training – The service has secured an additional £127k grant from the European Social Fund which was not included in the original income budgets. This relates to bonuses received on closure of ESF funded projects through the LSC where expenditure has already been incurred resulting in a net under spend in 2007/08.

- 1.1.3.9 Contact Centre – The latest forecast expenditure is £299k less than the cash limit and a shortfall in income of £266k leaving a net under spend of £33k representing the unit's contribution from slowing down expenditure on non essential non staffing budgets as part of the directorate's response to over spends elsewhere within Communities.

The main reason for the reduced income is due to lower than anticipated activity for Consumer Direct South East (CDSE), as demonstrated by the graph and statistics in section 2.1. This service is provided under a contract with Trading Standards South East Ltd (TSSL) which receives grant from the Office for Fair Trading. Under the contract CDSE receives funding according to the number of calls received. The income received is £249k less than budgeted. The service has made some savings on staff and other running costs but to achieve a balanced budget is drawing down £172k from reserves established to cover trading fluctuations.

- 1.1.3.10 Coroners Service – The latest forecast spending is £255k more than the cash limit, income is £49k more than cash limit giving a net overspend of £206k. The single major reason for this over spend is the increased cost of mortuary fees (£107k). This pressure arises from a number of factors including more referrals by doctors following the Shipman report, above inflation fees being charged by NHS hospital trusts for post mortems, and the cost of the transfer of bodies from Maidstone to Medway following the closure of the mortuary at Maidstone hospital. We have renegotiated these fees reducing the pressure from earlier forecasts. The service is also facing a pressure of £60k for other specialist fees due to increased referrals.

The Coroners pay award for 2007-08 (finally settled in November 2007) worked out to a 10.775% increase. This quarter's forecast includes the impact of the award which results in a £40k additional pressure on staff costs. We have negotiated an increase in contributions from Medway Council to reflect their share of the pressures and intend to draw up a more formal agreement to cover inflationary and demand increases. This will generate an extra £49k income.

1.1.3.11 Registration Service – The latest forecast spending is £123k more than the cash limit and income £188k leaving a net under spend of £65k.

The main reason for the additional spending is £126k on premises as a result of property acquisitions/lease renewals in previous years not reflected in the budget. The service is also spending £67k on the new Ceremonies and Registration Appointment system (CARA) that was not included in the budget and is saving on planned expenditure on enhancements to records storage facilities at the Tunbridge Wells office of £70k which needs to be included in the modernisation of assets programme in the capital budget for 2008/09.

The additional £188k income arises from a higher yield from charges for wedding and citizenship ceremonies than budgeted.

1.1.3.12 Centrally Managed Budgets – The centrally retained budget includes day to day buildings maintenance, income from DSG and recharges to AE, deficit rollovers on Coroners and Policy from 2006/07 and other issues that arise during the year. The deficits rolled forward amount to £221k and a number of one-off issues of £82k have arisen. To balance these we have undertaken a review of all the reserves and have identified £303k in reserves that could be drawn down if other savings cannot be achieved.

The Dedicated Schools Grant includes the allocation of £562k of income for services provided to schools in Libraries, Community Safety, Youth Service and Contact Centre which can be funded from the grant. The total income budget identified through the MTP is £782k. We have investigated our ability to charge individual schools for services but concluded this is not feasible. This leaves a residual pressure of £220k on the central budget which we have resolved from under spends in other services within Communities.

1.1.3.13 Mediation and Litigation on Original Turner Gallery – The directorate is forecasting expenditure in 2007/08 of £300k on legal and other professional fees related to the claim against the architects and their professional advisers responsible for the original design of the Turner Gallery in Margate. The basis of KCC's claim is that the architect and their advisors were negligent in substantially under estimating the costs of constructing a steel structure to be based in the sea. If we are successful the £300k costs involved in preparing our case would be recovered but it is unlikely this will now be resolved this year.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CMY	KDAAT Costs associated with Stonehouse PFI supported by additional NTA funding	+900	CMY	KDAAT NTA income for Stonehouse PFI	-900
CMY	AE loss of Tuition Fees	+568	CMY	YOS Prevention Grant Income	-566
CMY	YOS Prevention Grant Expenditure	+566	CMY	AE Income for Immigration Contract	-381
CMY	AE Immigration Contract Expenditure covered by increased income	+340	CMY	Central draw down from reserves	-303
CMY	Expenditure on mediation and litigation on original Turner Gallery	+300	CMY	Sports - Grant income from Sports England	-300
CMY	YOS share of staff costs funded from Partner contributions	+300	CMY	Increased partner contributions for YOS	-300
CMY	Sports - RSB activity expenditure supported by income	+250	CMY	AE Business Development Income	-260
CMY	CDSE income shortfall due to reduced calls	+249	CMY	Sports - RSB income to support activities	-250
CMY	Rolled forward deficits form 2006/07	+221	CMY	Additional LSC AE Formula Grants	-230
CMY	Services chargeable to Dedicated Schools Grant	+220	CMY	Turner ACE Grants to support activities	-200

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CMY	Expenditure on Turner Contemporary Activities supported by ACE Grant	+200	CMY	Registration Fees from weddings and citizenship ceremonies	-188
CMY	Increased guided learning hours for Family and Lifelong Learning in AE	+161	CMY	CDSE draw-down from reserves	-172
CMY	Neighbourhood Learning & SIP	+135	CMY	AE Project grants	-161
CMY	AE fee and concessions policy revisions not implemented	+133	CMY	Key Training bonuses on European Social Fund grant	-127
CMY	Registration premises leases	+126	CMY	Libraries & Archives savings from reduced expenditure on non staffing budgets	-100
CMY	AE Business Development Expenditure covered by increased income	+120			
CMY	Libraries & Archives underachievement of AV income	+120			
CMY	AE loss of Information & guidance grant and clawback of LSC grants from 2005-06 and 2006-07	+117			
CMY	Sports - project expenditure on community sports coaches	+113			
CMY	Coroners Mortuary fees	+107			
CMY	AE project expenditure covered by increased income	+104			
CMY	Arts unit reduction in grant income	+100			
		+5,450			-4,438

1.1.4 Actions required to achieve this position:

We have reviewed the YOS budget and tackled a number of issues relating to staffing and premises budgets, and income from partners. We have identified some unbudgeted expenditure for accommodation recharges which can be covered by under spends in other services within Communities. The Youth Offending Service will make provisions for these recharges within 2008/09 budget through reductions elsewhere. The budget for secure accommodation for young offenders sentenced by courts remains the only area for outstanding concern although the 2008-11 MTP includes provision for a £100k contingency for this.

The Adult Education service has undertaken a major restructuring in response to a 16% reduction in LSC funding allocations and made changes to its tuition fee structure. This has resulted in the loss of nearly 70 permanent staff posts and a reduction in sessional tutor hours of over 30%. Some unforeseen one-off costs associated with the restructuring and loss of tuition fee income means the service cannot return to a balanced budget position this year and generate the necessary surplus to repay the £500k loan from the Finance portfolio allocated to cover previous year's overspends without resulting in irreparable damage to the service's reputation. Without the loss of tuition fee income due to lower than expected enrolments, the service would not have incurred the additional £330k deficit. The actions proposed to address the £500k and £330k are detailed in paragraph 1.1.7.

We have embarked on a restructuring of the Cultural Development unit. Consultation with staff and unions has taken place on the proposed structure. Four members of staff have opted for voluntary redundancy and we are currently completing recruitment to the new structure affecting the remaining 9 members of staff at risk. The savings accruing from the restructuring are needed to deliver the current MTP and will not deliver any additional savings. The cost of voluntary redundancies will be funded from the workforce reduction fund.

We have reviewed all budgets to identified areas where services can slow down expenditure on non essential non staffing budgets. Actions plans have been agreed with divisional directors and

Heads of Services and £388k of savings are being delivered to offset the significant overspends in Coroners, Cultural Development and YOS identified in previous monitoring returns. These savings will not have any impact on front line services. We have also reviewed balances held in reserves and will be using some of these to offset against overspends rolled forward from 2006-07 and unachieved staffing savings.

The budget for the Policy Unit has an underlying pressure of £300k. This mainly relates to £165k for the Asset Management Team, which when funding was disaggregated was funded from the capital programme, but latest advice from external auditors is that this can no longer be treated as capital expenditure. We have been able to contain this pressure during 2007-08 by a number of factors including revising the amount of overheads recharged to externally funded services, holding vacancies longer than planned and identifying other revenue expenditure which can be charged to capital.

1.1.5 Implications for MTP:

The pressures on Coroners and YOS for secure accommodation are imposed outside the direct control of the authority and are reflected in the MTP as additional pressures.

The restructuring of the Cultural Development Unit is also reflected in the MTP through reduced income and expenditure following restructuring. The cost of ongoing early retirement payments arising from this restructuring have also been included in the MTP.

The repayment of the £500k loan to cover the 2006/07 deficit on the AE service is proposed to be rolled forward and is reflected in the MTP as £250k surplus in each of 2008/09 and 2009/10. The additional pressure to restore the AE base budget to a net zero to offset the £500k taken out of the base in 2007/08 is also reflected.

The underlying pressure in the Policy Unit mainly relates to costs that can no longer be charged to capital. We will resolve this by identifying revenue expenditure on IT upgrades and other asset enhancements which can be charged to capital and transfer the revenue funding into the policy unit. We will report the implications for the capital programme once we have identified the upgrade element that is integral within existing IT contracts.

The unallocated vacancy saving will be delivered through a range of further efficiency savings to be reflected as budget adjustments during the year. During 2007/08 we have achieved £388k of in year efficiency savings through slowing down expenditure on non essential non staffing budgets. We intend to make these savings base budget savings although it was not possible to include firm proposals in the MTP.

1.1.6 Details of re-phasing of revenue projects:

N/A

1.1.7 Details & impact of proposals for residual variance:

We will be seeking to rollover the £830k accumulated deficit on the AE service. As detailed in paragraph 1.1.5 above, the £500k loan from the Finance portfolio is now planned to be repaid across 2008-09 and 2009-10. Plans to reduce costs in order to repay this are already in place through £100k reduction in management and administration costs, £105k additional income from reviewing concessions policies and £295k additional income from tuition fees and developing new markets. Plans for the remaining £330k which represents the 2007-08 in year deficit of expenditure against income are currently being developed as part of a fundamental review of the AE service. This review will look at reducing the proportion of AE costs that are fixed in the short term (principally staff and buildings) so that the service can be more responsive to changes in student numbers (and thus fee income) and LSC funding in future.

1.2 CAPITAL

- 1.2.4 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.

Cash limits have been adjusted since the last full monitoring report to reflect:

	2007-08	2008-09	2009-10	Future Years
	£000s	£000s	£000s	£000s
▪ Re-phasing per 2008-11 MTP	-18,280	-3,095	+12,849	+5,894

- 1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position.

	Prev Yrs Exp £000s	2007-08 £000s	2008-09 £000s	2009-10 £000s	Future Yrs £000s	TOTAL £000s
Communities						
Revised budget per Dec Cabinet	20,768	23,661	14,073	5,259	5,820	69,581
Adjustments:						
- re-phasing per 2008-11 MTP		-18,280	-3,095	12,849	5,894	-2,632
Revised Budget	20,768	5,381	10,978	18,108	11,714	66,949
Variance		-563	+499			-64
split:						
- real variance		-64			0	-64
- re-phasing		-499	+499		0	0
Real Variance		-64	0	0	0	-64
Re-phasing		-499	+499	0	0	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2007-08 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary planning stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary planning stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

Now that the capital cash limits have been adjusted for the re-phasing which has been reflected in the 2008-11 MTP, there are no variances in excess of £250k.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Planning Stage
			£'000s	£'000s	£'000s	£'000s
	Overspends/Projects ahead of schedule					
	None					
			0	0	0	0
	Underspends/Projects behind schedule					
	None					
			0	0	0	0
			0	0	0	0

1.2.4 Projects re-phasing by over £1m:

None

1.2.5 Projects with real variances, including resourcing implications:

- Mortuaries Refurbishment – The cost of work at Medway Maritime Hospital is now confirmed and will result in a saving of £64k this year.

The true underlying variance is therefore an underspend of £64k.

1.2.6 General Overview of capital programme:

(a) Risks

- Adult Education at Canterbury High School – we may need to make provision for a part of any potential overspend on this project (a) if the school will not contribute the additional £160k spent last year on the project, and/or (b) if there is an over spend attributable to the adult education facility.
- Edenbridge – if the planning approval is not forthcoming this project cannot proceed. If the costs of the facility are higher than expected they will have to be met from the capital receipt. However, it is possible the capital receipt may be insufficient, particularly as £1m has been agreed to meet CFE costs in which case we will have to make provision for any overspend.

(b) Details of action being taken to alleviate risks

- Adult Education at Canterbury High School – the school are taking legal action against their professional advisors to recover the overspend and further detailed work is in hand to identify how the additional costs should, if appropriate, be shared between the school and AE.
- Edenbridge – the proposals are being developed in close co-operation with Sevenoaks planners, planning advisors and property valuers.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

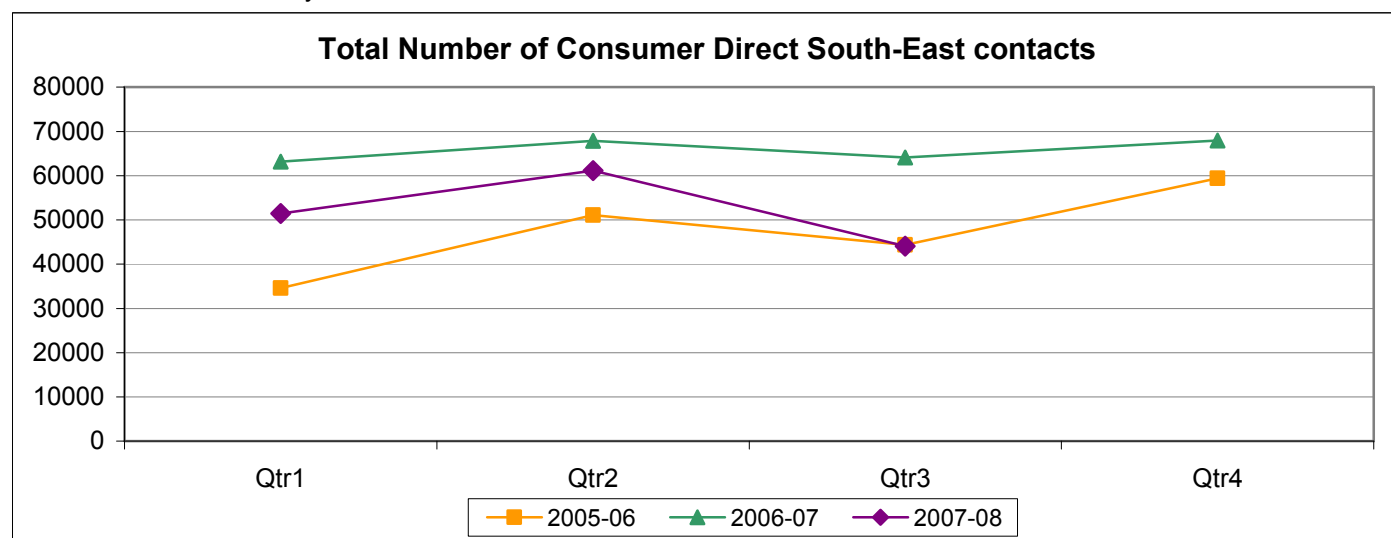
2.1 Number of Consumer Direct South-East contacts, by local authority area:

	2005-06	2006-07	2007-08				TOTAL
			Qtr1	Qtr2	Qtr3	Qtr4	
	Total for the year	Total for the year	01/04/07 to 30/06/07	01/07/07 to 30/09/07	01/10/07 to 31/12/07	01/01/08 to 31/03/08	Total for the year
Bracknell Forest	715	330	209	271	188		
Brighton & Hove	7,116	5,834	987	899	662		
Buckinghamshire	9,006	4,012	614	708	690		
East Sussex	9,717	9,893	1,843	2,047	1,705		
Hampshire	19,105	12,520	2,237	2,167	1,554		
Isle of Wight	2,129	2,106	346	446	349		
Kent	29,074	21,500	3,571	4,028	3,115		
Medway	1,671	1,249	267	358	248		
Milton Keynes	1,037	671	85	91	101		
Oxfordshire			No immediate plans to switch				
Portsmouth	5,524	4,332	571	547	548		
Reading	2,582	2,952	534	564	536		
Royal Borough of Windsor & Maidenhead ²	809		Callers to RBWM are asked to redial CDSE direct				
Slough	1,826	1,717	346	380	288		
Southampton	4,680	3,780	24	374	454		
Surrey	21,660	19,278	2,846	3,480	2,808		
West Berkshire	1,503	1,831	278	261	179		
West Sussex ³		2,334	1,441	1,257	991		
Wokingham	758	648	176	170	171		
Main English Landline ^{*1}	60,248	127,064	26,852	33,479	20,998		
Main English Mobile ^{*1}	7,712	25,073	5,398	6,677	5,520		
Calls handled for other regions	2,532	6,373	407	63	432		
Call-backs handled for other regions		1,017	0	407	56		
E-Mails		8,546	2,405	2,496	2,448		
2007-08 TOTAL			51,437	61,170	44,041		
2006-07 TOTAL by Qtr		263,060	63,185	67,865	64,080	67,930	
2005-06 TOTAL by Qtr	189,404		34,616	51,015	44,334	59,439	

*1 – These are calls received directly on the 0845 number which, although known to be from one of the local authorities in the CDSE area, cannot be identified by individual local authority.

*2 – since 01/01/06 callers to RBWM Trading Standards are asked to redial CDSE direct

*3 – since January 2007, West Sussex calls and e-mails have been diverted to CDSE.



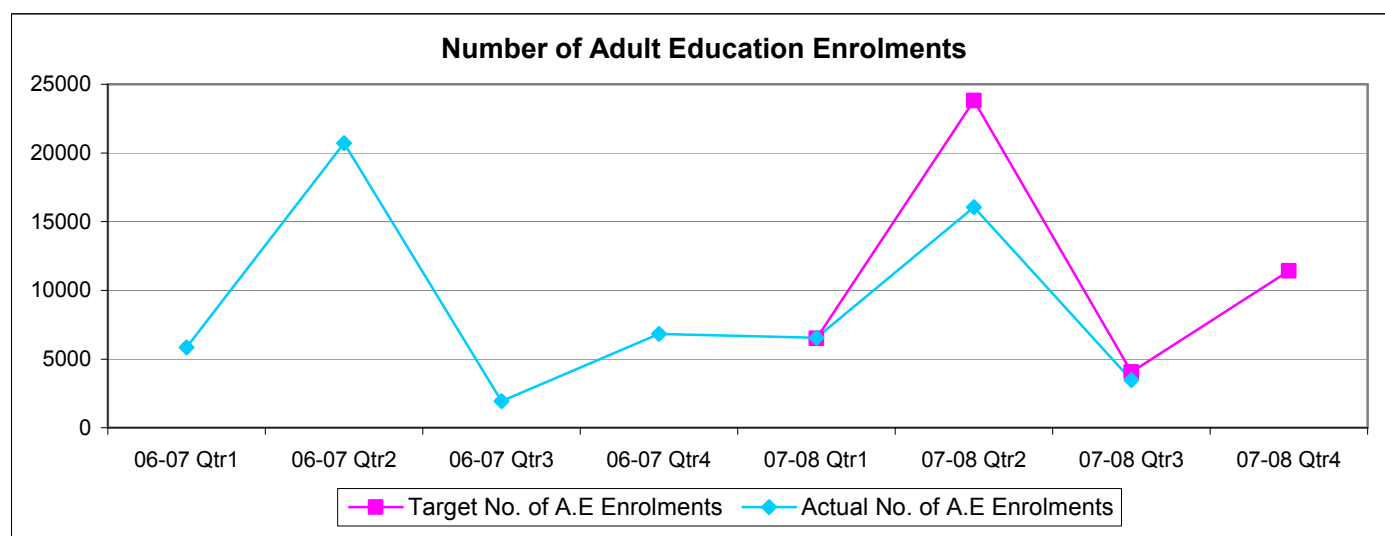
Comments

- Consumer Direct South East is funded according to the number of calls it receives. When it was established a reserve of £172k was set up to cover trading deficits. The impact of reduced call volumes means all this reserve needs to be drawn down in the current year.
- We are negotiating with Trading Standards South East Ltd (TSSL) and with partner authorities the extent to which they will cover potential trading deficits on CDSE in future. We are also working on decreasing the time taken to respond to calls

2.2 Number of Adult Education Enrolments:

	Financial Year		
	2006-07	2007-08	
	A.E Enrolments	Target	A.E Enrolments
April – June	5,849	6,501	6,567
July – Sept	20,713	23,803	16,052
Oct – Dec	1,925	4,071	3,473
Jan - March	6,829	11,416	
TOTAL	35,316	45,791	22,619

In previous years we have shown the number of Adult Education learners. This year we have revised the data to show the number of enrolments as this gives a better picture, as some learners enrol on more than one course. Enrolments is a better indicator of income levels than student numbers as both LSC Further Education (FE) formula grants and tuition fees are based on enrolments.



