AGENDA

CABINET

Monday, 18th March, 2013, at 10.00 am	Ask for:	**Karen Mannering / Louise Whitaker**
Darent Room, Sessions House, County Hall, Maidstone	Telephone:	**(01622) 694367 / 694433**

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

Cabinet Membership:
Mr P Carter, Leader of the County Council (Chairman), Mr A King MBE, Mr M C Dance, Mr G K Gibbens, Mr R G Gough, Mr P M Hill OBE, Mr J D Simmonds, Mr B J Sweetland, Mr M J Whiting and Mrs J Whittle.

Webcasting Notice

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

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

1. Introduction/Webcasting

2. Apologies

3. Declaration of Interests by Member in Items on the Agenda for this meeting

4. Minutes of the Meeting held on 25 February 2013 (Pages 1 - 8)

5. Items which the Chairman decides are relevant or urgent

6. Appeal Rights Exhausted Asylum Seekers - Update (Pages 9 - 24)

7. Quarter 3 - Revenue and Capital Budget Monitoring Report (Pages 25 - 174)

8. Quarter 3 - Performance Monitoring Report (Pages 175 - 268)

EXEMPT ITEMS

It is proposed that under Section 100A of the Local Government 1972 the Press and Public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

9. Submission of final Business case for John Wallis Academy (Pages 269 - 272)

Peter Sass
Head of Democratic Services
Friday, 8 March 2013

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

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 25 February 2013.

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

IN ATTENDANCE: Mr D Cockburn (Corporate Director of Business Strategy and Support), Mr M Austerberry (Corporate Director, Environment and Enterprise), Mrs A Beer (Corporate Director of Human Resources), Mr M Burrows, (Director of Consultation and Communications), Mr A Wood (Corporate Director of Finance and Procurement), Mr P Leeson (Corporate Director Education, Learning and Skills Directorate), Ms A Honey (Corporate Director, Customer and Communities), Mr A Ireland (Corporate Director, Families and Social Care), Mr A Scott Clarke (Substituting for Kent Director Of Public Health), Mr G Wild (Director of Governance and Law) and Mrs L Whitaker (Democratic Services)

UNRESTRICTED ITEMS

33. Apologies
(Item 1)
Apologies were received from Meradin Peachey. Andy Scott Clarke attended as substitute.

34. Minutes of the Meeting held on 23rd January 2013
(Item 3)
The minutes of the meeting held on 23 January were agreed as a correct record with the following amendment from Mrs Jenny Whittle:

Page 6, final bullet point, *after* “children now needing” *delete* “these services” *and insert* “to be taken into care or needing care services”

The change was required to accurately reflect that the numbers of children needing to be adopted remained high.

35. Decisions from Scrutiny Committee - 12 December 2012
(Item 4 – report by Mr A King, Deputy Leader and Cabinet Member for Democracy and Partnerships and Mr P Sass, Head of Democratic Services)

Cabinet considered a report which contained the decisions of the Scrutiny Committee from the meeting held on 12 December 2012 in order that responses be agreed. Cabinet considered two Scrutiny recommendations in relation to decisions detailed below:

1) Decisions No: 12/01977 - Amalgamation of Walmer Science College and Castle Community College.

The Cabinet Member response to the Scrutiny Committee recommendations was not included in the papers for the meeting, as a result Mr Whiting, Cabinet Member fro Education Learning and Skills, provided the following verbal response:

- That the requested web page had now been developed and populated with all information relevant to the proposals.
- That letters had been sent to the Chairman of the Governors at each college, on 4th December with details pertaining to the lease. Copies of the letters had been included on the aforementioned webpage.
- Telephone calls had been made to each of the schools by KCC officers to alert them to the discussions that had taken place at the Education Cabinet Committee on 21 November 2012 and Scrutiny Committee on the 12 December.
- The view of the Scrutiny Committee that Walmer Science College be retained for future educational use had been reflected in the Cabinet Member Decision to issue the public notice of the planned amalgamation.

2) Compulsory Purchase Order claim by Darent Valley Hospital Trust, Dartford.

The Cabinet Member response was included in the appendix to the report. Roger Gough, Cabinet Member for Business Strategy, Performance and Health Reform, confirmed that the documents requested had been provided.

It was RESOLVED that the decisions of the Scrutiny Committee and the responses of Cabinet Members be noted.

36. Any items which the Chairman decides are relevant or urgent
(Item 5)

None.

37. 14-24 Learning, Employment and Skills Strategy
(Item 6 – report by Mr M Whiting, Cabinet Member for Education, Learning and Skills and Mr P leeson, Corporate Director of Education, Learning and Skills)

Cabinet considered a report which sought agreement to the adoption and publication of the final version of the draft 14-24 Learning and Employment and Skills Strategy.

The Cabinet Member for Education, Learning and Skills introduced the item for consideration and in particular referred to the following:

- He reported that the draft strategy had evolved by various means of communication and consultation with members and with the public and reflected comments received during that process.
- That as the requirement for young people to remain in education, training or work with training until the age of 18 had been implemented, it was important that the various stakeholders and partners were united and this strategy was needed to ensure that Kent County Council worked together with others to help to meet the needs of young people in Kent.
- It was important that young people were in possession of all relevant information when making choices about the future and that this information was accessible to all.

- That currently there were 10,000 apprenticeships in Kent, the Strategy aimed to further increase this number. Kent County Council's own apprentice scheme currently had 84 members and 68 members with Learning Disabilities. The desire of KCC to be a good trainer and employer had helped to shape the strategy.
- KCC maintained a strong commitment to ensure that students in full-time achieved their potential. This strategy would provide another opportunity to do so, by setting out further vocational education opportunities. It was hoped that these and other measures would improve the employment prospects of young people in Kent
- The Strategy set out 4 key priorities:
    - To raise attainment and skill levels
    - To improve vocational education, training and apprenticeships
    - Participation and employment
    - Target support for young vulnerable learners.
- That an Employment, Learning and Skills Partnership Board would be established in order to bring together all partners, including employers to ensure that the strategy would be implemented effectively.

Mr Leeson, Corporate Director of Education, Learning and Skills addressed cabinet and made the following further points:

- That the publication of the strategy at this time was pertinent in light of national policy, in particular the significant change in the requirement for young people to continue to learn or train until 18, the emergence of a new vocational education system and the economic climate where unemployment was rising for young people. In some of the most economically challenging areas of Kent youth unemployment was above 20%.
- The identified outcomes of the strategy were ambitious and would, if achieved, have turned around significantly the problems that some young people in Kent currently faced.
- He reported these ambitious outcomes,
    - That youth unemployment be halved in the next 3 years
    - That the number of apprenticeships be doubled
- That the good practice in Kent of promoting apprenticeships would be further enhanced by aligning more closely what employers were seeking with what apprenticeships were offering and this would be achieved by engaging employers more effectively in vocational education development. These actions were intended to achieve a reduction in the gap between the number of young people that wanted to take up apprenticeships and the number of employers that were offering them.
- In recent years vocational education had failed to provide a regular and recognised stepping stone to higher education and it was hoped that the strategy would address this.
- That networks of those people involved in the development of new ways of learning and training would be created as without them the strategy would not accomplish the aims identified within it. Indeed the work that had been carried out to create the strategy had already realised some local organic groups coming together to work in this way.
- The strategy would ensure that the most vulnerable groups succeeded more regularly than they do now. including those with special educational needs but

also those from lower socio economic backgrounds. Ongoing support would be provided in order to help these young people to achieve.

- The strategy would create more opportunity for young people but also better outcomes would be created. Young people would be better prepared for the employment market and the cycle of long term unemployment sometimes spanning two or three generations of one family would be broken.
- Fundamental, more traditional, educational issues remained to be addressed. The strategy would aim to provide a level of numeracy, literacy and IT competency that would secure young people employment when they had finished school and this strategy would compliment the existing School improvement strategy to achieve this.
- That further to the consultations with Members and stakeholders to which the Cabinet Member had referred much consultation work had been undertaken with young people to identify their needs and to ensure that the strategy attempted to deliver what was desired by young people.

In summary he informed the Cabinet that the strategy was ambitious and wide ranging. The age range to which it referred reflected this ambition and acknowledged that issues did not only exist nor could only be solved within the ages of 16-19.

The Leader of the County Council described the Strategy as excellent. He questioned the Corporate Director and Cabinet Member with regard to the communication and dissemination of information to those people that would be affected by changes or who may not even be fully apprised of the status quo.

Mr Leeson responded:

- He argued that the key to informing those involved and ensuring engagement and participation was for new ways of communicating with young people to be adopted.
- In addition it was vital that the quality and independence of advice being given to young people was assured. Government policy had recently required that schools be responsible for the provision of such advice and that this had the potential to affect its impartiality. The Kent Choices Website however was the most comprehensive of its type nationally and had many users including the schools who signposted young people to the site or used it themselves to give advice and guidance.
- Social media, apps, mobile phones, the Kent Youth Forum were all being utilised as a way of connecting with young people
- Schools would be expected to contribute to the dissemination of the strategy to young people and as responsibility for the post 16 destination of pupils was now devolved to the individual school a greater willingness to engage with the council, this strategy, and others had emerged and would be utilised.
- Young people themselves would seek out information and the services provided by Kent County Council, for example the creation of information hubs helped to facilitate this

The Leader of the County Council welcomed the responses received and reiterated the importance of publicising information and in particular the need for the Kent Choices website to be accessible and reliable and in a form that encouraged use by both young people and employers. It was vital, he maintained that all of those involved in making the strategy work understood how they could help or be helped by it. He requested that a report be considered by Cabinet at a future meeting detailing the marketing strategies and techniques that would be employed to ensure that the strategy was given the best chance to succeed.

The Cabinet Member for Education Learning and Skills further reported, on hearing the Leader refer to the Kent Choices website, that currently 75% of all young people in Kent were signed up to the site as members. In addition last year 13,000 Yr11 students used the site to help them as they decided on a path for the future. This year numbers were likely to be even higher.

In addition to the information on the Kent Choices website, the Cabinet Member for Education, Learning and Skills informed members that a review of all information which related to apprenticeships appearing on the Kent.gov.uk site would be conducted, in order to ensure that it was clear and comprehensive for both young people and employers.

Finally he reminded members that the 'Kent choices for you' live show would be held at Detling Hill on the 13th and 14th March. Training providers, Employers, Schools, Young People and other Stakeholders would convene to advertise, share ideas and form networks. This event would raise awareness of the strategy and emphasise further the multi-agency approach which would be needed to implement it.

The Cabinet Member for Regeneration and Economic Development addressed Cabinet and, in particular referred to the following:

- That the role for Regeneration and Economic Development in helping to deliver the strategy would be to bridge the different interests between the parties involved in delivering the strategy. He referred to a meeting which had taken place between officers and members from Economic Development and Regeneration and Education, Learning and Skills at which the Chamber of Commerce had been present as had the independent organisation the, Education Business Partnership.
- Reported at the meeting was positive evidence of teachers taking proactive steps to secure young people apprenticeships that would particularly meet their skills and needs and this of the employer. However it was also reported that employers had experienced negative consequences of the closure of local job centres and the resultant move to job centre plus. He argued that this had impacted Kent County Council's own apprenticeship scheme by making the process more bureaucratic and less personal to the needs of customers.
- Businesses had expressed some concerns about the work ethic of those young people looking for apprenticeships at 16. It was important to show those with concerns the work that some young people were doing and the value they had added to businesses in the locality.
- Finally he reported and welcomed the Education Business Partnership initiative to take teachers into workplaces to see first hand what was required.

Ms Honey, Corporate Director of Customer and Communities made the following supporting remarks:

- That the strategy was an excellent document that was to be welcomed and which was rightly described as ambitious

- That she was particularly pleased to see Vulnerable Learners highlighted in the case studies. The description of the provision of additional support that was reported for those learners with additional needs such as convictions, teenage pregnancies and learning disabilities was much needed and building on that success would be crucial to successful delivery of the strategy.
- That the involvement o f the Skills Plus Centres, providers of adult education, in the creation of the strategy was welcomed. The centres continued to give adults access to education to achieve the levels of literacy, numeracy and IT skills required in the workplace.

The Cabinet Member for Adult Social Care and Public Health also welcomed the inclusion of Young people with Learning disabilities in the strategy and the important role that transition had to play in supporting young people to continue to achieve as they became adolescents. Young people with learning disabilities had expressed the view in consultation exercises and engagement opportunities that they needed job opportunities and he commended public sector programmes where they were regularly provided. He argued that it was imperative that the private sector became involved in this provision too in order to affect meaningful change.

The Cabinet Member for Customer and Communities addressed members and referred to the important role that schools should be encouraged to play in encouraging and supporting young people to achieve. Schools should produce pupils not only capable of working but motivated to do so.

The Cabinet Member for Education, Learning and Skills addressed Cabinet and in conclusion he made the following comments:

- He reported to those present, by way of assurance that businesses would be fully involved in the implementation of the strategy work, recently undertaken with DEN construction and schools to provide a pilot GCSE course which allowed students struggling to engage with Maths and English to do so through a construction based course.
- He thanked those who had made comments from other Directorates and emphasised once more that this had been a genuinely cross-cutting piece of work.

It was RESOLVED

CABINET **14-24 Learning, Employment and Skills Strategy** **25 February 2013**	
1.	That the 14-24 Learning, Employment and Skills Strategy, as at appendix A, be adopted and published
2.	That the Executive Summary of the 14-24 Learning, Employment and Skills Strategy , as at Appendix B, be adopted and published
3.	That the outline communications plan for disseminating the Strategy, as at paragraphs 4.1, 4.2 and 4.3 of the report be agreed.

4.	That a further report detailing the communications plan be brought for the consideration of Cabinet
REASON	
1&2	In order that the strategy be formally adopted to facilitate implementation.
3	In order that the aims, objectives and positive impacts of the strategy are effectively communicated.
4	In order that Cabinet effectively monitor and influence the success of resolution 3.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

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By: Paul Carter – Leader, Kent County Council

Andrew Ireland – Corporate Director for Families & Social Care

To: Cabinet - 18 March 2013

Subject: **APPEALS RIGHTS EXHAUSTED (ARE) CASES**

Classification: Unrestricted

Summary

Kent County Council is one of a small number of 'gateway' local authorities that incur huge financial costs in supporting over one hundred Unaccompanied Asylum Seeking Young People who are Care Leavers and who, according to the United Kingdom Border Agency (UKBA), are Appeals Rights Exhausted (ARE) and therefore have no right to claim any state financial or housing benefits.

This is further compounded by the confused interface between childcare legislation and immigration legislation which is conflicting and contradictory, especially when it comes to the support and care of young people who have been in the care of a local authority for a significant period of time as Looked After Children, and who are now over the age of 18.

Another challenge for KCC is balancing its obligations to these, young people within the broader financial constraints as UKBA will no longer fund young people who are over 18 years and are ARE but are also Care Leavers. However the UKBA does not accept there is any conflict of legislation, believing that for this group of young people that the immigration law overrides all other.

Despite assertions to the contrary from UKBA, case-law suggests that the local authority retains responsibility for providing accommodation and support to ARE young people over the age of 18. If the local authority decided to remove support in accordance with UKBA advice, it is highly probable that legal challenges would follow in relation to the lawfulness of the council's actions with the attendant financial and reputational risks.

Recommendations

Kent County Council is concerned that UKBA's position is unfair and discriminatory towards Kent residents and to be completely lacking in any regard for the welfare and safety of these young people and the communities in which they are living. Similarly, Kent County Council is concerned that UKBA's interpretation of the relevant legislation unfairly exposes the council to legal risk. As such it is wholly unacceptable to the Council which must therefore respond to protect the interests of the residents of Kent. It is therefore recommended that Cabinet agrees:

(1) The Council continues, along with other similarly affected local authorities, to make vigorous representation to both the Home Office and the Department for Education to bring clarity to the legislation over this issue.

(2) To invoice UKBA monthly for the cost of looking after these young people who are ARE, detailing the numbers and outcomes of the Human Rights Assessments that have been undertaken.

(3) The Cabinet Member for Specialist Children's Services to report to Cabinet 3 times per annum on progress in discussions with central government.

(4) The exploration of all legal remedies available in relation to UKBA's failure to either fund or remove ARE young people.

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1. Introduction

This paper:

- Defines the term Appeals Rights Exhausted (ARE).
- Gives an historical context of the development of the service for unaccompanied asylum seeking children.
- Provides an overview of the number of ARE cases in Kent, using figures of such cases from April 2011 to February 2013, to illustrate the cost of supporting these young people.
- Outlines how the cases of young people who are ARE have been managed in the past.
- Gives a summary of how such cases are currently managed.
- Explains the interface between child care law and immigration law and the inconsistent approach taken by UKBA, which has compounded the problems of supporting and funding cases of ARE young people.
- Gives a summary of the risks to the local authority should it cease support to those young people and the work being done to keep those young people occupied and to help them develop skills to enable them gain employment should they return to their home country.

2. Appeals Rights Exhausted (ARE) cases

(1) Definition

For a young person to be classified as ARE, it means that they have exhausted all rights of appeal against the refusal of their asylum application, and thus that they have no legal right to remain in the United Kingdom. Often, on arrival in the UK, many of the young people are given leave to remain until the age of 17 years 6 months, at which point they have a right to make two further appeal applications for their asylum claim. If these are refused, then they have exhausted all their appeals and become ARE. As a result of their status, they are not entitled to benefits or funding from any other source and are often referred to as having "no recourse to public funds". This definition does not take into account the contradictory status and rights that these young people may have under childcare legislation.

(2) Historical context

The operating environment for the delivery of care by Kent's Service for Unaccompanied Asylum Seeking Children (SUASC) is a complex and challenging one. There are numerous and interrelated reasons and drivers for Kent's current position:

- Funding of services for children claiming asylum is from a totally different stream than for that provided for children who are UK nationals, and whilst the Service for UASC is rightly placed within children's services, many of the issues relating to ARE cases are historically managed within the Adult section of the UKBA process.
- Kent is a "gateway authority" and therefore both an arrival and a transit destination for many children, both with their families or unaccompanied. Its location so close to France means the options for travel to the UK makes Kent an easier and cheaper destination for those with no money, or who are using agents.
- Many UASC who arrive in Kent tend to stay for a long time after arrival, forming relationships and making a home in the County. They are very reliant on the local authority, as they are not legally able to work.
- The high level of media and political scrutiny, both local and national, of services for asylum-seeking children, has resulted in rapid and frequent policy changes by central government which, in turn, has impacted on operational service delivery. For almost a decade there have been major annual changes in immigration practices and policy.
- Decision-making about how best to manage this casework has been influenced by this ever-changing political and media-driven climate.
- It is important to understand that many of Kent's ARE young people have been in the local authority's care from a very young age, sometimes since age 11 or 12.

(3) Legal Context

Section 23C of the Children Act 1989 (as amended) provides that the local authority has continuing obligations in relation to supporting former relevant children who are over the age of 18. This is on a sliding scale as those young people get older and is dependent on their assessed needs.

The obligations placed on the local authority by Section 23C and the provisions around leaving care generally are unaffected by the fact that a young person is ARE.

Section 95 of the Immigration and Asylum Act 1999 gives the Secretary of State the power to provide support for asylum seekers. Section 4 of the 1999 Act also gives the Secretary of State power to provide support for former asylum seekers.

The council is currently unfunded for discharging its obligations pursuant to Section 23C of the Children Act and the provisions around leaving care generally.

The Secretary of State has the power to make payments to the council, but currently chooses not to properly fund this. This seems perverse and irrational as it is the

Secretary of State who determines asylum status and who has the powers, responsibilities and resources in relation to the deportation of failed asylum seekers.

UKBA has asked Kent that once classified as ARE, the council should carry out a “human rights assessment” before determining that the young person be made destitute. In so doing, the UKBA effectively seeks to transfer the legal risk of their failure to deport to the council. However, any decision by the council to make a young person destitute is almost certain to trigger legal proceedings against it.

UKBA dismiss the council’s concerns over the discharge of its obligations under the Children Act 1989. UKBA have failed to properly particularise how the obligations can be ignored and their view appears inconsistent with recent case law and the specific power at Section 4 of the 1999 Act mentioned above. UKBA has asserted that Kent and other local authorities are wrong in their interpretation of their Children Act obligations.

Advice obtained from a QC[1] describes the UKBA’s position as “beguilingly optimistic”.

3. Organisational processes relating to ARE young people

(1) UKBA Processes

When a young person arrives in the country and claims asylum with UKBA, they are usually granted temporary admission into the country. The young person will be called for a substantive interview at which their statement of claim for asylum is examined by UKBA case owners. Following the outcome of the interview the young person could be:

- granted discretionary leave to remain until they are 17years, 6 months
- given refugee status, which entitles them to remain for 5 years
- refused leave to remain outright.

The majority of young people are usually given leave to remain until they are 17years 6 months old. It is incumbent on the young person and their solicitor to make further applications for the case to be heard. This can only be done a further two times; and if the young person is ultimately refused leave to remain, then they become ARE. Once they reach 17 years 6 months, UKBA will notify the young person of the need to report to one of their reporting centres. The reason for this request is to enable UKBA to monitor the movements of these young people.

(2) Kent processes

The cases of all children claiming asylum that are referred to KCC are managed within the LAC process i.e. all the children/young people become Looked After (LAC) under Section 20 of the Children Act 1989. Their care status is changed from LAC to Care Leaving Status once an assessment of need is completed by the social worker and it is identified that the young person has developed sufficient independent skills

[1] Which remains confidential and legally privileged

for their case to be managed under Section 23 and 24 of the Children Act 1989. These are young people who have been Looked After by the department for a significant period of time and are therefore entitled to be supported as care leavers.

A significant number of young people in the care of SUASC become ARE annually. UKBA have been clear in their view that all such young people over the age of 18 years should not be supported by the local authority, as they are not prepared to fund the cost of supporting them. This view is clearly outlined in the (2010) *National Procedures for Care Leavers – Transitions to Adulthood, Volume 3*.

UKBA have argued that a human rights assessment should be completed for all the young people who are ARE and that, if it is found that their rights will not be breached by making them destitute, the council should stop supporting them and refer them to the NASS for support. The UKBA is unclear what support should be provided, and how this should be funded, if the assessments show that their rights will be breached if made destitute.

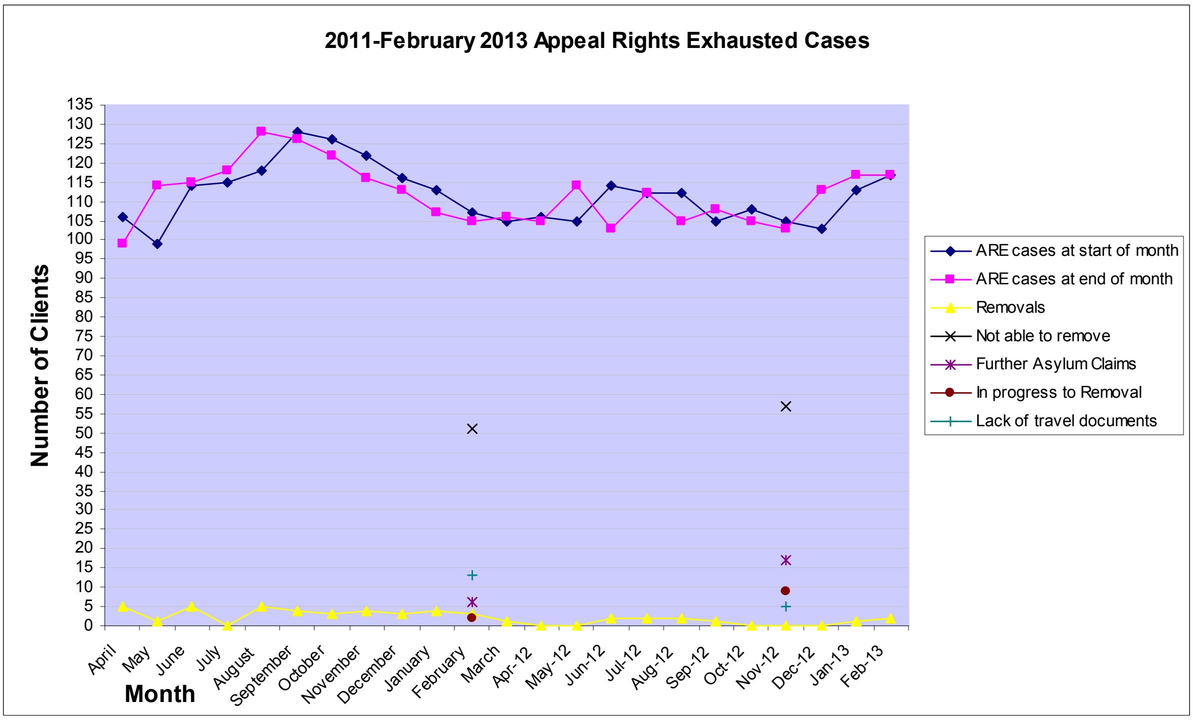
In the light of the findings of the Court of Appeal in the case of R (on the application of SO) v London Borough of Barking and Dagenham [2011] HR 4, it is not as straightforward as UKBA have suggested to make a former looked after child destitute. The Court of Appeal found that when considering whether to provide a former relevant child, who was also a failed asylum seeker, with accommodation under s.23C(4)(c) the respondent authority was not entitled take into account the possibility of the appellant being provided with accommodation by the UK Borders Agency under s.4(2) of the Immigration and Asylum Act 1999.

Historically, the cases of young people who became ARE were supported by the local authority under the Leaving Care legislation, given that they will all involve young people who have been looked after in the past and have become former relevant young people. This is still the case, because the legal status of these young people under childcare legislation has not changed in Kent's legal opinions.

(3) Overview of numbers

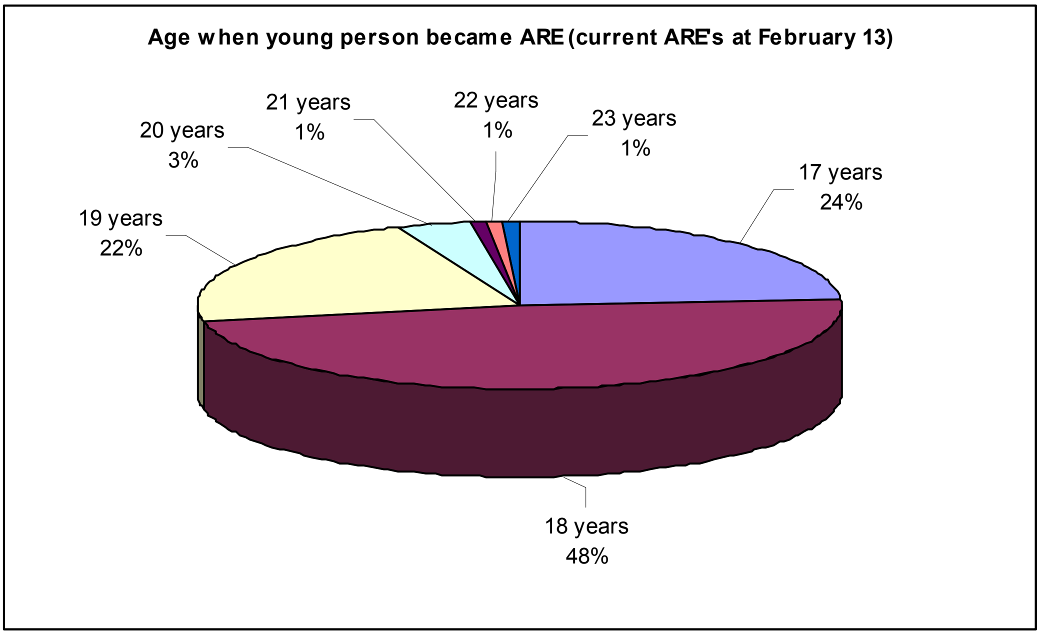
The position to February 2013 of ARE in Kent is set out below.