Comments:

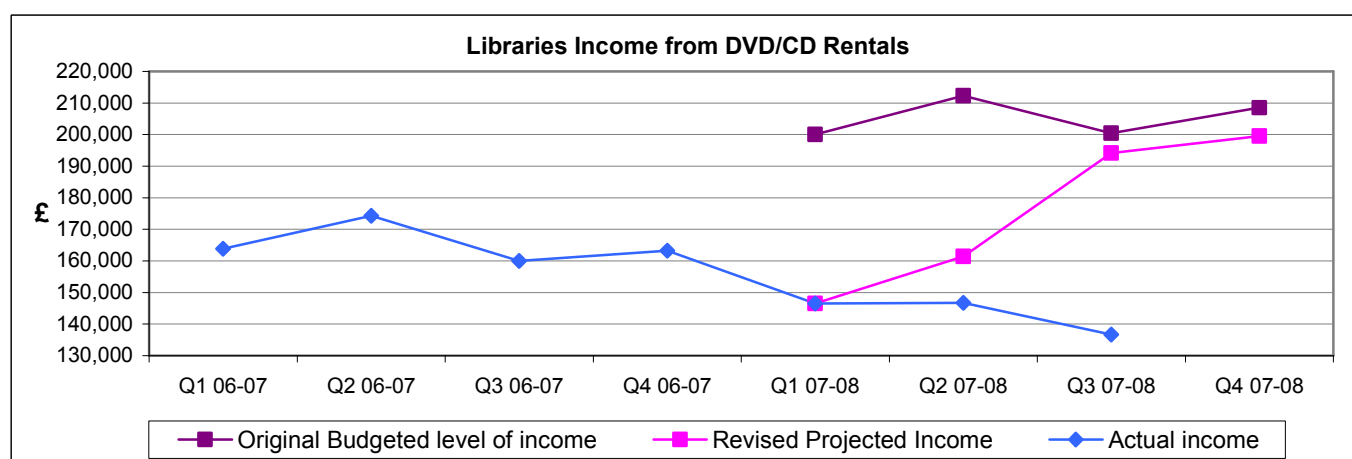
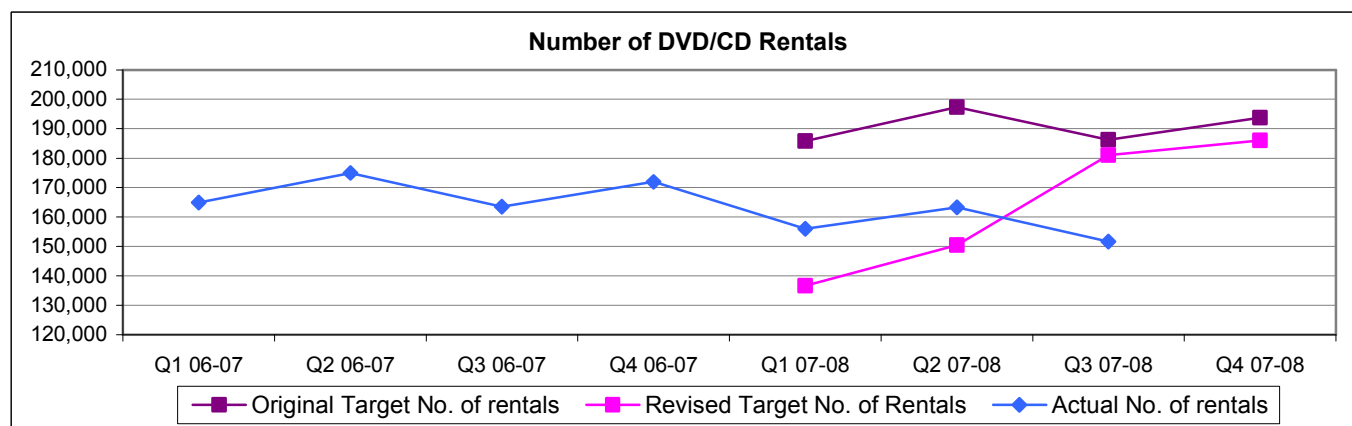
- The LSC formula grants depend partly on enrolments to courses. Students taking courses leading to a qualification are funded via Further Education (FE) grant based upon the course type and qualification. However, students taking non-vocational courses not leading to a formal qualification are funded via a block allocation not related to enrolments, referred to as Adult and Community Learning Grant (ACL) grant. Student enrolments are gathered via a census at three points during the academic year.

Students pay a fee to contribute towards costs of tuition and examinations. There is a concession on ACL tuition fees for those aged under 19, those in receipt of benefits and those over 60. FE courses are free for those aged under 19 or in receipt of benefits undertaking Basic Skills or Skills for Life Courses.

The AE service has reduced expenditure on course provision as a result of lower than anticipated enrolments, however there remains a residual pressure on the AE budget which is largely as a result of a reduction in tuition fee income due to the reduced enrolments.

2.3 Number of Library Audio Visual rentals together with income raised:

	2006-07		2007-08					
	No of rentals	Income (£)	No of rentals			Income (£)		
	actual	Actual	Budgeted target	revised target	actual	budget	revised projected income	actual
April – June	164,943	163,872	185,800	136,556	155,958	200,000	146,437	146,437
July – Sept	174,975	174,247	197,300	150,500	163,230	212,300	161,390	146,690
Oct – Dec	163,470	160,027	186,200	181,000	151,650	200,400	194,096	136,698
Jan – March	171,979	163,269	193,700	186,000		208,500	199,458	
TOTAL	675,367	661,415	763,000	654,056	470,838	821,200	701,381	429,825



Comments:

- Target figures for 2006/07 have not been shown as this data was not presented in monitoring reports last year
- Rentals of audio visual materials (especially videos and CDs) continue to decline as videos become more obsolete and alternative sources for music become more widely available. Demand for spoken word materials and DVDs has remained.
- Research undertaken by the service indicates issues can be increased if loans are offered for longer periods at a reduced fee. The service has also identified that it has a niche market for certain genres where demand can be sustained and there is little competition e.g. old TV shows.
- The service has reviewed its marketing strategy and set more realistic levels of rentals both in terms of volume and value. The service has increased income from other sources not included in the original budget and reduced expenditure on consumables to offset the estimated loss of £120k income.
- There was an increase in the rentals in quarter 2 but the income did not increase due to the reduced cost of rentals, as detailed in section 1.1.3.6 of this annex. Although rentals appear to have declined in quarter 3 this is partly due to incomplete data from some districts due to the Christmas break and missed deadlines for returns. A compensatory increase should be seen in the final quarter's data.
- In previous reports the actual number of rentals only included those from visits to lending libraries, the rentals now also include postal loans and reference materials.

CHIEF EXECUTIVES DIRECTORATE SUMMARY JANUARY 2007-08 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 last full monitoring report to reflect a number of technical adjustments to budget and a virement of £100k to the Public Health portfolio for Healthwatch from the Financing Items savings within the Finance portfolio, as agreed by Cabinet on 3 December.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
OR&S (CFE) portfolio							
Kent Works	825	-825	0	284	-36	248	Income insufficient to meet higher operational costs
Regeneration & Supporting Independence portfolio							
Supporting Independence	604	0	604	0	0	0	
Public Health portfolio							
Kent Department of Public Health	412	0	412	-50	0	-50	R/fwd of staff costs
Corporate Support portfolio							
Personnel & Development	10,141	-3,945	6,196	633	-788	-155	Costs & income of extra courses/services plus re-phasing health checks & development programmes
Information Systems	21,657	-5,782	15,875	2,797	-2,797	0	Costs & income of extra project work and services
Democratic Services	4,101	-93	4,008	92	-46	46	
Legal	4,546	-4,853	-307	1,236	-1,285	-49	Costs & income of additional work & disbursements
Corporate Management & Strategic Development	2,809	-250	2,559	-318	27	-291	Gateways, Kent TV & Whats On in Kent
Dedicated Schools Grant	0	-2,789	-2,789	0	0	0	
Total CS&H	43,254	-17,712	25,542	4,440	-4,889	-449	
Policy & Performance portfolio							
Policy & Performance	1,236	-209	1,027	75	-75	0	
Kent Partnerships	387	0	387	89	-89	0	
International Affairs Group	375	-77	298	65	-65	0	
Corporate Communications	1,528	-92	1,436	6	-6	0	
Total P&P	3,526	-378	3,148	235	-235	0	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Finance Portfolio							
Strategic Management	1,619	-110	1,509	83	-83	0	
Finance Group	8,414	-3,320	5,094	45	-95	-50	Re-phasing PWC audit work
Property Group	16,612	-10,108	6,504	-145	85	-60	Underspend to contribute to PEF revenue
Total Finance	26,645	-13,538	13,107	-17	-93	-110	
Total Directorate Controllable	75,266	-32,453	42,813	4,892	-5,253	-361	

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:

O,R&S (CFE) portfolio: despite efforts to reduce costs and increase income to achieve a sustainable position the Kent Works operation is having to report a potential net overspend of £248k this year. Actual income for services provided to schools has picked up but cost reduction has been difficult given the operation's obligations under the contract with the Learning and Skills Council.

Corporate Support portfolio:

- Personnel & Development:
 - **-£100k** will need to be re-phased into 2008/09 as there was a delayed start to the Well Being Health Checks programme.
 - variances on gross spend (**+£700k**) and income (**-£750k**) reflect the demand for additional P&D services, particularly staff care services and training courses, which are difficult to predict during budget setting
- Information Systems: variances on gross spend (**+£2.65m**) and income (**-£2.75m**) reflect the demand for additional IT services and projects, a demand which is difficult to predict during budget setting;
- Legal services:
 - variances on gross spend (**+£700k**) and income (**-£750k**) reflect the additional work that the function has taken on over and above that budgeted for, responding to both internal and external demand;
 - variances on gross spend (**+£500k**) and income (**-£500k**) are a result of additional disbursements incurred. Costs of disbursements are recovered from clients but they are difficult to predict during budget setting.
- Corporate Management & Strategic Development: **-£130k**, relating to Kent TV, is to be re-phased into 2008-09 as the actual profile of spend can now be confirmed against the allocated funding (£1.2m gross cost over 2 years);

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CS	Information Systems costs of additional services\projects	+2,650	CS	Information Systems income from additional services\projects	-2,750
CS	P&D costs of additional courses\services	+700	CS	P&D income from additional services\courses	-750
CS	Legal Services costs of additional work	+700	CS	Legal income resulting from additional work	-750
CS	Legal Services costs of additional disbursements	+500	CS	Legal Services costs of disbursements recovered from clients	-500
OR&S (CFE)	Kent Works - higher costs of on-going operation	+284	CS	Confirmed profile of Kent TV revenue spend over 2 year period	-130
			CS	Delayed start to P&D Health Checks programme	-100
		+4,834			-4,980

1.1.4 Actions required to achieve this position:

N/A

1.1.5 Implications for MTP:

OR&S (CFE) – The review of the Kent Works operation is not yet completed and the MTP has therefore assumed a nil net cash limit with gross expenditure matching forecast income.

1.1.6 Details of re-phasing of revenue projects:

The following projects are re-phasing into 2008-09 and therefore roll forward will be required in order to fund the completion of these projects:

Public Health Portfolio:

- -£50k to fund the continued secondment of the Health Policy Officer.

Corporate Support Portfolio:

Personnel:

- -£100k due to a delayed start to the Well Being Health Checks programme following the need to re-tender programme contract;
- -£55k relating to the Workforce and Member Development Programmes.

Strategic Development:

- -£80k relating to the delayed construction, following planning issues, of the Maidstone Gateway project which will now open in late summer 2008/2009;
- -£134k relating to Kent TV spend profile;
- -£77k relates to the setting up of the Whats On in Kent website (the responsibility for which was transferred to CED from Communities),

Finance Portfolio:

- -£50k relating to planned PWC Internal Audit activities;

Excluded from the forecast position is the Home Computing Initiative which, due to the accounting treatment, will require a scheduled overspend of £261k to roll forward into 2008/09 to be met from staff salary deductions.

1.1.7 Details & impact of proposals for residual variance:

The roll forward requirements exceed the available underspend due to the overspend on Kent Works. This will be addressed once the final outturn position for the Authority as a whole is known.

The Property Group net underspend of £60k is proposed to be used to reduce the amount of Property Enterprise Fund revenue overspend to be rolled forward into 2008-09 (as reported in Revenue Implications of Section 2.2).

1.2 CAPITAL

1.2.5 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.

Cash limits have been adjusted since the last full monitoring report to reflect:

	2007-08	2008-09	2009-10	Future Years
	£000s	£000s	£000s	£000s
Re-phasing per 2008-11 MTP:				
▪ Corporate Support portfolio	-1,369	356	900	2,413
▪ Policy & Performance portfolio			500	1,500
▪ Finance portfolio	-1,994	1,920	1,200	4,069

1.2.6 **Table 3** below provides a portfolio overview of the latest capital monitoring position.

	Prev Yrs Exp	2007-08	2008-09	2009-10	Future Yrs	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s
Corporate Support Portfolio						
Revised Budget per Dec Cabinet	2,680	3,995	4,757	1,239	497	13,168
Adjustments:						
- re-phasing per 2008-11 MTP		-1,369	356	900	2,413	2,300
Revised Budget	2,680	2,626	5,113	2,139	2,910	15,468
Variance		-320	320	0	0	0
split:						
- real variance		0	0	0	0	0
- re-phasing		-320	+320	0	0	0
Policy & Performance Portfolio						
Revised Budget per Dec Cabinet		501	500			1,001
Adjustments:						
- re-phasing per 2008-11 MTP				500	1,500	2,000
Revised Budget	0	501	500	500	1,500	3,001
Variance		0	0	0	0	0
split:						
- real variance		0	0	0	0	0
- re-phasing		0	0	0	0	0
Finance Portfolio						
Revised Budget per Dec Cabinet	1,103	6,527	4,344	4,079	9,185	25,238
Adjustments:						
- re-phasing per 2008-11 MTP		-1,994	1,920	1,200	4,069	5,195
Revised Budget	1,103	4,533	6,264	5,279	13,254	30,433
Variance		-598	+528	0	0	-70
split:						
- real variance		-70	0	0	0	-70
- re-phasing		-528	+528	0	0	0
Directorate Total						
Revised Budget	3,783	7,660	11,877	7,918	17,664	48,902
Variance	0	-918	848	0	0	-70
Real Variance						
		-70	0	0	0	-70
Re-phasing						
		-848	+848	0	0	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2007-08 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary planning stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary planning stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Planning Stage
			£'000s	£'000s	£'000s	£'000s
Overspends/Projects ahead of schedule						
			+0	+0	+0	+0
Underspends/Projects behind schedule						
FIN	Management & Modernisation of Assets	Phasing	-428			
			-428	0	0	0
			-428	0	0	0

1.2.4 Projects re-phasing by over £1m:

None

1.2.5 Projects with real variances, including resourcing implications:Finance Portfolio

An underspend of -£70k on Commercial Services Vehicle, Plant & Equipment replacement is largely due to continuing the trend adopted last year of leasing vehicles rather than purchasing outright. This will be matched by a reduced contribution to their Renewals Fund.

1.2.6 General Overview of capital programme:

(a) Risks

N/A

(b) Details of action being taken to alleviate risks

N/A

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

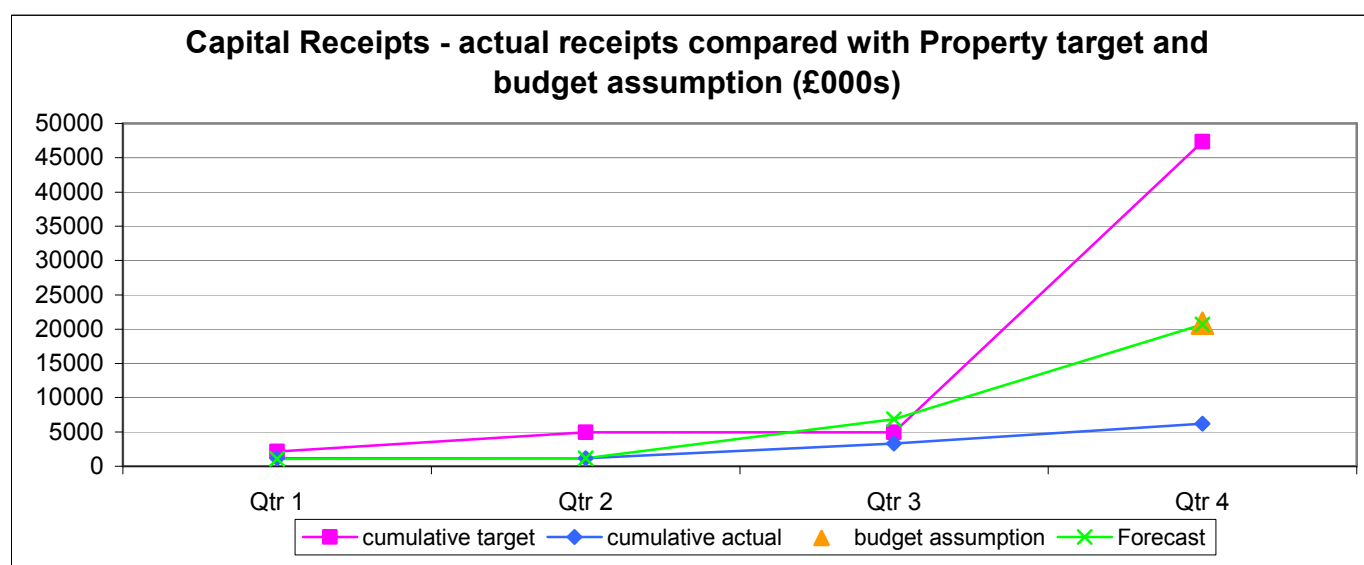
2.1 Capital Receipts – actual receipts compared to budget profile:

	2007-08			
	Budget funding assumption £000s	Cumulative Target profile £000s	Cumulative Actual receipts £000s	Forecast receipts £000s
April - June		2,150	1,148	1,072
July - September		4,929	1,148	1,148
October - December		4,929	3,288	6,866
January - March		47,359	***6,190	20,687
TOTAL	*20,858	**47,359	6,190	20,687

* figure updated to reflect revised 2007-08 budget assumption per 2008-11 MTP

** this target was set at the beginning of the financial year when the budget funding assumption was £52,958k.

***actuals to 31 January 2008



Comments:

- The table below shows a potential surplus at the end of the current year of £2,111k if all remaining receipts come in as planned. However, with the majority of the current year's receipts forecast to be delivered in the final two months of the year, there is an obvious risk that the actual receipts banked by 31 March 2008 will be lower than projected.
- The overall forecast capital receipts surplus of £11,475k shown in the table below is due to the fact that some of the spend to be funded by these capital receipts is not yet reflected in the capital programme. This is because these schemes are still at very initial stages and have not yet been worked up for inclusion in the budget.

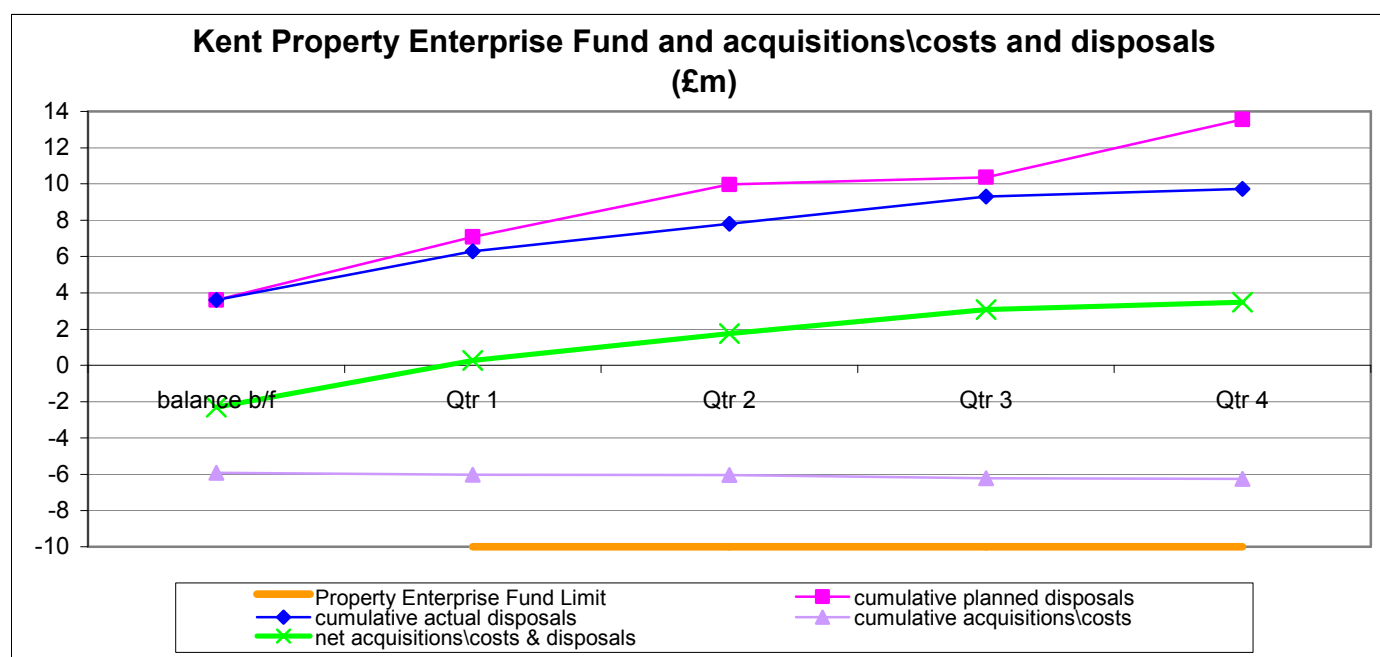
	2007-08 £'000	2008-09 £'000	2009-10 £'000	2010-11 £'000	Total £'000
Capital receipt funding per 2008-11 MTP	20,858	64,635	66,100	53,167	204,760
Property Group's forecast receipts	20,687	80,556	30,050	13,500	144,793
Receipts banked in previous years for use	1,000	151	1,313	0	2,464
Receipt funding from other sources	1,282	1,051	1,575	11,400	15,308
Potential Surplus\Deficit (-) Receipts	2,111	17,123	-33,162	-28,267	-42,195
Sites identified by Directorates for Property to work up for disposal*		2,445	25,652	25,573	53,670
Overall Potential Surplus\Deficit (-)	2,111	19,568	-7,510	-2,694	11,475

* Timescale for delivery uncertain until worked up by Property Group

2.2 Capital Receipts – Kent Property Enterprise Fund:

	Kent Property Enterprise Fund Limit £m	Cumulative Planned Disposals (+) £m	Cumulative Actual Disposals (+) £m	Cumulative Actual Acquisitions\Costs (-) £m	Cumulative Net Acquisitions\Costs (-) & Disposals (+) £m
Balance b/f		3.606	3.606	-5.918	-2.312
April - June	-10	7.088	6.280	-6.013	0.267
July – September	-10	9.973	7.798	-6.040	1.758
October – December	-10	10.371	9.291	-6.210	3.081
January – March*	-10	13.555	9.729	-6.249	3.480

* reflects position to the end of January



Comments:

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

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

Balance brought forward

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

The balances brought forward have been amended to account for receipts that have subsequently been confirmed as non-earmarked (disposals increased by £0.433m and costs increased by £0.030m).

Planned Disposals

At the start of 2007-08 Property Group identified £9.949m worth of potential non-earmarked receipts to be realised this financial year.

Disposals to date this year have been encouraging but the market has hardened affecting the ability to achieve the original target. Property Group are now working to a revised target of **£6.875m**.

Actual Disposals

As at the end of January 2008 the Fund had realised £6.123m of capital receipts this financial year through the sale of 52 non-operational properties.

Acquisitions\Costs

At present there are no committed acquisitions to report, however forecast outturn for costs of disposals (staff and fees) is currently estimated at **£0.597m**.

Other Fund Commitments

The 2007-08 revenue budget includes income of £3.3m of receipts to be generated by the Fund in the current year.

The Fund has been earmarked to provide funding of £5.4m for the Eurokent Access Road scheme in Ramsgate, Thanet. Budgeted over 2 years, the current forecast is for £0.750m in 2007-08 and £4.650m in 2008-09

Forecast Outturn

Taking all the above into consideration the Fund is expected to be in a deficit position of £0.084m by the end of this financial year.

Opening Balance – 01-04-07	-£2.312m
Planned Receipts	£6.875m
Costs	-£0.597m
Acquisitions	-
Other Fund Commitments:	
- revenue budget support	-£3.300m
- Eurokent Access Road	-£0.750m
Closing Balance – 31-03-08	-£0.084m

Revenue Implications

Approximately £0.080m of low value revenue receipts are currently forecast for this financial year but, with the need to fund both costs of borrowing (£0.145m) against the overdraft facility and the cost of managing properties held for disposal (£0.194m), the PEF is forecasting a £0.259m deficit on revenue which will be rolled forward to be met from future income streams. Property Group are proposing to use a managed revenue underspend of £0.060m to reduce the PEF roll forward to £0.199m.

FINANCING ITEMS SUMMARY JANUARY 2007-08 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 last full monitoring report to reflect a number of technical adjustments to budget and a virement of £100k from the debt financing savings within the Finance portfolio to the Public Health portfolio for Healthwatch, as agreed by Cabinet on 3 December.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Corporate Support portfolio							
Contribution to IT Asset Maintenance Reserve	2,433		2,433			0	
PFI Grant		-683	-683			0	
Total Corporate Support	2,433	-683	1,750	0	0	0	
Finance Portfolio							
Insurance Fund	3,479		3,479			0	
County Council Elections	255		255			0	
Workforce Reduction	865		865			0	
Environment Agency Levy	331		331			0	
Joint Sea Fisheries	252		252			0	
Audit Fees & Subscriptions	800		800			0	
Interest on Cash Balances / Debt Charges	103,444	-6,297	97,147	11,255	-18,269	-7,014	debt restructuring, reduced level of new borrowing & increased base rates
Contribution from Commercial Services		-5,010	-5,010		480	480	delay in letting outdoor advertising contract & delays due to planning consent
Public Consultation	100		100			0	
Provision for Kent Scheme Revision	18		18			0	
Local Priorities	682		682			0	
Local Scheme spending recommended by Local Boards	722		722			0	
Local Boards - Member Community Grants	38		38			0	
Transferred Services Pensions	22		22			0	
PRG & Capital Reserves		-2,159	-2,159			0	
Income from Kings Hill		-1,000	-1,000			0	
LABGI income		-3,200	-3,200			0	
Margate's Big Event			0			0	
Kent Celebration of Youth Event			0			0	
Total Finance	111,008	-17,666	93,342	11,255	-17,789	-6,534	
Total Controllable	113,441	-18,349	95,092	11,255	-17,789	-6,534	

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

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

1.1.3.1 Financing Costs:

Interest on Cash Balances

- For the majority of the year base interest rates have been higher than assumed when the budget was set and market pessimism has made investment returns higher than originally forecast.
- Longer term callable deposits have been restructured to give an improved interest return.
- Balances have increased with the receipt of grants earlier than we had profiled at the time of setting the budget.

Debt Charges

- Only £20m of new borrowing has been taken in 2007-08, compared with £104.598m assumed when the budget was set thereby saving against interest costs. In addition this new borrowing was at a lower interest rate than budgeted.
- Restructuring of £185.1m of existing debt has made further savings against the budget.

1.1.3.2 Commercial Services:

Due to delays in letting the contract for outdoor advertising and sponsorship, we will not achieve all of the expected £500k in the current year. Planning consent for the erection of signs has subsequently been required by districts, which has delayed this further. To date we have received £163k from sponsors but the majority of this is in relation to future years.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
FIN	Commercial Services - outdoor advertising - delays in letting contract & further delays due to requirement for planning consent	+480	FIN	savings resulting from debt restructuring & higher investment income due to cash balances and increased interest rates	-7,014
		+480			-7,014

1.1.4 Actions required to achieve this position:

There is likely to be a draw-down from the Insurance Reserve in order to balance the Insurance Fund in the current year.

1.1.5 Implications for MTP:

Further savings from debt re-phasing and increasing investment income have been built into the base budget in the 2008-11 MTP.

1.1.6 Details of re-phasing of revenue projects:

N/A

1.1.7 Details of proposals for residual variance:

- The 2008-09 budget requires £0.638m of this £6.534m underspend to be carried forward into 2008-09 to compensate for the loss of Government Grant when the final settlement was announced.

- The pressure on Asylum will be the second call against the £6.534m underspend if we are unsuccessful with our negotiations with central Government or if these negotiations remain unresolved at the end of the financial year.
- In addition, this underspend will be required to offset the costs of mediation and litigation on the original Turner Gallery project which have been incurred within the Communities directorate. The costs involved in preparing our case are currently forecast at £0.3m. If we are successful, these costs will be recovered.
- It is also probable that we will need to offset the residual variance forecast on the KASS portfolio, otherwise this would need to be rolled forward to 2008-09. It is considered that with the increasing demands on these services, it would not be prudent to start the new financial year with a deficit to manage.

1.2 CAPITAL

N/A

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

N/A

By: Mr G K Gibbens, Cabinet Member for Public Health
To: Cabinet – 17 March 2008
Subject: **SELECT COMMITTEE: ALCOHOL MISUSE**

Summary: To receive and comment on the report of the Select Committee on Alcohol Misuse

Introduction

1. The need for a piece of work looking into the issues surrounding alcohol misuse was identified some time ago, and has been supported by Members of all parties. It was agreed by the Policy Overview Co-ordinating Committee at its meeting in February 2007 that a Select Committee be convened to look into this issue, with an emphasis on the public health impacts of alcohol misuse.

Select Committee Process

Membership

2. (1) The Select Committee commenced its evidence-gathering sessions in June 2007, and finally completed its report in February 2008. The Chairman of the Select Committee for the evidence gathering was Mr J B O Fullarton, with Mr D A Hirst taking over as Chairman for the later stages of the evidence gathering and for agreeing the final report and recommendations and sharing them informally with stakeholders. Mrs T Dean served as Vice-Chairman. The other Members were Mrs A D Allen, Mr D L Brazier, Mr W V Newman, Mrs E D Rowbotham and Mrs P A V Stockell.

Terms of Reference

(2) The Terms of Reference for the review were around the public health aspect of alcohol misuse. The Terms of Reference for the review are set out in Appendix 1 to the report.

Evidence

(3) The Select Committee received oral and written evidence from a wide range of stakeholders, including the Kent Drugs and Alcohol Action Team (KDAAT), Health and Education colleagues, the Police, the Kent Youth County Council, service users and ex-service users, representatives of the alcohol industry and private and voluntary service providers. In addition to this, local authority and NHS colleagues from around the country, health professionals and academics were invited to submit written evidence. The Select Committee also visited two centres in Kent which support and care for former alcohol misusers. A full list of the witnesses who contributed to the Select Committee's work hearings is attached to this report at Appendix 2, together with a list of the visits undertaken. It also visited a school to

observe a facilitated discussion between sixth form students of their experiences of, and attitudes to, alcohol misuse, which was immensely helpful.

Innovation in the Select Committee process

(4) In response to the broad and complex subject matter it was asked to look into, the Select Committee pioneered a number of innovative work methods which have not been tried before. As part of the process of formulating its recommendations, it convened two very useful informal discussion sessions with a number of stakeholders and partners from the various disciplines listed above, with whom the KCC will need to work closely to deliver the Select Committee's recommendations. Having attended the second to these sub meetings I am confident that the stakeholders and partners who contributed to this Select Committee are determined to take forward these recommendations. I welcome this excellent report on what is a complex, challenging and emotive issue. I would also like to congratulate the Select Committee.

Timescale

(5) The Select Committee met with me and the Cabinet Member for Communities, and Officers from the Adult Social Services, Communities and Children, Families and Education Directorates on 19 December to receive our comments on the Select Committee report before it was finalised. A copy of the executive summary is attached at Appendix 3. Whilst all the recommendations are important I would wish to draw the Cabinet's special attention to the following:-

Recommendation 3

The Select Committee recommends that:

The outcomes of the needs assessment should inform the production of an overarching alcohol strategy for Kent. The production of the strategy, aiming at reducing the impact of alcohol misuse in Kent, should be lead by KDAAT. The strategy should address a variety of issues including treatment services, underage drinking, public awareness, alcohol-related crime and responsible retailing. It should clearly identify effective actions to be taken, together with responsibilities and accountability of all the agencies involved in the coordination, commissioning and provision of alcohol-related services. The strategy should include mechanisms that will evaluate and monitor the progress of its implementation, and it should encourage closer collaborative ties between all the agencies involved.

Recommendation 4

The Committee urges KCC to lobby Central Government to raise the priority and profile of the issue of alcohol misuse in the UK. KCC should press for an increase in funding to finance services dealing with alcohol misuse. This pressure should be carried out through the influence of the Local Government Association (LGA), as well as through direct contact with Central Government agencies.

Recommendation 7

The Select Committee urges that the effectiveness of GPs in early identification and referral of alcohol misusers in Kent should be improved. All GPs in Kent should be strongly encouraged to attend special training that will help them identify alcohol misusers, especially those with dependants.

Recommendation 11

The Select Committee supports the promotion of a hard-hitting health campaign targeted at the young to increase their awareness and so reduce the damaging effects of alcohol. The Committee urges that this campaign should stress personal responsibility and self esteem, give information about sensible drinking and about the variety of alcohol- related services available in the County.

Recommendation 14

The Alcohol Misuse Select Committee recommends that:

More consistent Personal, Social and Health Education (PSHE), which includes effective alcohol education, should be delivered in both primary and secondary schools in Kent. PSHE certificates for both teachers and nurses should be widely supported. The organisation and promotion of this training should be carried out through Local Children's Trusts. The Kent PSHE Advisory Group should pay particular attention to this recommendation when investigating young people's personal health and wellbeing in the County.

Recommendation 23

The Select Committee supports the KCC Towards 2010 target 58 to work with off licence pub and club owners to reduce alcohol fuelled crime and disorder, anti-social behaviour and domestic abuse. In addition, we recommend that problems of drinking outside the curtilage of licensed premises should be addressed, and that KCC should seek to discourage the practices of discounting alcoholic drinks, charging high prices for soft drinks and other strategies that could promote irresponsible drinking by all retail outlets.

Recommendation 27

The Committee recommends that KCC supports Central Government's engagement of large supermarket chains encouraging them to review their alcohol marketing strategies, including "loss leader" discounting practices, and to ensure that alcohol is not sold to under-age customers.

Action Plan

(6) Through the facilitated discussions the Select Committee and I are pleased with the response there has been to the draft report from the key stakeholders. Working in partnership I am confident that this important issue will be addressed in an innovative and positive manner to address sensitively the issue across Kent.

(7) The Select Committee report is an excellent strategy to deal with the issue of alcohol misuse in the county. Colleagues from the Kent Drugs and Alcohol Action Team have prepared an action plan based on the Select Committee's recommendations. A first draft of this action plan is attached as Appendix 4.

Conclusion

3. (1) I would like to congratulate the Select Committee on completing this very challenging piece of work. I would also like to thank all those witnesses who gave evidence to the Select Committee.

(2) Mr D A Hirst, Chairman of the Select Committee, Mr W V Newman and Mrs T Dean will attend to present the report. Please contact Angela Evans on 01622 221876 or email angela.evans@kent.gov.uk if you require a full copy of the report.

4. Recommendations

I recommend that:-

- (a) the Select Committee be thanked for an excellent report;
- (b) the witnesses and others who provided evidence and made valuable contributions to the work of the Select Committee be thanked;
- (c) those partners and stakeholders who took part in the informal roundtable discussions be thanked for their professional commitment and support;
- (d) the report, its recommendations and action plan for taking the Select Committee's recommendations forward be commended to Cabinet; and
- (e) Cabinet be invited to authorise the arrangement of a countywide event to launch this very important report.

Mr G K Gibbens
Cabinet Member for Public Health

Background Information: *None*

SELECT COMMITTEE – ALCOHOL MISUSE

Terms of Reference

The Select Committee's Terms of Reference were to:-

- map out, in respect of the administrative County of Kent, on the basis of available evidence, the extent of alcohol misuse and the public health implications of the issue.
- consider what public health initiatives might be undertaken to address alcohol misuse in Kent, having regards to national/government policies, and existing national and local best practice.
- explore the possible role of collaborative working (with the 12 district authorities in Kent, local NHS Bodies, schools and other partners) in delivering initiatives on this issue.
- explore programmes currently addressing the issue of alcohol misuse in primary and secondary schools in Kent.
- take account of the work of the Kent Drug and Alcohol Action Team (KDAAT), and consider innovative ways of delivering alcohol related services.
- consider the impact of alcohol misuse on NHS Accident and Emergency departments – with reference to pressure on services and assaults on NHS staff.
- identify vulnerable groups where alcohol misuse is most prevalent and focus on action that KCC could take to reach those groups.
- explore funding streams to support the implementation of initiatives on this issue.
- make specific recommendations on this issue for Kent County Council and partner organisations.

SELECT COMMITTEE – ALCOHOL MISUSE

Evidence

Oral Evidence

Thursday, 14 June 2007

- **Angela Slaven**, Director of Young Offenders' Services and KDAAT
- **Hud Manuel**, Finance Manager, KDAAT
- **Karen Sharp**, Commissioning Manager for Young Persons' Services, KDAAT
- **Lola Triumph**, Strategic Head of Commissioning (Adults), KDAAT

Tuesday, 19 June 2007

- **Jonathan Neame**, Chief Executive, Shepherd Neame
- **Martin Rawlings**, Director of Pub and Leisure, British Beer and Pub Association
- **Stuart Moore**, General Manager, South East, J D Wetherspoon plc

Wednesday, 27 June 2007

- **Nick Moon**, Social Inclusion Officer, Supporting Independence Team, KCC, and **Richard Jacklin**, researcher into alcohol and drug service provision in Kent
- **Simon Southworth**, Team Leader, Substance Misuse Team, KCC
- **Meradin Peachey**, Director of Public Health for Kent (a joint appointment by KCC and Primary Care Trusts)

Thursday, 28 June 2007

- **Inspector Jerry Prodger**, Substance Misuse Team, Kent Police
- **Caroline Davis**, Head of Strategic Partnerships, Eastern and Coastal Kent PCT
- **Godfrey Featherstone**, Director, Kenward Trust

Monday, 2 July 2007

- **Kent Youth County Council (KYCC) representatives**

Tuesday, 10 July 2007

- **Dr Mark Rake**, Founder of Kent Council on Addiction (now KCA) and **Neil Hunt**, Director of Research, KCA
- **Claire Goulding**, Operations Manager, Sunlight Centre, KCA
- **Allan Foster**, Lead Curriculum Advisor, and Subject Advisor for PSHE, KCC, **Carol Tomlinson**, Joint Commissioning Officer, KCC, and **Kate Craib**, School Drug Education Advisor, KCC

Monday, 16 July 2007

- **Bill Reading**, Manager, East Kent Community Alcohol Service
- **Peter Gates**, Service Users' Team, Kent Drug and Alcohol Action Team, with **Nick Collier**, ex Service User

Monday, 10 September 2007

- **Roger Vick**, Commercial Health Manager, Canterbury City Council
- **Clive Bainbridge**, Director of Community Safety and Regulatory Services, Kent County Council

Written Evidence

- **Clive Bainbridge**, Director of Community Safety and Regulatory Services, Kent County Council
- **Sajda Banaras**, Scrutiny Support Officer, Corporate Strategy, Hartlepool Borough Council
- **Kate Bearder**, Researcher, Overview & Scrutiny Team, City of Wakefield
- **Dr Marie Beckett**, Acting Medical Director, Clinical Director Acute & Emergency Medicine, East Kent Hospitals NHS Trust
- **Paul Blackmore**, Budget Officer, KDAAT, Kent County Council
- **Caroline Davis**, Head of Strategic Partnerships, Eastern and Coastal Kent PCT
- **Allan Foster**, Lead Curriculum Adviser, Adviser for PSHE, Advisory Service Kent, Kent County Council

- **Prof Nick Heather** , Emeritus Professor of Alcohol & Other Drug Studies
- **Caroline Highwood**, Director of Resources, Kent Adult Social Services, Kent County Council
- **Stephie Lavis**, Senior Place Officer, Place Directorate, GOSE
- **Dr Mark Rake**, Founder of Kent Council on Addiction (now KCA)
- **Bill Reading**, Manager, East Kent Community Alcohol Service
- **Phil Sadler**, Alcohol Strategy Coordinator, Public Health Department, Liverpool PCT
- **Don Shenker**, Director of Policy and Services, Alcohol Concern
- **Sarah Spencer**, Senior Public Health Information Analyst, Kent & Medway Health Informatics Service
- **Michael Thompson**, Head of Communications and External Affairs, The Portman Group
- **Gillian Vass**, European Institute of Social Services (EISS), University of Kent.
- **Jackie Wardle**, Chief Executives, Derbyshire County Council

Visits

- Wednesday 18 July 2007, Visit to **Mt Zeehan Centre**, East Kent Community Alcohol Service Canterbury
- Friday 20 July 2007, visit to the **Kenward Trust**, Yalding
- Friday 20 July 2007, visit to the **Pilsdon Community**, West Malling
- Tuesday 5 February 2008, visit to the **Marlowe Academy**, Ramsgate.