Figure 1. numbers of ARE cases in Kent February 2011-February 2013



The number of ARE cases is between 100 - 125 at the highest but has not been significantly lower than 100 throughout the year.

Figure 2. age range of cases of young people who are becoming ARE



We can see that the majority of young people who become ARE are 18 years old.

Figure 3. Age of current appeal rights exhausted at the end of February 13

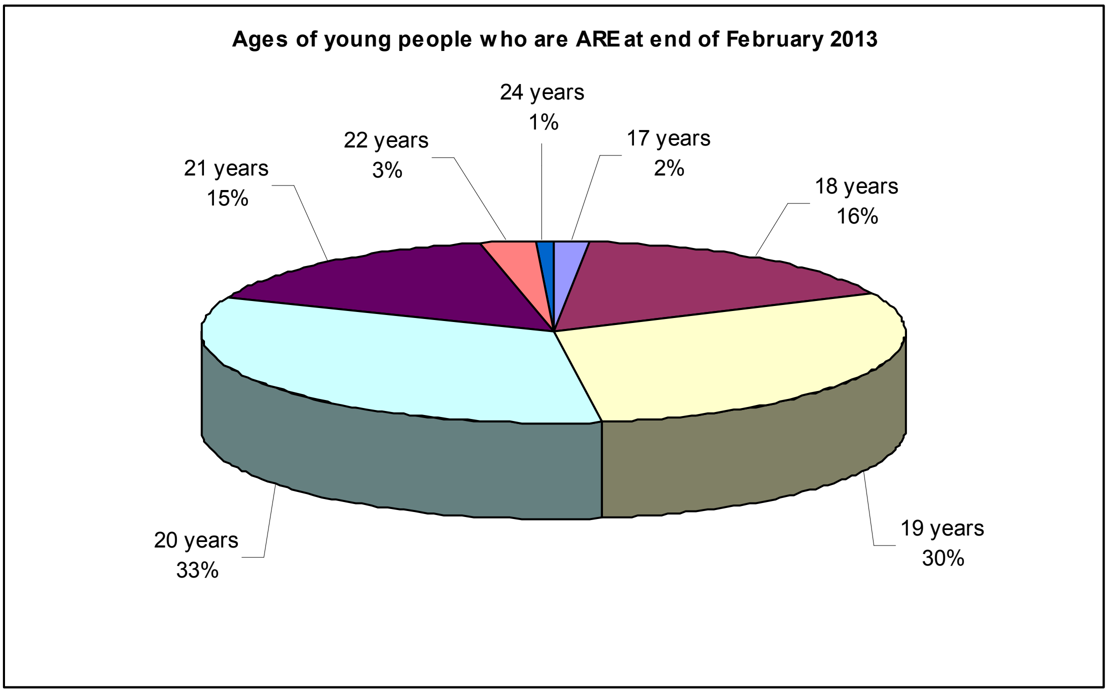


Figure 3 demonstrates that majority remain ARE between 18 months and 2 years.

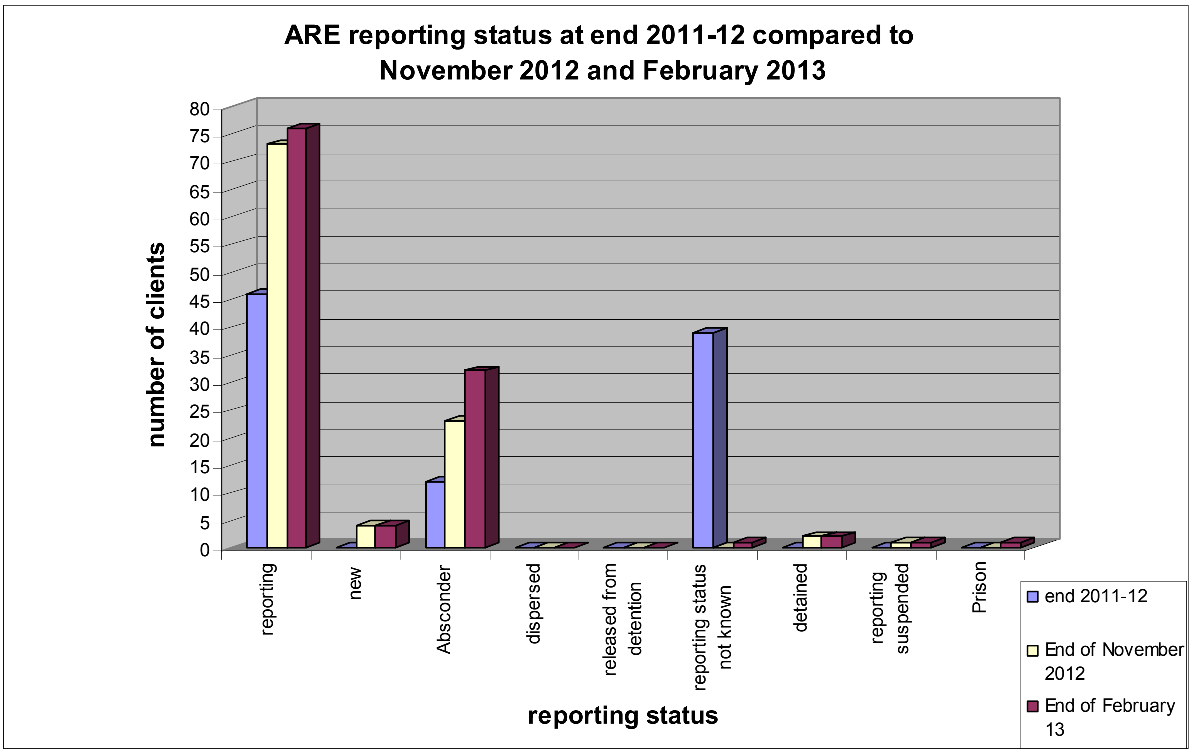


Figure 4. Cases of young people who are on the reporting register.

48 young people who are ARE were reporting at the end of April 2012., by the end November 2012 this number had increased to 73 and by the end of February 2013 85 young people were actively reporting at the end of February 13. There 27 young people are absconders, 3 are not reporting and 2 are in detention

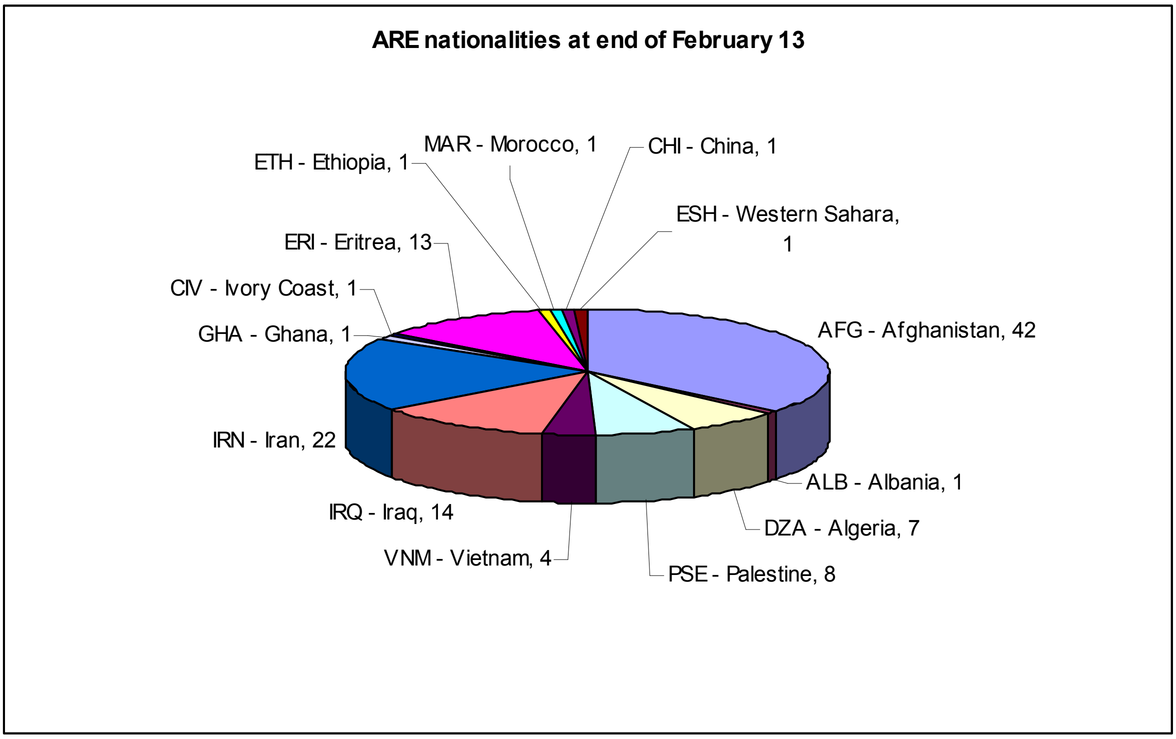


Figure 5. Nationality of cases who are ARE.

4. Why is there a need to change this historical practice?

The costs of care provided by the local authority to young people who are ARE is high. It is not funded by UKBA, the agency who are responsible for the safe removal of these young people back to their country of origin, should it be determined that they have no leave to remain in the UK.

Until March 2011, there were no processes in place between UKBA and the local authority for managing these cases. A new and structured process of managing the cases of ARE young people in Kent aged 18 years and over was therefore instituted in March 2011 and came into effect in May 2011. There were 90 cases of ARE young people, of different nationalities, at the time. The local authority and UKBA worked closely together to set up a reporting process. However, it soon became clear that, in order to manage the process effectively, we needed to target a smaller group. A pilot reporting process was therefore instituted, targeting 71 young people from Afghanistan, of whom 28 were already reporting. UKBA targeted this group because they were deemed to be ‘removable’. The pilot began in April 2011 and became fully operational in May that year. All the young people were issued letters containing clear directions as to which UKBA reporting centre they should report to.

This reporting process is now being used to monitor and track the movements of all ARE young people in Kent. The numbers of such cases supported by the service fluctuate but is typically above 100 (see Figure 1) and as at *28 Feb 2013 there were 117* such young people. All these young people have been previously Looked After by the county for more than thirteen weeks and therefore qualify to be supported as Care Leavers. They all, therefore, have allocated support workers who support them in the community, visit them regularly and review their pathway plans every six months. The department also provides accommodation and subsistence allowance.

As of May 2011, when the reporting process commenced to date, UKBA have removed 45 young people; (see Figure 6). It is accepted that this number is low. The graph shows that up to five cases of ARE young people are removed each month with the exception of July 2011, April and May 2012, September 2012, October 2012, November 2012 and December 2012 when there were no removals of young people.

At the end of 2012, the UKBA had 57 cases of young people they had not been able to return to their country of origin due to restriction on documentation and removal. These cases are usually referred to as 'general legal barrier' cases (GLB). There were 17 cases where the young people had made further submissions, appeals and judicial review applications. 9 cases were waiting for documentation and a further 5 were being processed to removal. The UKBA have been asked to provide updated figures for the ARE cases they are not actively seeking to return but, as at this report's publishing deadline, have not yet done so.

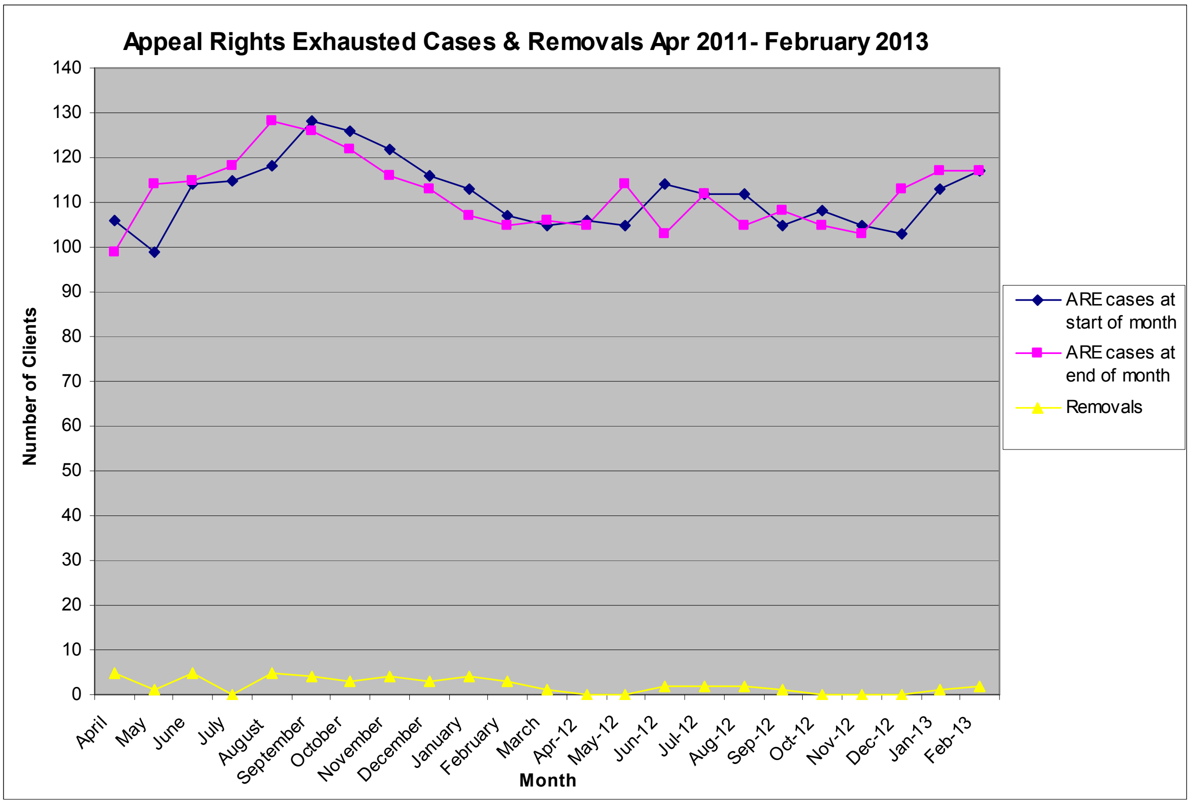


Figure 6 – Removals

5. Policy

UKBA has issued a directive that all local authorities should cease supporting young people who become ARE after their 18th birthday. It is suggested that UKBA will fund the cost of maintaining these young people for three months after their 18th birthday and that local authorities should complete Human Rights Assessments and refer the cases to NASS. *Planning Transitions to Adulthood for Care Leavers, Volume 3* (2010), advises that local authorities can consider discharging their duty of care to UASC who reach 18 years old and are ARE.

6. Financial matters

In 2011/12 the cost to KCC of meeting the statutory needs of UASC and former UASC was £3.33m above the level of funding received from the Home Office. Of this £1.4m was the unfunded cost of supporting former UASC who were ARE.

As at Quarter 3 of 12/13, the forecast cost to KCC meeting these statutory needs this year is expected to be £3.36m above the level of funding to be received from the Home Office. Of this £943k is the forecast unfunded cost, under current grant rules, of supporting former UASC who are ARE.

The remaining £2.41m of unfunded forecast cost is due to the cost of meeting the statutory needs of UASC and former UASC being greater than the amount allocated in the known grant rules. Confirmation has now been received from the UKBA that the level of Gateway Grant funding for 12/13 is as that received in 11/12 which is what is anticipated in the above forecast position.

7. Risks to the local authority

As at 28 Feb 2013, the County has 117 young people who are ARE and have no recourse to public funds. These young people are currently supported by Children's Services under Sections 23 and 24 of the Leaving Care Act 2000, as they are Care Leavers who are deemed to have the right to be supported as such; UKBA do not fund their costs. The risks to the local authority can be divided in four categories: (1) financial and legal risks; (2) risks to the young people; (3) risks to the communities; (4) risks to the professional credibility of the local authority and to individual social workers and (5) legal considerations.

(1) Financial risks

It is likely that the council will face claims for judicial review brought by young people who oppose any local authority plans to stop support. The cost of the litigation could exceed £50,000 per case. In addition, it is evident that legal action (or even the threat of it) would inevitability slow down the process of actions to complete assessments and removal of young people. It is worth noting that even if there were no claims, not every young person would be able to be made destitute, so the savings on support after the human rights assessments would probably not apply to the whole cohort.

(2) Risks to young people

It is anticipated that ARE young people are likely to disappear to work in unregulated workplaces, where they could be exploited to work in dangerous places for long hours, exposing them to great harm. Of real concern is that, as young people are made destitute, it is also likely that they would take out their anger and frustrations out on the department and cause damage to the properties they live in.

(3) Risks posed to communities

Young people who have lived in communities for a long time will probably gravitate to the community they know. Without a home and with no means of feeding themselves, they are likely to resort to begging, stealing, prostitution and possibly to other criminal activities such as trafficking, gang crime and, in extreme cases, terrorism. This would undoubtedly create community disharmony and tension.

(4) Risks to the professional credibility of the local authority and individual social workers

KCC is one of the largest local authorities, to consistently champion work with unaccompanied asylum seeking children. The work of SUASC has gained a good reputation nationally, and to some extent internationally. KCC has an excellent record in resisting applications for judicial review and mitigating risk in relation to other areas of SUASC's practice due to close working between Legal Services and the service's staff and senior management. The defence of these applications draws heavily on the council's resources and the proposed human rights assessments would carry a similar impact. Furthermore, the human rights assessments would be outside the core competencies of most social workers and therefore give rise to greater risk and impact on the service. Judicial reviews undoubtedly draw attention and increase scrutiny to the work of an organisation. Furthermore, the work of the social workers who complete the assessments could be called into question by the young people and their legal support. This could undermine their credibility and lead to an increased risk of related litigation such as age assessments.

(5) Legal Consideration

There is a clear dispute between a number of councils and UKBA in relation to the interpretation of obligations under the Children Act and the extent to which they are affected by immigration legislation. The Court of Appeal decision in the Barking and Dagenham case was not appealed to the Supreme Court and there remains disagreement and confusion in relation to the extent to the obligations owed to ARE young people. The judgment in the Barking and Dagenham case relates to a case with specific facts and the response of that local authority to that case – it does not necessarily provide a full and final answer but has been described by one barrister as "a clear statement by the courts that Parliament has intended that local authorities provide a fully funded safety net for children leaving the care system"[2]

8. Chronology of actions taken

(1) Communication between KCC and UKBA

There is an identified lead officer who works closely with KCC staff to help resolve issues that arise with the young people and other wider issues of both agencies.

(2) System of young people reporting to UKBA

A very structured system has been put in place to ensure that young people who are ARE report regularly to UKBA. This commenced in March 2011 and means that eth UKBA is now fully aware of the movements of these young people.

(3) Work to engage the young people

[2] David Bedingfield, 4 Paper Buildings – Local Authorities Duties to Children Leaving Care (Article in Family Law Week – 2010)

The local authority has worked very closely with the South East Migration Partnership Group to begin to explore ideas about how best to keep young people who are ARE occupied while they are waiting to be removed from the country. A meeting took place with the UKBA and some voluntary agencies and it it was agreed to set up a pilot group of 20 young people, all from Afghanistan and between the ages of 19 – 21 who are ARE. A further meeting will take place with the young people to start to map out the skills that will help them find employment when they return home.

(4) Human Rights Assessments

KCC commissioned the No Recourse to Public Funds Network in July 2012 to deliver training on Human Rights Assessments, at a cost of £120 per person. A pilot comprising 20 Human Rights Assessment cases has been completed, 5 from social workers in the team and 15 by an independent assessor from another local authority with no previous links with Kent County Council.

It took approximately 3 working days, i.e. 21 hours, to complete an assessment. Each assessment cost £710.00. This cost is not reimbursed by UKBA

The assessment took into account the following Articles of the Convention of Human Rights as recommended by No recourse to public funds network. (NRPF)

- Article 3 : Article 3 specifies an absolute right and specifies that torture and inhumane or degrading treamtn4e or punishment are prohibited, .
- Article 8. : Article 8 is a qualifying right and grants a right to Family and Private Life.

The recommendations from the assessments are that, if services are withdrawn, the young people will not have food, shelter and clothing, with no family members in the country or extended networks they will be left destitute. This seems likely to constitute a breach of their human rights and it is anticipated would result in likely judicial review proceedings being issued against KCC.

A meeting with Simon Bentley of UKBA took place on 22nd February 2013. Simon, on behalf of UKBA does not accept the recommendations arising from the assessments. He does not believe that the young people will be destitute should the local authority withdraw support and that it will not constitute a breach of their human rights. He was of the firm view that the young people in thirteen of the fifteen assessments he had read should be made destitute. The two he felt could not be made destitute were cases where the young people had made fresh applications for their asylum claims.

KCC will stand by the recommendations from the assessments. The LGA paper written in June 2012 and cited by Simon Bentley concludes that it has not set hard and fast rules on how Local Authorities should set about reviewing the support entitlement of the young people who are ARE.

9. Conclusions

Kent County Council has continued to meet its duties and responsibilities to all the young people under the Children Act 1989 and the Leaving Care Act 2000, despite the severe financial pressure this has entailed. However, the authority is confronted with a stark choice between two options. These are:

(1) **Continued support of the young people who are ARE**

The local authority could choose to continue to support the young people who are ARE, as it is currently doing. The advantage of this is, first and foremost, that it will ensure the continued safety of the young people. Furthermore, the local authority will be thus fulfilling its duty under the Children Act 1989.

However, this will cost the local authority significant amount of money. The unit cost for the care of a young person who is ARE is: £160.92 per week, making a total cost of £700.00 per month

(2) **Ceasing support**

The local authority could take the directive from UKBA and cease it support of the young people three months after they become ARE. This, however, has serious implications, as follows:

i. *The threat of destitution*. A young person might accept being made destitute, but would naturally turn to other means of ensuring survival, such as stealing or begging. This could potentially lead to arrest and a possible prison sentence. Again, this leaves the local authority open to much criticism because it will be seen to have failed in its duty to adequately care for young people who they have been responsible for as Looked After Children in the first instance and now, as care leavers.

ii. *The threat of exploitation*. Young people ejected into a life of destitution become particularly vulnerable to exploitation by the unscrupulous, or by criminals. They may be forced into prostitution, into organised crime, or to work in unsafe conditions in order to survive. In addition to the risk to these young people, the investigation of any such cases by the media would invite hostile criticism of KCC.

iii. *The threat of serious harm*. In the most extreme cases, young people who are homeless and without any means of purchasing food or living in a reasonably safe house could become seriously ill, or even die. Again,there is a very substantial risk to these young people as well as undoubtedly leaving the local authority vulnerable to serious criticism about it care of young people.

iv. *The threat to local communities*. Given the extremely poor record of the UKBA in achieving successful repatriation and the ongoing numbers they are unable to repatriate, making these significant number of young people destitute will have a negative impact on the communities where they live, and in some case have done so for a number of years.

v. *The threat of judicial review*. The young people could choose to press for a judicial review, resulting in a huge cost to KCC of about £50,000 per case. There would also be a great deal of unwanted media attention.

All of these points strongly support the position that the Council has adopted, which is to continue to offer support under the Leaving Care Act for these care leavers who are ARE, while cooperating as fully as possible with UKBA over areas such as Human Rights Assessments and the reporting process pilot detailed in section 4 of this report. However to do so is incurring significant expenditure for the Council, expenditure which should be met by central government as again this is a national issue and, equally again, one for which Kent is picking up a significant amount of national cost, currently running at an annually reoccurring cost of £3 million.

Kent County Council has made repeated attempts over a number of years to achieve a resolution to this issue with UKBA but there has been very little evidence of real progress, and in fact, the most recent communication from the Home Office offers very little indication of movement on this matter.

10. Legal Options

UKBA's position requires the council to absorb all of the legal risk for UKBA's failure to remove ARE young people from the UK. Its position encourages the type of outcomes that the Children Act and Leaving care legislation specifically seek to avoid. However, the UKBA has continued to fail to make a decision in relation to the funding of KCC for meeting its statutory obligations in relation to the cohort of ARE that UKBA has failed to remove.

One option to reduce the immediate risk to the council is to lobby government for a change to the law. The obligations on the council under the Children Act could be limited or excluded for that cohort of former relevant children who are ARE. It is, however, recognised that this presents related reputational risks and a failure in our corporate parenting obligations. There is nevertheless a relevant precedent for this which is referred to in one of the recent cases.

In *R v Hammersmith and Fulham LBC ex parte M* [1997] the Court of Appeal decided that a local authority had an obligation under section 21 of the National Assistance Act 1948 to provide accommodation to healthy but destitute asylum seekers. This would have imposed a disproportionate burden on local authorities in whose area asylum seekers tend to congregate. In consequence, Parliament introduced amendments to section 21 of the Immigration and Asylum Act 1999 which had the effect of removing from a local authority the obligation to provide accommodation to asylum seekers whose need for care and attention arose solely from destitution or from the physical effects or anticipated physical effects of destitution.

Another potential option would be for the council to explore litigated options in relation to the way in which the Secretary of State is currently exercising her powers. The council could apply to the court for a declaration on the interpretation of the council's legal obligations and respective primacy of legislation. The council could also consider judicial review on specific cases or decisions and seek remedies including prohibiting orders (preventing the Secretary of State from doing something), mandatory orders (making the Secretary of State do something) and/or financial damages.

A third option would be for the council to involve the Secretary of State in any subsequent claims against Kent for carrying out Human Rights Assessments.

Legal Services are arranging further and detailed consideration of the council's legal options through seeking the opinion of a QC.

11. Recommendations

Kent County Council finds the UKBA's position to be both unfair and discriminatory towards Kent residents and completely lacking in any regard for the welfare and safety of these young people and the communities in which they are living.

As such it is wholly unacceptable to the Council which must respond to protect the interests of the residents of Kent. It is therefore recommended that Cabinet agrees:

(1) The Council should continue, along with other similarly affected local authorities, to make vigorous representation to both the Home Office and the Department for Education to bring clarity to the legislation over this issue.

(2) To work with other affected authorities to seek an urgent meeting with UKBA lawyers to find a solution to the present situation and failing that, the exploration of all legal remedies available in relation to UKBA's failure to either fund or deport ARE young people.

(3) To invoice UKBA monthly for the cost of looking after these young people who are ARE, detailing the numbers and outcomes of the Human Rights Assessments that have been undertaken..