Executive Summary

1.1. Committee Membership

1.1.1. The Committee consists of eight Members of Kent County Council (KCC): Five Members of the Conservative Party, Two Members of the Labour Party and one Member of the Liberal Democrat Party.



Mrs Ann Allen
Conservative
Wilmington



Mr David Brazier
Conservative
Sevenoaks North
East



Mrs Trudy Dean
Liberal Democrat
Malling Central



Mr John Fullarton
Conservative
Broadstairs & Sir
Moses Montefiore



Mr David Hirst
Conservative
Herne Bay
Chairman



Mr Bill Newman
Labour
Dover Town



Mrs Eileen
Rowbotham
Labour
Dover North



Mrs Paulina
Stockell
Conservative
Maidstone Rural
West

1.2. Scene Setting

1.2.1. It is widely accepted that excessive consumption of alcohol is a growing social and public-health problem in the UK, with a marked increase in the numbers drinking regularly and to excess.

1.2.2. This is partly attributable to the fact that alcohol has become cheaper and more readily available. Also, patterns of drinking have changed – with alcohol misuse

becoming more socially acceptable, and increasing numbers of women (particularly younger women) drinking excessive levels of alcohol.

1.2.3. Health problems that are known to be associated with excessive alcohol consumption include:

- brain damage;
- alcohol poisoning;
- cancer;
- liver disease (cirrhosis);
- circulatory disease;
- high blood-pressure;
- damage to the nervous system;
- mental-health problems;
- impaired reproductive health;
- elevated risk of sexually-transmitted infections (associated with more risky sexual behaviour); and
- trauma (associated with accidents and violence).

1.2.4. Drinking to excess is one of the leading causes of disease, injury, disability and premature death. The annual number of alcohol-related deaths in the UK more than doubled between 1991 and 2005 (when the figure was 8,386). It is estimated that some 17 million working days, costing £6.4 billion, are lost in the UK each year due to alcohol-related sickness absence. Alcohol misuse also contributes to health inequalities.

1.2.5. Some public-health interventions (such as breath-testing of drivers and legal restrictions on the sale of alcohol) are known to be effective in reducing alcohol-related harm.

1.3. Terms of reference

- To map out, in respect of the administrative County of Kent, on the basis of available evidence, the extent of alcohol misuse and the public-health implications of the issue.
- To consider what public health initiatives¹ might be undertaken to address alcohol misuse in Kent, having regard to national/government policies, and existing national and local best practice.
- To explore the possible role of collaborative working (with the 12 district authorities in Kent, local NHS Bodies, schools and other partners) in delivering initiatives on this issue.
- To explore programmes currently addressing the issue of alcohol misuse in primary and secondary schools in Kent.
- To take account of the work of the Kent Drug and Alcohol Action Team (KDAAT), and consider innovative ways of delivering alcohol related services.

¹ The standard typology of public-health interventions is as follows: health protection; preventive medicine; health education; healthy public policy; community empowerment.

- To consider the impact of alcohol misuse on NHS Accident and Emergency departments – with reference to pressure on services and assaults on NHS staff.
- To identify vulnerable groups where alcohol misuse is most prevalent and focus on action that KCC could take to reach those groups.
- To explore funding streams to support the implementation of initiatives on this issue.
- To make specific recommendations on this issue for Kent County Council and partner organisations.

1.4. Recommendations

Recommendation 1

The Alcohol Misuse Select Committee recommends that:

Kent County Council (KCC) establishes, in partnership with Kent Primary Care Trusts (PCTs), an independent task board which will carry out a comprehensive and systematic needs assessment of alcohol service provision in Kent. This review should investigate, quantify and evaluate the current level of need and the financial resources available in both East and West Kent; it should consider coordination, commissioning and provision mechanisms involved; it should assess the effectiveness of local alcohol treatment systems in all the four tiers of intervention, and it should explore opportunities for savings in order to maximise budget spend on service delivery. The Kent Drug and Alcohol Action Team (KDAAT) should produce an annual updating report indicating in the various areas of operation the number of individuals receiving treatment and the reasons for their referral. (Please refer to Sections 3.1 and Section 3.2)

Recommendation 2

The Committee recommends that the needs of all those individuals requesting assistance, especially those caring for dependants, should be assessed carefully, and that treatment should be prioritised according to the importance and urgency of each situation. (Section 3.2)

Recommendation 3

The Select Committee recommends that:

The outcomes of the needs assessment should inform the production of an overarching alcohol strategy for Kent. The production of the strategy, aiming at reducing the impact of alcohol misuse in Kent, should be lead by KDAAT. The strategy should address a variety of issues including treatment services, underage drinking, public awareness, alcohol-related crime and responsible retailing. It should clearly identify effective actions to be taken, together with responsibilities and accountability of all the agencies involved in the coordination, commissioning and provision of alcohol-related services. The strategy should include mechanisms that will evaluate and monitor the progress of

its implementation, and it should encourage closer collaborative ties between all the agencies involved. (Section 3.1 and Section 3.2)

Recommendation 4

The Committee urges KCC to lobby Central Government to raise the priority and profile of the issue of alcohol misuse in the UK. KCC should press for an increase in funding to finance services dealing with alcohol misuse. This pressure should be carried out through the influence of the Local Government Association (LGA), as well as through direct contact with Central Government agencies. (Section 4.1)

Recommendation 5

KCC should ensure that the distribution of financial resources for alcohol-related services is monitored, amongst other methods, through Local Area Agreement (LAA) structures and mechanisms. KCC should prioritise the allocation of resources for these crucial alcohol services, given their impact across so many other aspects of life. (Sections 4.1 and 4.2)

Recommendation 6

The Committee recommends that:

KCC establishes closer links with local academic institutions, such as the University of Kent, in order to deal with alcohol misuse. Work should be carried out with the European Institute of Social Studies (EISS) of the University of Kent, in an effort to attract European Union funding to finance alcohol misuse services in Kent. KCC should liaise with EISS to encourage the participation of both the alcohol industry and Kent-based agencies dealing with alcohol misuse in the EU Alcohol and Health Forum. Care should be taken to present the Forum with the many projects that the alcohol industry in Kent may initiate. (Section 4.2)

Recommendation 7

The Select Committee urges that the effectiveness of GPs in early identification and referral of alcohol misusers in Kent should be improved. All GPs in Kent should be strongly encouraged to attend special training that will help them identify alcohol misusers, especially those with dependants. (Section 5.1)

Recommendation 8

GPs and other primary care staff should increase the provision of “motivational brief interventions” and advice to individuals drinking excessively, but not yet experiencing major problems resulting from excessive consumption. Funding sources to finance these brief interventions should be identified by Kent Primary Care Trusts (PCTs). (Sections 5.1 and 5.2)

Recommendation 9

The Committee urges that KCC offers immediate intervention to support those with urgent needs, such as children mistreated by alcoholic parents, young carers of misusers and misusers suffering from alcohol withdrawal crises. If during assessment a

parent is identified as in need of alcohol treatment, KCC Social Services should ensure that support is provided to ascertain that the children are properly cared for. (Section 5.3)

Recommendation 10

It is paramount that additional temporary sheltered housing should be facilitated by KCC for individuals recovering from alcohol addiction, particularly those discharged from hospitals, prisons and residential alcohol treatment, in order to prevent relapse. (Section 5.4 and Section 8.1)

Recommendation 11

The Select Committee supports the promotion of a hard-hitting health campaign targeted at the young to increase their awareness and so reduce the damaging effects of alcohol. The Committee urges that this campaign should stress personal responsibility and self esteem, give information about sensible drinking and about the variety of alcohol- related services available in the County (Section 6.1)

Recommendation 12

In order to help those seeking support, the Select Committee recommends that:

1. A logo, which facilitates the identification of all alcohol services in the County, is adopted. (Section 6.2)
2. The “alcohol” section in the KDAAT website is developed and expanded. (Section 6.2)

Recommendation 13

KCC should produce a directory of all alcohol-related services available in the County which includes all voluntary sector provision, to aid partners and clients to access help for individuals in crisis. (Section 6.2)

Recommendation 14

The Alcohol Misuse Select Committee recommends that:
More consistent Personal, Social and Health Education (PSHE), which includes effective alcohol education, should be delivered in both primary and secondary schools in Kent. PSHE certificates for both teachers and nurses should be widely supported. The organisation and promotion of this training should be carried out through Local Children’s Trusts. The Kent PSHE Advisory Group should pay particular attention to this recommendation when investigating young people’s personal health and wellbeing in the County. (Sections 7.1 and 7.2)

Recommendation 15

The Committee recommends that the inclusion of persons recovering from alcohol addiction in the delivery of alcohol education in schools in Kent should be considered by Local Children’s Trusts. (Section 7.2)

Recommendation 16

The Committee commends that parents and Kent-based primary and secondary schools should work in partnership to promote legal, safe and sensible drinking. Schools should involve parents in their children's alcohol education by transferring learning about sensible drinking into the home. (Sections 7.2 and 7.3)

Recommendation 17

Successful initiatives dealing with other related health issues, such as drug misuse, drink driving and sexual health, should be explored for adaptation to the theme of alcohol misuse. KCC should support the delivery of these initiatives in tackling alcohol misuse. (Section 7.2)

Recommendation 18

The Select Committee commends and supports the work carried out by the Safer and Stronger Communities Group and its sub-group, in their effort to reduce alcohol-related crime linked to the night-time economy and to deal with domestic violence in Kent. It recommends that this work should be comprehensive, including the diversity of offences fuelled by alcohol misuse which are not necessarily of a violent nature. (Sections 8.1 and 8.2)

Recommendation 19

The Select Committee urges that:

Communication between agencies at county level and those at more local level should be enhanced. Better data sharing between organisations dealing with alcohol-related crime, such as the police and Crime Disorder Reduction Partnerships (CDRPs) should be secured. The sharing of best practice between Kent-based CDRPs in tackling alcohol-related disorder should be improved. Both Central Government and the alcohol industry should be encouraged to provide data and finance. (Section 8.2)

Recommendation 20

The Committee strongly recommends that the Kent-based alcohol misuse conference, including representatives of local authorities, CDRPs and KDAAT, is established. (Section 8.2)

Recommendation 21

The Alcohol Misuse Select Committee urges that:

All hospitals in Kent improve Accident and Emergency (A&E) data gathering on injuries resulting from alcohol-related violence. All A&E departments in Kent should be strongly encouraged to collect and share data with other agencies in order to pinpoint "hot spots" and sources of crime resulting from alcohol misuse, and should quantify accurately NHS costs of dealing with health consequences. (Section 8.2)

Recommendation 22

KCC should recommend that magistrates are provided by Her Majesty Court Service (HMCS) with training which will enable them to deal more effectively with alcohol-related crime. (Section 8.2)

Recommendation 23

The Select Committee supports the KCC Towards 2010 target 58 to work with off licence pub and club owners to reduce alcohol fuelled crime and disorder, anti-social behaviour and domestic abuse. In addition, we recommend that problems of drinking outside the curtilage of licensed premises should be addressed, and that KCC should seek to discourage the practices of discounting alcoholic drinks, charging high prices for soft drinks and other strategies that could promote irresponsible drinking by all retail outlets. (Sections 9.1, 9.2 and 9.3)

Recommendation 24

The Committee recommends that:

KCC supports, where appropriate and after other measures have been explored, the establishment of alcohol free areas and of Alcohol Disorder Zones, which can require premises failing to implement actions designed to reduce alcohol-related anti-social behaviour in their vicinity to contribute towards the cost of the additional policing necessary to suppress the disruption. Kent Police, Trading Standards and other appropriate agencies should increase their efforts to identify retailers who supply alcohol to under age persons and ensure that penalties are applied. (Sections 9.2 and 9.3)

Recommendation 25

The Committee recommends KCC to improve public knowledge of the rights to object to licence applications for the sale of alcohol and to call for license reviews if problems of public nuisance occur. Local experience of public nuisance was previously submitted via Parish Councils, and the Select Committee recommends that KCC engages the support of the Kent Association of Parish Councils to lobby Government to reinstate Parish Councils as consultees in license applications. (Sections 9.2 and 9.3)

Recommendation 26

The Select Committee urges KCC to engage and encourage Central Government to ensure that the rate of taxation of drinks increases proportionally with their alcoholic strength. A greater part of the additional revenue accrued from alcohol taxation should be re-invested for the prevention and treatment of alcohol misuse. (Section 10.1)

Recommendation 27

The Committee recommends that KCC supports Central Government's engagement of large supermarket chains encouraging them to review their alcohol marketing strategies, including "loss leader" discounting practices, and to ensure that alcohol is not sold to under-age customers. (Section 10.2)

Recommendation 28

The Committee commends that KCC encourages Central Government to make Personal, Social and Health Education (PSHE) a statutory subject with inspection by Ofsted (please refer to Appendix 4 for related recommendations in KCC PSHE report). (Section 10.3)

Kent Drugs and Alcohol Action Team

FIRST DRAFT

KCC ALCOHOL SELECT COMMITTEE ACTION PLAN

KDAAT will develop the Strategy for Kent to deliver on the recommendations of the KCC Alcohol Select Committee. The strategy will set out the key principals and core values for achieving the outcomes of the report. This will include working on issues that influence society, communities and individuals attitudes to and behaviours leading from alcohol consumption. The strategy will be broad reaching aiming to capture the work that will reduce the harm from the misuse of alcohol, recognise the disproportionate impact that this has on some communities and seek to achieve a partnership approach to services, support mechanisms and information. The key partners within this strategy are the Kent County Council including the breadth of services from education and children's service to trading standards and community safety, the Public Health and Primary Care services, the Voluntary Sector, the Police and other criminal justice agencies.

This Action Plan sets out the first steps towards meeting the recommendations flowing from the Select Committee Report. It therefore highlights immediate actions that need to be taken and should not be regarded as a final document. A further operation plan will follow with the alcohol strategy.

Safe Sensible Social is the national strategy for tackling alcohol misuse. The Alcohol Select Committee has in principal adopted the key themes within the national strategy but clearly wishes to build on local knowledge and best practice and improve opportunities where gaps either in service provision have been identified or failings have been identified such as with the area of alcohol education.

1. Building Effective Partnerships

Lead Cabinet Member	Mr. Mike Hill
Key Themes	Information sharing and strategic partnerships
Lead Agency	KCC
Recommendation	1,2,19, 20

To make our partnership arrangements with the interest groups, NHS, District Council, Criminal Justice Services, Housing, Educational Institutions and voluntary organisations more effective, we will:

Objective	Priority Actions	Next Steps	Lead agency
To achieve improved partnership working across all agencies that is led by timely and accurate information and improved outcomes for those who come into contact with services	<ul style="list-style-type: none"> • Improve data sharing between organisations dealing with alcohol related crime, such as Kent Police, Accident and Emergency Departments (A&E) and Crime and Disorder Reduction Partnerships (CDRPs) • Write a multi agency alcohol strategy for Kent and produce an annual updating report • Restore the Kent based alcohol misuse conference and encourage participation from the District Authorities, CDRPs and KDAAT 	<ul style="list-style-type: none"> • To establish data sources and the opportunities for sharing information and developing protocols where necessary • To coordinate a working group to support the consultation for the Kent Alcohol Strategy 	KDAAT

2. Co-ordinated Response to Service Delivery

Lead Cabinet Member	Mr. Mike Hill
Key Themes	Needs led service development
Lead Agency	KCC/ District Councils
Recommendation	1,2,519, 20

<i>To enable a coordinated needs led response to services we will:</i>			
Objective	Priority Actions	Next Steps	Lead agency
To ensure that service development reflects the needs of local communities addressing issues of access, treatment support and aftercare facilities	<ul style="list-style-type: none"> • Undertake a comprehensive needs assessment which will be led by the Kent Primary Care Trusts and coordinated by KDAAT • Ensure that services are needs led and available when required • Listen to views of parents, carers and service users • Review the contributions that partners make towards the delivery of alcohol services in Kent through the Local Area Agreement (LAA) structures • Work with European Institute of Social Studies (EISS) to attract European funding and encourage participation of both the alcohol industry and Kent based agencies dealing with alcohol misuse in the EU Alcohol and Health forum • Prioritise the allocation of resources for alcohol services given the impact across so many other aspects of life • Work with District Councils to ensure adequate provision of temporary 	<ul style="list-style-type: none"> • To identify key individuals within the PCT and KDAAT to commence a county-wide needs analysis • Establish links with treatment providers, parent and carer groups and other service users to develop a network for consultation 	PCTs and KDAAT

	sheltered housing for individuals recovering from alcohol addiction, particularly those discharged from hospital, prisons and residential alcohol treatment in order to prevent relapse.		
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3. Promoting Safe and Sensible Drinking

Lead Cabinet Member	Mr. Mike Hill
Key Theme	Addressing the harmful effects of alcohol within communities
Lead Agency	KCC
Recommendation	6,11, 17,25

<i>To make sure everyone understands the harmful effects of alcohol, we will:</i>			
Objective	Priority Actions	Next Steps	Lead agency
To increase the public awareness and understanding of the impact of alcohol misuse and the responsibility of public agencies to address the problems	<ul style="list-style-type: none"> • Introduce a hard hitting campaign targeted at young people to increase their awareness and so reduce the damaging effects of alcohol • Promote and maximise the use of Kent Drug and Alcohol Action Team (KDAAT) website and local media platforms such as Kent TV • Establish closer links with University of Kent and other higher educational institutions to tackle alcohol misuse among Kent student population • Improve public knowledge of rights to object to licence applications for the sale of alcohol and to call license reviews if problems of public nuisance occur 	<ul style="list-style-type: none"> • Collate and coordinate current information relating to the licensing trade • Commence planning for a hard hitting campaign • Commence work with Trading Standards, Licensees and the drinks industry to identify “quick wins” 	<i>KDAAT and Community Safety</i>

4. Providing timely support

Lead Cabinet Member	Graham Gibbens
Key Theme	Access to support and services
Lead Agency	Kent Primary Care Trusts/KDAAT
Recommendation	2,7,8,9,10,12

<i>In order to help those seeking support, we will:</i>			
Objective	Priority Actions	Next Steps	Lead agency
To ensure swift and easy access to services for individuals seeking information, guidance and treatment	<ul style="list-style-type: none"> • Adopt a logo that will facilitate the identification of all alcohol services in the County • Work with NHS, voluntary organisations and local interest groups to support and provide timely intervention to individuals or families affected by alcohol misuse • Promote the website directory of all alcohol related services available in Kent • Improve the effectiveness of GPs and primary care staff by offering a rolling training programme in early identification and referral of alcohol misusers 	<ul style="list-style-type: none"> • To work with Treatment Providers, PCTs and Adult and Children's Services to ascertain the current level knowledge, skills and expertise in respect of alcohol misuse • To catalogue existing services • To assess the resource implications of improving access to services access 	PCTs
<i>Develop the Hidden Harm Strategy and disseminate and improve early identification</i>	<ul style="list-style-type: none"> • Expand and build on interventions available to young carers of alcohol misusers and children of alcohol misusing parents • Address the practices of drinking outside licensed premises and discourage discounting of alcoholic drinks, overcharging for soft drinks and other strategies designed to promote irresponsible drinking by all retail outlets 	<ul style="list-style-type: none"> • KDAAT Young Persons Services to work with the KCC Safeguarding Board to highlight issues and increase knowledge and understanding 	KDAAT YP

5. Reducing the Impact of Alcohol in our Communities

Lead Cabinet Member	Mike Hill
Key Theme	Improving the health of our Communities
Lead Agency	Kent Police/ Kent Primary Care Trusts
Recommendation	18, 21, 22,23,24,

The impact of alcohol on the health and well being of our communities cannot be understated, we will:

Objective	Priority Actions	Next Steps	Lead agency
To improve the knowledge and understanding of the residents of Kent of the impact of alcohol misuse and enable them to make informed choices	<ul style="list-style-type: none"> • Work with Kent Police to tackle alcohol related crime and domestic abuse in Kent • Identify practical ways of collecting Accident and Emergency (A &E) data on injuries resulting in alcohol related violence • Provide Magistrate will training that would enable them to deal effectively with alcohol related crime • Work with off licence, pubs and club owners to reduce alcohol fuelled crime and disorder and anti social behaviour • Work in partnership with Kent Police, District Councils to establish alcohol free areas in identifies alcohol disorder zones • Penalise retailers who supply alcohol to under age persons 	<ul style="list-style-type: none"> • To quantify the level and extent of alcohol related crime across the county • To work across agencies to assess the extent of domestic abuse that is alcohol related and identify existing services to meet this need • To consider the opportunities within the Anti Social Behaviour and Crime Disorder Act 2005 to implement measures to limit the impact of disorder arising from alcohol misuse – work with District Councils and the Police 	KDAAT and Kent Police

6. Alcohol Education in All Schools

<i>Lead Cabinet Member</i>	
Key Theme	Working with Schools and improving alcohol education via PSHE
Lead Agency	KCC
Recommendations	14,15,16

<i>Working with schools, parents and teachers, we will:</i>			
Objective	Priority Actions	Next Steps	Lead agency
To improve the knowledge and understanding amongst young people of the potential harm of alcohol misuse.	<ul style="list-style-type: none"> • Adopt a more consistent Personal, Social and Health Education (PSHE) which includes the delivery of alcohol education to be delivered in both primary and secondary schools. • Ensure that each school cluster has a PSHE lead and each secondary school in Kent has at least one PSHE certified teacher • Encourage the Kent PSHE Advisory Group to pay particular attention to the delivery of alcohol education in schools when investigating young people's personal health and wellbeing in the County 	KDAAT to identify and coordinate a working group to assess current practice and activity across the county.	KDAAT

<p><i>Investigate the opportunity to develop the role of parents and carers in the alcohol education processes</i></p>	<ul style="list-style-type: none"> • Work towards Healthy Schools validation by March 2009, through a process which is inclusive to parents and governors • Ensure that a strong and consistent sex and relationships education is delivered within PSHE framework is delivered. • Ensure that sex relationships and education is taught appropriately from primary school and by specialist teachers 	<ul style="list-style-type: none"> • KDAAT to enter discussions with providers of alcohol treatment services 	KDAAT
	<ul style="list-style-type: none"> • Explore the use of personal experience of recovering from alcohol addiction in the delivery of alcohol education in schools in Kent • Encourage parents to help Kent based primary and secondary schools in the delivery of alcohol education and in promoting responsible drinking i 	<ul style="list-style-type: none"> • KDAAT to work with CFE and school governor networks to consider opportunities 	KDAAT

7. Proactive Leadership

Lead Cabinet Member	
Key Theme	Leadership and Champions to support the agenda
Lead Agency	KCC
Recommendation	26,27,28

<i>In order to ensure that proactive and effective leadership is in place we will:</i>			
Objective	Priority Actions	Next Steps	Lead agency
To highlight and publicise the harm caused by alcohol misuse and engage communities in combating the issue	<ul style="list-style-type: none"> • Engage the lobby of Kent Association of Parish Councils to lobby Government to reinstate Parish Councils as consultees in license applications • Engage central government to ensure that the rate of taxation of drinks increase proportional with the alcoholic strength and 	<ul style="list-style-type: none"> • To draft a Communication Plan • To establish a network for the coordination of responses to support lobby to Central Government 	KDAAT

	<p>that revenue accrued from taxation are re-invested in prevention and treatment alcohol services</p> <ul style="list-style-type: none">• Support central government in engaging supermarkets chains to review their alcohol marketing strategies, including “loss leader” discounting practices and selling to under age customers• Engage central government to make Personal, Social, Health Education (PSHE) , a statutory subject with inspection by Ofsted		
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By: Graham Badman, Managing Director for Children, Families and Education
 Amanda Honey, Managing Director, Communities
 Mike Hill, Cabinet Member for Community Services
 Chris Wells, Cabinet Member for Children, Families and Educational Achievement, CFE
 Mark Dance, Cabinet Member for Operations, Resources and Skills, CFE

To: Cabinet – 17 March 2008

Subject: Integrated Youth Support Strategy

Classification: Unrestricted

Summary: In 2005, Government published the Green Paper, *Youth Matters*. This linked aspirations for young people to the Every Child Matters agenda. Following wide ranging consultation, *Youth Matters: Next Steps* was published in March 2006. This strategy explains the process of implementing key elements of *Youth Matters* in Kent.

For Information

Introduction

1. (1) The Integrated Youth Support Strategy (IYSS) has been commissioned by the Kent Children's Trust Board. The strategy has been developed by a partnership group chaired by Angela Slaven, Director of Youth Offending and Substance Misuse. It supports the implementation of *Youth Matters* in Kent, in particular the requirement for integrated youth support services. Integrated youth support services include targeted youth support, independent advice and guidance and positive activities for young people. The attached strategy outlines the agreed partnership approach.

Progress to Date

2. (1) Following an initial agenda discussion at the Kent Children's Trust Board on the 8th October 2007 the draft strategy has been developed with partners represented through the Children's Trust. Comments received from KCC's Policy Overview Committees for the Children, Families & Education and Communities Directorates have been taken into account.
- (2) The District Councils' Community Development Managers' group has also been engaged, and individual feedback has been received from several District Councils.

- (3) The draft was taken to the Kent Youth County Council in December, where workshops were undertaken to seek KYCC members' views on the strategy's topics. The Connexions Youth Board was consulted on 30th January 2008.
- (4) The Kent Children's Trust Board, as the commissioning body for this work programme, received the draft strategy on January 31st and has approved the current draft strategy.
- (5) KCC Chief Officers' Group has also seen and commented on the strategy.

Next Steps


3. (1) The Integrated Youth Support Strategy will be supported by an operational delivery plan which will:
 - Illustrate how these integrated processes will work in practice to deliver improved outcomes for young people;
 - Make explicit the priority actions that are required to implement the strategy;
 - Link the IYSS priorities to the targets and indicators in the Local Area Agreement, the Children and Young People's plan and other relevant service and partnership plans;
 - Ensure that delivery mechanisms are networked with other key planning and delivery partnerships for children and young people;
- (2) The strategy group propose that the operational plan is developed by an IYSS Board, which will draw its membership from the strategy group supported by personnel from related areas of service, including the Targeted Youth Support working group. The Board will be chaired by the Director of Youth Offending and Substance Misuse Services, and will:
 - Develop the supporting operational plan;
 - Design and lead on consultation on the Integrated Youth Support Strategy and plan;
 - Monitor progress and report as requested to the Kent Children's Trust Board;
 - Alert the Kent Children's Trust Board to any resource implications arising from the strategy and implementation plan.


Request

4. Cabinet is asked to:
 - (i) NOTE the progress in developing the Integrated Youth Support Strategy; and
 - (ii) NOTE and SUPPORT the contents of the report and the attached strategy.

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By: Graham Gibbens, Cabinet Member, Public Health
 Kevin Lynes, Cabinet Member, Adult Services
 Meradin Peachey, Director of Public Health
 Oliver Mills, Managing Director, Adult Services

To: Cabinet – 17 March 2008

Subject: **JOINT STRATEGIC NEEDS ASSESSMENT FOR ADULTS**

Classification: Unrestricted

Summary: Seeks Cabinet’s endorsement of the Adults Joint Strategic Needs Assessment which will be published in April.

For Information

Introduction

1. (1) Kent’s Joint Strategic Needs Assessment for Adults is attached. This summarises the future health, social care and wellbeing needs of Kent residents. Underpinning this overall report is a considerable amount of local data, and there are a group of recommendations around improving data-sharing and analysis. It is important, for example, that Members are given good information about the key issues for their constituency.

(2) In Kent, the Joint Strategic Needs Assessment is being regarded as a process rather than a document. This report is a milestone, but a number of the recommendations are about the further work that is needed.

(3) Already the JSNA work has started to influence budget-setting and commissioning decisions within KCC and the PCTs, and also Kent Agreement 2. It is important that this continues, and that commissioners are supplied with solid research evidence upon which to base their future commissioning decisions.

(4) The report is being brought to Cabinet for endorsement, and will also be considered by the PCT Boards.

Key issues emerging

2. (1) Pages 4-8 of the report summarise the key issues and set out the recommendations. For the County Council it is of particular importance to note:

- Kent needs to prepare for significant increases in its older population – from 2005 to 2020 there will be a 36% increase in people aged over 65 across Kent.

- The key long-term conditions affecting older people are dementia, arthritis, stroke and coronary heart disease. These are also the main causes of disability and needs for social care. As the population ages, there will be up to 25% more people with these conditions in Kent over the next ten years.
- Mental illness, learning disability and physical disability are all increasing in both incidence and complexity.
- The people most affected by long term health problems and disability are more likely to live in the deprived areas of Kent.
- Improving intermediate care and preventative treatment will have a beneficial impact, as will health promotion activities.
- Shaping services towards a greater emphasis on home and community care and on health promotion is likely to need increased joint investment which must be recouped through reduced acute and residential care.

(2) Although the above apply across Kent as a whole, different strategies for addressing these issues will be developed locally depending upon the particular needs of each locality.

Recommendations

3. (1) Cabinet is asked to NOTE and ENDORSE (or amend) the Joint Strategic Needs Assessment for Adults.

Debra Exall
Head of Performance & Planning
Kent Adult Social Services

Jess Mookherjee
Locum Assistant Director of Public Health
West Kent PCT (also on behalf of Eastern & Coastal Kent PCT)

By: Kevin Lynes, Cabinet Member for Adult Services
Oliver Mills, Managing Director KASS

To: Cabinet – 17 March 2008

Subject: **VALUING PEOPLE NOW – FROM PROGRESS TO TRANSFORMATION**

Classification: Unrestricted

Summary: *Valuing People Now* is an urgent “revitalisation” of the national learning disability strategy. It sets clearer targets and arrangements for performance management. It proposes the transfer of non-specialist healthcare NHS budgets and commissioning responsibility for this group to Local Authorities and stronger local leadership by the Learning Disability Partnership Board.

These proposals are out for consultation till 28 March 2008. Our view in Kent is that we will make two responses: a broad response on all the proposals lead by the LD Partnership Board; and a specific response by KCC and the NHS in Kent on issues arising from the organisational and financial proposals between these two statutory partners.

The Learning Disability Partnership Board, working through its constituent District Partnership Groups, is considering these new proposals and we are working towards a county-wide consultation event on 18 March with the National Director of Learning Disabilities. At Cabinet we will bring a presentation by a service user group Voice4Kent who have been leading part of the consultation.

Background

1. (1) *Valuing People (2001)* was conceived in the early years of the Labour Government as an initiative by a Minister, aware that other priority groups (Children, Older People, Mental Health, etc) were being reviewed and National Service Frameworks developed. It was issued as a White Paper in 2001 though without the targets and funding plans that were part of NSFs. It has been seen as a groundbreaking strategy with its clear focus on rights and inclusion. However it has not – so far – achieved the transformation that was hoped for of “an ordinary life in the community alongside fellow citizens as described by human rights legislation and the Disability Discrimination Act”. There has been progress for some people, but little change for most.

(2) Learning Disability is defined as having 3 elements: significantly impaired intellectual functioning; significantly impaired social functioning; which emerged before adulthood. *Valuing People* estimates this affects 2.5% of the general population which in Kent would be 35,000 people. Additionally 1,500 people are placed into residential care in Kent, mainly from London. And people with Autistic Spectrum Disorders are often directed towards learning disability services ; 1% of the general population have ASD which means

13,000 people in Kent - though only 20% of these have a learning disability. KASS and the NHS work with a total of 4,000 adults with learning disabilities, so most people are looked after by their families.

(3) We have developed a Learning Disability Partnership Board structure with a number of strengths – particularly excellent participation of people with learning disabilities and some family carers. Due to the size of Kent we developed a District structure of Partnership Groups (DPGs) and the joint chairs (one with a learning disability, one without) come together federally to form the core of the Partnership Board. This year we have been strengthening governance arrangements and are building more capacity into these groups to manage their agenda.

(4) **Valuing People (2001)** set out the government's proposals for improving the lives of people with learning disabilities and their family and carers. The document is based on 4 main principles:

- i) All people with learning disabilities have the same rights as other citizens.
- ii) We should believe someone is independent first, rather than dependant. Public services should provide the support needed for independence.
- iii) People with learning disabilities should be able to make real choices. Support should be provided for all including people with severe and profound disabilities.
- iv) People with learning disabilities should be supported to be fully included in their local community.

(5) It required that Partnership Boards be established in each Local Authority area to build in greater leadership by people with learning disabilities and family carers. And it outlined the key areas that needed to be developed (see Appendix 1)

(6) **Working Together in Kent (2002)** was a local multi-agency plan approved by KCC cabinet and the Health Authority to implement aspects of *Valuing People*, particularly those relating to statutory sector developments (see Appendix 2)

(7) **Valuing People Now (2008)**. The original strategy has been reviewed by a cross-government group led by Ministers from the 3 Departments of: Health; Work and Pensions; and Children, Schools and Families. Their aim is to achieve policy and practice coherence so that the limited progress that has been achieved can extend much further. They acknowledge that "progress" has been achieved but they state that what is needed through the new strategy is nothing less than the "transformation" of the lives of people with learning disabilities and family carers.

(8) *Valuing People Now* is not simply "warmed up policy" but an urgent revitalisation of a programme that is seen not to have achieved major objectives. The review by the National Director [*The Story So Far 2005*] found that whilst there had been some improvements, life was not much better for many people. It pressed for stronger leadership from local authorities, particularly through using its corporate reach and influence.

(9) *Valuing People Now* re-presents the strategy more sharply and urgently (see Appendix 3). It reaffirms *Valuing People* and sets out:

- 4 top priorities with targets, actions and performance monitoring (i) personalisation (ii) health (iii) daytime/employment (iv) housing]
- An overarching priority to make it happen through (v) stronger leadership arrangements, with a major strengthening of LD Partnership Boards – this is seen as the major challenge
- An updated presentation of the other main targets (vi) advocacy & human rights (vii) partnership with families (viii) including everyone, specifically people with complex needs (ix) citizenship within local communities (x) Transition (xi) workforce development → new ways of working
- Key organisational developments, including the transfer of NHS commissioning responsibility and budgets to Local Authorities

Issues for Kent.

2. (1) Leadership and accountability. *Valuing People Now* is a strategy for all learning disabled citizens of Kent (ie not just those supported through KCC). We need to develop more effective systems through:

- a) Strengthening the leadership and influence of LD Partnership Board through:
 - i) electing a lead Member or Managing Director as joint chair with a person with LD
 - ii) establishing a policy that the Partnership Board is consulted on all key LD issues, and District Partnership Groups on all key local issues
 - iii) identifying the level of infrastructure support (Finance / Planning etc) to Partnership Board/DPGs so they have the capacity to work effectively
 - iv) The Partnership Board holding accountable all Kent systems that relate to Learning Disability. For example, the performance of KASS or Kent's progress in achieving relevant LAA targets.
- b) Partnership Board to establish a working relationship with the Local Strategic Partnerships
- c) Strengthening the Performance Management focus on LD within Kent
- d) Corporate and System-wide Leadership to enable people with learning disabilities to live full and productive lives as welcome members of their local communities. To have clear links with the Supporting Independence Programme and other related corporate agenda. Development of a common programme with Communities and CFE. Particular focus on localities and community building and Local Boards. Strong agenda with the NHS to raise standards, and with District Councils on Housing and local citizenship.

(2) Organisational Development and Change.

- a) Prepare for the transfer of commissioning responsibility and budgets from the NHS.
 - i) Identify key risks as part of the consultation on *Valuing People Now*
 - ii) Identify the likely commissioning model in KCC that can incorporate NHS commissioning

(3) The following comment has been drafted by KASS Director of Resources for inclusion in our consultation response:

“We welcome the discretion in 16.2.4 for the financial transfer to be locally negotiated, and we also agree that, once the appropriate amount has been determined, the money should be fixed in perpetuity, and transferred by the usual Government funding regimes. However as this is a transfer of responsibility, and the funds are dedicated to the continued needs of a known cohort of people, Government must do all it can to avoid any volatility in applying the new regime. The recent experience of transferring LDDF, where the application of a different formula for distribution resulted in winners and losers cannot be allowed to happen here. Any loss of funds, through the inappropriate application of a formula would have a direct impact on authorities’ ability to sustain current levels of support to existing service users.

- b) Advance the introduction of Self-Directed Support arrangements and Individual Budgets, being led through the ALFA programme in KASS, so that people with learning disabilities and family carers can control their own lives as far as possible. This will involve KCC developing new roles, changing commissioning and financial management arrangements, and making a further shift towards working in partnership with its more disadvantaged citizens

Process

- 3. (1) We are planning two forms of report from the consultation
 - a) The Learning Disability Partnership Board is leading a Kent-wide consultation process on the detailed proposals in *Valuing People Now* and will prepare a report . This will include a presentation to Cabinet in March
 - b) KCC will prepare a report detailing its comments on any proposals that relate primarily to itself, primarily that of transferring budgets and responsibilities from the NHS

(2) As *Valuing People Now* is not new policy but presents familiar targets, with the pressure to “do it this time” we are not expecting many alternative proposals to be developed, though some of them may be given a Kent shape or strengthened. So we are using this period to develop our implementation proposals

Recommendation

4.

Background Documents:

Valuing People A New Strategy for Learning Disability for the 21st Century (2001) Cm5086

Strategic developments in services for people with learning disability (11 February 2002)
KCC Cabinet Report on *Working Together in Kent*

The Story So Far...Valuing People (2005) Department of Health Gateway Ref 4678

Valuing People Now - From Progress to Transformation (2007) DoH Gateway Ref 8854

<http://www.dh.gov.uk/en/Policyandguidance/SocialCare/Deliveringadultsocialcare/Learningdisabilities/index.htm>

Report prepared by
Des Sowerby
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Valuing People

The core principles are to promote the:

- **rights** of people with learning disabilities
- greater **choice**
- **independence**
- **inclusion**

The target areas are well known:

1. **Disabled children and young people.** Other service groups have the lead in this area, but we need to maintain good communication and joint working so that there is more coherence to the whole life/whole system aspects of people's lives
2. **Transition** is a core responsibility of the Partnership Board
 - Making the **Connexions Service** work for people with learning disabilities is part
 - ensure that all young people have a person centred plan from 2003
 - continuity in health care and good links in social care
3. **More choice and control.** We must enable people to have as much choice and control over their lives as possible. We have some core targets:
 - To develop **advocacy** (including for people from black and minority ethnic groups)
 - Really extend **Direct Payments**
 - Have **Person Centred** approaches and attitudes as the basis of all we do. This includes developing systems of person centred planning.
 - Involve people with learning disabilities in **policy development and decision making**
 - Develop effective ways of **communicating information**
4. **Supporting Carers.** This is based on an attitude of working with carers as partners, and giving due weight to the experience and centrality of the carer in the life of the person with learning disability. Core targets are:
 - Focusing on the needs of older carers (over 70)
 - Developing appropriate supports for carers from black and minority ethnic groups
5. **Improving Health.** There are a series of targets aimed at reducing the health inequalities experienced by people with learning disabilities. They include:
 - **Health Action Plans**
 - **Better access to mainstream NHS services**
 - Appropriate **specialist services**
6. **Housing.** To enable people to have greater choice and control over where they live
7. **Fulfilling Lives:**
 - **Modernise day services** (by 2006)
 - **Education & Lifelong learning**
 - **Employment / income / benefits**
 - **Transport**
 - **Leisure & relationships**
 - **Parents with a disability**
8. **Quality.** All services commission and provide high quality, evidence based and continuously improving services which promote good outcomes and best value.
 - **User experience / satisfaction**
 - **Minority ethnic groups**
 - **Vulnerable adults**
 - **Best value / better use of resources**
 - **Workforce training & planning**
 - **Developing Leadership**, including people with learning disabilities
 - **People with additional and complex needs**

Working Together in Kent

The core elements of this strategy are:

1. All service development and planning must be based on the **values and principles** that were agreed
2. A **unified single commissioning process**
 - Initially between Health and Social Services (ie extending to other groups such as Education and Housing, and including people with learning disabilities and carers)
 - With shared and pooled budgets
 - Enabling cross-Kent strategic developments
3. The **Kent Partnership Board** will be established as the context within which commissioning and other developments take place
4. **Integrated Working** within Districts
 - Integrated teams with a core membership from Social Services and Health and incorporating representatives from other agencies
 - Secondment of health staff / Management by KCC
5. **District structure of commissioning** to ensure services are locally responsive and accountable. Clear links to the Partnership Board.
6. **Modernise Day Services** in line with principles of Person Centred Planning and *Valuing People*
7. **Residential provision**
 - Transfer provision in the statutory sector to the independent sector
 - Decide whether provision needs to be retained / developed for people with complex needs
8. **Reconfigure health provision.** Establish the lead roles of PCTs and the appropriate employment arrangements for health staff

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Valuing People Now – Introduction & Executive Summary

1 Introduction

1.1 In 2001, the Government published *Valuing People: A New Strategy for Learning Disability for the 21st Century*. It was the first major government policy statement about learning disabilities for thirty years. Importantly, *Valuing People* was a cross-government policy – with a foreword by the Prime Minister. It was not just about health and social care, but also covered jobs, education, housing and other areas of government policy. The vision was based on four main principles of:

- legal and civil rights;
- independence;
- choice; and
- inclusion.