(4) The Cabinet Member for Specialist Children's Services to report to Cabinet 3 times per annum on progress in discussions with central governmen

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Background Documents: None

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REPORT TO: **CABINET – 18 March 2013**

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

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

SUMMARY:

Members are asked to:

- **note the latest monitoring position on the revenue and capital budgets.**
- **note that residual pressures are currently forecast within the SCS portfolio.**
- **note and agree the changes to the capital programme.**
- **note the latest financial health indicators and prudential indicators.**
- **note the directorate staffing levels as at the end of December.**

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1. INTRODUCTION

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

1.2 The format of this report is:

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

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

1.4 **Headlines**:

1.4.1 **Revenue:**

- The latest forecast revenue position (excl Schools) is an underspend of -£8.510m, which is an increase in the underspend, after management action, of -£1.357m since the January Cabinet report. However, within this position is a requirement to roll forward £2.114m in respect of re-phased projects. The underlying 2012-13 underspending position is therefore -£6.396m. As approved at County Council on 14 February as part of the 2013-14 budget proposals, £5m of this underspending will be transferred to an earmarked reserve to support next year's budget. In the context of a savings requirement of around £80m and on the back of delivering a £95m saving target last year, and the continued high demand for Specialist Children's Services throughout the year, an overall forecast underspending position is a considerable achievement. The position will be closely monitored throughout the remainder of the financial year and every effort will be made to ensure that we retain an underspend of at least £5m, which is required to roll forward to support the 2013-14 approved budget.
- A residual pressure is currently forecast within the Specialist Children's Services portfolio. Robust monitoring arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and where necessary challenged.

- Within Specialist Children's Services there is a continuation of the demand led pressures experienced in 2011-12 totalling £6m. Within this position, the activity levels for Fostering and Residential Services are a particular cause for concern as they are very high compared to the affordable level despite additional funding being provided in the 2012-15 MTP. Further funding has been provided in the recently approved 2013-15 MTFP to reflect current activity levels. There are a number of control measures and early intervention services which have been put in place that should mean costs will begin to reduce.
- We are now forecasting a £3.1m potential net pressure against the Asylum Service. This is in respect of both unaccompanied asylum seeking children and those eligible under the care leaving legislation. A full report on the Asylum issues is elsewhere on this agenda.
- Within Adult Social Care an underspend of £1.6m is forecast reflecting lower than budgeted demand for direct payments, day care, supported accommodation and residential care for Older People and people with Physical Disabilities. This is partially offset by increased demand for domiciliary care, Older People nursing care, and residential care for clients with learning disabilities or mental health needs.
- Schools reserves are forecast to reduce by £5.7m this year, of which £2m is as a result of 35 more schools converting to new style academy status, which allows them to take their accumulated reserves with them and £3.7m relates to the remaining Kent schools, based on their nine month monitoring returns.
- An underspend of £4.068m is forecast within the ELS portfolio on the non-delegated budgets which includes £1.890m of re-phasing of the Kent Youth Employment Programme as payments are only made to employers following completion of 6 months and 12 months in placements, so a significant amount of the budget will not be spent until 2013-14 and beyond. This position also includes additional special school recoupment income, additional income from traded services within the Education Psychology Service and the release of contingency held against potential in year costs resulting from the ELS restructure. These underspends are partially offset due to savings not being achieved as anticipated on an Attendance & Behaviour contract.
- An underspend is expected on the Mainstream Home to School Transport budget based on numbers requiring transport in the new academic year, in part due to the success of the Freedom Pass and 16+ Travel Card. However, this is offset by a pressure on SEN Home to School Transport. The 2013-15 MTFP has been adjusted to reflect a saving for Mainstream and a pressure for SEN, however, since the 2013-14 budget was approved, the pressure on SEN transport has increased and if this continues, additional savings will need to be found within the ELS Directorate to offset the increased pressure next year.
- The savings on the waste budgets experienced last year, mainly due to lower than budgeted waste tonnage, are continuing in 2012-13. In addition, changes to the operating policies at Household Waste Recycling Centres, effective from 1 October 2012, to exclude commercial waste from the sites, has also assisted in reducing waste tonnage, which is now forecast at 702,000 tonnes against a budgeted figure of 730,000 tonnes, with a £2.619m saving now forecast.
- Exceptional weather conditions this financial year have resulted in additional costs related to snow clearance and additional salting runs on Kent highways in January and early February of £1m and additional highways drainage, shrub maintenance and weed control costs of £0.9m resulting from the exceptional wet weather.
- A £1.2m shortfall in the contribution from Commercial Services is forecast due to additional costs of restructuring and a re-phasing of the increased income target built into the current year budget, now expected to be achieved in 2013-14. This has been reflected in the 2013-15 MTFP. However, a compensating underspend is forecast against the financing items budgets in the Finance & Business Support portfolio in annex 7, as these funds were being held back in anticipation of this forecast shortfall and other pressures.
- Also within the Finance & Business Support portfolio, savings are being made on the debt charges budget largely as a result of the re-phasing of the capital programme in 2011-12 and no new borrowing being taken in the first nine months of 2012-13.
- Within the C&C portfolio a £2.3m underspend is forecast which is largely due to vacancy management, including accelerating future year's savings and holding vacancies wherever possible to try to minimise the number of compulsory redundancies required to achieve the budget savings approved for 2013-14, together with additional income from ceremonies and associated licences within the Registration service.

- We have recovered a further £4.789m to date during 2012-13 from our principal deposits in the collapsed Icelandic Banks, bringing our total recovery so far to £34.008m, of which £14.181m relates to our £18.350m deposit with the UK registered Heritable Bank, £7.976m relates to our £17m deposit with Landsbanki and £11.851m relates to our £15m deposit with Glitnir. The remainder of our deposit in Glitnir has been paid in Icelandic Krona, but this currency is currently embargoed. The funds are therefore held in an interest earning Escrow account in Iceland (an account held by a third party on our behalf), until such time as we are able to trade in this currency again.

1.4.2 **Capital:**

- The latest forecast capital position is a variance of -£32.552m. This is made up of an unfunded variance of +£1.167m, re-phasing to later years of -£31.281m, funded variances of £19.528m and project underspends of -£21.966m. Further detail is provided in the annexes that follow.

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

2.1.1 **Revenue**

The net projected variance against the combined portfolio revenue budgets is an underspend of -£8.510m. Section 3 of this report provides the detail, which is summarised in Table 1a below.

Table 1a – Portfolio position – net revenue position

Portfolio	Budget	Net Variance
	£k	£k
Education, Learning & Skills	**+65,938**	**-4,068**
Specialist Children's Services	**+148,380**	**+5,981**
Specialist Children's Services - Asylum	**+280**	**+3,082**
Adult Social Care & Public Health	**+336,449**	**-1,619**
Environment, Highways & Waste	**+157,218**	**-592**
Customer & Communities	**+81,367**	**-2,343**
Regeneration & Economic Development	**+3,653**	**0**
Finance & Business Support	**+60,835**	**-8,244**
Business Strategy, Performance & Health Reform	**+59,991**	**-354**
Democracy & Partnerships	**+7,452**	**-353**
TOTAL (excl Schools)	**+921,563**	**-8,510**
Schools (ELS portfolio)	*0*	*+5,655*
TOTAL	**+921,563**	**-2,855**

2.1.2 The recently approved 2013-14 budget assumes rolled forward underspending from 2012-13 of £5m. In addition, the position reported in table 1a above includes some underspending related to projects which are re-phasing into 2013-14 and are committed and therefore will require roll forward. The adjusted position is therefore:

	£m
Total forecast underspend (excl Schools) per table 1a	-8.510
Required to roll forward to 2013-14 per approved 2013-15 MTFP	5.000
Other committed roll forwards/re-phased projects	2.114
Adjusted position after roll forward requirement	-1.396

Details of the committed roll forwards/re-phased projects are provided in section 1.1.6 of the annex reports.

2.2 **Capital**

The Capital Programme 2012-15 has an approved budget of £634.807m, excluding PFI. The forecast outturn against this budget is £602.255m, giving a variance of -£32.552m. This is made up of an unfunded variance of +£1.167m, re-phasing to later years of -£31.281m, funded variances of +£19.528m and project underspends of -£21.966m.

3. REVENUE

3.1 **Virements/changes to budgets**

3.1.1 Directorate cash limits have been adjusted to include:

- the inclusion of a number of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set or adjustments to the level of grant allocation assumed in the budget following confirmation from the awarding bodies. These are detailed in Appendix 1.
- A virement for £300k from the underspending on net debt charges budget and £850k from the Initiatives to Boost the Economy budget within the Other Financing Items, both within the Finance & Business Support portfolio, to the General Maintenance & Emergency Response budget within the Environment, Highways & Waste portfolio towards the costs of pot hole repairs following the January/February snow.

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

3.2 Forecast Revenue Position

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

			Directorate					
Portfolio	**Budget**	**Variance**	ELS	FSC	E&E	C&C	BSS	FI
	£k	**£k**	£k	£k	£k	£k	£k	£k
Education, Learning & Skills	**+65,938**	**-4,068**	-4,068					
Specialist Children's Services	**+148,380**	**+5,981**	0	+5,981				
Specialist Children's Services - Asylum	**+280**	**+3,082**		+3,082				
Adult Social Care & Public Health	**+336,449**	**-1,619**		-1,619				
Environment, Highways & Waste	**+157,218**	**-592**			-592			
Customer & Communities	**+81,367**	**-2,343**				-2,343		
Regeneration & Economic Development	**+3,653**	**0**			0		0	
Finance & Business Support	**+60,835**	**-8,244**					-200	-8,044
Business Strategy, Performance & Health Reform	**+59,991**	**-354**		0			-354	0
Democracy & Partnerships	**+7,452**	**-353**					-203	-150
SUB TOTAL (excl Schools)	**+921,563**	**-8,510**	-4,068	+7,444	-592	-2,343	-757	-8,194
Schools (ELS portfolio)	*0*	*+5,655*	*+5,655*					
TOTAL	**+921,563**	**-2,855**	+1,587	+7,444	-592	-2,343	-757	-8,194

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

	CASH LIMIT			VARIANCE		
Portfolio	**Gross**	**Income**	**Net**	**Gross**	**Income**	**Net**
	£k	£k	£k	£k	£k	£k
Education, Learning & Skills	+225,631	-159,693	**+65,938**	-3,673	-395	**-4,068**
Specialist Children's Services	+158,375	-9,995	**+148,380**	+5,642	+339	**+5,981**
Specialist Children's Services - Asylum	+14,901	-14,621	**+280**	+64	+3,018	**+3,082**
Adult Social Care & Public Health	+453,010	-116,561	**+336,449**	-5,217	+3,598	**-1,619**
Environment, Highways & Waste	+180,931	-23,713	**+157,218**	+758	-1,350	**-592**
Customer & Communities	+133,752	-52,385	**+81,367**	-2,566	+223	**-2,343**
Regeneration & Economic Development	+5,807	-2,154	**+3,653**	-62	+62	**0**
Finance & Business Support	+167,811	-106,976	**+60,835**	-9,787	+1,543	**-8,244**
Business Strategy, Performance & Health Reform	+100,761	-40,770	**+59,991**	+768	-1,122	**-354**
Democracy & Partnerships	+7,712	-260	**+7,452**	-274	-79	**-353**
SUB TOTAL (excl Schools)	+1,448,691	-527,128	**+921,563**	-14,347	+5,837	**-8,510**
Schools (ELS portfolio)	*+744,614*	*-744,614*	***0***	*+5,655*	*0*	***+5,655***
TOTAL	+2,193,305	-1,271,742	**+921,563**	-8,692	+5,837	**-2,855**

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

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

Annex 1 **Education, Learning & Skills**
incl. Education, Learning & Skills portfolio

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

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

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

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

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

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

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves for remaining Kent schools	+3,700	ELS	14-19 year olds (gross) - Kent Employment project	-1,890
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves following 35 schools converting to academies	+1,955	ELS	Individual Learner Support (gross) - Minority Communities Achievement Service reduced buy back from schools	-1,347
ELS	Individual Learner Support (income) - Minority Communities Achievement Service reduced buy back from schools	+1,347	ELS	Home to college transport (income) - new 16+ transport scheme	-1,142
ELS	SEN transport (gross) - higher than budgeted numbers travelling	+1,197	ELS	Mainstream home to school transport (gross) - fewer numbers travelling	-1,025
ELS	Home to college transport (gross) - new 16+ transport scheme	+1,180	ELS	ELS Strategic Management & Directorate budgets (gross) - release of restructure contingency	-1,000
ELS	Schools' Other Services (gross) - cleaning and refuse contracts	+696	ELS	Special School & Hospital Recoupment (income) - additional income from other local authorities for places at our special schools	-762
ELS	Statemented Pupils (income) - reduced income from other local authorities for statemented support in our schools	+685	ELS	Schools' Other Services (income) - cleaning and refuse contracts	-740
ELS	Schools' Non Delegated Staff costs (income) - excepted items reduced buy back from schools	+590	ELS	Statemented Pupils (gross) - reduced spend on statemented support for other local authority pupils in our schools	-685
ELS	Attendance & Behaviour (gross) - unachievable contract saving	+550	ELS	Schools' Non Delegated Staff costs (gross) - excepted items reduced buy back from schools	-590
ELS	School Improvement (Income) - reduced income from Workforce and Professional Development traded service	+437	ELS	Education Psychology Service (income) - income from traded service with schools and other customers	-543
ELS	ELS Strategic Management & Directorate budgets (gross) - academy converter legal costs & general legal fees	+435	ELS	Home to college transport (gross) - fewer students requiring transport under old scheme	-471
ELS	Mainstream home to school transport (income) - reduction in post statutory charge income due to students opting for 16+ card	+364	ELS	Attendance & Behaviour (income) - PRUs additional income from schools & academies	-421
ELS	Attendance & Behaviour (gross) - PRUs additional staffing & premises costs (matched by income from schools & academies)	+421	ELS	School Improvement (gross) - reduced expenditure from Workforce and Professional Development traded service	-331
ELS	Schools' Teachers Pensions costs - capitalisation costs	+370	ELS	14-19 year olds (income) - unspent grant income brought forward from 2011-12 for use in academic year	-240
ELS	School Improvement (gross) - additional costs to improve secondary school standards	+252	ELS	Early Years & Childcare (income) - income from course fees, training and support	-233
ELS	School Improvement (income) - Employment based intial teacher training grant to be spent in line with academic year	+209	ELS	ELS Strategic Management & Directorate budgets (gross) - Participation by Rights	-222
ELS	Home to college transport (income) - reduced income from ticket sales under old transport scheme	+200	ELS	School Improvement (gross) - Employment based intial teacher training grant to be spent in line with academic year	-209

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Individual Learner Support (income) - Portage service reduced income in line with reduced expenditure	+131	ELS	Individual Learner Support (gross) - Early Years training	-206
			ELS	Individual Learner Support (gross) - Portage service reduced spend in line with reduced income	-131
			ELS	School Improvement (income) - Additional income from Improving Together network	-124
			ELS	14-19 year olds (gross) - unspent grant funding for final term of 2011-12 academic year	-104
	ELS PORTFOLIO TOTAL	**+14,719**		**ELS PORTFOLIO TOTAL**	**-12,416**
SCS	Fostering - Gross - Independent - forecast weeks higher than budgeted	+3,088	SCS	Fostering - Gross - Independent - forecast unit cost lower than budgeted	-556
SCS	Asylum - forecast shortfall in funding, awaiting resolution with Government	+3,082	SCS	Residential - Gross - Non Disability Independent Sector - forecast unit cost lower than budgeted	-533
SCS	Residential - Gross - Non Disability Independent Sector - forecast weeks higher than budgeted	+2,011	SCS	Preventative Children's services - Gross - re-phasing of strategies relating to early intervention and prevention	-500
SCS	Children's social care staffing - Gross - Additional staffing costs	+1,282	SCS	Preventative Children's services - Gross - Independent sector day care disability - reduction in core activity due to a shift to direct payments	-496
SCS	Legal Charges - Gross - increased demand	+860	SCS	Children's centres - Gross - Various small underspends across 97 centres	-488
SCS	Fostering - Gross - Non-related in house - forecast weeks higher than budgeted	+707	SCS	Leaving care - Gross - decrease in demand as 16-18 yr olds remaining in foster care, stricter controls around S24 payments	-457
SCS	Adoption - Gross - Increase in Special Guardianship Orders	+386	SCS	Preventative Children's services - Gross - management action and more detailed guidance on Section 17 payments	-420
SCS	Residential - Income - Non Disability Independent Sector - reduction in income for placements from Health	+373	SCS	Fostering - Gross - Kinship non LAC - move to SGO	-386
SCS	Residential - Gross - Disability Independent Sector - Increase in specialist placements	+350	SCS	Fostering - Gross - Kinship non LAC - move to related fostering	-317
SCS	Preventative Children's services - Gross - Direct Payments - Forecast weeks/unit costs higher than budgeted (shift from Ind day care disability)	+319	SCS	Early Years - Gross - Children's centre development team - release of uncommitted budget	-300
SCS	Fostering - Gross - Related foster payments - drive to move children from Kinship to Related Fostering	+317	SCS	Preventative Children's services - Gross - Independent sector day care non disability- renegotiated day care rate	-249
SCS	Leaving care - Gross - VAT liability	+295	SCS	Strategic Management & Directorate Support - Gross - Vacancies within Performance & Information Management unit	-190
SCS	Adoption - Gross - Increase in cost of placements	+192	SCS	Early Years - Gross - additional income for increased payments for 2, 3 & 4 year olds	-155
SCS	Preventative Children's services - Gross - increased cost of MASH due to lease changes	+188	SCS	Preventative Children's services - Gross - Costs re-classified as legal costs	-150

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
SCS	Residential - Gross - In house respite care for disabled children - complexity of needs	+166	SCS	Preventative Children's Services - Income - loss of joint funding from health	-150
SCS	Early Years - Gross - additional costs due to increased payments for 2, 3 & 4 year olds	+155	SCS	Children's centres - Income - Various income for utilities, activities etc	-128
SCS	Legal Charges - Gross - costs moved from S.17	+150			
SCS	Preventative Children's Services - Gross - renegotiated commissioned services	+150			
SCS	Children's centres - Gross - Various spend on utilities, activities etc	+128			
SCS	Residential - Gross - Disability Independent Sector - increase in the overall number of placements	+100			
	SCS PORTFOLIO TOTAL	**+14,299**		**SCS PORTFOLIO TOTAL**	**-5,475**
ASCPH	Domiciliary Care - Older People Income: under-recovery of client income due to reduced activity	+1,562	ASCPH	Residential Care - Learning Disability Gross: preserved rights number of weeks forecast to be lower than affordable level	-1,359
ASCPH	Domiciliary Care - Learning Disability Gross: forecast unit cost higher than affordable level	+1,017	ASCPH	Residential Care - Older People Gross: forecast number of weeks lower than affordable level	-1,359
ASCPH	Residential Care - Learning Disability Gross: forecast number of weeks greater than affordable level	+1,016	ASCPH	Residential Care - Older People Gross: release of contigency to help fund pressures on nursing care	-1,344
ASCPH	Residential Care - Older People Income: forecast unit charge lower than affordable level	+871	ASCPH	Direct Payments - Older People Gross: forecast number of weeks lower than affordable level	-1,278
ASCPH	Residential Care - Learning Disability Gross: preserved rights unit cost forecast to be higher than affordable level	+868	ASCPH	Domiciliary Care - Older People Gross: forecast number of hours lower than affordable level	-1,003
ASCPH	Nursing Care - Older People Gross: forecast number of weeks higher than affordable level	+829	ASCPH	Supported Accommodation - Learning Disability Gross: expected net drawdown from social care supported living costs reserve	-902
ASCPH	Direct Payments - Older People Gross: forecast unit cost higher than affordable level	+803	ASCPH	Domiciliary Care - Learning Disability Gross: forecast number of hours lower than affordable level	-873
ASCPH	Residential Care - Older People Income: forecast number of weeks lower than affordable level	+742	ASCPH	Residential Care - Physical Disabiltiy Gross: forecast number of weeks lower than affordable level	-816
ASCPH	Supported Accomodation - Learning Disability Income: forecast unit charge lower than affordable level	+709	ASCPH	Day Care - Older People Gross: savings from re-commissioning strategies in both in-house & external services	-685
ASCPH	Residential Care - Older People Income: lower income resulting from the placing of less permanent clients in in-house units	+677	ASCPH	Domiciliary Care - Older People Gross: Savings from the Kent Enablement at Home service as a result of forecast activity below budgeted level	-580
ASCPH	Nursing Care - Older People Gross: forecast unit cost higher than affordable level	+613	ASCPH	Direct Payments - Learning Disability Gross: forecast number of weeks lower than affordable level	-540
ASCPH	Nursing Care - Older People Gross: additional nursing care to be recharged to health (RNCC)	+471	ASCPH	Direct Payments - Physical Disability Gross: forecast number of weeks lower than affordable level	-521
ASCPH	Residential Care - Learning Disability Income: preserved rights unit charge forecast is lower than affordable level	+435	ASCPH	Residential Care - Older People Gross: preserved rights forecast number of weeks lower than affordable level	-488

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Domicilary Care - Physical Disability Gross: forecast unit cost higher than affordable level	+416	ASCPH	Nursing Care - Older People Income: additional nursing care to be recharged to health (RNCC)	-471
ASCPH	Day Care - Learning Disability Gross: pressure on the commissioning of external day care services	+391	ASCPH	Assessment Adult's Social Care Staffing Gross: delay in recruitment to known vacancies	-391
ASCPH	Domiciliary Care - Learning Disability Income: changing client profile in the Independent Living Service leading to reduced levels of support for those clients in receipt of external funding	+337	ASCPH	Nursing Care - Older People Income: forecast number of weeks higher than affordable level	-356
ASCPH	Residential Care - Older People Gross: integrated care centre health costs to be recharged to the PCT	+332	ASCPH	Domiciliary Care - Older People Gross: savings on block contracts	-354
ASCPH	Domiciliary Care - Older People Gross: forecast unit charge higher than affordable level	+311	ASCPH	Residential Care - Learning Disability Income: forecast unit charge greater than affordable level	-353
ASCPH	Supported Accomodation - Learning Disability Gross: Establishment of new supporting independence service & further transfer of clients from other LD	+285	ASCPH	Residential Care - Older People Income: integrated care centre health costs to be recharged to the PCT	-332
ASCPH	Residential Care - Older People Gross: staffing pressure on in-house units due to absences and vacancy cover	+277	ASCPH	Day Care - Learning Disability Gross: staffing savings on in-house service from modernisation strategy & reduced client numbers	-317
ASCPH	Residential Care - Older People Gross: forecast unit cost higher than affordable level	+267	ASCPH	Residential Care - Older People Gross: Drawdown from NHS support for social care reserve	-279
ASCPH	Direct Payments - Learning Disability Income: forecast unit charge lower than affordable level	+234	ASCPH	Nursing Care - Older People Gross: Drawdown from NHS support for social care reserve	-279
ASCPH	Direct Payments - Physical Disability Gross: one-off payments in excess of budgeted level	+200	ASCPH	Other Adult Services Income: PCT contributions towards purchase of new telecare/telehealth server & equipment	-258
ASCPH	Domicilary Care - Older People Gross: estimated contribution to the bad debt provision to cover rising client debt levels	+200	ASCPH	Supported Accommodation - Learning Disability Gross: forecast unit cost lower than budgeted level	-257
ASCPH	Residential Care - Mental Health Gross: unit cost forecast to be higher than affordable level	+199	ASCPH	Nursing Care - Older People Income: forecast unit charge higher than affordable level	-254
ASCPH	Other Adult Services Gross: transfer of clients from OP Domiciliary Care to the Provider Managed Services Pilot	+198	ASCPH	Domicilary Care - Physical Disability Gross: forecast number of hours lower than affordable level	-245
ASCPH	Residential Care - Learning Disability Gross: delay in the review of in-house units	+192	ASCPH	Direct Payments - Older People Income: forecast unit charge higher than affordable level	-240
ASCPH	Residential Care - Physical Disabiltiy Gross: forecast unit cost is higher than affordable level	+184	ASCPH	Suppported Accommodation - Learning Disability Gross: underspend on group home budgets as part of the modernisation of Learning disability in-house services	-216
ASCPH	Other Adult Services Gross: higher unit cost paid per meal resulting from drop in number of meals provided	+180	ASCPH	Domiciliary Care - Older People Gross: savings on the provision of domi care to clients within sheltered accommodation	-202
ASCPH	Other Adult Services Gross: current telecare/telehealth equipment commitments are higher than grant available	+175	ASCPH	Other Adult Services Gross: Learning Disability Development Fund underspend resulting from review of payments to organisations and redeployment of staff	-182

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Residential Care - Learning Disability Gross: forecast unit cost higher than affordable level	+176	ASCPH	Strategic Management & Directorate Support Gross: vacancies within the performance & information unit.	-162
ASCPH	Domiciliary Care - Older People Gross: pressure on the provision of enablement services by external providers	+174	ASCPH	Other Adult Services Gross: redeployment of staff within the telecare/telehealth service	-148
ASCPH	Direct Payments - Older People Income: forecast number of weeks lower than affordable level	+164	ASCPH	Domilicary Care - Older People Gross: Drawdown from NHS support for social care reserve	-139
ASCPH	Residential Care - Learning Disability Income: preserved rights number of weeks forecast to be lower than affordable level	+146	ASCPH	Supported Accommodation - Physical Disability/Mental Health Income: forecast unit charge higher than affordable level	-137
ASCPH	Direct Payments - Physical Disability Gross: forecast unit cost higher than affordable level	+145	ASCPH	Direct Payments - Physical Disability Income: forecast unit charge higher than affordable level	-134
ASCPH	Domiciliary Care - Learning Disability Gross: pressure on Extra Care Sheltered Housing	+144	ASCPH	Supported Accommodation - Mental Health Gross: savings resulting from introduction of Supporting Independence Service	-128
ASCPH	Other Adult Services Gross: costs associated with purchase of new server & licence for telecare/telehealth service	+135	ASCPH	Supported Accommodation - Learning Disability Gross: Release of unrealised creditors set up in 2011/12	-100
ASCPH	Strategic Management & Directorate Support Gross: estimated legal charges pressure based on 11-12 outturn.	+133			
ASCPH	Direct Payments - Learning Disability Gross: one-off direct payments higher than recovery of surplus funds from long term clients	+131			
	ASC&PH PORTFOLIO TOTAL	**+16,339**		**ASC&PH PORTFOLIO TOTAL**	**-17,682**
EHW	Landfill Tax - Additional waste (approx. 22,000 tonnes) sent to landfill due to extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+1,435	EHW	Disposal Contracts - reduced level of residual waste being processed at the Allington Waste to Energy plant and sent to landfill due to extended planned maintenance	-3,281
EHW	Highways: Adverse Weather - Additional salting runs and snow clearance	+1,000	EHW	Highways: Highways Improvements - Drawdown of revenue balance sheet income to fund revenue contribution to capital	-980
EHW	Highways: Highways Improvements - Revenue contribution to capital for Ashford Drovers roundabout scheme	+980	EHW	Highways: Streetlight maintenance - drawdown of funds held in the revenue balance sheet for streetlight column replacement	-600
EHW	Commercial Services - shortfall in contribution due to approved costs of restructure and reorganisation	+640	EHW	Highways: Streetlight energy	-540
EHW	Highways: Streetlight maintenance - revenue contribution to capital for streetlight column replacement	+600	EHW	Highways General Maintenance and Emergency Response: drawdown of funds held in the revenue balance sheet to fund replacement barriers	-500
EHW	Highways: Highways Drainage - additional costs due to exceptional wet weather conditions	+500	EHW	Payments to Waste Collection Authorities (District Councils) - reduced tonnage meaning reduced level of recycling credits paid to Districts	-441