1.2 *Valuing People* was widely welcomed by people with learning disabilities, their families and people working in the learning disability field. Many said it was a groundbreaking policy because it stressed how people with learning disabilities are, above all else, people and citizens. It said that the role of public services is to help people, no matter how complex their disabilities, to live full and equal lives in their local communities.

1.3 Since 2001, other Government policies have said similar things and have helped to take forward the *Valuing People* vision. For example:

- *Improving the Life Chances of Disabled People* – with its focus on independent living. (Defined as people having choice and control over the support they need to live their lives they want.);
- *Our Health, Our Care, Our Say* – which confirmed the Government's commitment to individual budget pilots – giving people real control over their lives and services;
- by amending the Disability Discrimination Act 1995 (DDA) in 2004 and 2005, rights for disabled people have been substantially improved and extended - for example in relation to employment.

1.4 In addition, the Human Rights Act (1998) has influenced the policies and principles of *Valuing People*.

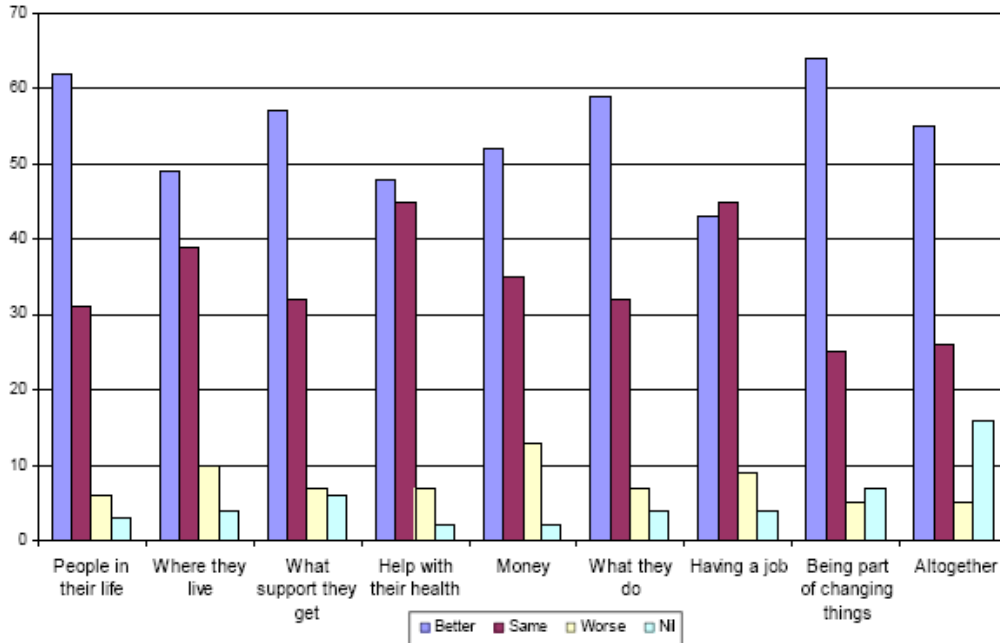
1.5 Six years on, some people's lives have changed for the better, but for others little has changed. In part this is because changing the lives of people with learning disabilities involves changing the attitudes of all of society towards disabled people – and that takes time. In part it is because, despite good progress in many areas, not everyone has taken forward the *Valuing People* vision as quickly and as positively as we had hoped.

1.6 In 2005, around three thousand people contributed to the National Director's review of *Valuing People - The Story So Far*. This described good progress in some areas:

- people are being listened to more – both about their individual lives and in service planning;
- Person centred planning done properly makes a difference to people's lives
- The Supporting People programme has helped many people to live independently
- Direct payments are helping to change people's lives
Organisations are working together better at a local level

1.7 Overall people said their lives were improving. People were asked whether their lives, or those of people they knew, were getting better in different ways. Figure 1 shows that people were generally very positive about how things have improved since *Valuing People*. However in some areas (eg paid work and access to good quality healthcare) progress has been disappointing. There is evidence that progress for some people – such as those with high support needs and from minority ethnic communities – has been less than for others.

Fig. 1 'Story So Far' Consultation



1.8A short summary of progress with *Valuing People* is:

- Good progress in many areas but disappointing change in others
- Getting some mainstream services to be properly inclusive of people with learning disabilities has been difficult
- Too many people and organisations have failed to deliver on the policy promises
- Where change has happened, some people now feel it is getting difficult to move on to the next stage of change

- 1.9 Government has therefore decided that it is time to 'refresh' the *Valuing People* policy. This document - *Valuing People Now: From Progress to Transformation* - is a draft of how government intends doing that from 2008 to 2011. It responds to what people have told us over the last six years about what is working and what is proving difficult to change.
- 1.10 *Valuing People Now* should be considered alongside other government policies that affect the lives of people with learning disabilities. In particular, the independent living strategy, which is shortly to be published from the Office of Disability Issues.
- 1.11 *Valuing People Now* does not repeat all the evidence and arguments behind why the policy says what it does. These can be found in places such as *The Story So Far, Our Health Our Care, Our Say, Improving the Life Chances of Disabled People* and *Valuing People* itself.¹ *Valuing People Now* is concerned with describing the action that is required in order to make good on existing policy commitments.
- 1.12 We would welcome your comments on what *Valuing People Now* says by 11 March 2008. Details of how to comment are contained on page 74. A final document will then be produced by summer 2008.

2. **Executive Summary**

2.1 *Overview*

- 2.1.1 *Valuing People* aimed to achieve equality of citizenship for people with learning disabilities. Its focus on promoting advocacy, person centred planning and partnership working to achieve change has led to improved lives for many people with learning disabilities. With only one long stay hospital still to close, thousands of people living in their own homes with help from Supporting People and over 5,000 people using direct payments, some people's lives have changed dramatically. However, for many people little has changed and delivery has been patchy across the country.
- 2.1.2 In response to this, *Valuing People Now* sets out the next steps for the *Valuing People* policy and its delivery. It describes the direction of travel and delivery priorities for the next three years. The aim is to support people with learning disabilities to live an ordinary life in the community alongside their fellow citizens as described by human rights legislation and the Disability Discrimination Act.

¹ 'The Story So Far.... *Valuing People A New Strategy for Learning Disability for the 21st Century*,' 2005, Valuing People Support Team:
http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4107054

'*Our Health, Our Care, Our Say*' White Paper,' 2006, Department of Health
http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4127453

'*Improving the Life Chances of Disabled People*,' 2005, Cabinet Office:
<http://www.cabinetoffice.gov.uk/upload/assets/www.cabinetoffice.gov.uk/strategy/disability.pdf>

To help achieve this, *Valuing People Now* sets out policies and actions aimed at making sure that people get real choice and control over the services and support they need and that mainstream public services become more inclusive of people with learning disabilities.

- 2.1.3 *Valuing People Now* does not cover children with a learning disability because other policies (including *Aiming High For Disabled Children*) are already taking new action forward for children.
- 2.1.4 Perhaps the biggest challenge is making sure that the *Valuing People* policy is delivered across all of England. To help do this, *Valuing People Now* identifies five big priorities that government wishes local people (and government itself) to concentrate on. These priorities are what people themselves and their families tell us will have the greatest impact on their lives.
- 2.1.5 The main priorities for 2008 to 2011 are:
- **Personalisation** – so that people having real choice and control over their lives and services;
 - **What people do during the day** (and evenings and weekends) - helping people to be properly included in their communities, with a particular focus on paid work;
 - **Better health** - ensuring that the NHS provides full and equal access to good quality healthcare;
 - **Access to housing** - housing that people want and need with a particular emphasis on home ownership and tenancies;
 - **Making sure that change happens** and the policy is delivered - including making Partnership Boards more effective.
- 2.1.6 Sections 2.2 and 2.3 below summarise the main actions described in *Valuing People Now*. Knowing that we are achieving these changes is essential. Each section from Section 5 onwards outlines how we will know whether people's lives are changing for the better. Central to this will be:
- improving the ways in which data is collected and reported, both locally and nationally;
 - listening to the voices of families and carers;
 - giving a more central role to learning disability partnership boards as the voice of local stakeholders;
 - checking that lives are improving for some of the most excluded people, for example people with complex disabilities and those from minority ethnic communities.

2.2 *Big Priorities*

Personalisation

- 2.2.1 Too many people are still receiving traditional services rather than being supported to live the life they want. People having the choice and control over their own lives and services is the starting point for *Valuing People Now*. Action will include:

- government continuing with plans for individual budgets and giving more people control over their lives and services;
- a renewed focus on person centred planning;
- work continuing to help more people have a direct payment.

What People Do During The Day

2.2.2 Joined up working between adult social services, the employment and education sectors should be at the centre of people getting better lives. To address the problem of people going to traditional day centres rather than getting a job and education and a life, action will include:

- moving away from the concept of day services modernisation and instead having the policy objective of supporting people to live the lives that they want as equal citizens in their communities - in other words social inclusion;
- using outcomes from person centred plans to design new opportunities and supports for people, with paid work at the centre of this;
- a cross government Getting a Life programme to bring together funding and assessment systems for young people going through transition, with the aim of people getting a job, an education and a social life in the way they want;
- a review of government disability employment services with the aim of increasing the number of people with learning disabilities in paid work;
- a five-year 'Progression Through Partnership' programme to help make further education better meet the needs of learners with learning disabilities;
- government prioritisation of employment through the socially excluded adults PSA.

Better health

2.2.3 Several recent reports have raised concerns of how people with learning disabilities access healthcare. Actions to address this will include:

- initiatives to ensure the NHS meets its legal obligations in relation to human rights and disability discrimination;
- a new primary care service framework to support PCTs in commissioning comprehensive health checks and better primary care access for people with learning disabilities;
- issuing new good practice guidance on health action planning;
- local action by PCTs and NHS trusts to ensure that acute healthcare is properly meeting the needs of people with learning disabilities;
- the Department of Health responding to the independent inquiry into the healthcare of people with learning disabilities, chaired by Sir Jonathan Michael, when it reports to the Secretary of State later this year;
- good practice guidance on specialist learning disability health services and local action plans to improve bed-based learning disability services following the Healthcare Commissions audit of NHS and private sector services;
- clear statements in the forthcoming NHS operating framework about delivery in relation to learning disability.

Improving people's housing situation

- 2.2.4 People with learning disabilities should have more choice and control over where and how they live. Action to help this happen will include:
- a joint Department for Communities and Local Government and Department of Health programme to promote the inclusion of people with learning disabilities in mainstream housing initiatives;
 - an increased focus on access to home ownership and housing with assured tenancies;
 - funding to support the closure of NHS campuses;
 - government employment of housing through the socially excluded adults PSA;
 - support providers focusing on the social inclusion agenda described in *Valuing People Now*

2.3 The Wider Agenda

Advocacy and rights

- 2.3.1 The *Valuing People* commitment of 'Nothing About Us Without Us', remains at the heart of *Valuing People Now*. Action to ensure that people's voices properly heard and their rights are respected includes:
- a new learning disability advocacy development programme - including leadership development;
 - the development of user led organisations in each locality, being fully inclusive of people with learning disabilities, as recommended in *Improving the Life Chances for Disabled People*;
 - a full government response to Parliament's Joint Committee on Human Rights inquiry into the rights of adults with learning disabilities when its report is published.

Partnership with families

- 2.3.2 Family carers are essential long-term partners in achieving positive change for people with learning disabilities. Action to help make this happen will include:
- a Standing Commission on carers to ensure the voice of carers is heard by government;
 - updating and extending the Prime Minister's strategy of carers;
 - more practical support to carers; including the creation of an expert carers programme, a national information service/helpline for carers, and support for short term home-based care;
 - support for developing family leadership as part of the *Valuing People* delivery programme;

Including everyone

- 2.3.3 There is concern that changes so far have excluded some groups of people. *Valuing People* will only be a success once it is working for everyone. Action to help this happen includes:
- local planning to deliver *Valuing People Now* starting with people with the most complex support needs, with the principle of developing additional services and supports, rather than separate ones;

- full compliance with race relations legislation leading to proper information that helps develop culturally appropriate services for all people with learning disabilities;
- use of the government's advice note on people with autism to ensure people do not fall between different local services;
- a programme of work to improve the skills of the criminal justice system in working with people with learning disabilities.

People as Local Citizens

2.3.4 People want to be full members in their local community and so action outside traditional learning disability services is important. This will include:

- local and national action to stop hate crime against people with learning disabilities. This will include good practice guidance from the Home Office and the Department of Health;
- the Department for Transport working with the *Valuing People* delivery programme to ensure transport initiatives are inclusive of people with learning disabilities. Local learning disability partnerships getting involved with the development of local transport plans so this happens at a local level;
- a focus on relationships when planning with people about their own lives, including personal and sexual relationships;
- support to parents with a learning disability and their children as described in the existing good practice guidance and the inclusion of parents with a learning disability in new parenting initiatives supported by the Department for Children Schools and Families.

Transition to adulthood

2.3.5 As young people with a learning disability move into adulthood, they should have access to the same life opportunities as everyone else. Action to help achieve this will include:

- a £19 million transition support programme, part of which will be used to promote person centred approaches in transition;
- continued support for the person centred transitions national initiative;
- a focus on young people in transition for all aspects of *Valuing People Now* i.e. jobs, housing, individual budgets etc.

Improving The Workforce

2.3.6 New ways of working for staff who support people with learning disability have to underpin the changes from *Valuing People Now*. This will include:

- the adult social care workforce strategy board taking responsibility for overseeing the delivery of the learning disability workforce planning and development programme;
- Skills for Care leading national and local action to increase take-up of the learning disability qualification and sharing leadership of regional learning disability workforce networks;
- local training to ensure a focus on skills to support choice, control and social inclusion.

2.4 The Major Priority - Making It Happen

2.4.1 The biggest challenge facing *Valuing People* is that of making sure that the whole policy is delivered so that all people with learning disabilities benefit from the changes. Action to ensure this happens is therefore at the centre of *Valuing People Now*. In addition to the above actions, specific actions around delivery are set out below.

Local and National Leadership and Support

2.4.2 Strong local and national leadership is required for the next three years and beyond. To help this happen:

- local learning disability partnerships will continue, with an expectation that they review board meetings to reflect best practice across the country. Government will explore how to increase the statutory requirement on public bodies to consult and work with partnership boards;
- the Learning Disability Development Fund (LDDF) will continue, being paid directly to local authorities to support delivering the outcomes in the National Indicator Set for people with learning disabilities. The old long stay (OLS) census will come to an end;
- there will be continuing support for the National Forum of People with Learning Disabilities and the Learning Disability Task Force;
- the *Valuing People* Support Team will be redesigned to meet the changing agenda - with a twin focus on delivering the main national priorities and supporting local people to develop the skills to make the changes themselves.

Better commissioning

2.4.3 In order to help improve commissioning, action will include:

- funding for learning disability social care services will transfer from the NHS to local government. This means that local authorities, who are the lead commissioning authority for learning disability services, will have direct access to the resources they need to improve services;
- work to fully assess the impact of the increasing numbers of people with learning disabilities on demand for, and therefore the cost of, services;
- action to ensure that the only reason a person with a learning disability is an inpatient in an NHS or private sector hospital bed is because they are receiving an active programme of assessment or treatment prior to moving back home to their local community;
- re-issuing the Mansell report on people who challenge services, with a support programme to help its implementation.

Getting better at checking how we are doing

2.4.4 If *Valuing People Now* is to be delivered, we need to know what progress we are making and encourage managers to do things better. To help this happen, action will include:

- two new cross government performance indicators on employment and housing;
- a review of the NHS and adult social care performance framework in order to improve how we monitor learning disability services;

- joint strategic needs assessments including accurate information about the lives of people with learning disabilities (in order to comply with disability discrimination legislation);
- encouraging local learning disability partnerships to establish their own outcome indicators and publicly report on progress with them.

3. Children with a Learning Disability

- 3.1 *Valuing People* covered policy about children with a learning disability as well as adults. Shortly afterwards, Government produced several other policies about children which became the focus of change for children with a learning disability. Those policies have continued to develop and so there is less need for this 'renewal' of *Valuing People* to also cover children (though transition to adulthood is covered in paragraph 13).
- 3.2 Getting the right educational support in the right setting is key to helping children with learning disabilities reach their potential and be part of society. The 2001 Special Educational Needs (SEN) and Disability Act strengthened parents' rights to have their child educated in a mainstream school if they wish. It gave schools and local authorities a duty to plan to increase schools' accessibility, both in terms of premises and the curriculum.
- 3.3 In 2004 the Government's SEN policy *Removing Barriers to Achievement* set out a programme of action on early intervention, removing barriers to learning, raising expectations and achievement and bringing improvements through partnerships between agencies. A £1.1 million programme delivered by the Training and Development Agency is helping to increase SEN skills in mainstream schools to increase the numbers of children participating in mainstream education.
- 3.4 Other government policies such as *Every Child Matters* and the *National Service Framework for Children, Young People and Maternity Services*, have set objectives for children's health and social care - including a standard for disabled children and young people. A key aim of these policies is better inter-agency working. The *Early Support* programme focuses on this and recommends families are assigned 'key workers' to help them negotiate access to services.
- 3.5 Government has recently announced the £340 million *Aiming High for Disabled Children* programme, for 2008-11. It has three priority areas – access and empowerment, responsive services and timely support and improving quality and capacity. The funding includes £280m for increasing short-breaks/respite care for disabled children, £35m for a childcare accessibility project to improve access to childcare for disabled children and £5m for developing parents' forums in every local authority area.

By: Graham Gibbens – Cabinet Member for Public Health
 To: Cabinet 17th March 2008
 Subject: Kent Health Watch
 Classification: Unrestricted

Summary: This report updates Cabinet Briefing on progress towards implementation of Kent Health Watch following discussions between the Chief Executives of KCC and the two Kent Primary Care Trusts.

For Decision

1. Introduction

Kent Health Watch (KHW) was proposed by KCC in response to public concerns about the NHS in Kent. KHW builds upon KCC policy from 2005 and is designed to provide 'signposting' and information about the existing and planned mechanisms whereby the public can make representations and complaints or compliments about the NHS and, by the end of 2008, adult and children's social care. (The inclusion of social care services will be considered within the context of the introduction of both LINKs in 2008 and the new proposals for joint health and adult social care services complaints procedures from April 2009).

There are various ways in which the public can make their views about the NHS and social care known. As with all public services it is sometimes difficult for people to understand the most effective method for their purposes. KHW will provide information and assistance in ensuring the public and patients are aware of what avenues are available and which might be the most appropriate. KHW will monitor the number and type of complaints that it receives and report this to the relevant NHS bodies and the KCC Health Overview and Scrutiny Committee. In this way it will help identify particular issues that arise and highlight repeated problems, although it is recognised that KHW information will need to be supplemented by other information.

1.1 Principles

KHW is based upon 4 guiding principles:

- That KHW will act in a manner to promote public confidence in the NHS in Kent and in social care commissioning and provision
- That KHW provides information to assist health and social care services in responding to the issues raised by the public
- That KHW complements existing and planned methods for the public to make representations about the NHS in Kent and KCC social services

- That KHW will function in a way that promotes better partnership working and demonstrates KCC's community leadership, and commitment to improve health and social care services in Kent

1.2 Scope and Purpose

The current agreed position is that the scope and purpose of KHW will be to:

- Cover all NHS and, from 2009, social care services delivered within the administrative area of Kent County Council, to both the residents of Kent and anyone who comes into the County to receive NHS and social care services. This includes services commissioned within Kent although delivered outside the County area, as long as the person receiving the service is a Kent resident
- Handle telephone calls and emails from the public
- Inform customers on how to progress complaints and representations through the various systems that currently exist for the NHS and social care within Kent including the further avenues and appeals processes available to complainants dissatisfied with initial responses to complaints.
- Log the details of the question, compliment or complaint. Each case will be logged onto the Contact Centre's CRM (Customer Relationship Management) database with a unique reference number enabling individual clients and contacts to be followed up if necessary
- Provide quarterly statistical and other data to the NHS, social services and KCC Health Overview & Scrutiny Committee and make such data available to the public. Where particular issues become apparent these will be reported on an exceptional basis as and when appropriate, acknowledging that KHW information may need to be supplemented by other data.

Enquiries, compliments or complaints concerning the NHS and by 2009 social care that are received by KHW will be directed to the relevant existing customer services and/or complaints procedure.

The service will be available 24/7 through the Contact Centre and will be implemented by the first half of 2008 in health and the end of 2008 for social care, subject to approval at Cabinet and sign off by PCT Boards.

1.3 Governance of the Service

KHW currently has a Steering Group to oversee implementation. The membership is under review but consists of Graham Gibbens, Mike Hill and Keith Ferrin with Clive Bainbridge and Mark Lemon. 2 PCT Board members will also join the Steering Group. The inclusion of representatives from other directorates of KCC such as KASS and CFE, and other organisations within the NHS will be a priority for consideration. Terms of Reference will be agreed between the nominated members. Decisions will need to be agreed by all parties to be implemented.

KHW will be delivered by the Contact Centre as part of the Communities Directorate within the division managed by Clive Bainbridge, Director of

Community Safety & Regulatory Services at KCC. Derek Smith, the Head of the Contact Centre will have operational responsibility.

During 2008 the Local Involvement Network (LINK) will be established on a national basis, replacing the current Patient and Public Involvement Forums across the country. LINK will have a statutory requirement to establish a system to monitor complaints about NHS and social care services. KHW will be established independently from LINKs but there are obvious connections between the two and it is envisaged that the information the KHW gathers will be of assistance to the LINK as it carries out its own responsibilities. Any more formal relationship between KHW and LINKs will be dependent upon agreement between all parties including the host organisation for LINKs which is independent of both KCC and the NHS.

Operation of KHW may also be affected by the new proposals for streamlining the complaints procedures of the NHS and social care services by 2009, especially if Kent becomes an early adopter to trial this system this year. It will not be helpful for KHW staff to require retraining in new procedures very shortly after becoming operational and, if necessary, the launch of KHW may be slightly delayed to avoid this.

The inclusion of social care – children and adults, local authority, people who fund their own care, and other agency placements – will be considered as described above and after KHW and the LINK are established and operating effectively.

1.4 Budget

£300,000 has been allocated as the budget for KHW (subject to the usual budget approval processes). The budget will fund the staffing required to implement KHW. This amount may be varied according to demand experienced when KHW becomes operational. Potential changes to costs for PCTs will also be kept under review.

1.5 Risks

There are some risks associated with KHW:

- That KHW complicates and confuses existing processes rather than complements them. If KHW is not agreed and set up in such a way as the PCTs and other NHS organisations can engage, the information available and given to callers may not be accurate if changes to procedures occur, including the planned integration of NHS and social care complaints processes by 2009. This will also apply to ICAS, the Healthcare Commission and the Health Ombudsman who all have key roles in the NHS complaints procedure

In order to prevent this protocols will be established with colleagues in the NHS to ensure that the right interfaces with their procedures are in place from the start. KHW will be set up in collaboration with colleagues in the PCTs to ensure compatibility with existing arrangements. The issue of when a complaint is deemed to have been made, and therefore when the statutory timescales for responses are activated, will need particular clarification.

- That KHW becomes implicated in financial compensation issues between patients and the NHS arising from complaints about treatment

It will be very clear that KHW responsibilities extend to signposting people to and giving information about the right avenue for their complaints. There is no intervention or advocacy involved on behalf of the individual customer. Public expectations of KHW will be managed through the publicity and marketing for the services, which will be agreed by the Steering Group.

- That the demand for KHW will fluctuate and unnecessary costs ensue. This may include unforeseen increases in demand in response to particular health issues that arise, including during 'out of hours'

KHW will be established using very flexible staff resources that can be disengaged or reassigned easily to meet short-term changes in demand. This will ensure that any cost implications are minimised. The effects of fluctuations for PCTs will also be need to be monitored.

The consequence of these risks and concerns are such that KHW will be considered a pilot and be jointly evaluated by KCC and PCTs after one year of operation.

1.6 Publicity and Marketing

An extensive publicity and marketing programme that will incorporate a media launch, publicity through various media, advertising and marketing of Kent HealthWatch, hopefully with the co-operation of NHS colleagues, is currently being prepared and costed by Corporate Communications.

An indicative marketing and PR strategy for KHW is attached. The final strategy will contain elements of those listed but will be subject to further discussion and available resources.

1.7 Policy Process

KHW will be presented at KCC Chief Officer Group, and to Cabinet Members at Cabinet Briefing and Cabinet within KCC. It will also be taken to the Corporate and Communities Policy Overview Committees and the Health Overview & Scrutiny Committee.

Kent PCT Boards will consider proposals in March.

1.8 Timescales

KHW will be operational by 30 June 2008

Proposals discussed at Chief Officer Group - 9 January 2008

Meeting between KCC and PCT Chief Executives - 16 January 2008

Principles, scope and purpose and timescales will be formally discussed and agreed with the Kent PCTs - by end March 2008

Proposals discussed and agreed by Cabinet – March 2008

Proposal to Communities Directorate, KASS and/or Corporate Policy Overview Committees subject to Committee schedules

Consideration by PCT Boards and other internal committees such as Clinical and Corporate Governance Committees and Complaints Review Groups subject to PCT schedules.

1.9 Implementation

Scoping work to estimate likely demand and volume of calls – immediate and on-going based on a flexible response to probably fluctuations in the number of calls received and the potential impact on call centre and PCT resources

Design and adoption of interface protocols between KHW and PCTs – immediate and ongoing

Training of staff in call centre – April/May 2008

Publicity and marketing – May 2008

2. Recommendation

Cabinet is asked to:

(i) AGREE the implementation of Kent Health Watch as proposed in this report.

Background Papers

Kent Health Watch – Report to Cabinet 11 July 2005

Contact

Mark Lemon
Policy Manager
Kent Department of Public Health
Ext 4853

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Kent Health Watch Draft Marketing and PR Strategy – February 2008

Objective

- To raise awareness of the Kent Health Watch call centre number and website and what it can do for the people of Kent.

Target market

- Public of Kent
- Hospital patients, people visiting GP's/hospitals etc
- Ex-patients, relatives of ex-patients
- NHS/PCT staff

Messages (these need to be carefully clarified)

- Any unresolved complaints or issues about the NHS or Social Care - contact The Kent Health Watch.
- They will help you find your way through the red tape and point you in the right direction.

Unique Selling Point – make one phone call to find the route to take. Only advice line offering this service?

PR strategy

- Given the high news value of this issue, good PR (ie free) should be easily achievable.
- We need to make links with the media partners in Kent and aim for cross media co-operation and backing for this service, ideally signing all media partners up to a campaign. If this is not achievable, we suggest approaching the KM group (it has the largest circulation in Kent) in the first instance to run a campaign similar to Kent on Sunday's Clean Hands Campaign which can include a regular plug for Kent Health Watch.
- We propose getting a high profile supporter such as Cheryl Baker to support Kent Health Watch and the campaign and help to launch it.
- Case studies could be found of people who needed help but didn't know where to go, and once Kent Health Watch was up and running we could find case studies of people who were helped by the service.
- Promotion through hospital radio if we can get permission – unknown whether there is a cost for this.
- We would target local, national media and trade press for a sustained publicity campaign through the excellent contacts we have.
- The launch would see the media invited to the call centre where Cheryl Baker (if we get her on board) and Paul Carter can be interviewed and images/filming of them taking calls.
- We would run an article in Around Kent and could carry a free advert in subsequent issues.
- We would approach Invicta Radio (it reaches 35 % of the population of Kent) to see if we could do a deal whereby we carry their logo on adverts we place and they give us free publicity throughout the day over a set period.

Other areas:

- Articles in-house medical newsletters/hospital magazines aimed at staff
- Articles in First to target KCC staff and on team briefing
- Networking with partners and agencies to raise awareness of Kent Health Watch
- Link website with all relevant partners/agencies, reciprocal links on NHS/PCT websites and other partner websites.
- Consider placing on other relevant websites aimed at hospital/ GP patients?
- Free publicity at events such as County Show where we can put up posters and hand out leaflets (cost of leaflets and posters in addition to costings below though).
- Kent TV coverage (determined by Ten Alps)

Marketing strategy (paid for publicity)

- Posters/leaflets in GP surgeries/hospitals/children's centres/ council offices (district and county)/ libraries – approx 350 sites across Kent – 2,000 posters costs around £500/200,000 leaflets (500 approx in each location) range from £2,500 to £6,000 depending on what we want the leaflet to be like – we suggest A5 double sided which is the cheapest option.
- May be further poster and leaflet costs if we want to publicise at County Show and other events.
- Adverts in medical magazines/newsletters – costs being investigated
- Adverts just after launch on billboards/bus stops - approx £20,000 for two week campaign.
- Radio advertising on Invicta – month long campaign approx £3,500 per week.
- KM campaign - £16,744 per full page ad (covering all paid fors and frees)
- Kent on Sunday ad campaign (quarter page ad) = £648 per week = £4,000

Follow-up publicity/marketing

After the initial launch has been publicised, we would need a sustained publicity campaign which could be achieved through the media if they were to come on board for a campaign, through Around Kent which goes through every door in Kent. There could be additional ongoing advertising costs, perhaps sporadically, and evaluation of numbers of calls and customer satisfaction levels monitored through the call centre and feedback on the web would ascertain when we needed extra publicity and the effectiveness of it.

KCC Communication and Media Centre

By: Paul Carter, Leader of the County Council
To: Cabinet – 17 March 2008
Subject: Consultation on Local Petitions and Call for Action
Classification: Unrestricted

Summary: A response is required to the Consultation document on Local Petitions and Call for Action. A suggested draft response has been formulated by a cross party IMG to assist the Cabinet with formulating their response.

Introduction

1. (1) The Department of Communities and Local Government (DCLG) has published a consultation document "Local Petitions and Calls for Action". The consultation document raises the following consultation questions and invites responses by 20 March 2008 (a copy of the consultation document is attached at Appendix 2).

Petitions

- (a) The Government believes there should be a statutory duty on local authorities to respond to local petitions. What conditions must be met before a local authority is required to respond formally to a petition? (*Paragraph 19*)
- (b) In particular, how should we define the level of support required before a petition must get a formal, substantive response?
 - By a fixed number of signatures
 - By a percentage of the electorate in the area?
 - By a hybrid of the two?
 - or in some other way (*paragraph 25*)

Calls for Action

- (c) What if any matters should be excluded from the call for action? (*Paragraph 40*)
- (d) What guidance should Government provide on the operation of the councillor call for action? (*Paragraph 41*)

Overall

- (e) Taken together, would petitions and calls for action sufficiently empower communities to intervene with their elected representatives? Should we contemplate other measures? (Paragraph 43)
- (f) Do you have other views on the operation of the new duty to respond to petitions and the call for action?

IMG on Local Petitions and Call for Action

2. (1) In order to assist the Cabinet to formulate a response to this consultation the Corporate Policy Overview Committee at its meeting on 25 January 2008 agreed to establish an IMG to discuss the consultation document and to formulate a draft response.

(2) The IMG under the chairmanship of Mr M Angell met on 20 February 2008. The Membership of the IMG is Mr M Angell, Mrs A Allen, Mrs T Dean, Mr R Parker and Mrs P Stockell.

(3) The IMG were assisted in their consideration of the document by a briefing note produced by the Corporate Policy Unit.

(4) Attached as Appendix 1 are the comments/suggested draft response from the IMG on the consultation.

Recommendations.

3. The Cabinet is invited to agree a response to the Consultation on Local Petitions and Call for Action for submission to the DCLG by 20 March 2008

Paul Wickenden
Overview, Scrutiny and Localism Manager
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Background Information: *Include ALL background information taken into account in preparing the report. (This does not include previous Committee Reports)*

Possible text for a draft response to the CMLG consultation “Local Petitions and Calls for Action”

The following six questions, shown in **bold**, are the issues on which CLG are seeking views. Set out below each question are the comments of the IMG on Local Petition and Calls for Action which met on 20 February 2008, those *in italics* come from the briefing note produced by the Corporate Policy Unit.

1. What conditions must be met before a local authority is required to respond formally to a petition?

- The guidelines must define what the definition of “response” to a petition would be.
- The guidance should also set out a timeframe for dealing with Petitions. The County Council would like to see the same as the Freedom of Information Act namely 28 days.
- *There is also something to be said for a ‘light touch’ response to petitions, unless they are self-evidently frivolous or vexatious, so that the Council is recognised as being responsive to petitions rather than unnecessarily bureaucratic.*

The subject of the petition (paras 20 – 22)

- *The conditions suggested here seem very broad brush – principal authorities like KCC could find themselves, if these conditions are not carefully worded, fielding petitions on issues where KCC is a minor or subsidiary partner.*
- *It will be important to find the right balance between principal authorities, in responding to petitions, being empowered to influence its partners’ priorities and activities and their merely becoming a convenient proxy target for a more generalised public dissatisfaction.*
- In relation to certain partnerships which had no “controlling mind” for example, the Kent Partnership Board any petition address to them as a whole should be passed to the appropriate partner(s) via the Board.

Petition organised by local person (paras 23 – 24)

- *Clearly, if the intention for encouraging petitioning is primarily to restore participation in local democracy, then petitions must have a local originator. With this in mind, the proposition set out in para 23 (i.e. a local organiser “invoking the help of a national organisation with wider interests”) may prompt a very adverse if unintended consequence. That is to say, it is not inconceivable that some well-resourced, national single-issue organisations could coordinate activities for local supporters – in effect, local petitioning gets hijacked for non-local lobbying purposes by non-local and possibly vested interests. There is also the very real risk of inequity because it is difficult to see how local hard-to-reach, marginalised*

or seldom-heard groups or communities could participate on a level playing field and garner similar support or resources.

- *Of the three options in paragraph 23, “local person” may best be defined in option (b) – any adult who lives or works in the area at the time the petition is submitted. This could be improved by replacing “adult” with “person”, leaving it to local discretion about allowing petitions organised by young people, as indicated in paragraph 24.*
- In relation to the issue of a “local person” mention was made of the situation where a student may go to University in Canterbury but live in London and therefore the definition of “local person” could include a person in education within the area.
- The difficulty of including young people under 18 within the definition of “local person” was raised. Although Members recognised the importance of including this group within those that could be involved with a petition, if support was measured by using the electoral roll, their participation would not be recognised.

2. In particular, how should we define the level of support required before a petition must get a formal, substantive response? (para 25)

- It was pointed out that if certain number or percentage of electorate was set for the level of support required for a petition, this may exclude some local issues which only involved a small number of people, for example issues involving a very small area or a specific care home. A more inclusive way of doing this could be to specify that there should be a certain percentage of the potential electorate for the area that the issues related to.
- There was agreement that if a level of support was specified for a petition it should be set as low as possible, if it was set too high it would rule out a lot of petitions on local issues.
- It was suggested that local authorities should be left with the freedom to decide an appropriate level of support for their area and/or specific situations.
- *Thresholds could be subject to local consultation, over and above any prescribed national minimum. A hybrid of percentages and absolute figures could be a way of being able to encompass both the very localised issues and the pan-Kent issues that could be legitimate subjects for petitions.*

Signatures (paras 26 – 29)

- Members expressed concern about the use of e-petitions with electronic signatures. It was emphasised that if these were used there should be a robust process for verification.
- *The trend towards electronic signatures should be encouraged with regard to e-petitions if it can be shown to promote participation in local democracy by groups who might not otherwise participate, i.e. it is an additional, not a replacement, method. It is also important to remember that the electronic voting pilots in English elections have identified a number of technical problems and fraud risks so further piloting seems desirable before it can be assured that this is safe and reliable.*
- *Similarly, with regard to signatures by children, this is another area for some interesting pilot studies and reviewing findings before jumping to conclusions one way or the other.*
- *It might be worth considering whether it is sufficient to ask for a person's postcode of their place of residence or work. Postcodes are GIS mappable so petitions could be spatially analysable – another useful piece of customer intelligence. Providing a full address gives only a spurious assurance of authenticity (and one must ask whether there would be sufficient resources to check line by line for accuracy or honesty).*

Petitions – minimum requirements (paras 30 – 32)

- *While endorsing the general tenor of these paragraphs, it again seems advisable to have the minimum of central prescription – local councils should be encouraged to develop local enhancements of national (very) minimum requirements through their own local consultative processes. The inclusion of a general duty as mentioned in paragraph 31 would have the benefit of removing much of the need for central direction, petitions should be taken at face value.*

3. What if any matters should be excluded from the call for action? (para 40)

- It was agreed that the following should be excluded:-
 - quasi-judicial matters.
 - Specific matters identified by Directorates as needing to be excluded.
 - matters of individual conscience.
 - Matters which are already subject to a statutory procedure which has Member involvement such as school closures.
 - Matters which will be dealt with in accordance with another process or mechanism for example complaints procedures.

4. What guidance should Government provide for the operation of the councillor call for action? (para 41)

- It is important that Councils have a clear laid down process for dealing with Calls for Action.
- *Guidance should require that there be local arrangements and that the arrangements to be put in place locally are left to local discretion, wherever possible, and in consultation with local partners and electorates.*

5. Taken together, would petitions and calls for action sufficiently empower communities to intervene with their elected representatives? Should we contemplate other measures? (para 43)

- A view was expressed that a petition was one of the weakest ways of empowering a community. A stronger way would be to establish Parish councils across both rural and urban areas which would give a local level of involvement that people could easily relate to. In relation to Call for Action Members generally believed that this role was already being carried out by most Councillors in an informal way and was often the next stage on from a petition.
- *There seems considerable sense in henceforth seeing the new petition proposals performing the function of the Community Call for Action (CCfA) (as it was originally portrayed in the 2006 Local Government White Paper and more recently in the 2007 "Governance of Britain" Green paper).*
- *The earlier CCfA proposals had some legally-binding consequences (e.g. re-letting the contracts for failing local services) which have now been dropped. It may be worth mentioning the lack of this dimension in the current legislation, in the context of feedback from the Corporate Assessment inspectors, about the benefits of strengthening overview and scrutiny arrangements,*

6. Do you have other views on the operation of the new duty to respond to petitions and the call for action?

Petitions

- It was important to have some form of template for petitions to help people start petitions and to ensure that there was some consistency in presentation.
- If a certain number of individual letters were received on a certain issue consideration should be given as to whether these should qualify as a "petition" and fall within the guidance?
- The importance of retaining flexibility in relation to accepting petitions so that people were ruled in rather than ruled out by the process was emphasised.

- It is essential that there is an established process to track the progress of a petition or a call or action especially if it was subsequently passed to another authority to respond to. This process could be similar to the process used to track complaints.
- Local people organising a petition should attempt to involve their local Member if possible.

Call for Action

- What would happen with issues that a Councillor raised as a Call for Action in relation to organisations such as the police or highways authority where the Council did not have an Overview and Scrutiny Committee with a remit to cover these bodies?
- The issue was raised of what would happen if a Councillor did not want to take an issue forward from his community and was part of a single Member ward or maybe involved in the issue in another way and therefore could not take the issue forward.
- The positive side of using this Councillor Call for Action to make PCTs and the police more accountable via elected representatives and giving Members a persuasive mechanism to draw issues to these bodies attention was emphasised. It places the emphasis on locally funded bodies such as the police, Fire, school governing bodies to be more accountable to their wider communities.
- It was suggested that the Call for Action powers should be extended to cover Quango's such as SEEDA, who were publicly funded.
- As part of the Call for Action the issue of support for the Councillor was raised.
- There would be a cost to all of this legislation and the issue of funding for this was mentioned.



Local petitions and Calls for Action Consultation



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Contents

Preface	Rt Hon Hazel Blears MP, Secretary of State for Communities and Local Government	5
Chapter 1	Introduction	6
Chapter 2	The consultation criteria	7
Chapter 3	Local petitions	9
	Evidence for change	9
	General principles underpinning a new duty	10
	Signatures	11
	Guidance	12
Chapter 4	Calls for Action	13
	The Councillors' Call for Action	13
	Empowering communities to call for action	14
Chapter 5	Consultation questions	16
Chapter 6	How to submit your views	17
	Next steps	18
Regulatory Impact Assessment		18

Preface

This Government is determined to breathe new life into local democracy. That means giving elected local councillors the space to show a lead: less red tape from Whitehall and more freedom to spend money on local priorities. But it also means giving local people new opportunities to set the agenda for themselves, to have their say about local services and get things done on the issues they care about. Whether it's improving housing, cleaning up the streets, or getting tough with anti-social behaviour, it's often local people themselves who understand the problem best and can come up with the best solutions.

We've taken big steps towards 'devolution to the doorstep' in recent years. The 2006 Local Government White Paper *Strong and Prosperous Communities* made clear that new discretion for town halls needed to go hand in hand with greater accountability to local people. The Local Government and Public Involvement in Health Act 2007 provided a vital framework – a duty on local authorities to inform, consult and involve local people in their decisions and services, and new powers for local councillors to call for action on a broad range of local issues.