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Highways General Maintenance and Emergency Response: RCCO for replacement of barriers	+500	EHW	Household Waste Recycling Centres - additional income from textiles contract	-407
EHW	Commercial Services - rephasing of delivery of increased income target into 2013-14	+430	EHW	Highways: Traffic Management - Permit Scheme income	-325
EHW	Disposal Contracts - additional volumes of waste (approx 22,000 tonnes) sent to landfill as a result of the extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+375	EHW	Household Waste Recycling Centres - reduced haulage fees as waste tonnage below affordable level	-264
EHW	Highways: General maintenance and emergency response - dual carriageway maintenance	+282	EHW	Highways: Traffic Management - contract saving	-263
EHW	Highways: Road Safety - increased speed awareness costs offset by increased income	+258	EHW	Haulage & Transfer Stations - waste tonnage below affordable level	-236
EHW	Highways: Tree maintenance, grass cutting and weed control - Tree stump removal	+252	EHW	Highways: General maintenance and emergency response - depots maintenance and energy	-234
EHW	Transport Services: Freedom Pass - change of education transport policy	+246	EHW	Transport Services: Concessionary Fares - reduced usage	-232
EHW	Recycling Contracts and Composting - increase in prices	+235	EHW	Highways: Traffic Management - s74 and road closure income	-226
EHW	Highways: Tree maintenance, grass cutting and weed control - Additional weed control activity due to exceptional rainy weather	+216	EHW	Strategic Management & Directorate Support - strategic management uncommitted balances	-201
EHW	Strategic Management & Directorate Support - revenue contribution to capital for Cyclopark scheme	+201	EHW	Highways: Highways Improvements - savings from procurement exercise on resurfacing budget to offset drainage pressures	-179
EHW	Highways: Highways Drainage - backlog of scheduled cleaning	+200	EHW	Strategic Management & Directorate Support - saving on feasibility studies for major Transportation projects	-175
EHW	Planning Applications - under recovery of income due to reduced number of planning applications; offset by vacancies within staffing	+190	EHW	Highways: Road Safety - increased income for speed awareness courses to offset increased costs	-153
EHW	Highways: General maintenance and emergency response - increased overnight emergency response costs	+160	EHW	Highways: Road Safety - bicycle training reduced costs	-140
EHW	Highways: Tree maintenance, grass cutting and weed control - Shrub maintenance due to exceptional rainy weather	+150	EHW	Recycling Contracts and composting is approximately 9,600 tonnes under budget	-134
EHW	Commercial Services - shortfall in contribution due to one off restructuring costs	+150	EHW	Household Waste Recycling Centres - income from lead acid batteries	-110
EHW	Highways: Road Safety - bicycle training reduced income offset by reduced costs	+130	EHW	Planning Applications - staffing vacancies offsetting reduced income from planning applications	-107
EHW	Highways: General maintenance and emergency response - relocation of Transport Integration Team	+120	EHW	Highways: Bridges & Other Structures - reduction in maintenance fees from external contractors	-100
EHW	Transport Services: Freedom Pass - increased usage	+108			

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Household Waste Recycling Centres - bad debts written off	+107			
EHW	Highways: Bridges & Other Structures - reduction in income from external contractors for maintenance fees	+100			
	EH&W PORTFOLIO TOTAL	**+9,565**		**EH&W PORTFOLIO TOTAL**	**-9,828**
C&C	Contact Centre & Consumer Direct: reduction in income linked to reduced call volumes for Consumer Direct	+520	C&C	Registration Service: additional income from ceremonies & associated licences	-582
C&C	Community Learning & Skills: reduced tuition fee income from course fees for 2012-13 academic year	+321	C&C	Contact Centre & Consumer Direct: reduction in staff numbers in line with reduced call volumes for Consumer Direct	-470
C&C	Library Service: underrecovery of income from a company which is in the process of going into liquidation	+224	C&C	Strategic Management & Directorate Support: Staff savings following Heads of Service & senior management reviews	-434
C&C	Registration Service: purchase of additional software licences	+220	C&C	Library Service: managed underspend to offset unrecovered income from a company facing liquidation	-302
C&C	Youth Service: Increased activities at Youth centres/hubs	+212	C&C	Corporate Communications: staff savings from restructure & unspent roll forward	-287
C&C	Registration Service: purchase of equipment	+200	C&C	Supported Independence & Supported Employment: staffing underspend within KSE	-252
C&C	Supporting Independence: increase in grants to external providers to support the Neighbourhood Community Projects	+165	C&C	Supporting People: release of unrealised creditors from prior years	-224
C&C	Strategic Management & Directorate Support: expenditure on directorate priorities & Invest to Save Projects	+154	C&C	Community Learning & Skills: better than expected performance against Adult Skills contract in summer term resulting in increased income from Skills Funding Agency	-200
C&C	Youth Service: Outdoor Education reduction in use by external clients due to inclement weather	+141	C&C	Strategic Management & Directorate Support: staff savings from delay in recruiting to posts following Business Transformation restructure	-189
C&C	Youth Service: costs of global camp at Swattenden Centre during the Olympics	+119	C&C	Registration Service: staffing savings due to holding vacancies during restructure & integration with Libraries & Archives services	-182
C&C	Community Wardens: One-off contribution to Independent Domestic Violence Advocate Fund	+110	C&C	Youth Service: increased income at Youth Centres/hubs	-170
			C&C	Community Wardens: staff vacancies	-166
			C&C	Supporting People: savings from re-tendering of contracts effective from October 2013	-160
			C&C	Gateways: re-phasing of opening and change in specification of Swanley & Herne Bay gateways	-159
			C&C	Youth Offending Service: staff vacancy savings pending notification of future funding levels from Youth Justice Board	-158
			C&C	Trading Standards (including KSS): staffing vacancies	-150
			C&C	Emergency Planning: release of Oil Pollution Boom reserve	-136

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
			C&C	Youth Offending service: lower activity levels than expected in secure accomodation placements	-131
			C&C	Community Learning & Skills: effects of management action taken to offset income shortfall	-121
			C&C	Youth Service: costs of global camp at Swattenden Centre during the Olympics part funded by draw down from Big Events Fund reserve	-106
	C&C PORTFOLIO TOTAL	**+2,386**		**C&C PORTFOLIO TOTAL**	**-4,579**
	R&ED PORTFOLIO TOTAL	**+0**		**R&ED PORTFOLIO TOTAL**	**-0**
F&BS	transfer of forecast underspend on Insurance Fund to the Insurance reserve	+1,250	F&BS	savings on debt charges due to re-phasing of capital programme in 11-12, together with no new borrowing in 12-13	-4,572
F&BS	Increase in MRP	+403	F&BS	Earmarked funding held within unallocated budgets to offset anticipated shortfall in Commercial Services contribution & other pressures	-3,048
F&BS	Finance & Procurement Gross: additional Edukent costs, primarily for the Contractor Services Billing system	+281	F&BS	Reduction in anticipated insurance claims	-1,250
F&BS	Finance & Procurement Income: reduced income for Edukent	+249	F&BS	Finance & Procurement Gross: draw down of Dedicated Schools Grant - Central Expenditure reserve to offset pressure within Edukent	-530
F&BS	Contribution to economic downturn reserve of 2012-13 write down of discount saving from 2008-09 debt restructuring	+159	F&BS	underspend on leases	-452
F&BS	Finance & Procurement Gross: relocation and accommodation costs following centralisation	+140	F&BS	Finance & Procurement Gross - staffing underspend	-302
			F&BS	2012-13 write down of discount saving from 2008-09 debt restructuring	-159
			F&BS	anticipated underspend on carbon reduction commitment energy efficiency scheme	-150
			F&BS	underspending against the other financing items budgets	-125
			F&BS	underspend against local authority subscriptions budget	-100
	F&BS PORTFOLIO TOTAL	**+2,482**		**F&BS PORTFOLIO TOTAL**	**-10,688**
BSPHR	Property & Infrastructure Gross - extensions to leasehold payments; and more cautious approach to capitalising expenditure	+996	BSPHR	ICT Income: Information Systems income from additional pay as you go activity	-767
BSPHR	ICT Gross: Information Systems costs of additional pay as you go activity	+767	BSPHR	Property and Infrastructure Income - Use of Local Authority Capital Maintenance Grant to fund revenue expenditure previously categorised as capital	-580

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
BSPHR	Human Resources Income - under recovery of income target by Schools Personnel Service	+327	BSPHR	Property & Infrastructure Gross - management action/underspend on central budgets	-505
BSPHR	Governance & Law Income - difficulties in generating new external work	+317	BSPHR	Human Resources Gross - underspend on Schools Personnel Service mainly on salaries, partially off-setting under delivery of income target	-285
BSPHR	Human Resources Gross - pressure on Employee Services budget mainly on staffing	+299	BSPHR	Human Resources Income - increased Employee Services income	-256
BSPHR	Human Resources Gross - pressure on providing training	+187	BSPHR	Human Resources Income - aditional training income	-177
BSPHR	Human Resources Gross - increased spend relating to Rewards	+100	BSPHR	Property & Infrastructure Gross - re-phasing of New Ways of Working initiative	-164
			BSPHR	Governance & Law Gross - vacancies on staffing	-154
			BSPHR	Business Strategy Gross - staffing underspend	-124
			BSPHR	Human Resources Income - increased income relating to Rewards	-122
			BSPHR	Human Resources Gross - underspend on Kent Graduate Programme	-121
	BSP&HR PORTFOLIO TOTAL	**+2,993**		**BSP&HR PORTFOLIO TOTAL**	**-3,255**
			D&P	Reduction in External Audit Fee	-150
	D&P PORTFOLIO TOTAL	**+0**		**D&P PORTFOLIO TOTAL**	**-150**
		+62,783			**-64,073**

3.4 Key issues and risks

3.4.1.1 **Education, Learning & Skills portfolio:** Forecast (excl. schools) **-£4.068m**

There is significant re-phasing of the Kent Youth Employment Programme as grants to employers for placements of unemployed young people are only made following completion of 6 months and 12 months in placements. In addition, there is a net surplus on traded activity within the Education Psychology Service, additional special school recoupment income, and the release of contingency held against potential in year costs resulting from the ELS restructure. These underspends are partially offset by additional capitalised pension costs for teachers and legal costs resulting from schools converting to academies. Also, it has not been possible to generate the anticipated savings on an Attendance & Behaviour contract. This has implications for the 2013-14 budget and alternative savings have been found. A saving on mainstream home to school transport due to numbers requiring transport in the new academic year being considerably lower than budgeted levels, in part due to the success of the Freedom Pass and 16+ Travel Card, has been reflected in the 2013-15 MTFP but this is offset by a pressure on SEN home to school transport. However, since the 2013-14 budget was approved, this pressure has increased and if this trend continues the directorate will need to identify additional savings in order to balance next year's budget. Further details are provided in Annex 1.

3.4.1.2 **Education, Learning & Skills portfolio – Schools Delegated:** Forecast **+£5.655m**

This relates to a £1.955m reduction in schools reserves resulting from an anticipated 35 schools converting to academy status this financial year and taking their accumulated reserves with them, together with a reduction of £3.700m for the remaining Kent schools, based on their second monitoring returns for this financial year detailing their nine monthly forecasts.

3.4.2.1 **Specialist Children's Services portfolio:** Forecast **+£5.981m**

There has been a continuation of the demand pressures experienced during 2011-12 mainly on Fostering, Residential Children's Services and Adoption together with the associated impact on legal costs and children's social care staffing. These pressures are partially offset by underspending across the 97 Children's Centres and some re-phasing of the strategies relating to early intervention and prevention. In addition, there has been a shift from providing independent sector day care and short breaks to children with a disability to providing direct payments instead. Further details are provided in Annex 2.

3.4.2.2 **Specialist Children's Services portfolio - Asylum:** Forecast **+£3.082m**

This potential pressure is in respect of both unaccompanied asylum seeking children and those eligible under the care leaving legislation. A full report on the Asylum issues is elsewhere on this agenda.

3.4.3 **Adult Social Care & Public Health portfolio:** Forecast **-£1.619m**

There is lower than budgeted demand for direct payments, day care, supported accommodation and residential care for Older People and those with a physical disability. These underspends are partially offset by increased demand for Older People nursing care, domiciliary care and residential care for clients with learning disabilities or mental health needs. From the 1st October, the Supporting Independence Service contract was introduced and the forecast outturn includes the estimated effect of this contract. The Supporting Independence Service contract is a new purchasing method covering the purchase of community support services, supported accommodation and supported living services. Cash limits were transferred in quarter 2 to reflect the service lines that clients transferred to, which included a transfer from domiciliary care and supported accommodation to either the supporting independence service (reported within the Supported Accommodation A-Z budget heading) or direct payments (where clients chose this option instead, in order to remain with their existing service providers). Further details are provided in Annex 3.

3.4.4 **Environment, Highways & Waste portfolio:** Forecast **-£0.592m**

There is an underspend on the waste budgets of £2.6m, reflecting a continuation of the savings experienced in 2011-12 as a result of lower than budgeted waste tonnage, the impact of changes to the operating policies at Household Waste Recycling Centres, effective from 1 October 2012, to exclude commercial waste from the sites and new income streams from recyclates. However this is offset by an estimated £1m cost of the additional salting runs and snow clearance in January and early February and a £1.2m anticipated shortfall in the contribution from Commercial Services due to additional approved costs of restructuring and a re-phasing of the increased income target built into the current year budget, now expected to be achieved in 2013-14. Within Highways and Transportation, additional costs of dual carriageway maintenance, shrub maintenance, tree stump removal and additional weed control and drainage costs as a result of the exceptionally rainy weather, are largely offset by additional income from the Permit Scheme and lower than anticipated costs of streetlight energy. In addition, a number of revenue contributions to capital to fund pressures within the capital programme are being funded by a drawdown of funds from the revenue balance sheet. Further details are provided in Annex 4.

3.4.5 **Customer & Communities portfolio:** Forecast **-£2.343m**

This underspend is largely due to staffing savings across many units following restructuring and because vacancies are being held in anticipation of future funding reductions and/or savings approved as part of the 2013-15 MTFP, in order to minimise the impact of compulsory redundancies wherever possible, but only where the impact on front line delivery has been negligible or fully mitigated. However, there are some one-off pressures within the Libraries, Registration & Archives Service, which are being offset by management action within the Library Service and additional income from ceremonies and associated licences within the Registration Service. Also, there are savings from the re-tendering of contracts and the release of unrealised creditors within the Supporting People service; fewer than budgeted secure accommodation placements within the Youth Offending service; the release of a reserve following effective commissioning arrangements within Emergency Planning and a delay in the opening of the Herne Bay and Swanley Gateways providing a saving on running costs in this financial year. In addition, there is a reduction in the call volumes being experienced within Consumer Direct resulting in a loss of income, as income is calculated on a price per call; however this is offset by reduced staffing costs in line with the reduction in call volumes. Part of the roll forward from 2011-12 for the back log of long inquests within the Coroners service will be required to roll forward to 2013-14 due to re-phasing. Further details are provided in Annex 5.

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

3.4.6.1 **Finance & Business Support portfolio**: Forecast **-£0.200m**

This underspend is as a result of many appointments being made to the new structure at the bottom of the grade, whereas the budget is set at the mid-point of grade. This saving is partially offset by one-off relocation and accommodation costs as a result of the centralisation of the function.

3.4.6.2 **Business Strategy, Performance & Health Reform portfolio**: Forecast **-£0.354m**

A shortfall in income within Governance & Law due to difficulties in generating new external work is being offset by staffing vacancy savings within Governance & Law and Business Strategy, and a saving on the Kent Graduate Programme within Human Resources (HR) due to staff finding permanent jobs and leaving the scheme early. Also within HR, the under-delivery of challenging income targets within the Schools Personnel Service is being largely offset by staffing savings; pressure on staffing within Employee Services due to increased demand to support many divisional restructures and service transformations is being largely offset by additional income and the additional costs of providing training, especially professional training for social workers, are being largely offset by additional income. Within Property & Infrastructure, savings from vacating lease hold properties have not happened as quickly as anticipated due to changes in requirements as a result of service transformations and restructures throughout the Council, also there has been a more cautious approach to capitalising expenditure in accordance with accounting requirements, and dedicated resources have been put in place to programme manage the New Ways of Working initiative which will give greater clarity on timelines for coming out of properties. These pressures are offset by management action within Property Group and the use of capital grant to fund the revenue costs which have previously been capitalised. This treatment is in accordance with the grant rules. Roll forward will be required to fund the re-phasing of office moves associated with the New Ways of Working initiative.

3.4.6.3 **Democracy & Partnerships portfolio**: Forecast **-£0.203m**

This forecast underspend is made up of a number of small variances, mainly within the Finance – Internal Audit and Business Strategy – International & Partnerships units.

Further details are provided in Annex 6.

3.4.7 The key issues within the Financing Items budgets are:

3.4.7.1 **Finance & Business Support portfolio:** Forecast **-£8.044m**.

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

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

This underspend relates to the external audit fee where a combination of outsourcing of the Audit Commission's in-house Audit Practice and their own internal efficiency savings means that the Audit Commission is able to pass on significant reductions in audit fees this year to audited bodies. These lower fees are fixed for five years irrespective of inflation, and will help public bodies at a time when budgets are under pressure. This saving has been reflected in the 2013-15 MTFP.

Further details are provided in Annex 7.

3.4.8 In the context of a savings requirement of around £80m and on the back of delivering a £95m saving target last year, and the continued high demand for Specialist Children's Services throughout the year, an overall forecast underspending position is a considerable achievement. The position will be closely monitored throughout the remainder of the financial year and every effort will be made to ensure that we retain an underspend of at least £5m, which is required to roll forward to support the 2013-14 approved budget.

3.5 **Implications for future years/MTFP**

3.5.1 The key issues and risks identified above have been addressed in directorate medium term plans (MTFP) for 2013-15. Although most pressures, excluding those within Specialist Children's Services (SCS), are forecast to be largely offset by underspending or management action this year, some of the underspending and management action is likely to be one-off or not sustainable for the longer term. Consequently the 2013-15 MTFP put all services, into a fully funded base budget position for the start of 2013-14 and reflects predicted changes in activity levels and service delivery. However, since the 2013-14 budget was approved, the pressure on the SEN Home to School Transport has increased and if this trend continues the ELS directorate will need to indentify additional savings in order to balance next year's budget. These and other pressures and savings are detailed in the annex reports. With regard to the pressures within SCS, as well as providing funding in the 2013-15 MTFP for the full year effect of current numbers of Looked After Children, controls and early intervention services have been put in place, which are expected to reduce the financial pressure on these services over the medium term.

4. CAPITAL

4.1 The Capital Programme 2012-15 has an approved budget of £634.807m, excluding PFI. The forecast outturn against this budget is £602.255m, giving a variance of -£32.552m. This is made up of an unfunded variance of +£1.167m, re-phasing to later years of -£31.281m, funded variances of +£19.528m and project underspends of -£21.966m.

4.2 Table 1 – Revised approved budget

	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customers & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens' Services
	£m	£m	£m	£m	£m	£m	£m	£m
Approved budget last reported to Cabinet	629.382	21.498	33.476	13.551	275.660	180.201	104.227	0.769
Approvals made since last Cabinet meeting	5.425	0.073	-0.136	0.136	5.418	0.000	0.000	-0.066
Revised approved budget	634.807	21.571	33.340	13.687	281.078	180.201	104.227	0.703

4.3 Table 2 – Funded and Revenue Funded Variances

	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customers & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens' Services
Scheme	£m	£m	£m	£m	£m	£m	£m	£m
Cabinet to agree cash limit changes:								
Highway Major Enhancement	6.723					6.723		
Integrated Transport Schemes	-0.450					-0.450		
Folkestone Activities, Respite & Rehabililtation Care Centre	0.007	0.007						
Youth Vehicles	0.041			0.041				
Platt CEPS	0.633				0.633			
Total Funded Variances	6.954	0.007	0.000	0.041	0.633	6.273	0.000	0.000
No cash limit changes to be made:								
Highway Major Enhancement	1.368					1.368		
Integrated Transport Schemes	1.396					1.396		
Member Highway Fund	0.217					0.217		
Non TSG Land and Part 1 claims	0.040					0.040		
Energy Water Efficiency KCC/External	0.097					0.097		
Coldharbour Gypsy site	0.060					0.060		
Ashford Drovers Roundabout	3.023					3.023		
Cyclopark						0.250		
A28 Chart Road						3.600		
Ashford, Thanet & Swale MASH	0.006							0.006
Public Rights of Way	0.085			0.085				
Country Parks	0.015			0.015				
Youth Vehicles	0.146			0.146				
Trading Standards Vehicles	0.017			0.017				
Tonbridge Youth Facility	0.025			0.025				
St Johns/Kingsmead	0.646				0.646			
Goat Lees	0.013				0.013			
Basic Need - 2012-13	-0.765				-0.765			
Basic Need Future Years	0.977				0.977			
The Judd	-0.420				-0.420			
Archbishop Courtenay	0.040				0.040			
Modernisation Prog.	0.491				0.491			
Quarryfields	0.060				0.060			
Rendezvous Site Margate							0.002	
Total	18.343	0.007	0.000	0.329	1.675	16.324	0.002	0.006

4.4 Table 3 – Summary of variance

	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customers & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens' Services
	£m	£m	£m	£m	£m	£m	£m	£m
Unfunded variance	1.167	0.000	0.000	0.000	0.000	0.060	0.000	1.107
Funded variance (from table 2)	16.478	0.007	0.000	0.063	2.760	13.648	0.000	0.000
Variance to be funded from revenue	3.050	0.000	0.000	0.266	0.100	2.676	0.002	0.006
Project underspend	-21.966	0.000	-0.700	-0.005	-1.185	-7.775	-12.284	-0.017
Rephasing (to/from 2012-15)	-31.281	-1.418	0.000	0.000	0.000	-8.130	-21.733	0.000
Total Variance	-32.552	-1.411	-0.700	0.324	1.675	0.479	-34.015	1.096

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

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

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

- **MASH SCS (Overspend +£1.113m)**
  Latest MASH estimates show a forecast variance of £1.113m in 2012-13. This reflects a continuing pressure and has not changed since last reported to Cabinet. £0.006m of the overspend is to be funded from a revenue contribution, and there is anticipated external funding of £0.800m which is awaiting confirmation from the NHS. If this is forthcoming there remains an unfunded variance of £0.307m, the funding of which is yet to be resolved.

- **Coldharbour Gypsy site E&E: Amber (Overspend +£0.120m)**
  The main reason for the overspend is that unplanned works needed to be carried out by utility companies to avoid any damage to the existing cable and pipes. Part of the overspend (£0.060m) is to be funded from the Homes & Communities Agency (HCA).
  Action is still being taken to confirm the remaining £0.060m.

4.6 Summary of schemes which are re-phasing:

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

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

- **Sandwich Sea Defence E&E**
  The project has been re phased by £1.016m to reflect the agreed schedule of planned contribution from KCC to the Environment Agency.

- **Kent Thameside Strategic Programme E&E**
  With continued uncertainty over future public sector funding commitment to this programme a review has been carried out. As a result, the delivery of the programme has been re-phased beyond 2012-15 by £0.966m. There is a reduction of forecast spend by £0.323m within the 3 year period to reflect reduced external funding available for this scheme.

- **Country Park Access & Development C&C**
  The improvements to the car park at Manor Park is now expected to be completed by September 2013. Initially the works were due to be completed by the year end but the bedding in of the new grasscrete surface is going to take longer than expected, which would mean the car park being closed over the busiest summer months, so the commencement date has been rescheduled accordingly.

- **Tunbridge Wells Library C&C**
  Practical completion is now scheduled to occur in the next financial year due to a combination of issues including protracted procurement and contractual processes as well as changes to specification. Contracts have now been signed.

- **Edenbridge Community Centre C&C**
  The contractor submitted an extension of time request in relation to the construction of the Edenbridge Centre and the associated housing development. The impact of this was that the opening of the centre was delayed. The facility is being opened in phases with the Church and the Library opening their doors on the 2 January 2013. The remaining partners will be moving in over the coming months. The official opening event will be held on the 6 March 2013.

- **Gateways C&C**
  The ICT Multi-Channel project has been re-aligned to run in parallel with the ICT Infrastructure investment (within the BSS portfolio) and the requirements of the single customer account as the various projects are dependent on one another.

- **Integrated Childrens System BSP&HR**
  The original project timeline with the practical completion date of 31 March 2013, was optimistic and once the project team started working through the detail it became evident that it was not achievable. It has been agreed to phase the roll out, which would see the main part of ICS going live at the end of May 2013.

- **Enterprise Resource Programme (Phase 1) BSP&HR**
  This project was originally planned to be completed by 31st March 2013. Synchronised sign on and elements of remote access work streams cannot be delivered until server refresh has completed. This has resulted in a small amount of re-phasing (-£0.114m) into 2013-14.

- **Property Asset Management System BSP&HR**
  The specification for the system was drawn up when the business was very different. A business analysis is being undertaken to double check suitability of the preferred system and to ensure that Atrium delivers what is required. This has delayed implementation of the new system from March 2013 to December 2013. The impact of this is that the current Atrium system will now be retired by September and the Enterprise system by December.

- **Regional Growth Fund REG**
  -£15.434m has been re-profiled beyond 2012-15 based on the best estimates of applications expected for the Expansion East Kent Fund. It is still anticipated that the money will be distributed in accordance with the grant rules and within the timescale specified.

- **Broadband REG**

-£5.000m has been re-phased to beyond 2012-15. Due to delays at a national level in finalising the BDUK procurement framework and the UK state aid notification with the EU, the implementation of the Kent and Medway BDUK programme has been delayed. As a result, suppliers are now informing Government that it will be necessary to extend the implementation window beyond March 2015. Given that Kent has an early slot on the procurement pipe line, we anticipate that the project will be completed by the end of December 2015. We anticipate that we should have a more detailed spend profile post procurement in April 2013.

4.7 Summary of Projects which are underspending:

- **Basic Need - Modular Classrooms: (underspend -£0.765m) and Modernisation Programme 2008/09/10 (The Judd School) (underpsend -£0.420m) ELS portfolio**
  These underspends are to be used to offset pressures elsewhere within the ELS capital programme.

- **Growth Without Gridlock: (underspend -£5.000m) EH&W portfolio**
  The whole programme has been reviewed in light of the achievability of schemes within the timescale and as part of the capital budget process for 2013-16 the programme has been reduced by £5.000m.

- **HWRC - Ton & Malling: (underspend -£1.000m) EH&W portfolio**
  Based on a review of the project as part of the 2013-16 budget process, the cost of this scheme has been reduced by £1.000m.

- **East Kent Access Road Phase 2: (underspend -£0.452m) EH&W portfolio**
  The underspend reflects the agreement on the main contract final account, revised estimates for land acquisition based on progress with land negotiations and revised LCA part 1 claim estimates based on a review with the completed scheme now operational.

- **Kent Thameside Strategic Programme: (underspend -£0.323m) EH&W portfolio**
  There is a reduction of forecast spend by £0.323m within the 3 year period to reflect reduced external funding available for this scheme.

- **Victoria Way: (Underspend -£0.210m) EH&W portfolio**
  Reduced forecast reflects the agreement on the main contract final account and associated risk.

- **Sittingbourne Northern Relief Road: (underspend -£0.160m) EH&W portfolio**
  Overall predicted scheme outturn has been reduced. This follows the completion of wider signing works with actual cost less than originally estimated together with a further reduction in residual risk provision.

- **Local Authority Mortgage Scheme: (underspend of -£12.000m) R&ED portfolio**
  The LAMS initiative is now to be handled as part of the Investments and Treasury function and therefore will no longer form part of the capital monitoring.

- **Euro Kent: (underspend of -£0.284m) R&ED portfolio**
  There forecast underspend is due to a reduction in the forecast of compensation claims which are payable under the Land Compensation Act Part 1.

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

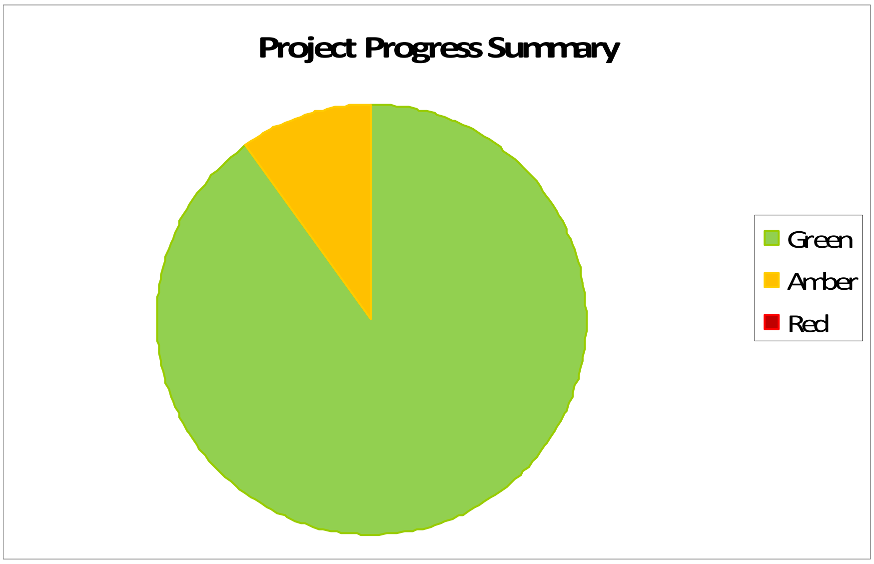
4.8 Summary of projects by Status

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

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

4.8.3 Table 5 – Project Progress summary by Directorate

	Number of Schemes			
	Green	Amber	Red	Total
ELS	60	0	0	60
FSC	16	3	0	19
E&E	30	4	0	34
C&C	19	4	0	23
BSS	29	6	0	35
Total	154	17	0	171



4.9 Good News Stories

E&E Directorate

4.9.1 In the last quarter there has been significant progress on a number of major scheme residual issues. Final accounts have been agreed for East Kent Access Phase 2 and particularly for Drovers Roundabout - M20 J9 and Victoria Way, Ashford. There were significant claims associated with these complex schemes delivered against a difficult programme and funding regime.

4.9.2 Cyclopark was formally opened by the Minister of Sport in May 2012 heralding KCC's on going commitment to sport and communities at the beginning of London Olympic Games period with an

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

attendance of over 3000 guests and extensive national press coverage. Primarily an outdoor activity facility, Cyclopark opened at the beginning of what has since been confirmed as the wettest year on record but has, nevertheless, been successful in attracting over 350 events and visitor numbers in excess of 65,000 in its first 10 months. It continues to build upon its success and wider reputation most recently with a cycle ride event with Sir Chris Hoy who was impressed with the facilities saying: "Cyclopark is a great facility and the closed road circuit was perfect for our testing with plenty of twists and turns to get a feel for bikes handling, short climbs and long straights to really push it".

5. FINANCIAL HEALTH

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

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

6. RISK MANAGEMENT

6.1 The Corporate Risk Register was refreshed after consultation with Cabinet Members and the Corporate Management Team and presented to Cabinet on 3rd December 2012. As a result of the refresh three risks were transferred to directorate risk registers (Governance & Internal Control; Academies independence from KCC; and responsiveness to emerging Government reforms and directives).

6.2 Two new risks have been added to the Corporate Risk Register, relating to the overall delivery of KCC savings over the medium term and risks relating to procurement. The Corporate Management Team has also suggested that the Ash Dieback disease, which has started to affect Ash trees in the county, be listed as a corporate risk, due to the potential Health & Safety and financial impacts.

6.3 Progress against mitigating actions for Corporate risks that were due for completion in Q3 is being checked, with findings reported via the Quarterly Performance Report to the Performance & Evaluation Board, Corporate Board and Cabinet. Key actions due in Q4 are also being monitored to ensure they are on track. Insufficient progress against actions will trigger more detailed scrutiny from the Performance & Evaluation Board.

6.4 Directorate risk registers have been re-established or refreshed and reported to Cabinet Committees in January 2013. All of them contain risks of a financial nature and list controls and mitigating actions. Divisional risk registers are also in place and subject to ongoing review.

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

6.6 A Business Intelligence training session, including performance and risk management, will run alongside the Financial Management Development Programme in 2013/14.

7. REVENUE RESERVES

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

Account	Actual Balance at 31/3/12 £m	Projected Balance at 31/3/13 £m	Movement £m
Earmarked Reserves	141.3	134.0	-7.3
General Fund balance	31.7	31.7	-
Schools Reserves *	59.1	53.4	-5.7

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

7.2 The reduction of £7.3m in earmarked reserves includes the contribution to a new council tax equalisation reserve of £7.5m, and a £2m contribution to the Invest to Save reserve, together with the £5m drawdown from reserves, which were all approved as part of the 2012-13 budget, as well as other planned movements in reserves such as IT Asset Maintenance, earmarked reserve to support the 2012-13 budget, Kingshill Smoothing, prudential equalisation, economic downturn reserve, revenue reserve to support projects previously classified as capital eg Member Highway Fund, Elections, repairs and renewals funds and PFI equalisation reserves, together with the anticipated movements in the Insurance Reserve, Regeneration Fund, dilapidations, NHS support for social care, rolling budget and restructure reserves.

7.3 The reduction of £5.7m in the schools reserves is made up of a reduction of £2m due to an anticipated 35 schools converting to academy status this financial year and therefore taking their accumulated reserves with them, together with a reduction of £3.7m for the remaining Kent schools based on their second monitoring returns for this financial year detailing their nine monthly forecasts.

8. STAFFING LEVELS

8.1 The following table provides a snapshot of the staffing levels by directorate as at 31 December 2012 compared to the numbers as at 31 March 2012, 30 June 2012 and 30 September based on active assignments. Between 31 March 12 and 31 December 12, there has been a reduction of 1,418.00 FTEs of which 1,084.67 were in schools and 333.33 were non-schools.

						Difference	
		Mar-12	**Jun-12**	**Sep-12**	**Dec-12**	**Number**	**%**
KCC	Assignment count	44,226	42,875	41,586	41,636	-2,590	-5.86%
	Headcount (inc. CRSS)	37,399	36,226	35,216	35,264	-2,135	-5.71%
	Headcount (exc. CRSS)	33,274	32,061	31,201	31,219	-2,055	-6.18%
	FTE	**24,389.61**	**23,514.33**	**22,978.31**	**22,971.61**	**-1,418.00**	**-5.81%**
KCC - Non Schools	Assignment count	13,901	13,671	13,440	13,333	-568	-4.09%
	Headcount (inc. CRSS)	12,652	12,430	12,237	12,203	-449	-3.55%
	Headcount (exc. CRSS)	10,865	10,613	10,447	10,407	-458	-4.22%
	FTE	**9,186.64**	**8,971.02**	**8,863.43**	**8,853.31**	**-333.33**	**-3.63%**
BSS	Assignment count	1,673	1,559	1,574	1,573	-100	-5.98%
	Headcount (inc. CRSS)	1,665	1,555	1,569	1,569	-96	-5.77%
	Headcount (exc. CRSS)	1,646	1,540	1,552	1,553	-93	-5.65%
	FTE	**1,523.86**	**1,427.96**	**1,443.80**	**1,445.31**	**-78.55**	**-5.15%**
ELS	Assignment count	1,646	1,589	1,527	1,556	-90	-5.47%
	Headcount (inc. CRSS)	1,585	1,526	1,470	1,498	-87	-5.49%
	Headcount (exc. CRSS)	1,295	1,237	1,187	1,214	-81	-6.25%
	FTE	**990.93**	**947.65**	**917.46**	**943.11**	**-47.82**	**-4.83%**
C&C	Assignment count	3,971	3,941	3,832	3,823	-148	-3.73%
	Headcount (inc. CRSS)	3,415	3,398	3,319	3,321	-94	-2.75%
	Headcount (exc. CRSS)	2,274	2,239	2,166	2,144	-130	-5.72%
	FTE	**1,730.35**	**1,706.67**	**1,657.95**	**1,646.10**	**-84.25**	**-4.87%**
E&E	Assignment count	1,205	1,198	1,174	1,162	-43	-3.57%
	Headcount (inc. CRSS)	1,190	1,184	1,160	1,153	-37	-3.11%
	Headcount (exc. CRSS)	1,079	1,072	1,046	1,042	-37	-3.43%
	FTE	**1,028.29**	**1,026.00**	**999.94**	**994.41**	**-33.88**	**-3.29%**
FSC	Assignment count	5,406	5,384	5,333	5,219	-187	-3.46%
	Headcount (inc. CRSS)	4,897	4,865	4,819	4,763	-134	-2.74%
	Headcount (exc. CRSS)	4,611	4,560	4,532	4,488	-123	-2.67%
	FTE	**3,913.21**	**3,862.74**	**3,844.28**	**3,824.38**	**-88.83**	**-2.27%**
Schools	Assignment count	30,325	29,204	28,146	28,303	-2,022	-6.67%
	Headcount (inc. CRSS)	24,932	23,960	23,125	23,198	-1,734	-6.95%
	Headcount (exc. CRSS)	22,487	21,517	20,815	20,870	-1,617	-7.19%
	FTE	**15,202.97**	**14,543.31**	**14,114.88**	**14,118.30**	**-1,084.67**	**-7.13%**

CRSS = Staff on Casual Relief, Sessional or Supply contracts

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

9. RECOMMENDATIONS

Cabinet is asked to:

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

9.2 **Note** that a residual pressure remains forecast within the SCS portfolio but that this is offset by underspending on the other portfolios and we remain on target to deliver the £5m underspend to support the 2013-14 budget.

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

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

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

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

	CASH LIMIT			
Portfolio	**Gross**	**Income**	**Net**	
	£k	£k	£k	
ELS Schools	746,533	-746,533	0	
ELS	184,085	-119,077	65,008	
SCS	201,175	-50,357	150,818	
SCS - Asylum	14,901	-14,621	280	
ASC&PH	450,844	-113,761	337,083	
EH&W	179,538	-24,425	155,113	
C&C	133,746	-52,267	81,479	
R&ED	5,729	-2,060	3,669	
F&BS	170,455	-107,142	63,313	
BSP&HR	98,634	-41,317	57,317	
D&P	7,743	-260	7,483	
Per Q2 report	2,193,383	-1,271,820	921,563	
Subsequent changes:				
				Changes to grant/income allocations:
ELS	117	-117	0	Service for schools non delegated staff costs: Increase in DfE Golden Hellos grant
ELS	82	-82	0	Services for Schools: School Improvement: Mathematics Specialist Teaching (MaST) Incentive Payments Grant from DfE
ELS	-83	83	0	Schools Delegated: Adjustment to DfE Pupil Premium Summer School grant
ELS	318	-318	0	Schools Delegated & Attendance & Behaviour: DfE Additional Grant for Schools (incl PRUs)
ELS	-2,138	2,138	0	Schools Delegated & ELS Directorate Management & Support: DSG adjustment for academy converters to end of December
ASC&PH	2,803	-2,803	0	Services for Older People: Funding from PCTs for Supporting local resilience during winter and maintaining access in 2012-13
BSP&HR	549	-549	0	Property & Infrastructure: NHS funding & nursery contributions for Multi Agency Specialist Hub (MASH) buildings
				Technical Adjustments:
ELS	42,656	-40,500	2,156	transfer of responsibility for Early Years
SCS	-42,656	40,500	-2,156	Education from SCS to ELS portfolio
SCS	139	-139	0	realignment of Children's Centre budgets following reallocation of budget to individual centres
ASC&PH	-10	10	0	Strategic Management & Directorate Support: realignment of budget to correct budget build
ASC&PH	90	-90	0	Older People Residential Care: realignment of Broadmeadow S75 income budget from PCT
ASC&PH	7	-7	0	Older People Residential Care: gross and income realignment in respect of Broadmeadow meals budget
ASC&PH	-41	41	0	Older People Day Care: removal of historic income budget which is no longer received
ASC&PH	-36	36	0	Older People Nursing Care: removal of historic PCT income budget, which is no longer received

	CASH LIMIT			
Portfolio	**Gross**	**Income**	**Net**	
	£k	£k	£k	
ASC&PH	-13	13	0	Older People Residential Care: removal of historic income budget which is no longer received
C&C	139	-139	0	correction to adjustment between CLS & Strategic Management & Directorate Support undertaken in Q1
C&C	-21	21	0	Gross and Income realignment for Lullingstone country park to reflect historic income levels
C&C / BSP&HR	-358	358	0	removal of recharging for Invicta House rent for Contact Centre & Consumer Direct following centralisation of budgets to Corporate Landlord
C&C / BSP&HR	-24	24	0	removal of recharging for Out Of Hours calls (Libraries & Contact Centre) following centralisation of budgets to ICT
EHW	-343	343	0	Removal of recharging of overheads following transfer of Transport Integration Unit from Commercial Services to E&E
EHW / BSP&HR	-9	9	0	removal of recharging for E&E Facilities Management overhead following centralisation of budgets to Corporate Landlord
EHW / F&BS	-369	369	0	Gross and income realignment to reflect reduction in Commercial Services contribution following a reduction in the number of cars in the lease car scheme
EHW	300		300	Virement from underspending on net debt charges budget within F&BS portfolio to fund pot hole repairs required following the recent snow
F&BS	-300		-300	
EHW	850		850	Virement from Initiatives to Boost the Economy budget within the Other Financing Items budget in the F&BS portfolio to fund pot hole repairs required following the recent snow
F&BS	-850		-850	
R&ED	94	-94	0	Correction to recharging budget within Business Strategy
F&BS	-165	165	0	Gross and Income realignment in respect of finance costs charged to Asylum grant
BSP&HR	125	-125	0	ICT: Gross and income realignment following transfer of Technical Support from Commercial Services to EiS
BSP&HR	-24	24	0	ICT: realignment of EiS (incl Schools Broadband) budgets
BSP&HR	-36	36	0	Property & Infrastructure: realignment of Corporate Landlord & removal of recharging
BSP&HR	-871	871	0	ICT: removal of recharging following centralisation of ICT budgets
Revised Budget	2,193,305	-1,271,742	921,563	

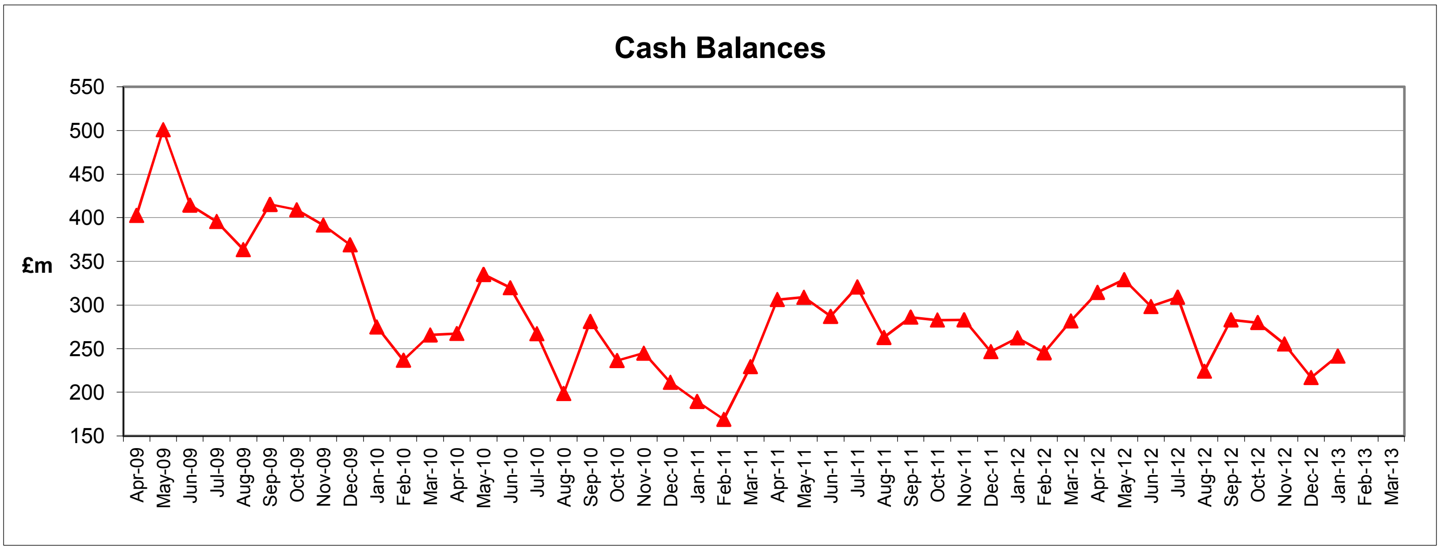
APPENDIX 2

FINANCIAL HEALTH INDICATORS

1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£16.34m), balances of schools in the corporate scheme (£48.9m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.
Pension Fund cash balances were removed from KCC Funds on 1 July 2010 and are now being handled separately.
The overall downward trend in the cash balance since September 2009 reflects the Council's policy of deferring borrowing and using available cash balances to fund new capital expenditure (i.e. internalising the debt). The dip in cash balances in August 2012 reflects the repayment of £55m of maturing PWLB loan, with a further £20m repaid in November.

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2009-10	402.7	500.9	414.6	395.7	363.6	415.4	409.1	391.7	369.1	275.0	236.7	265.8
2010-11	267.4	335.2	319.8	267.2	198.7	281.3	236.4	244.9	211.5	189.5	169.1	229.5
2011-12	306.3	308.9	287.0	320.9	262.9	286.2	282.9	283.1	246.7	262.4	245.3	281.7
2012-13	314.6	329.2	298.4	309.1	224.2	283.1	280.0	255.5	216.9	241.5		



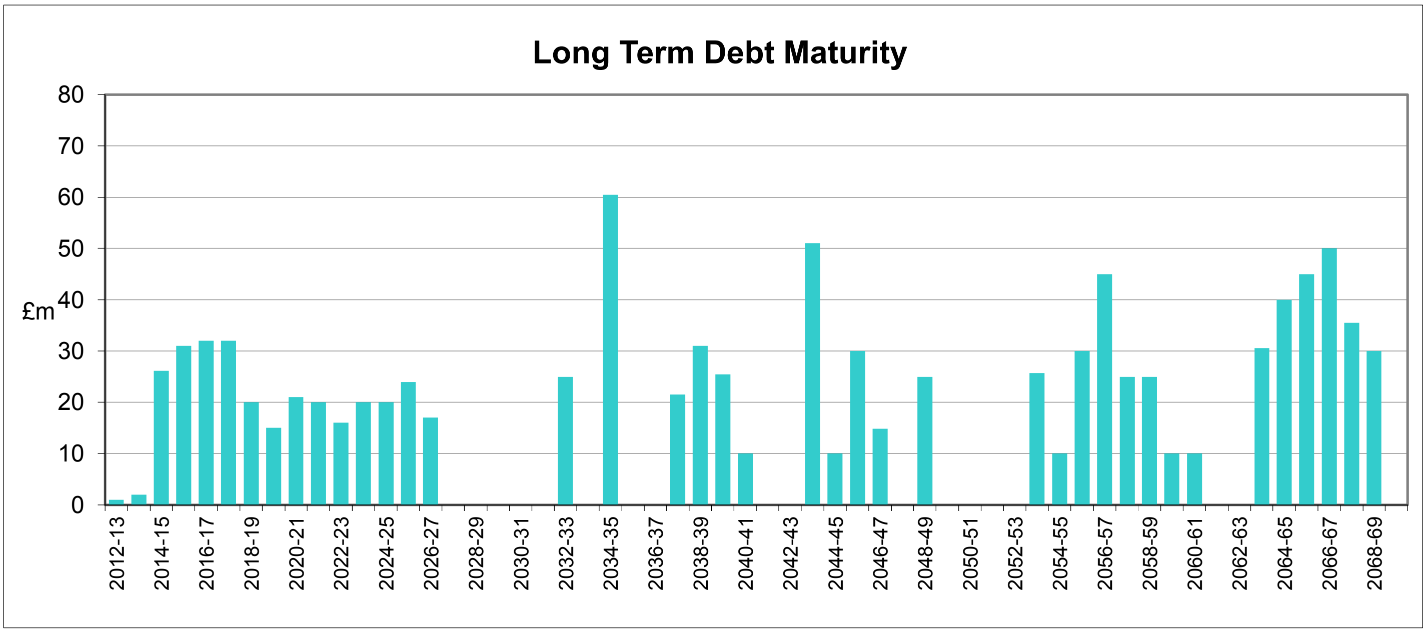
2. LONG TERM DEBT MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £43.9m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) and Magistrates Courts (£0.827m). These bodies make regular payments of principal and interest to KCC to service this debt.
The graph shows total principal repayments due in each financial year. Small maturities indicate repayment of principal for annuity or equal instalment of principal loans, where principal repayments are made at regular intervals over the life of the loan. The majority of loans have been taken on a maturity basis so that principal repayments are only made at the end of the life of the loan. These principal repayments will need to be funded using available cash balances (i.e. internalising the debt), by taking new external loans or by a combination of the available options.

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

£55m PWLB maturity loan was repaid in August and a further £20m was repaid in November both from cash balances and £1.021m relating to equal instalment loans was also repaid from cash balances in September, hence the figure in the table of £1.000m represents the remaining debt still to be repaid in this financial year.

Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2012-13	1.000	*2024-25*	20.001	*2036-37*	0.000	*2048-49*	25.000	*2060-61*	10.000
2013-14	2.015	*2025-26*	24.001	*2037-38*	21.500	*2049-50*	0.000	*2061-62*	0.000
2014-15	26.193	*2026-27*	17.001	*2038-39*	31.000	*2050-51*	0.000	*2062-63*	0.000
2015-16	31.001	*2027-28*	0.001	*2039-40*	25.500	*2051-52*	0.000	*2063-64*	30.600
2016-17	32.001	*2028-29*	0.001	*2040-41*	10.000	*2052-53*	0.000	*2064-65*	40.000
2017-18	32.001	*2029-30*	0.001	*2041-42*	0.000	*2053-54*	25.700	*2065-66*	45.000
2018-19	20.001	*2030-31*	0.001	*2042-43*	0.000	*2054-55*	10.000	*2066-67*	50.000
2019-20	15.001	*2031-32*	0.000	*2043-44*	51.000	*2055-56*	30.000	*2067-68*	35.500
2020-21	21.001	*2032-33*	25.000	*2044-45*	10.000	*2056-57*	45.000	*2068-69*	30.000
2021-22	20.001	*2033-34*	0.000	*2045-46*	30.000	*2057-58*	25.000	*2069-70*	0.000
2022-23	16.001	*2034-35*	60.470	*2046-47*	14.800	*2058-59*	25.000		
2023-24	20.001	*2035-36*	0.000	*2047-48*	0.000	*2059-60*	10.000	**TOTAL**	**1,013.288**



3. OUTSTANDING DEBT OWED TO KCC

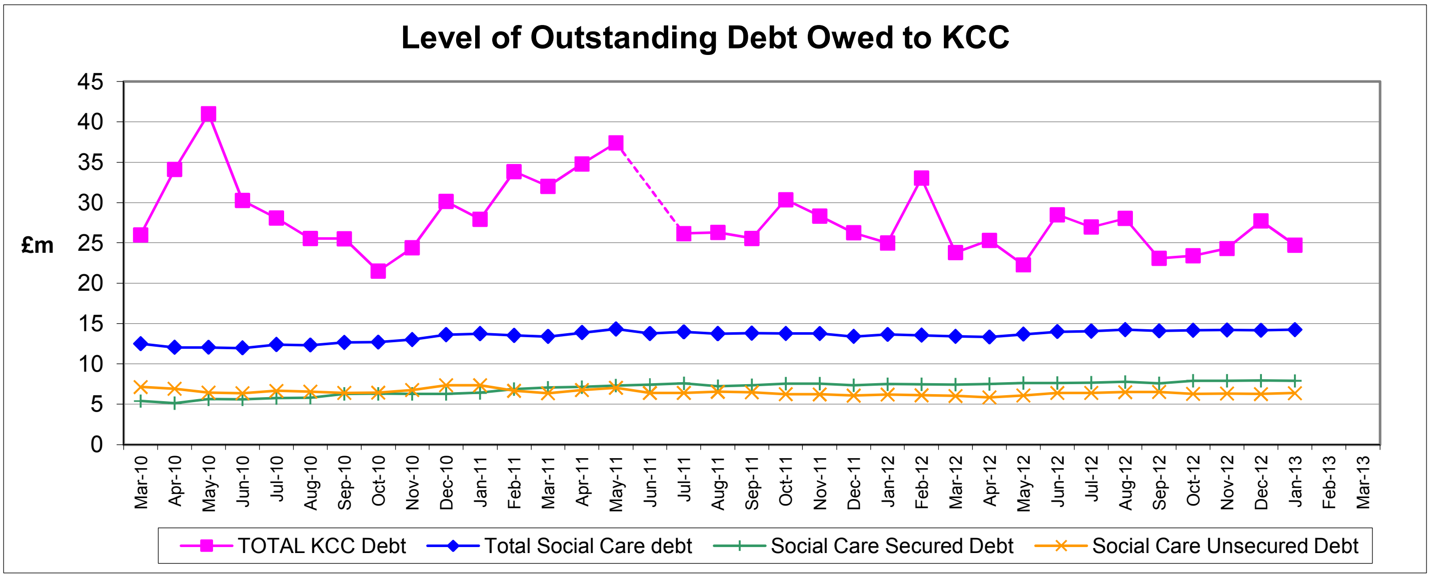
The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 30 days. The main element of this relates to Adult Social Services and this is also identified separately, together with a split of how much of the Social Care debt is secured (i.e.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

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care debt £m	FSC Sundry debt £m	**TOTAL FSC debt £m**	All Other Directorates Debt £m	**TOTAL KCC Debt £m**
March 10	5.387	7.127	12.514	1.643	**14.157**	11.818	**25.975**
April 10	5.132	6.919	12.051	2.243	**14.294**	19.809	**34.103**
May 10	5.619	6.438	12.057	3.873	**15.930**	25.088	**41.018**
June 10	5.611	6.368	11.979	3.621	**15.600**	14.648	**30.248**
July 10	5.752	6.652	12.404	4.285	**16.689**	11.388	**28.077**
Aug 10	5.785	6.549	12.334	5.400	**17.734**	7.815	**25.549**
Sept 10	6.289	6.389	12.678	4.450	**17.128**	8.388	**25.516**
Oct 10	6.290	6.421	12.711	3.489	**16.200**	5.307	**21.507**
Nov 10	6.273	6.742	13.015	4.813	**17.828**	6.569	**24.397**
Dec 10	6.285	7.346	13.631	6.063	**19.694**	10.432	**30.126**