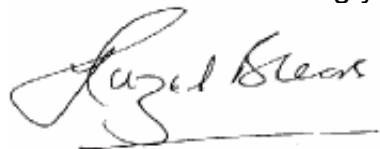
Today, we want to go further still. In *The Governance of Britain* the Prime Minister launched a national conversation about renewing our democracy, including at the local level; and in October, I published an *Action Plan for Community Empowerment*, setting out what my Department is doing to give people a real say over their neighbourhood.

This consultation takes forward one of the commitments in that plan – to look carefully at the idea of placing a duty on local authorities to respond constructively to the petitions they receive from local people.

We in the UK are some of Europe's biggest petition writers. People use petitions as a way to raise local issues they really care about – speed bumps, local shops, social care. Many local authorities already deal with petitions systematically, scrupulously and fairly.

But I want everyone, no matter where they live, to have the confidence of knowing that their concerns will be taken seriously. I believe that there is a case for acting to ensure that standards everywhere are brought up to those of the best, and am inclined to put all authorities on the same footing by providing a legislative framework for dealing with local petitions. I want to give people the chance to help shape that framework before reaching a conclusion on the best way forward.

I look forward to hearing your views.



**Rt Hon Hazel Blears MP,
Secretary of State for Communities and Local Government**

Chapter 1

Introduction

1. The Governance of Britain Green Paper, published in July 2007, said that petitions can provide an important way for local communities to express their views collectively and generate local debate, and improve the connection between residents and local authorities. It added that the Government is considering the introduction of a duty requiring local authorities to consider and investigate petitions from local communities, and guarantee a response on the issues which have been raised.
2. In the Green Paper, the Government also announced its intention to consult on extending the right of people to intervene with their elected representatives through community rights to call for action.
3. This consultation paper seeks views on:
 - how the arrangements for local petitions can be strengthened and the details of how the new system might operate
 - the call for action introduced under the Local Government and Public Involvement in Health Act 2007.
4. This consultation does not cover petitions to the House of Commons or the Government, which are dealt with separately in paragraphs 157 to 163 of the Governance of Britain.

Chapter 2

The consultation criteria

5. The Government has adopted a code of practice on consultations. The criteria below apply to all UK national public consultations on the basis of a document in electronic or printed form. They will often be relevant to other sorts of consultation. Though they have no legal force, and cannot prevail over statutory or other mandatory external requirements (e.g. under European Community Law), they should otherwise generally be regarded as binding on UK departments and their agencies, unless ministers conclude that exceptional circumstances require a departure.
 - Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy
 - Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses
 - Ensure that your consultation is clear, concise and widely accessible
 - Give feedback regarding the responses received and how the consultation process influenced the policy
 - Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator
 - Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.
6. The full consultation code may be viewed at:
http://bre.berr.gov.uk/regulation/consultation/consultation_guidance/index.asp
7. Are you satisfied that this consultation has followed these criteria? If not, or if you have any other observations about ways of improving the consultation process please contact:

Albert Joyce,
Communities and Local Government Consultation Co-ordinator
Zone 6/H10
Eland House
Bressenden Place
London SW1E 5DU

or by email to albert.joyce@communities.gsi.gov.uk
8. Please note that responses to the consultation itself should be sent to the contact shown within the main body of the consultation (page 17).
9. A summary of responses to this consultation will be published by 12 June 2008 (within three months of end of consultation period) at the address below:

www.communities.gov.uk/corporate/publications/consultations/

Paper copies will be available on request.

10. Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).
11. If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.
12. The Department will process your personal data in accordance with the DPA and, in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

Chapter 3

Local petitions

Evidence for change

13. There is evidence that a formal process for handling petitions adds value to public life. In 2005, 38 per cent of respondents to the Citizenship Survey said they had undertaken a civic activity. 60 per cent of them claimed that they had signed a petition in the previous twelve months. Petitioning was the most commonly undertaken of the nine activities grouped under civic engagement for the purposes of this survey.
14. Qualitative research in 2006 found that participants felt that petitions were a good method for bringing issues to the attention of local government. However, they were sceptical about local government's ability or willingness to act on or be responsive to petitions¹.
15. Overall, research indicates that responsiveness is a key element to petitions' political efficacy, whether in the form of a formal response from the governance body concerned, or of a referendum or ballot to decide the issue.
16. Petitioning is used in a number of countries as a trigger leading to electoral action, typically in the form of a referendum – Switzerland and the USA are typical examples. These can be either citizens' initiatives or popular referendums. In some instances, the referendums are binding. Petitions can also be used to initiate recall ballots. This system is used in the USA (at state and local/municipal levels), and in British Columbia, Canada.
17. Other jurisdictions, for example Scotland and Queensland, have formal petitioning systems which do not lead to ballots. Instead, the petitioner can expect a response from either the relevant committee or MP. In these examples, a response is not guaranteed.
18. Political parties and campaign groups in countries where petitioning is a well-established feature of the democratic landscape have become adept at using petitions to further their own agendas. They can also counteract a petition campaign, either through developing a counter proposal or by demobilising support for the petition. The evidence therefore indicates that petitioning (as a tool of direct democracy), can support representative democracy.

General principles underpinning a new duty

19. The Government believes that there should be a duty on local authorities to respond to petitions in the following circumstances:
 - (a) **The subject of the petition relates to the functions of the local authority, or other public services with shared delivery responsibilities with the local authority through the Local Area Agreement or other partnership arrangement**

¹ BMG, 2006

20. Local authorities have a wide range of functions, which include the promotion of the social, environmental and economic wellbeing of the area and its people. They are the “place shapers” for their area, and this has been reinforced by provisions of the Local Government and Public Involvement in Health Act 2007, which require a long list of partner organisations to cooperate with the local authority in developing the Sustainable Community Strategy for the area, and in setting local improvement targets. The role of local authorities has also been reinforced by the Sub National Review published in July 2007.
21. The Government’s proposal is that local authorities should be required to respond to any petition that asks them to consider any issue which falls within their broad functions as outlined above. Petitions which would more properly be dealt with by another public body – and raise issues which relate neither to local improvement targets agreed by that body, nor to the area’s sustainable community strategy – would fall outside the proposed new duty.
22. An important example of this principle will arise in the context of education services. A local authority would not be required to respond to a petition which raises issues which can only be addressed substantively by the governors and head-teacher of a particular school. On the other hand, the duty would apply where the petition relates to the education functions of the local authority.

(b) The petition has been organised by a local person

23. It is proposed that there should be nothing to prevent local petitioners from invoking the help of national organisations having wider interests – but that the organiser of record of a local petition should be a local person. It is that person who should present the petition to the local authority. We would welcome views about how “local person” should be defined. Obvious options are:
 - (a) a person appearing in the electoral register for the local authority’s area
 - (b) any adult who lives or works in the area at the time the petition is submitted, or
 - (c) any adult who has lived or worked in the area for at least a qualifying period of time before the petition is submitted.
24. Options (b) and (c) might both be extended to anyone who attends a school or college in the area, in order to make this form of engagement available to children. We would welcome respondents’ views on that possibility.

(c) The petition demonstrates a sufficient level of support from local people

25. On the one hand, requiring local authorities to respond to all petitions, even those with a minimum level of support, could impose unnecessary processes and costs. On the other, setting a very high level of support as a requirement for a petition to receive a formal response would frustrate the underlying purpose of the policy. There are three possible approaches to setting a threshold of a sufficient level of support. They are to define:

- in absolute terms the number of relevant signatories that a qualifying petition must have (for example, “at least 250 signatures”); or
- a qualifying petition as one that has the signatures of a given proportion of those whose signatures are regarded as relevant (for example, at least 1 per cent of the electorate of the area in question). This could make it difficult for the petition organiser to know how many signatures were required for the petition to be valid; or
- an absolute number, or a given proportion of the population, whichever is the lower (for example. “200 signatures or 5 per cent of the population” would mean that communities of less than 4,000 people would have to find fewer than 200 signatures).

Signatures

26. In the above options, a “relevant” signature could be regarded as that either of:

- (a) an elector of the area; or
- (b) anyone who lives or works in the area.

Support would have to be reasonably current (e.g. signature within the last 12 months).

27. We would, in either case, want to consider options for extending the range of relevant signatures to local children who either live in the area, or attend school there. We would welcome respondents’ views on that possibility.
28. Support for petitions might take the traditional form (signature, date, and address), but we would want to allow for electronic petitions too, and would be glad to have respondents’ views on how they might work.
29. We believe local authorities should be entitled to accept signatures without further validation if they have no reason to doubt them; but should be empowered to investigate if they felt it necessary, and to strike them out if appropriate.

(d) The petition satisfies minimum requirements in relation to:

- i) The manner in which it was submitted**
 - ii) its form**
 - iii) its content**
30. It is proposed that petitioners ought to be able to present their petitions either to the council, or to one of its councillors.
31. Councils and their councillors would be under a general duty to consider whether any request or document they receive is a petition. We would hope to

avoid technicalities here. The word “petition” would, we hope, have a plain English meaning; we would probably not seek to define it in statute. Where a council or councillor is of the view that a document is a petition, that decision would trigger the petition provisions.

32. We take the view that a petition should at least contain:
- (a) the proposition which it promotes
 - (b) the name and address of the organiser
 - (c) the local authority from which a response is sought (and, if more than one, all the local authorities to which it has been submitted)
 - (d) the area to which it relates (i.e. the whole authority, or a defined area forming part of it)
 - (e) the names, addresses and signatures of those who support it (or, in the case of an electronic petition, their names, addresses and email addresses).

Guidance

33. We believe that the Secretary of State should have the power to issue guidance about all aspects of the process.

Chapter 4

Calls for action

The Councillors' Call for Action

34. In the recent Local Government and Public Involvement in Health Act 2007, Parliament amended section 19 of the Police and Justice Act 2006 – before, indeed, it had come into force – to align it with the provision in section 119 of the 2007 Act. All councillors are thus empowered to refer local government matters and local crime and disorder matters for consideration by the relevant overview and scrutiny committees of their local authorities.
35. The result amounts to a “**councillor call for action**”. Any councillor will be able to refer a local matter affecting his or her ward or division to the appropriate overview and scrutiny committee of his or her authority. In the case of a local crime and disorder matter, that will be to the authority’s crime and disorder committee.
36. The committee is required then to put the matter on its agenda, and discuss it at a meeting. It is not to be required to take any further action; but all the powers it has – to mount inquiries, to require information, and to make reports and recommendations – are to be available to it, if it decides to take the matter up.
37. The power to refer a matter is available only where the matter is of direct concern to the ward or division which the councillor represents. A councillor can refer a matter even if no citizen has asked him or her to consider it. There is no requirement for councillors in multi-member wards to agree – any of them can refer a matter.
38. A local government matter, in relation to a member of a local authority, is defined as a matter which:
 - (a) relates to the discharge of any function of the authority
 - (b) affects all or part of the electoral area for which the member is elected or any person who lives or works in that area, and
 - (c) is not an excluded matter.

A local crime and disorder matter, in relation to a member of a local authority, has been defined to mean a matter concerning:

- (a) crime and disorder (including in particular forms of crime and disorder that involve anti-social behaviour or other behaviour adversely affecting the local environment), or
- (b) the misuse of drugs, alcohol and other substances

that affects the electoral area represented by the member, or the people who live or work in that area.

39. It will no doubt happen that some local issues have implications in more than one field. The Government's view is that, in such a case, the councillor would be entitled to refer it to every overview and scrutiny committee which covers some aspect of the issue. In practice, committees will, no doubt, take the sensible decision to join forces in order to consider such matters in the round.

Excluded matters

40. The Secretary of State has power to exclude by order specified descriptions of matter that would otherwise be "local government matters". This was included primarily so that confusion could be avoided between calls for action and well-defined statutory processes such as planning and licensing appeals. We now wish, as part of this consultation, to seek views about exactly what ought to be excluded, and why.

Guidance

41. The Secretary of State is empowered to issue statutory guidance for local authorities, their committees, and their members. She intends to do so when these measures are brought into force. Respondents are invited to highlight the key issues on which guidance (whether statutory or not), would be helpful.

Empowering communities to call for action

42. In the *Governance of Britain* green paper, Government highlighted its desire to achieve greater direct empowerment of communities, and undertook to consult on a number of areas, including "extending the right of people to intervene with their elected representatives through community rights to call for action".

43. Having established a *councillor* call for action (in law, if not yet in practice), we take the view that a duty on local authorities to respond to qualifying local petitions would amount to a *community* call for action – albeit a call made by a community of interest. We should, however, like to hear views on whether other steps should be considered as well.

Chapter 5

Consultation questions

44. We wish to take the views of citizens, local authorities, councillors and community organisations on all the details of the proposals set out in this document, but particularly on the following questions.

Petitions

- (a) The Government believes there should be a statutory duty on local authorities to respond to local petitions. What conditions must be met before a local authority is required to respond formally to a petition? (*Paragraph 19*)
- (b) In particular, how should we define the level of support required before a petition must get a formal, substantive response?
- By a fixed number of signatures?
 - By a percentage of the electorate in the area?
 - By a hybrid of the two?
 - Or in some other way? (*Paragraph 25*)

Calls for action

- (d) What if any matters should be excluded from the call for action? (*Paragraph 40*)
- (e) What guidance should Government provide on the operation of the councillor call for action? (*Paragraph 41*)

Overall

- (f) Taken together, would petitions and calls for action sufficiently empower communities to intervene with their elected representatives? Should we contemplate other measures? (*Paragraph 43*)
- (g) Do you have other views on the operation of the new duty to respond to petitions and the call for action?

Chapter 6

How to submit your views

Responses from individuals and organisations may be submitted in writing to the Department for Communities and Local Government.

Comments should be received no later than 20 March 2008 and should be sent to:

Rosie Milner
Communities and Local Government
5th floor, Zone F8
Eland House
Bressenden Place
London SW1E 5DU
or emailed to:
petitions@communities.gsi.gov.uk

The consultation document and its response form can be downloaded from the consultations page on the Communities and Local Government website (www.communities.gov.uk). For details of how to order hard copies see the inside front cover.

This consultation is available on request in alternative formats.

We may publish or make public the responses and comments received. If you do not consent to this, you must clearly request that your response be treated confidentially. Any confidentiality disclaimer generated by your IT system in email responses will not be treated as such a request.

If you wish your response, if published, to be unattributable, please let us know when you send it to us. Unattributable responses may also be included in any statistical summary of comments received and views expressed.

Next steps

The consultation will run until 20 March 2008. Once this deadline has passed, Government will consider the responses received by that date and issue a report on the consultation by 12 June 2008.

Regulatory Impact Assessment

An Impact Assessment has not been produced as the cost to the public sector is likely to be less than £5 million per annum and the impact on the private and third sectors is likely to be negligible and currently unquantifiable. We would welcome suggestions as to how such impacts might be determined and will consider the need for an Impact Assessment as we take this policy forward.

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By: Mr K Ferrin, Cabinet Member for Environment, Highways and Waste
Adam Wilkinson, Managing Director, Environment & Regeneration

To: Cabinet: 17 March 2008

Subject: A21 and EKA Phase 2 Cost Increases

Classification: Unrestricted

Summary: To report on the implications of the recent announcement of cost increases of the two trunk road schemes on the A21 – Pembury Bypass to Tonbridge Bypass and Kippings Cross to Lamberhurst and of KCC scheme East Kent Access Phase 2.

For Information

1. Introduction

1.1 Following criticism that the actual costs of many completed trunk road schemes were significantly higher than the estimated costs of the schemes when entering the Targeted Programme of Improvements, the Department for Transport commissioned the Nicholls Report to recommend, inter alia, changes in procedures. This has the potential of delaying Highway Agency schemes in Kent as well as the County Council's own major schemes.

2. Regional Transport Board

2.1 The Nicholls Report has led to the re-estimation of some Highways Agency schemes which have reached a key stage in their delivery and, as a result, the Regional Transport Board (RTB) has considered three schemes in the South East at its meeting last Wednesday, 12 March, two of which are in Kent:

- A21 Tonbridge Bypass – Pembury Bypass Dualling: a rise from £64m to £112m
- A21 Kippings Cross – Lamberhurst Improvement: a rise from £40m to £103m

2.2 The RTB has a Regional Transport Programme up to 2018, containing Highways Agency schemes on the non-strategic network and, in Kent, features the two A21 schemes and the A2 Bean Interchange. The two A21 schemes are currently shown (at the old costs) to be programmed to start in 2010/11 and 2011/12 respectively. Schemes on the strategic trunk road network (in Kent, the M25, M20 and M26) are not included in the RTB programme, but it also contains local authority major schemes (ie in Kent, East Kent Access Phase 2, the Sittingbourne Northern Relief Road and Ashford Smartlink).

2.3 At the meeting on 12 March, the RTB resolved that:

- the A21 Tonbridge Bypass – Pembury Bypass Dualling scheme remains a regional priority and that the Highways Agency should proceed with its development (ie the

next stage is the appointment of Early Contractor Involvement) and;

- The A21 Kippings Cross – Lamberhurst Improvement scheme continues to be a regional priority and that the Highways Agency should proceed with its development, but notes the DfT has requested that the value for money of the scheme is reassessed due to the scale of the increase.

2.4 The RTB has written to the Secretary of State for Transport emphasising its concern over the scale of the cost increases, stating that it is looking at the DfT to make an appropriate contribution to the cost increases. Without this contribution, or an increase in the Regional Funding Allocation the RTB gets from Government, the Regional Programme will be delayed and the delivery of the sustainable economic growth set out in the South East Plan and Regional Economic Strategy will be jeopardised.

3. Value of the A21 Schemes

A21 Pembury - Tonbridge

- 3.1 This scheme was supposed to have been opened to traffic last year, but changes in the process of prioritisation (ie the RTB giving recommendations to Government) has further delayed the scheme so that a start is not now envisaged until 2010/11
- 3.2 The A21 between the Tonbridge and Pembury Bypasses is an appalling stretch of single carriageway road with very poor vertical and horizontal alignment. It links two sections of dual carriageway and carries 46,500 vehicles/day - way over its design capacity. Consequently there are serious delays and a bad accident record. The Benefit to Cost Ratio for this scheme is very high, even at the higher cost - far above the accepted threshold for good value for money schemes.
- 3.3 There is no alternative way of improving traffic conditions – the road has to be dualled to take the volume of traffic and is on-line to reduce impacts on the surrounding area.
- 3.4 The accessibility to and from the north to the new hospital at Pembury, now under construction, depends on the improvement of this road. Concentration of key services at this hospital from Maidstone, including the accident centre, increases the need to have the good accessibility afforded by this scheme.
- 3.5 Serious delays on this section of the A21 undermine the effects to regenerate Hastings and surrounding area, not only because of the increase in journey times but also because of the inherent unreliability of travelling along its length.

A21 Kippings Cross - Lamberhurst

- 3.6 The Kippings Cross - Lamberhurst scheme would replace a very poor section of single carriageway road which suffers a very poor accident record. It would also provide a section of dual carriageway linking to the existing dual carriageways either side - Pembury and Lamberhurst Bypasses. The scheme would be off-line, as widening on line is not possible due to very poor horizontal alignment of the existing road. Traffic flows are some 24,000 vehicles/day. The Benefit to Cost Ratio is still considered as 'high' and the scheme also improves accessibility to Hastings and Pembury Hospital

3.7 Furthermore, developing these two schemes together represents good value for money by reducing overhead costs and providing a cut/fill balance - excess material from Kippings Cross - Lamberhurst would be used on Pembury - Tonbridge which has a deficit. Without the linkage, Pembury - Tonbridge would have to import fill material from some distance away (it being in an Area of Outstanding Natural Beauty), incurring additional expense.

4. East Kent Access (EKA) Phase 2

4.1 The cost estimate of EKA Phase 2 has risen from £64m to £73m, mainly due to construction inflation of around 6%. Of this £9m difference, KCC is already funding £2.25m to progress the scheme, leaving a £6.75m real shortfall. The draft new DfT Major Scheme Guidance says that they expect KCC, as the scheme promoter, to bear 25% of the shortfall – ie under £2m.

4.2 The overall cost includes £3m of LCA Part 1 claims and it is hoped that this is where the contribution can be made - in future years and able to be spread. Internal discussion with Corporate Finance still to be had.

5. Conclusion

5.1 The implications of these cost increases could be slippage in the delivery of Kent's schemes in the Regional Programme and a long delay, or possible cancelling, of the A21 Kippings Cross – Lamberhurst scheme. These outcomes are unacceptable to KCC and the communities of Kent and Sussex.

Recommendation

Cabinet is requested to note this report and asks that the Managing Director for Environment & Regeneration investigates the issue further, with a view to lobbying vigorously for the retention of existing timescales.

Contact Officer

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