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care debt £m	FSC Sundry debt £m	**TOTAL FSC debt £m**	All Other Directorates Debt £m	**TOTAL KCC Debt £m**
Jan 11	6.410	7.343	13.753	6.560	**20.313**	7.624	**27.937**
Feb 11	6.879	6.658	13.537	7.179	**20.716**	13.124	**33.840**
March 11	7.045	6.357	13.402	11.011	**24.413**	7.586	**31.999**
April 11	7.124	6.759	13.883	10.776	**24.659**	10.131	**34.790**
May 11	7.309	7.023	14.332	11.737	**26.069**	11.338	**37.407**
June 11	7.399	6.381	13.780	*	**13.780**	*	**13.780**
July 11	7.584	6.385	13.969	4.860	**18.829**	7.315	**26.144**
Aug 11	7.222	6.531	13.753	4.448	**18.201**	8.097	**26.298**
Sept 11	7.338	6.467	13.805	4.527	**18.332**	7.225	**25.557**
Oct 11	7.533	6.241	13.774	6.304	**20.078**	10.276	**30.354**
Nov 11	7.555	6.215	13.770	5.886	**19.656**	8.671	**28.327**
Dec 11	7.345	6.063	13.408	5.380	**18.788**	7.469	**26.257**
Jan 12	7.477	6.185	13.662	5.518	**19.180**	5.792	**24.972**
Feb 12	7.455	6.102	13.557	12.661	**26.218**	6.800	**33.018**
Mar 12	7.411	6.018	13.429	2.881	**16.310**	7.476	**23.786**
April 12 #	7.509	5.836	13.345	6.530	**19.875**	5.445	**25.320**
May 12 #	7.615	6.068	13.683	4.445	**18.128**	4.146	**22.274**
June 12 #	7.615	6.384	13.999	4.133	**18.132**	10.353	**28.485**
July 12 #	7.674	6.392	14.066	4.750	**18.816**	8.145	**26.961**
Aug 12	7.762	6.491	14.253	5.321	**19.574**	8.452	**28.026**
Sept 12	7.593	6.506	14.099	3.002	**17.101**	5.974	**23.075**
Oct 12	7.893	6.280	14.173	2.574	**16.747**	6.653	**23.400**
Nov 12	7.896	6.310	14.206	3.193	**17.399**	6.894	**24.293**
Dec 12	7.914	6.253	14.167	3.829	**17.996**	9.713	**27.709**
Jan 13	7.885	6.369	14.254	3.711	**17.965**	6.762	**24.727**
Feb 13							
March 13							

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

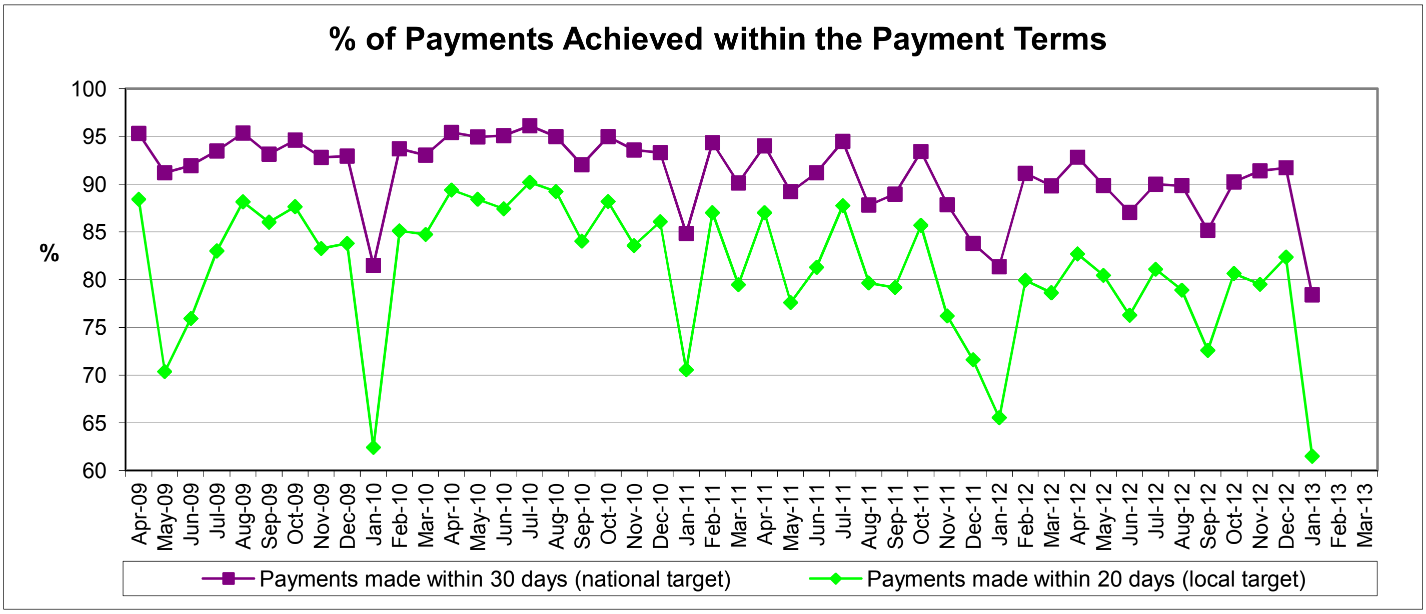
The previously reported secured and unsecured social care debt figures for April to July 2012 have been amended slightly following a reassessment of some old debts between secured and unsecured.



4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

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

	2009-10		2010-11		2010-11		2012-13	
	Paid within **30 days** %	Paid within **20 days** %	Paid within **30 days** %	Paid within **20 days** %	Paid within **30 days** %	Paid within **20 days** %	Paid within **30 days** %	Paid within **20 days** %
April	95.3	88.4	95.4	89.4	94.0	87.0	92.8	82.7
May	91.2	70.4	95.0	88.4	89.2	77.6	89.9	80.4
June	91.9	75.9	95.1	87.4	91.2	81.3	87.1	76.3
July	93.5	83.0	96.1	90.2	94.5	87.7	90.0	81.1
August	95.3	88.2	95.0	89.2	87.8	79.7	89.8	78.9
September	93.1	86.0	92.0	84.0	89.0	79.2	85.2	72.6
October	94.6	87.6	95.0	88.2	93.4	85.7	90.2	80.6
November	92.8	83.3	93.6	83.6	87.9	76.2	91.4	79.5
December	92.9	83.8	93.3	86.1	83.8	71.6	91.7	82.3
January	81.5	62.4	84.8	70.6	81.4	65.5	78.4	61.5
February	93.7	85.1	94.3	87.0	91.1	79.9		
March	93.0	84.7	90.1	79.5	89.8	78.6		



The percentages achieved for January each year are consistently lower than other months due to the Christmas/New Year break. This position was exacerbated in 2009-10 and 2012-13 due to snow. The 2012-13 year to date figure for invoices paid within 20 days is 77.5%, and within 30 days is 88.6%. This compares to overall performance in previous years as follows:

	20 days	**30 days**
2009-10	81.9%	92.6%
2010-11	85.4%	93.4%
2011-12	79.2%	89.4%
2012-13 to date	77.5%	88.6%

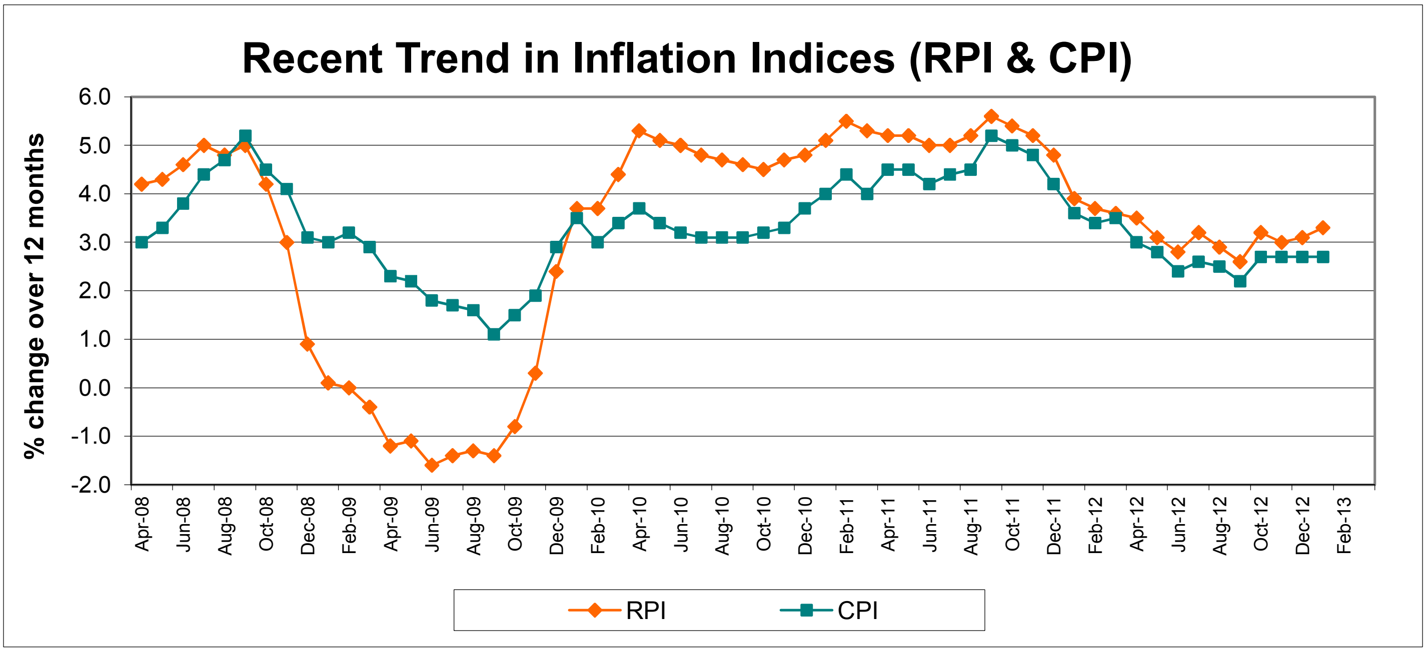
Percentages are reducing because the amount of invoices that arrive in Accounts Payable (AP) late, i.e. already outside of our payment terms of 20 days, is increasingly high. For the week ending 04/01/13 58% of standard invoices were late and 54% of Iproc invoices were late. The 'best' week this year has been the week ending 15/02/13 when 27% of standard invoices and 19% of Iproc invoices were received late.

We can only encourage our colleagues in directorates to prioritise invoices and endeavour to pay the late invoices quickly when they do get to AP. A Kmail has recently been sent out reminding colleagues of our address (a huge amount of post still goes to the old address that has to be diverted by the Post Room) and we have appointed temporary workers to deal with the influx of invoices we expect to see in the next few weeks in the lead up to the financial year end.
Restructures are bound to be playing a part in this, which is a KCC wide issue and not an issue with Accounts Payable.

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

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

	2008-09		2009-10		2010-11		2011-12		2012-13	
	Percentage Change over 12 months									
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
April	4.2	3.0	-1.2	2.3	5.3	3.7	5.2	4.5	3.5	3.0
May	4.3	3.3	-1.1	2.2	5.1	3.4	5.2	4.5	3.1	2.8
June	4.6	3.8	-1.6	1.8	5.0	3.2	5.0	4.2	2.8	2.4
July	5.0	4.4	-1.4	1.7	4.8	3.1	5.0	4.4	3.2	2.6
August	4.8	4.7	-1.3	1.6	4.7	3.1	5.2	4.5	2.9	2.5
September	5.0	5.2	-1.4	1.1	4.6	3.1	5.6	5.2	2.6	2.2
October	4.2	4.5	-0.8	1.5	4.5	3.2	5.4	5.0	3.2	2.7
November	3.0	4.1	0.3	1.9	4.7	3.3	5.2	4.8	3.0	2.7
December	0.9	3.1	2.4	2.9	4.8	3.7	4.8	4.2	3.1	2.7
January	0.1	3.0	3.7	3.5	5.1	4.0	3.9	3.6	3.3	2.7
February	0.0	3.2	3.7	3.0	5.5	4.4	3.7	3.4		
March	-0.4	2.9	4.4	3.4	5.3	4.0	3.6	3.5		



APPENDIX 3

2012-13 Qtr 3 Monitoring of Prudential Indicators

1. Estimate of capital expenditure (excluding PFI)

Actual 2011-12 £265.761m

Original estimate 2012-13 £278.885m

Revised estimate 2012-13 £206.666m (this includes the rolled forward re-phasing from 2011-12)

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

	2011-12 Actual £m	2012-13 Original Estimate £m	2012-13 Forecast as at 31-01-13 £m
Capital Financing Requirement	1,495.873	1,538.083	1,486.415
Annual increase/reduction in underlying need to borrow	22.273	21.939	-9.458

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

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

Actual 2011-12 12.85%
Original estimate 2012-13 11.77%
Revised estimate 2012-13 13.97%

4. Operational Boundary for External Debt

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

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

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

	Prudential Indicator 2012-13 £m	Position as at 31.01.13 £m
Borrowing	1,154	969
Other Long Term Liabilities	0	0
	1,154	969

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

	Prudential Indicator 2012-13 £m	Position as at 31.01.13 £m
Borrowing	1,198	1,013
Other Long Term Liabilities	0	0
	1,198	1,013

5. Authorised Limit for external debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the County Council. The revised limits for 2012-13 are:

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

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

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

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

The additional allowance over and above the operational boundary has not needed to be utilised and external debt, has and will be maintained well within the authorised limit.

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

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

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

The Council has determined the following upper limits for 2012-13

Fixed interest rate exposure	100%
Variable rate exposure	50%

These limits have been complied with in 2012-13.

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 31.01.13
	%	%	%
Under 12 months	10	0	0.1
12 months and within 24 months	25	0	0.2
24 months and within 5 years	40	0	8.8
5 years and within 10 years	30	0	10.7
10 years and within 20 years	30	10	12.0
20 years and within 30 years	30	5	14.7
30 years and within 40 years	30	5	12.9
40 years and within 50 years	40	10	17.8
50 years and within 60 years	40	10	22.8

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

Indicator	Actual
£50m	£10m

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

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 2 monitoring report to reflect the transfer of responsibility for Early Years Education from the SCS portfolio to the ELS portfolio, centralisation of the ICT budgets to BSS directorate (see annex 6), and the transfer of the Service Level Agreements for Home to School Transport to the new Transport Operations A-Z budget within the EH&W portfolio (see annex 4), following the transfer of the Transport Integration Unit to E&E directorate from Commercial Services. There have also been a number of other technical adjustments to budget.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary and include a reduction in DSG as a result of schools converting to Academies up to the end of December.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Education, Learning & Skills portfolio							
Delegated Budget:							
Schools Delegated Budgets	744,614	-744,614	0	5,655		5,655	Drawdown for expected academy converters; drawdown in KCC school reserves
TOTAL DELEGATED	744,614	-744,614	0	5,655	0	5,655	
Non Delegated Budget:							
ELS Strategic Management & directorate support budgets	10,616	-7,647	2,969	-1,107	15	-1,092	Restructure contingency not required; legal costs pressure; participation by rights underspend
Services for Schools:							
- PFI Schools Schemes	23,810	-23,810	0	0	0	0	
- Schools' Meals	566	-566	0	41	-41	0	
- Schools' Non Delegated Staff Costs	2,808	-2,705	103	-592	602	10	Reduced traded service with schools for excepted items
- Schools' Other Services	7,113	-6,646	467	694	-693	1	Increased cleaning and refuse contracts (gross and income)
- Schools' Redundancy Costs	1,273	-1,232	41	0	0	0	
- School Improvement Services	18,325	-13,661	4,664	-449	413	-36	Reduced traded training service with schools
- Special School & Hospital Recoupment	1,660	-2,460	-800	22	-762	-740	Additional recoupment from OLA pupils in Kent schools

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Schools' Teachers Pension Costs	7,829	-2,684	5,145	370	-12	358	Increased capitalisation costs
	63,384	-53,764	9,620	86	-493	-407	
Children's Services - Education & Personal							
- 14 - 19 year olds	5,257	-1,650	3,607	-1,938	-297	-2,235	Kent Employment project costs to span more than one year; underspend against grant
- Attendance & Behaviour	19,708	-18,907	801	1,037	-490	547	Unachievable contract saving; additional spend and income for PRU places
- Connexions	6,784	0	6,784	0	0	0	
- Early Years & Childcare	8,874	-5,335	3,539	80	-233	-153	Income from schools and academies
- Early Years Education	42,656	-40,500	2,156	0	0	0	
- Education Psychology Service	2,902	-13	2,889	-160	-543	-703	Vacancies & reduced TRP costs; additional income for traded service
- Free School Meals	1,288	-1,288	0	0	0	0	
- Individual Learner Support	10,292	-9,115	1,177	-1,844	1,472	-372	Early Years training provided elsewhere within existing resources; Reduced traded service with schools for MCAS; Reduced expenditure and income for portage service
- Statemented Pupils	7,618	-7,618	0	-685	685	0	Reduced costs and income from other local authority placements
- Independent Special School Placements	12,324	-12,324	0	-74	74	0	
	117,703	-96,750	20,953	-3,584	668	-2,916	
Transport Services							
- Home to College Transport	1,947	-367	1,580	709	-942	-233	New 16+ card transport scheme
- Mainstream HTST	13,202	-584	12,618	-1,025	364	-661	Fewer than budgeted numbers travelling
- SEN HTST	17,052	0	17,052	1,197	-7	1,190	Higher than budgeted number travelling
	32,201	-951	31,250	881	-585	296	
Assessment Services							
- Assessment of Children's Educational Needs	1,727	-581	1,146	51		51	
TOTAL NON DELEGATED	225,631	-159,693	65,938	-3,673	-395	-4,068	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Total ELS portfolio controllable	**970,245**	**-904,307**	**65,938**	**1,982**	**-395**	**1,587**	
Assumed Mgmt Action							
- ELS portfolio						**0**	
Total ELS <u>after</u> mgmt action	**970,245**	**-904,307**	**65,938**	**1,982**	**-395**	**1,587**	

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

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

Education, Learning & Skills portfolio:

Delegated Budgets

1.1.3.1 Schools Delegated Budgets: Gross +£5,655k

The forecast £5.655m drawdown of school reserves shown in table 1 represents the estimated reduction in reserves of £1.955m resulting from 35 schools converting to academies, including 30 schools which converted to academies by the end of January, and a further 5 expected to convert before the end of March 2013, together with the nine monthly monitoring received from schools, which suggests that the drawdown from reserves for the remaining Kent schools is +£3,700k.

Non Delegated Budgets

1.1.3.2 ELS Strategic Management & Directorate Support Budgets; Gross -£1,107k, Income +£15k, Net -£1,092k

The ELS Strategic Management & Directorate Support budget is reporting a gross underspend of -£1,107k. However within this there is a pressure of £435k due to both the legal costs incurred when schools convert to academies and general legal fees attributable to the directorate. It had been anticipated that academy legal costs would reduce significantly in 2012-13 as approximately 2/3rds of secondary schools had already converted or were in the process of converting during 2011-12. However there is an increase in the number of primary schools converting which contributes towards the overall pressure.

As reported previously there is an underspend of £222k on the Participation by Rights budget within the Inclusion Unit. The budget will not be spent in 2012-13 and will, in part, offset the pressure on the Attendance and Behaviour service due to an unachievable contract saving reported throughout the year. In addition there is a reported underspend on the contingency budget of £1,000k. Savings attributed to the ELS restructure were phased over three years in the MTFP (2011-12 to 2013-14) but as the new structure took effect from early 2012-13 most of the savings will be achieved by the end of year two with the balance of the cash limit held to fund any in year contingencies that arise as a result of the restructure. This has not been required as yet and the declared underspend will also partly offset the pressure on the Attendance and Behaviour service as well as the pressure, mentioned above, on legal services. There are a number of other gross variances totalling -£320k, all of which are less than £100k in value, including -£170k for staff vacancies across several different units and -£79k for Choice Advisers.

1.1.3.3 **Services for Schools:**

a. Schools' Non Delegated Staff Costs: Gross -£592k, Income +£602k, Net +£10k

The budget for excepted items (maternity, public duties and suspensions) was delegated to schools from April 2012 as part of the further delegation exercise. This service was offered to schools under buy back arrangements and at the time the budget was set the levels of buy back from schools was unknown, so gross and income cash limits were set for the total value of the delegation. However the level of buy back is less than the level of budget delegated leading to a gross underspend of -£590k and under recovery of income +£590k. There are other minor gross and income variances.

b. Schools' Other Services: Gross +£694k, Income -£693k, Net +£1k
The gross pressure on this budget is mainly due to an increase in school cleaning and refuse contract costs +£696k which, as a traded service, has generated an additional £740k of income. All other variances are less than £100k in value.

c. School Improvement Services: Gross -£449k, Income +£413k, Net -£36k
Although there is a forecast gross underspend on this line, there is a gross pressure of +£252k due to additional staff being retained to work with secondary schools on improving standards. There is a gross underspend on the Employment based initial teacher training scheme of -£209k, together with an income variance of +£209k as this scheme is grant funded and any unspent grant will be rolled forward as a receipt in advance into 2013-14 and spent in line with the academic year. The training and development and school leadership teams were given ambitious income targets this year and whilst they are forecasting an under recovery of income of +£437k, they have also reduced the costs associated with this by -£331k. The Improving Together Network which receives income from schools for this service is forecasting additional income of -£124k. There are other gross and income variances, all under £100k in value, totalling -£161k and -£109k respectively.

d. Special School & Hospital Recoupment: Gross +£22k, Income -£762k, Net -£740k
This service is forecasting additional income from other local authorities for their pupils in our special schools of -£762k.

e. Schools' Teachers Pension Costs: Gross +£370k, Income -£12k, Net +£358k
There is a forecast pressure of £370k due to additional annual pension capitalisation costs.

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

a. 14 – 19 Year Olds: Gross -£1,938k, Income -£297k, Net -£2,235k
A rollover of £2m from 2011-12 to 2012-13 was agreed for the Kent Youth Employment programme from the Big Society Fund which was launched at the end of the 2011-12 financial year and its purpose is to encourage Kent business to recruit unemployed young people who have been unemployed for a significant period. The scheme involves the payment of grants to employers but as the payments are only made following completion of 6 months and 12 months in placements, a significant amount of the budget (£1,890k) will not be spent in 2012-13. (Any underspend on this budget, which is a strategic priority of the Council, will need to be rolled forward to be spent on placements which straddle the financial year but it should be noted that the scheme will continue to run until 2015-16).

The Skills and Employability Unit has received grant funding for the final term of the 2011-12 academic year. This grant has not been utilised leading to a gross underspend of -£104k. In addition £240k of income for the same grant was received during 2011-12 and brought forward into 2012-13 as a receipt in advance as it could be used over the academic year. This also remains unspent and accounts for -£240k of the income variance. There is no requirement to repay any unspent grant.

b. Attendance & Behaviour: Gross +£1,037k, Income -£490k, Net +£547k
As part of the overall ELS savings target for 2012-13, a savings target was assigned to an Attendance and Behaviour contract which it has subsequently not been possible to generate, leading to a £550k pressure on this budget line. There is a gross pressure of £421k and income variance of -£421k relating to additional spend for staffing and premises costs at Pupil Referral Units (PRU), offset by income from schools and academies for PRU places.

c. Early Years & Childcare: Gross +£80k, Income -£233k, Net -£153k
Additional income of £233k has been generated on this budget line from course fees from schools and academies, charges to academies and other organisations for training and support from Early Years staff and cancellation charges for non attendance at free courses.

d. Early Years Education
The latest forecast suggests an overspend of around £1.3m on payments to PVI providers for 3 and 4 year olds as overall the actual hours exceeds the budgeted number of hours for the summer, autumn and spring terms as per section 2.3. As this budget is funded entirely from DSG, any deficit will be carried forward to the next financial year in accordance with the regulations.

e. Education Psychology Service: Gross -£160k, Income -£543k, Net -£703k
During 2012-13 the Kent Educational Psychology Service has begun to offer a range of traded services – as part of EduKent – that schools and other customers can purchase whilst continuing to provide statutory services to schools which are not chargeable. The income variance of -£543k reflects the current level of buy back for the traded services. The gross underspend is due to a number of variances all less than £100k including staff vacancies and delays on the Technology Refresh Programme.

f. Individual Learner Support: Gross -£1,844k, Income +£1,472k, Net -£372k
The budget for Minority Communities Achievement Service (MCAS) was delegated to schools from April 2012 as part of the further delegation exercise. This service was offered to schools under buy back arrangements and at the time the budget was set the levels of buy back from schools was unknown so gross and income cash limits were set for the total value of the delegation. However the level of buy back is less than the level of delegation and whilst some income has been secured from other sources there is a gross underspend of -£1,347k and an under recovery of income of +£1,347k.

The portage service is forecasting a reduction in income, of which the majority is internal income, of +£131k, and a corresponding gross underspend of -£131k. In addition there is a forecast gross underspend on this budget line of -£206k, due to early years training previously supported by the Early Years Inclusion and Equalities budget being provided elsewhere in the directorate, within existing resources. There are a number of other gross and income variances all of which are below £100k in value.

g. Statemented Pupils: Gross -£685k, Income +£685k, Net Nil
The forecast income from other local authorities for Statemented support of their pupils in our schools has reduced by £685k. There is a corresponding gross underspend of -£685k.

1.1.3.5 **Transport Services:**

a. Home to College Transport: Gross +£709k, Income -£942k, Net -£233k
There is a gross pressure on this budget line of +£1,180k due to the implementation of the new Kent 16+ card which is partly covered by income from the sale of tickets of £1,142k. The forecast pressure is based on limited usage data from when the scheme began in September 2012 and a more accurate forecast is expected in the next exception report. As a result of the successful launch of the 16+ card, only those students who started post 16 studies before September 2012 still receive transport under existing home to college arrangements and consequently, during this transitional period, numbers travelling are less than budgeted for, leading to a gross underspend of -£471k and a reduction in income for the sale of tickets of +£200k.

b. Mainstream HTST: Gross -£1,025k, Income +£364k, Net -£661k
The forecast gross underspend of -£1,025k is due to the numbers requiring transport being considerably lower than budgeted levels, in part due to the success of the Freedom Pass and 16+ travel card. This has been reflected as a saving in the 2013-15 MTFP. In addition there is a corresponding reduction in post statutory charge income of +£364k because, as mentioned above, new 16+ students are tending to opt for the 16+ card for school transport.

c. SEN HTST: Gross +£1,197k, Income -£7k, Net +£1,190k
There is a forecast gross pressure on this budget line of +£1,197k as the number of children travelling is consistently higher than the budgeted number. However, there are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel as well as pupil numbers. As the numbers continue to increase, existing vehicles are running at full occupancy and additional or larger vehicles have had to be provided.

The increased number of statements has also resulted in some pupils being transported further to be placed in suitable provision for their needs.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves for remaining Kent schools	+3,700	ELS	14-19 year olds (gross) - Kent Employment project	-1,890
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves following 35 schools converting to academies	+1,955	ELS	Individual Learner Support (gross) - Minority Communities Achievement Service reduced buy back from schools	-1,347
ELS	Individual Learner Support (income) - Minority Communities Achievement Service reduced buy back from schools	+1,347	ELS	Home to college transport (income) - new 16+ transport scheme	-1,142
ELS	SEN transport (gross) - higher than budgeted numbers travelling	+1,197	ELS	Mainstream home to school transport (gross) - fewer numbers travelling	-1,025
ELS	Home to college transport (gross) - new 16+ transport scheme	+1,180	ELS	ELS Strategic Management & Directorate budgets (gross) - release of restructure contingency	-1,000
ELS	Schools' Other Services (gross) - cleaning and refuse contracts	+696	ELS	Special School & Hospital Recoupment (income) - additional income from other local authorities for places at our special schools	-762
ELS	Statemented Pupils (income) - reduced income from other local authorities for statemented support in our schools	+685	ELS	Schools' Other Services (income) - cleaning and refuse contracts	-740
ELS	Schools' Non Delegated Staff costs (income) - excepted items reduced buy back from schools	+590	ELS	Statemented Pupils (gross) - reduced spend on statemented support for other local authority pupils in our schools	-685
ELS	Attendance & Behaviour (gross) - unachievable contract saving	+550	ELS	Schools' Non Delegated Staff costs (gross) - excepted items reduced buy back from schools	-590
ELS	School Improvement (Income) - reduced income from Workforce and Professional Development traded service	+437	ELS	Education Psychology Service (income) - income from traded service with schools and other customers	-543
ELS	ELS Strategic Management & Directorate budgets (gross) - academy converter legal costs & general legal fees	+435	ELS	Home to college transport (gross) - fewer students requiring transport under old scheme	-471
ELS	Attendance & Behaviour (gross) - PRUs additional staffing & premises costs (matched by income from schools & academies)	+421	ELS	Attendance & Behaviour (income) - PRUs additional income from schools & academies	-421
ELS	Schools' Teachers Pensions costs - capitalisation costs	+370	ELS	School Improvement (gross) - reduced expenditure from Workforce and Professional Development traded service	-331

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Mainstream home to school transport (income) - reduction in post statutory charge income due to students opting for 16+ card	+364	ELS	14-19 year olds (income) - Young Apprentices Grant income for academic year	-240
ELS	School Improvement (gross) - additional costs to improve secondary school standards	+252	ELS	Early Years & Childcare (income) - income from course fees, training and support	-233
ELS	School Improvement (income) - Employment based intial teacher training grant to be spent in line with academic year	+209	ELS	ELS Strategic Management & Directorate budgets (gross) - Participation by Rights	-222
ELS	Home to college transport (income) - reduced income from ticket sales under old transport scheme	+200	ELS	School Improvement (gross) - Employment based intial teacher training grant to be spent in line with academic year	-209
ELS	Individual Learner Support (income) - Portage service reduced income in line with reduced expenditure	+131	ELS	Individual Learner Support (gross) - Early Years training	-206
			ELS	Individual Learner Support (gross) - Portage service reduced spend in line with reduced income	-131
			ELS	School Improvement (income) - Additional income from Improving Together network	-124
			ELS	14-19 year olds (gross) - unspent grant funding for final term of 2011-12 academic year	-104
		+14,719			-12,416

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

None

1.1.5 **Implications for MTFP**:

The failure to achieve savings against the Attendance and Behaviour contract in 2012-13 has an implication for the 2013-15 MTFP of £583k and therefore alternative savings have been identified to fund this.

There has been a realignment between the legal services and contingency budgets in the 2013-15 MTFP to offset the pressure on the legal budget resulting from schools converting to academies.

The current numbers of pupils travelling suggest that Mainstream Home to School Transport savings will be achieved in excess of those attributed to changes in denominational and selective transport. Although the current forecast shows a net underspend of -£661k, the full year effect of the reduction in pupil numbers should yield a larger saving in 2013-14. Consequently a saving of £950k has been included in the 2013-15 MTFP.

A pressure has been included in the 2013-15 MTFP for the increased demand for SEN Home to School Transport. However, since the budget was set, the pressure on this budget has increased and if this continues additional offsetting savings will need to be identified within the directorate in 2013-14.

Additional income from trading with schools and academies has been reflected in the 2013-15 MTFP.

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

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

The Kent Youth Employment Programme funded from the Big Society Fund involves the payment of grants to employers for placements for unemployed young people but as the payments are only made following completion of 6 months and 12 months in placements it is forecast that £1,890k will need to be re-phased into 2013-14 (and beyond).

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

The forecast underspend for the directorate, excluding schools, is -£4,068k as shown in table 1. After adjusting for the roll forward of £1,890k for the Kent Youth Employment Programme referred to in section 1.1.6 above, there is a residual underspend of £2,178k to contribute towards the £5m underspend from 2012-13 being used to support the overall 2013-14 KCC budget, as approved by County Council on 14 February 2013.

1.2 CAPITAL

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

1.2.2 The Education Learning & Skills Directorate has an approved budget for 2012-15 of £281.078m excluding schools (see table 1 below). The forecast outturn against this budget is £282.753m, giving a variance of +£1.675m. After adjustments for funded variances and reductions in funding, the revised variance comes to £0.000m (see table 3).

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

1.2.4 Table 1 – Revised approved budget

	£m	
Approved budget last reported to Cabinet	275.660	
Approvals made since last reported to Cabinet	5.418	
Revised approved budget	281.078	

1.2.5 Table 2 – Funded Variances

Scheme	Portfolio	Amount £m	Reason
Cabinet to approve cash limit changes			
Platt CEPS	ELS	0.633	Project agreed by P&R committee Sept 2012
No cash limit changes to be made			
St Johns/Kingsmead	ELS	0.646	Additional contribution expected from the Diocese
Goat Lees	ELS	0.013	Additional developer contributions
Basic Need - Modular Classrooms	ELS	-0.765	Savings to be used against Basic Need Future Years programme
Basic Need Future Years	ELS	0.977	From Basic Need Modular Classrooms and additional developer contributions
The Judd	ELS	-0.420	Savings to be used against Modernisation Programme Future Years
Archbishop Courtenay - Primary Improvement Programme	ELS	0.040	Highways Revenue Contribution
Modernisation Programme	ELS	0.491	Minor changes across the programme to be partly offset by The Judd
Self Funded Project (Quarryfields)	ELS	0.060	Revenue Contribution
Total		1.675	

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	**0.000**
Funded variance (from table 2)	1.545
Variance to be funded from revenue	0.100
Project underspend	0.000
Rephasing (beyond 2012-15)	**0.000**
Total variance	1.675

Main reasons for variance

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

Table 4 - Scheme Progress

	Total Cost	Previous Spend	2012-15 Approved Budget	Later Years Approved Budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status (Red / Amber / Green)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e - c)	(h) = (b+e+f)-a	
Annual Planned Enhancement Programme	26.496	0.000	26.496	0.000	26.496	0.000	0.000	0.000	Green
Non Delegated Devolved Capital (PRU's)	0.653	0.000	0.653	0.000	0.653	0.000	0.000	0.000	Green
Ryarsh Primary School	0.169	0.000	0.169	0.000	0.169	0.000	0.000	0.000	Green
Archbishop Courteney (Site Purchase)	5.001	4.854	0.147	0.000	0.147	0.000	0.000	0.000	Green
Basic Need - Modular Classrooms	5.455	0.076	5.379	0.000	4.614	0.000	-0.765	-0.765	Green
Modernisation Programme 2008/09/10	0.500	0.000	0.500	0.000	0.080	0.000	-0.420	-0.420	Green
Specialist Schools Programme 2009/10	0.350	0.013	0.337	0.000	0.337	0.000	0.000	0.000	Green
Other Residual Projects :	-0.001	-0.001	0.000	0.000	0.000	0.000	0.000	0.000	Green
Special Schools Review - Phase 1	47.556	46.836	0.720	0.000	0.688	0.000	-0.032	-0.032	Green
Special Schools Review - Phase 2	3.000	1.677	1.323	0.000	1.355	0.000	0.032	0.032	Green
Vocational Education Programme	1.542	1.393	0.149	0.000	0.149	0.000	0.000	0.000	Green
Primary Improvement Programme	31.606	30.020	1.586	0.000	1.626	0.000	0.040	0.040	Green
Unit Review	3.500	0.816	2.684	0.000	2.684	0.000	0.000	0.000	Green
Dev Opps - Whitstable Community College	0.681	0.673	0.008	0.000	0.008	0.000	0.000	0.000	Green
Dev Opps - Swadelands	0.400	0.385	0.015	0.000	0.015	0.000	0.000	0.000	Green
Self Funded Projects	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Building Schools for the Future - Wave 3	138.438	133.154	5.284	0.000	5.284	0.000	0.000	0.000	Green
BSF Unit Costs	0.693	0.000	0.693	0.000	0.693	0.000	0.000	0.000	Green
Practical Cooking Spaces	3.695	3.693	0.002	0.000	0.002	0.000	0.000	0.000	Green
Academy Unit Costs	4.680	2.862	1.818	0.000	1.818	0.000	0.000	0.000	Green
Academy - New Line Learning	28.706	28.309	0.397	0.000	0.397	0.000	0.000	0.000	Green
Academy - Cornwallis Academy	35.394	33.460	1.934	0.000	1.934	0.000	0.000	0.000	Green
Academy - Longfield Academy	24.956	24.578	0.378	0.000	0.378	0.000	0.000	0.000	Green
Academy - Spires	13.694	10.440	3.254	0.000	3.254	0.000	0.000	0.000	Green

Annex 1

	Total Cost	Previous Spend	2012-15 Approved Budget	Later Years Approved Budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status (Red / Amber / Green)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e - c)	(h) = (b+e+f)-a	
Academy - Sheppey	50.578	25.683	24.895	0.000	24.895	0.000	0.000	0.000	Green
Acdemy - Marsh	16.627	13.905	2.722	0.000	2.722	0.000	0.000	0.000	Green
Academy - Skinners	20.399	5.963	14.436	0.000	14.436	0.000	0.000	0.000	Green
Goat Lees Primary School	4.760	0.246	4.514	0.000	4.527	0.000	0.013	0.013	Green
Repton Park (Templar Barracks)	6.100	1.789	4.311	0.000	4.311	0.000	0.000	0.000	Green
Dunton Green Primary School	0.800	0.000	0.800	0.000	0.800	0.000	0.000	0.000	Green
Lansdowne Primary School	2.500	0.000	0.000	2.500	0.000	2.500	0.000	0.000	Green
Cheesemans Green PS	4.300	0.000	0.000	4.300	0.000	4.300	0.000	0.000	Green
Rushenden Primary School	3.000	0.000	0.000	3.000	0.000	3.000	0.000	0.000	Green
Leybourne Primary School	2.000	0.000	0.000	2.000	0.000	2.000	0.000	0.000	Green
John Wesley, Ashford	2.500	0.000	0.000	2.500	0.000	2.500	0.000	0.000	Green
Aylesham Primary School	1.000	0.000	0.000	1.000	0.000	1.000	0.000	0.000	Green
Ebbsfleet	5.100	0.000	0.000	5.100	0.000	5.100	0.000	0.000	Green
BN Other	29.885	0.000	29.885	0.000	30.862	0.000	0.977	0.977	Green
Modernisation Programme 2008/09/10	3.000	0.389	2.611	0.000	2.614	0.000	0.003	0.003	Green
Modernisation Programme 2011/12	6.512	3.590	2.922	0.000	2.965	0.000	0.043	0.043	Green
Modernisation Programme Future Years	19.797	0.000	19.797	0.000	20.242	0.000	0.445	0.445	Green
Dev Opps - St Johns PS/Kingsmead	2.017	0.030	1.987	0.000	2.633	0.000	0.646	0.646	Green
Dev Opps - Platt CEPS	0.000	0.000	0.000	0.000	0.633	0.000	0.633	0.633	Green
Academy - John Wallis	7.647	0.032	7.615	0.000	7.615	0.000	0.000	0.000	Green

	Total Cost	Previous Spend	2012-15 Approved Budget	Later Years Approved Budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status (Red / Amber / Green)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e - c)	(h) = (b+e+f)-a	
Academy - Wilmington Enterprise	13.056	0.200	12.856	0.000	12.856	0.000	0.000	0.000	Green
Academy - The Knole	16.946	0.000	16.946	0.000	16.946	0.000	0.000	0.000	Green
Acdamy - Dover Christchurch	10.253	0.134	10.119	0.000	10.119	0.000	0.000	0.000	Green
Academy - Astor of Hever	11.545	0.000	11.545	0.000	11.545	0.000	0.000	0.000	Green
Academy - Duke of York	24.240	0.000	24.240	0.000	24.240	0.000	0.000	0.000	Green
Special Schools Review - Phase 2	30.000	0.065	29.935	0.000	29.935	0.000	0.000	0.000	Green
Folkestone Academy Playing Fields	2.256	2.256	0.000	0.000	0.000	0.000	0.000	0.000	Green
£5m DSG Revenue Grant - Schools Mtce	5.000	0.050	4.950	0.000	4.950	0.000	0.000	0.000	Green
Dev Opps - Headcorn Primary School	1.184	0.000	0.000	1.184	0.000	1.184	0.000	0.000	Green
Dev Opps - Bromstone Primary	3.088	0.000	0.000	3.088	0.000	3.088	0.000	0.000	Green
Dev Opps - Highworth Grammar	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Dev Opps - Istead Rise	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Dev Opps - Paddock Wood	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Dev Opps - Sevenoaks Primary	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Dev Opps - Whitehill Primary	0.950	0.000	0.000	0.950	0.000	0.950	0.000	0.000	Green
Self Funded Project (Quarryfields)	0.264	0.198	0.066	0.000	0.126	0.000	0.060	0.060	Green
TOTAL	684.468	377.768	281.078	25.622	282.753	25.622	1.675	1.675	

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

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

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

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

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

1.2.12 No projects have been classified as amber or red.

Other Significant Variances

1.2.13 There is significant re phasing within the 2012-15 budget (2012/13 -£50.326m, 2013/14 +£36.506m & 2014/15 +£13.820m). Most of the re phasing relates to the BSF & Academy Schools programmes. In particular the Batch 2 Academies where estimated expenditure has either been re-profiled in accordance with the contracted payment schedule or in line with revised dates for contract signature. The Batch 1 Academies are now all substantially complete and the new build at the Isle of Sheppey Academy, which has suffered some delay, is also nearing completion.

1.2.14 **Annual Planned Enhancement Programme** - £1.222m has been re-phased into 13/14. This is due to less than anticipated spend on Day to Day Emergency Works and also the Schools Access Initiative, both of which are reactive programmes responding to school requests.

1.2.15 **Basic Need** - £5.743m has been re-phased into 13/14 to reflect delivery of the current programme.

1.2.16 **Modernisation Programme** - Across the whole modernisation programme, £8.131m has been re-phased into 13/14 to reflect development of the programme.

1.2.17 **Special Schools Review** - £10.541m has been re-phased into 2014/15 to reflect development of the programme. The programme will be managed in stages with future capital receipts realised from the disposal of current school sites being utilised to assist with the funding of future projects.

1.2.18 **£5m DSG Revenue Grant** - £1.950m has been re-phased into 2013/14. This is reflective of school projects which are not going to be completed in the current financial year along with projects which have been programmed for school holidays so as to avoid disruption.

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1.2.19 **Self Funded Project (Quarryfields)** - this project has transferred from FSC portfolio to ELS.

1.2.20 **St Johns Primary School/Kingsmead** - This project is currently forecasting a £646k overspend. There is an informal agreement with Canterbury Diocese that they will make a contribution of £600k from the sale of the Diocese Payne School site.

1.2.21 Key issues and Risks

None to report.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2006-07	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**
	as at 31-3-07	as at 31-3-08	as at 31-3-09	as at 31-3-10	as at 31-3-11	as at 31-3-12	projection
Total number of schools	596	575	570	564	538	497	462
Total value of school reserves	£74,376k	£79,360k	£63,184k	£51,753k	£55,190k	£59,088k	£53,433k
Number of deficit schools	15	15	13	23	17	7	10
Total value of deficits	£1,426k	£1,068k	£1,775k	£2,409k	£2,002k	£833k	£322k

Comments:

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

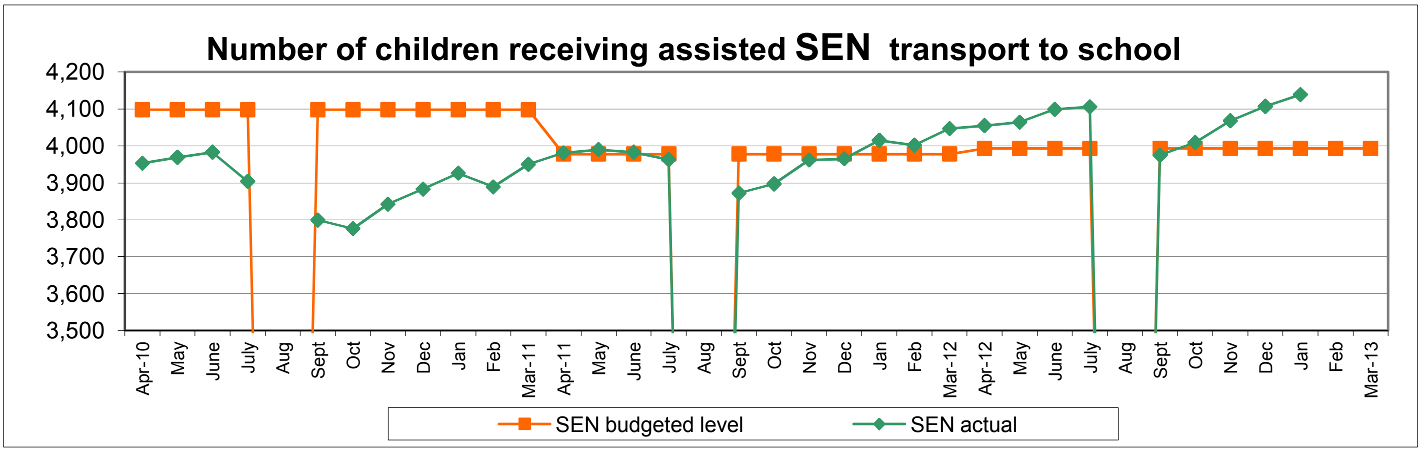
- KCC has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority. School’s Financial Services are working with all schools currently reporting a deficit with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.

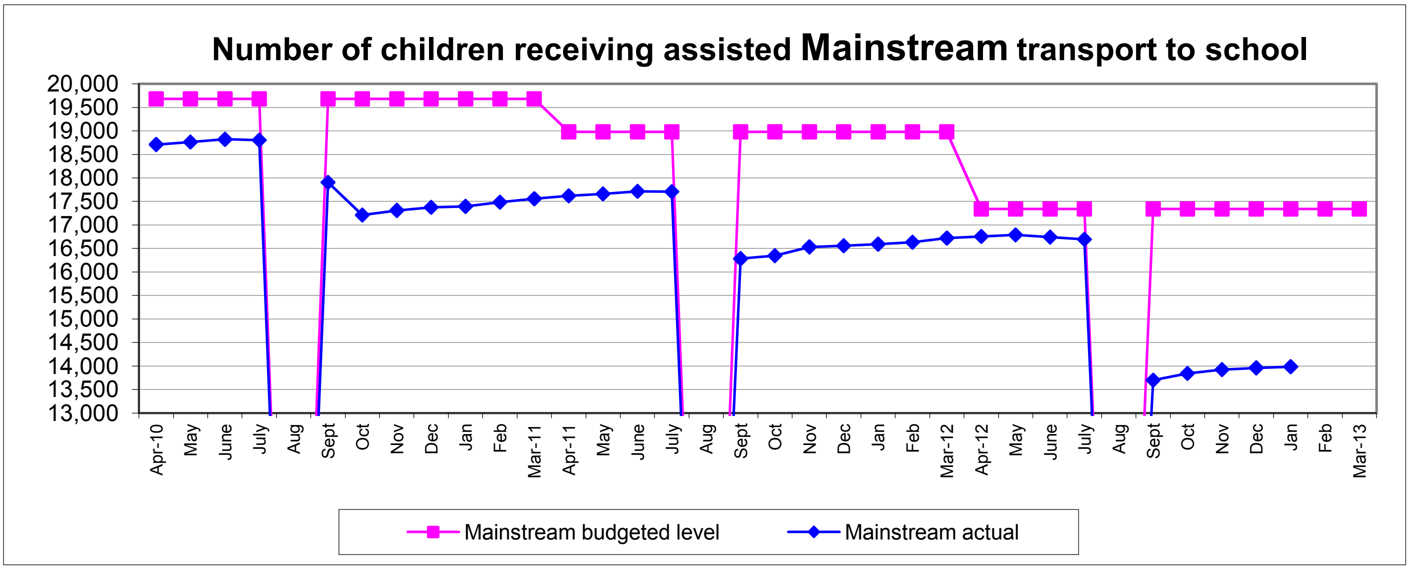
- The number of schools is based on the assumption that 35 schools (including 6 secondary schools and 29 primary schools) will convert to academies before the 31st March 2013 in line with the government’s decision to fast track outstanding schools to academy status. In addition two primary schools have merged and a new school has opened in Ashford.

- The estimated drawdown from schools reserves of £1,955k represents the estimated reduction in reserves resulting from 35 schools converting to academy status. In addition, the nine month monitoring has now been received from schools and the estimated drawdown from reserves for the remaining Kent schools is £3,700k.

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

	2010-11				2011-12				2012-13			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
April	4,098	3,953	19,679	18,711	3,978	3,981	18,982	17,620	3,993	4,055	17,342	16,757
May	4,098	3,969	19,679	18,763	3,978	3,990	18,982	17,658	3,993	4,064	17,342	16,788
June	4,098	3,983	19,679	18,821	3,978	3,983	18,982	17,715	3,993	4,099	17,342	16,741
July	4,098	3,904	19,679	18,804	3,978	3,963	18,982	17,708	3,993	4,106	17,342	16,695
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sept	4,098	3,799	19,679	17,906	3,978	3,872	18,982	16,282	3,993	3,975	17,342	13,698
Oct	4,098	3,776	19,679	17,211	3,978	3,897	18,982	16,348	3,993	4,009	17,342	13,844
Nov	4,098	3,842	19,679	17,309	3,978	3,962	18,982	16,533	3,993	4,068	17,342	13,925
Dec	4,098	3,883	19,679	17,373	3,978	3,965	18,982	16,556	3,993	4,107	17,342	13,960
Jan	4,098	3,926	19,679	17,396	3,978	4,015	18,982	16,593	3,993	4,139	17,342	13,985
Feb	4,098	3,889	19,679	17,485	3,978	4,002	18,982	16,632	3,993		17,342	
Mar	4,098	3,950	19,679	17,559	3,978	4,047	18,982	16,720	3,993		17,342	





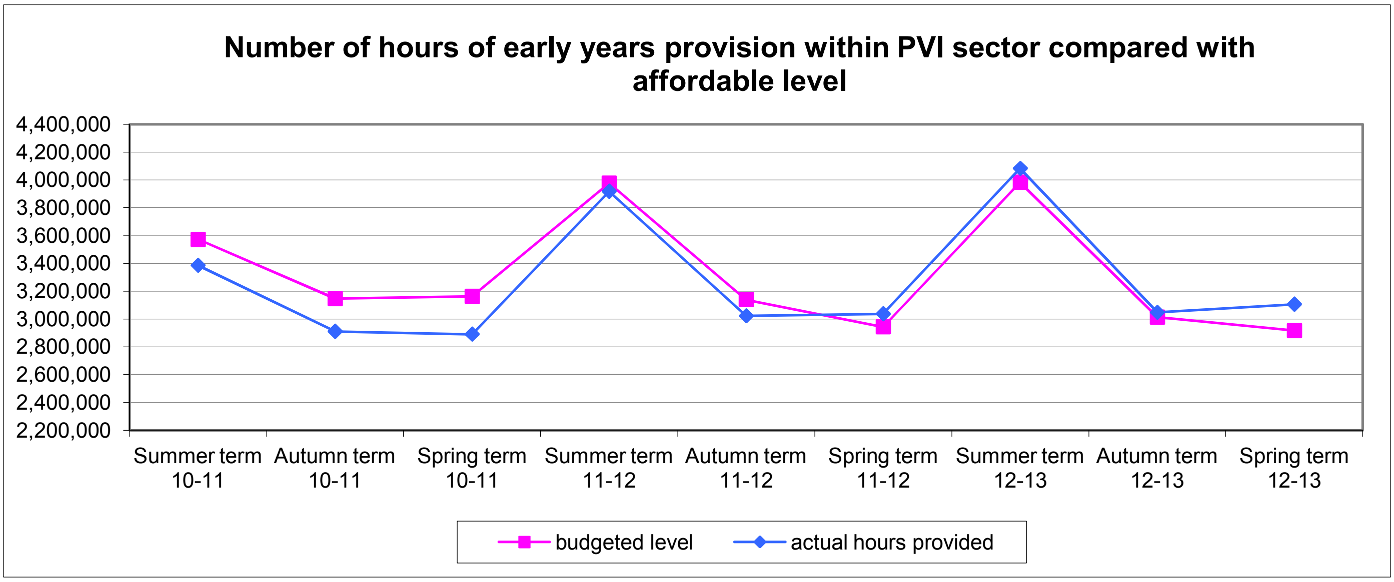
Comments:

- **SEN HTST** – The number of children travelling is higher than the budgeted level and there are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. Therefore a gross overspend of +£1,197k is reported in 1.1.3.5.c. A pressure is also reflected in the 2013-15 MTFP.

- **Mainstream HTST** – A gross underspend of +£1,025k is expected on the Mainstream Home to School Transport budget based on the current numbers requiring transport in the new academic year as reported in section 1.1.3.5.b. A saving is also reflected in the 2013-15 MTFP.

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

	2010-11		2011-12		2012-13	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided
Summer term	3,572,444	3,385,199	3,976,344	3,917,710	3,982,605	4,082,870
Autumn term	3,147,387	2,910,935	3,138,583	3,022,381	3,012,602	3,048,035
Spring term	3,161,965	2,890,423	2,943,439	3,037,408	2,917,560	3,106,277
	9,881,796	**9,186,557**	**10,058,366**	**9,977,499**	**9,912,767**	**10,237,182**



Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The current activity shows 324,415 hours above the affordable level for the year, which suggests an overspend of £1.317m on this budget which has been mentioned in section 1.1.3.4.d of this annex. As this budget is funded entirely from DSG, any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere in the directorate budget, therefore this overspend will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.
- The figures for actual hours provided are constantly reviewed and updated, so will always be subject to change.

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

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 2 report to reflect the centralisation of the ICT budgets to BSS directorate (see annex 6), and the transfer of the Service Level Agreements for transport related services to the new Transport Operations A-Z budget within the EH&W portfolio (see annex 4), following the transfer of the Transport Integration Unit to E&E directorate from Commercial Services. There have also been a number of other technical adjustments to budget.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Specialist Children's Services portfolio							
Strategic Management & Directorate Support Budgets	3,448	-175	3,273	-267		-267	Staff vacancies
Children's Services:							
- Education & Personal							
- Children's Centres	17,650	-139	17,511	-660	-128	-788	Release of uncommited budget, various underspends across 97 centres
- Early Years & Childcare	0	0	0	179	-155	24	Additional PVI income, corresponding spend
- Virtual School Kent	2,683	-704	1,979	89	-10	79	
	20,333	-843	19,490	-392	-293	-685	
- Social Services							
- Adoption	8,310	-49	8,261	635		635	Increase in placements, SGO
- Asylum Seekers	14,901	-14,621	280	64	3,018	3,082	forecast shortfall in funding, awaiting resolution with Govt
- Childrens Support Services	2,538	-1,043	1,495	-124	88	-36	OOH team staffing
- Fostering	34,302	-237	34,065	3,061	9	3,070	Increase in demand, change in unit cost, reduced demand for Kinship Non LAC, increase demand for related foster payments
- Leaving Care (formerly 16+)	5,123	0	5,123	-29		-29	
- Legal Charges	6,315	0	6,315	1,010		1,010	Increased demand

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Preventative Children's Services	20,560	-4,369	16,191	-1,544	192	-1,352	Reducation in S17 payments, MASH lease, re-phasing of strategies relating to early intervention & prevention, increased demand for Direct payments
- Residential Children's Services	13,749	-2,144	11,605	2,010	343	2,353	Increase in weeks/ lower unit cost, specialist placements, increased costs of respite care for disabled children due to complexity of needs
- Safeguarding	4,598	-316	4,282	0		0	Staff vacancies
	110,396	-22,779	87,617	5,083	3,650	8,733	
Assessment Services							
- Children's Social Care Staffing	39,099	-819	38,280	1,282	0	1,282	Staffing
Total SCS portfolio	**173,276**	**-24,616**	**148,660**	**5,706**	**3,357**	**9,063**	
Assumed Management Action							
- SCS portfolio						**0**	
Forecast after Mgmt Action				**5,706**	**3,357**	**9,063**	

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

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

Specialist Children's Services portfolio:

1.1.3.1 Strategic Management & Directorate Support: Gross -£267k
This variance is predominantly due to a staffing underspend within the Performance & Information Management unit of -£190k, which is mainly due to unfilled vacancies.

1.1.3.2 Children's Centres: Net -£788k (-£660k Gross, -£128k Income)
An underspend of -£300k has been forecast on the Early Years, Children's centre development team from the release of uncommitted budget to offset pressures elsewhere within SCS.

There is a further gross underspend on Children's Centres of -£488k which is due to various small underspends spread over the 97 centres. There is also a further gross pressure of +£128k which has a corresponding income variance -£128k, which relates to where the centres receive income for shared costs, rental of rooms, activities etc, all of which also incur expenditure.

1.1.3.3 Early Years & Childcare: Net +£24k (+£179k Gross, -£155k Income)
There is a forecast income variance of -£155k due to additional income being received by the Early Years nurseries in respect of 2, 3 & 4 year old funding. This results in additional spend and a corresponding gross pressure of +£155k has been forecast. There are also other small gross variances of +£24k relating to the three KCC run nurseries which are transferring to ELS.

1.1.3.4 Adoption: Gross +£635k

The current forecast variance of +£635k includes a pressure of +£192k for an increase in the cost of placements. In addition, there is a pressure of +£386k relating to special guardianship orders (SGO); this is due to the need to secure a permanent placement for a child where adoption is not suitable or required. There are also other small gross pressures of +£57k.

1.1.3.5 Asylum Seekers – Net +£3,082k (+£64k gross, +£3,018k income)

We are now forecasting a potential net pressure of £3,082k against the Asylum Service. This pressure is in respect of both unaccompanied asylum seeking children and those eligible under the care leaving legislation.

A separate report on this issue is elsewhere on this Cabinet agenda.

1.1.3.6 Children's Support Services: Net -£36k (-£124k Gross, +£88k Income)

There is a forecast underspend on staffing of -£65k which is for the Out of Hours team, there are also other small gross variances of -£59k, and a small income variance of +£88k.

1.1.3.7 Fostering: Net +£3,070k (+£3,061k Gross, +£9k Income)

There is a forecast gross pressure of +£801k on Non-related fostering (in house) as a result of the forecast number of weeks of service being 1,851 higher than the affordable level of 54,872, this generates £707k of the current pressure. Additionally, the unit cost being +£1.71 higher than previously estimated when setting the cash limit, has increased the pressure by +£94k.

A gross pressure of +£2,532k is forecast for Independent fostering. Again this is as a result of an increase in weeks support, which is 3,376 higher than the affordable level of 6,152 and results in a pressure of +£3,088k. However, the average weekly cost is -£90.35 lower than budgeted, and this reduces the total pressure by -£556k.

A gross underspend of -£677k is forecast on Kinship non LAC which is due to reduced demand. (This reduction in spend has resulted in an increase in the SGO forecast of +£386k in section 1.1.3.4 above) and +£317k on related foster payments (see below), and other small gross variances of +£26k.

There is also a gross pressure of +£317k on related foster payments due to an increase in demand resulting from the drive to move children from Kinship to Related foster payments (and SGO see section 1.1.3.4).

The county fostering team is forecasting a gross pressure of +£88k, due to an increase in the number of staff following the restructure. There is also a small income variance of +£9k.

1.1.3.8 Leaving Care (formerly 16+): Gross -£29k

An underspend of -£457k is forecast on leaving care/Section 24. This is partly due to more young people opting to remain with their foster carers, and also stricter controls around S24 payments (*assistance provided to a child aged 16+ who leaves local authority care*). There is also a forecast pressure of +£295k due to a VAT liability dating back to 2009 relating to the contract with Catch 22. In addition there are other small variances totalling +£133k.

1.1.3.9 Legal Charges: Gross +£1,010k

There is a pressure forecast on the legal budget of +£1,010k, of which +£860k is due to demand being greater than that budgeted for and +£150k is spend which has moved from the Section 17 budget (see section 1.1.3.10)

1.1.3.10 Preventative Children's Services: -£1,352 k (-£1,544k Gross, +£192k Income)

There is a forecast underspend of -£570k on the Section 17 *(Provision of services for children in need, their families and others)* budget. -£150k of this is due to spend being re-classified as legal costs, previously been classified as Section 17. These costs are now included in section 1.1.3.9. A further underspend has been forecast of -£420k due to management action and more detailed guidance being issued to district teams on when they can make Section 17 payments. There is also a small income variance of +£55k

There is a forecast underspend of -£249k on Independent sector day care and short breaks as a result of renegotiated day care costs.

Independent sector day care and short breaks for disabled children has a forecast underspend of -£308k, of which there is an underspend of -£496k on core activity as a result of a shift to providing direct payments instead (see below). In addition there is a forecast pressure of +£188k due to lease charges on the MASH (Multi Agency Specialist Hubs).

There is a forecast pressure of +£319k for Direct payments, which is due to the number of forecast weeks being 4,660 higher than budgeted, and the forecast rate being £10.60 higher than the budgeted rate. There is also a small income variance of +£13k.

Due to some re-phasing of the strategies relating to early intervention and prevention a -£500k underspend is forecast. There is a further gross underspend of -£150k and corresponding income variance of +£150k, which reflects a number of renegotiated commissioned services, which have also resulted in some loss of joint funding. There is also a further small income variance of +£8k on the prevention strategy budget.

There are also various other small gross variances totalling -£86k, and an income variance of -£34k.

1.1.3.11 Residential Children's Services: Net +£2,353k (+£2,010k Gross, +£343k Income)

Of the pressure within residential services, +£1,851k (+£1,478k Gross, +£373k Income) relates to non disabled independent sector residential provision. The forecast number of weeks of service is 680 higher than the affordable level of 1,892, which generates +£2,011k of current pressure. Additionally the unit cost being -£281.66 lower than previously estimated when setting the cash limit has reduced this pressure by -£533k. The income variance of +£373k is due to a reduction in income for placements from health.

The budget for independent residential care for disabled children is showing a pressure of +£474k (+£450k Gross, +£24k Income). This is due to an increase in costs of specialist placements of +£350k, and a pressure of +£100k due to an increase in the overall number of placements. There is also a small income variance of +£24k.

There is a forecast net pressure of +£110k relating to KCC respite care for disabled children reflecting the complexity of the children's needs, which comprises a gross pressure of +£166k and a small income variance of -£56k.

There is a small net underspend on Residential care for Non-LAC of -£38k, comprising of a gross underspend of -£40k and an income variance of +£2k

There is also a small underspend forecast on secure accommodation of -£44k

1.1.3.12 Assessment Services – Children's Social Care Staffing: Gross +£1,282k

Following a more in depth monitoring process this quarter including greater engagement of finance staff, service managers and Area Directors, we are now in a position to provide a more accurate reflection of the financial position on this budget. This is producing a gross pressure of +£1,282k on staffing costs.

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

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
SCS	Fostering - Gross - Independent - forecast weeks higher than budgeted	+3,088	SCS	Fostering - Gross - Independent - forecast unit cost lower than budgeted	-556
SCS	Asylum - forecast shortfall in funding, awaiting resolution with Government	+3,082	SCS	Residential - Gross - Non Dis Independent Sector - forecast unit cost lower than budgeted	-533
SCS	Residential - Gross - Non Dis Independent Sector - forecast weeks higher than budgeted	+2,011	SCS	Preventative Children's services - Gross - re-phasing of strategies relating to early intervention and prevention	-500
SCS	Children's social care staffing - Gross - Additional staffing costs	+1,282	SCS	Preventative Children's services - Gross - Independent sector day care disability - reduction in core activity due to a shift to direct payments	-496
SCS	Legal Charges - Gross - increased demand	+860	SCS	Children's centres - Gross - Various small underspends across 97 centres	-488
SCS	Fostering - Gross - Non-related in house - forecast weeks higher than budgeted	+707	SCS	Leaving care - Gross - decrease in demand as 16-18 yr olds remaining in foster care, stricter controls around S24 payments	-457
SCS	Adoption - Gross - Increase in Special Guardianship Orders	+386	SCS	Preventative Children's services - Gross - management action and more detailed guidance on Section 17 payments	-420
SCS	Residential - Income - Non Dis Independent Sector - reduction in income for placements from Health	+373	SCS	Fostering - Gross - Kinship non LAC - move to SGO	-386
SCS	Residential - Gross - Dis Independent Sector - Increase in specialist placements	+350	SCS	Fostering - Gross - Kinship non LAC - move to related fostering	-317
SCS	Preventative Children's services - Gross - Direct Payments - Forecast weeks/unit costs higher than budgeted (shift from Ind day care disability)	+319	SCS	Early Years - Gross - Children's centre development team - release of uncommitted budget	-300
SCS	Fostering - Gross - Related foster payments - drive to move children from Kinship to Related Fostering	+317	SCS	Preventative Children's services - Gross - Independent sector day care non disability- renegotiated day care rate	-249
SCS	Leaving care - Gross - VAT liability	+295	SCS	Strategic Management & Directorate Support - Gross - Vacancies within Performance & Information Management unit	-190
SCS	Adoption - Gross - Increase in cost of placements	+192	SCS	Early Years - Gross - additional income for increased payments for 2, 3 & 4 year olds	-155
SCS	Preventative Children's services - Gross - increased cost of MASH due to lease changes	+188	SCS	Preventative Children's services - Gross - Costs re-classified as legal costs	-150
SCS	Residential - Gross - In house respite care for disabled children - complexity of needs	+166	SCS	Preventative Children's Services - Income - loss of joint funding from health	-150

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
SCS	Early Years - Gross - additional costs due to increased payments for 2, 3 & 4 year olds	+155	SCS	Children's centres - Income - Various income for utilities, activities etc	-128
SCS	Legal Charges - Gross - costs moved from S.17	+150			
SCS	Preventative Children's Services - Gross - renegotiated commissioned services	+150			
SCS	Children's centres - Gross - Various spend on utilities, activities etc	+128			
SCS	Residential - Gross - Disability Independent Sector - increase in the overall number of placements	+100			
		+14,299			-5,475

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

Controls have been put in place which we believe are helping to reduce the financial pressures on Specialist Children’s Services during the year, these include:

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

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

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

1.1.5 **Implications for MTFP**:

The current year pressures have been addressed in the recently approved 2013/15 MTFP

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

None

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

None

1.2 CAPITAL

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

1.2.2 Specialist Childrens Services
The Specialist Childrens Services portfolio has an approved budget for 2012-15 of £0.703m (see table 1 below). The forecast outturn against this budget is £1.799m, giving a variance of +£1.096m. After adjustments for funded variances and reductions in funding, the revised variance comes to +£1.090m.This is made up of an unfunded variance of +£1.107m and project underspends of -£0.017m (see table 3).

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

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet	0.769
Approvals made since last reported to Cabinet	-0.066
Revised approved budget	0.703

1.2.5 Table 2 – Funded and Revenue Funded Variances

Scheme	Portfolio	Amount £m	Reason
Cabinet to approve cash limit changes			
No cash limit changes to be made			
Ashford, Thanet & Swale MASH	SCS	0.006	Revenue Cont-as previously reported
Total		0.006	

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	**1.107**
Funded variance (from table 2)	
Variance to be funded from revenue	0.006
Project Underspend	-0.017
Rephasing (beyond 2012-15)	
Total variance	1.096

1.2.7 **Main reasons for variance**

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

Annex 2

Table 4 – Scheme Progress

Scheme Name	Total approved budget	Previous Years Spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status
	£m	£m	£m	£m	£m	£m	£m	£m	
Approval to Spend									
Ashford, Thanet and Swale MASH	15.826	15.843	-0.017	0.000	1.096	0.000	1.113	1.113	Amber - Overspend
TSB2 Short Breaks Pathfinder Programme	0.532	0.117	0.415	0.000	0.415	0.000	0.000	0.000	Green
Early Years & Children's Centres	41.955	41.901	0.054	0.000	0.037	0.000	-0.017	-0.017	Green
Self Funded Project (Quarryfields)(tr to ELS)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Service Redesign	0.251	0.000	0.251	0.000	0.251	0.000	0.000	0.000	Green
	58.564	57.861	0.703	0.000	1.799	0.000	1.096	1.096	

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

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

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

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

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

1.2.12 MASH - Latest MASH estimates show a forecast variance of £1.113m in 2012-13. This reflects a continuing pressure and has not changed since last reported to Cabinet. £0.006m of the overspend is to be funded from a revenue contribution, and there is anticipated external funding of £0.800m which is awaiting confirmation from the NHS. If this is forthcoming there remains an unfunded variance of £0.307m, the funding of which is yet to be resolved.

Other Significant Variances

1.2.13 **Quarry Fields – Self funded Project –** The cash limit and spend for this project has been moved to the ELS portfolio in alignment with the responsibilities for Early years.

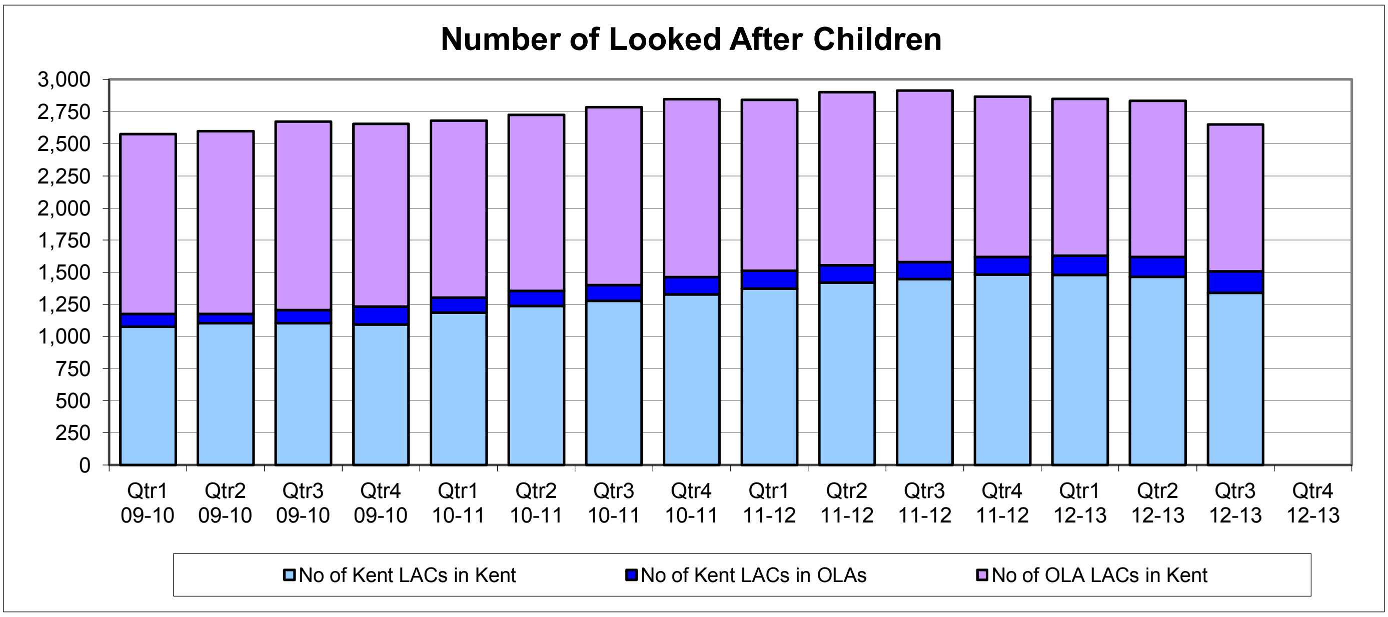
Key issues and Risks

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

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	No of Kent LAC placed in Kent	No of Kent LAC placed in OLAs	TOTAL NO OF KENT LAC	No of OLA LAC placed in Kent	TOTAL No of LAC in Kent
2009-10					
Apr – Jun	1,076	100	**1,176**	1,399	**2,575**
Jul – Sep	1,104	70	**1,174**	1,423	**2,597**
Oct – Dec	1,104	102	**1,206**	1,465	**2,671**
Jan – Mar	1,094	139	**1,233**	1,421	**2,654**
2010-11					
Apr – Jun	1,184	119	**1,303**	1,377	**2,680**
Jul – Sep	1,237	116	**1,353**	1,372	**2,725**
Oct – Dec	1,277	123	**1,400**	1,383	**2,783**
Jan – Mar	1,326	135	**1,461**	1,385	**2,846**
2011-12					
Apr – Jun	1,371	141	**1,512**	1,330	**2,842**
Jul – Sep	1,419	135	**1,554**	1,347	**2,901**
Oct – Dec	1,446	131	**1,577**	1,337	**2,914**
Jan – Mar	1,480	138	**1,618**	1,248	**2,866**
2012-13					
Apr – Jun	1,478	149	**1,627**	1,221	**2,848**
Jul – Sep	1,463	155	**1,618**	1,216	**2,834**
Oct – Dec	1,340	165	**1,505**	1,144	**2,649**
Jan – Mar					



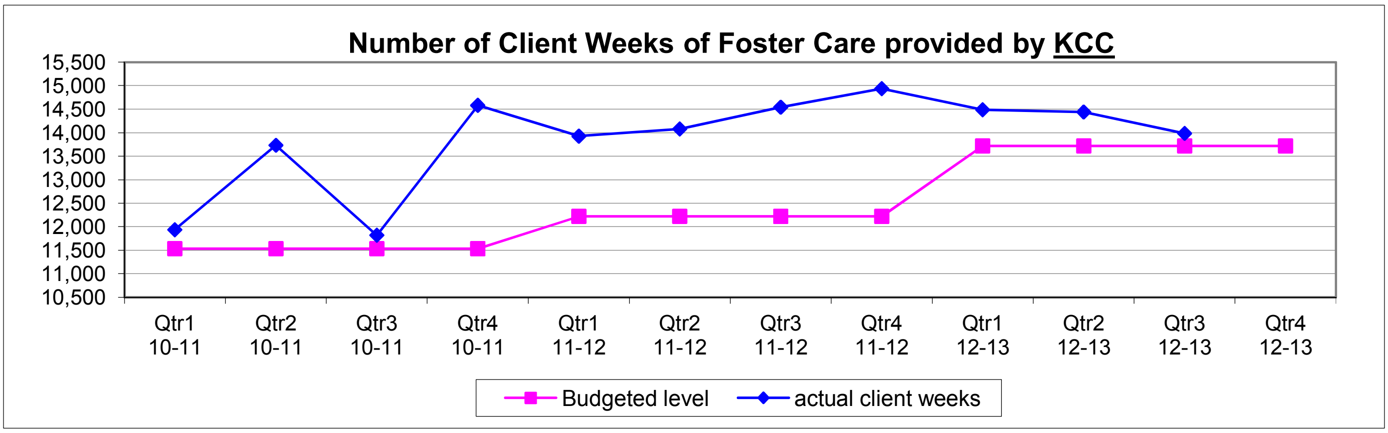
Comments:

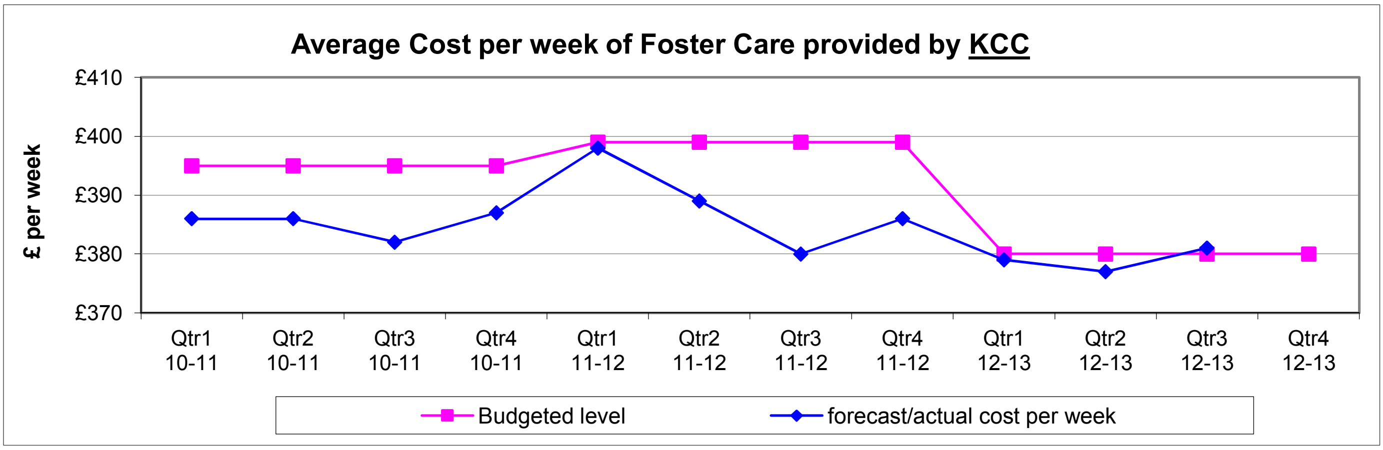
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The number of looked after children for each quarter represents a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore although the number of Kent looked after children has reduced by 113 this quarter, there could have been more (or less) during the period.
- The increase in the number of looked after children for the first half of 2012-13 compared to when the 2012-13 budget was set (Q3 11/12) has placed additional pressure on the services for looked after children, including fostering and residential care.

- The OLA LAC information has a confidence rating of 62% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. This confidence rating is based upon the percentage of children in this current cohort where the OLA has satisfactorily responded to recent MIU requests.

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

	2010-11				2011-12				2012-13			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	forecast
Apr - June	11,532	11,937	£395	£386	12,219	13,926	£399	£398	13,718	14,487	£380	£379
July - Sep	11,532	13,732	£395	£386	12,219	14,078	£399	£389	13,718	14,440	£380	£377
Oct - Dec	11,532	11,818	£395	£382	12,219	14,542	£399	£380	13,718	13,986	£380	£382
Jan - Mar	11,532	14,580	£395	£387	12,219	14,938	£399	£386	13,718		£380	
	46,128	**52,067**	**£395**	**£387**	**48,876**	**57,484**	**£399**	**£386**	**54,872**	**42,913**	**£380**	**£382**





Comments:

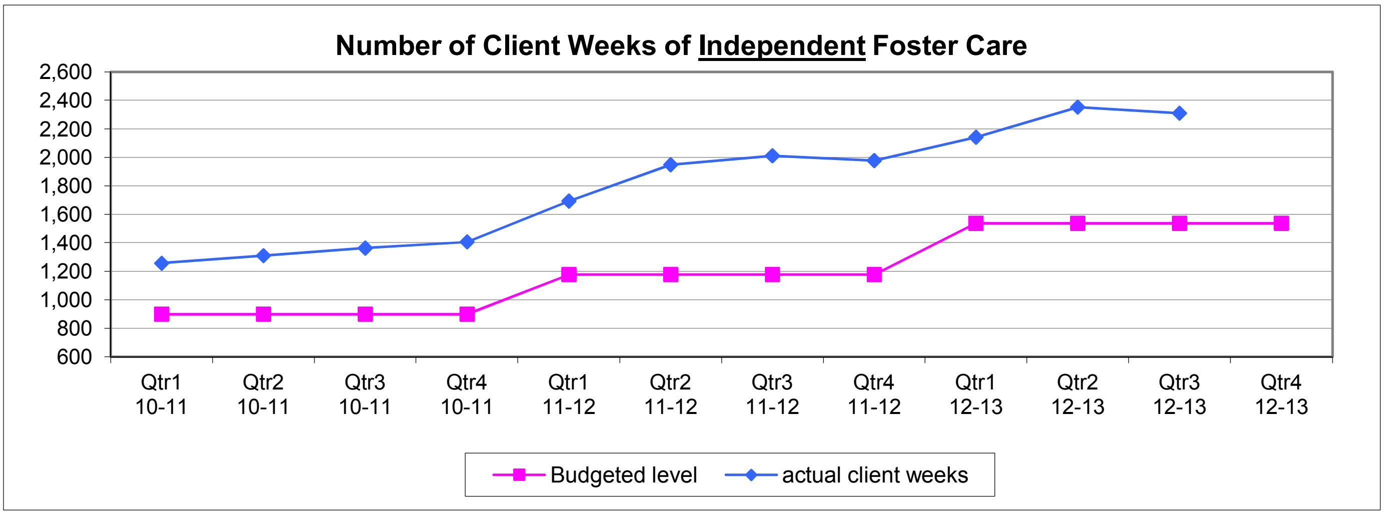
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- In addition, the 2012-13 budgeted level represents the level of demand as at the 2011-12 3rd quarter's full monitoring report, which is the time at which the 2012-13 budget was set and approved. However, since that time, the service has experienced continued demand on this service.
- The forecast number of weeks is 56,723 (excluding asylum), which is 1,851 weeks above the affordable level. This forecast number of weeks is lower than the YTD activity would suggest due to an anticipated reduction in the number of children in in-house fostering for the remainder of the year in response to the controls put in place to help reduce the pressures on the SCS budgets (see section

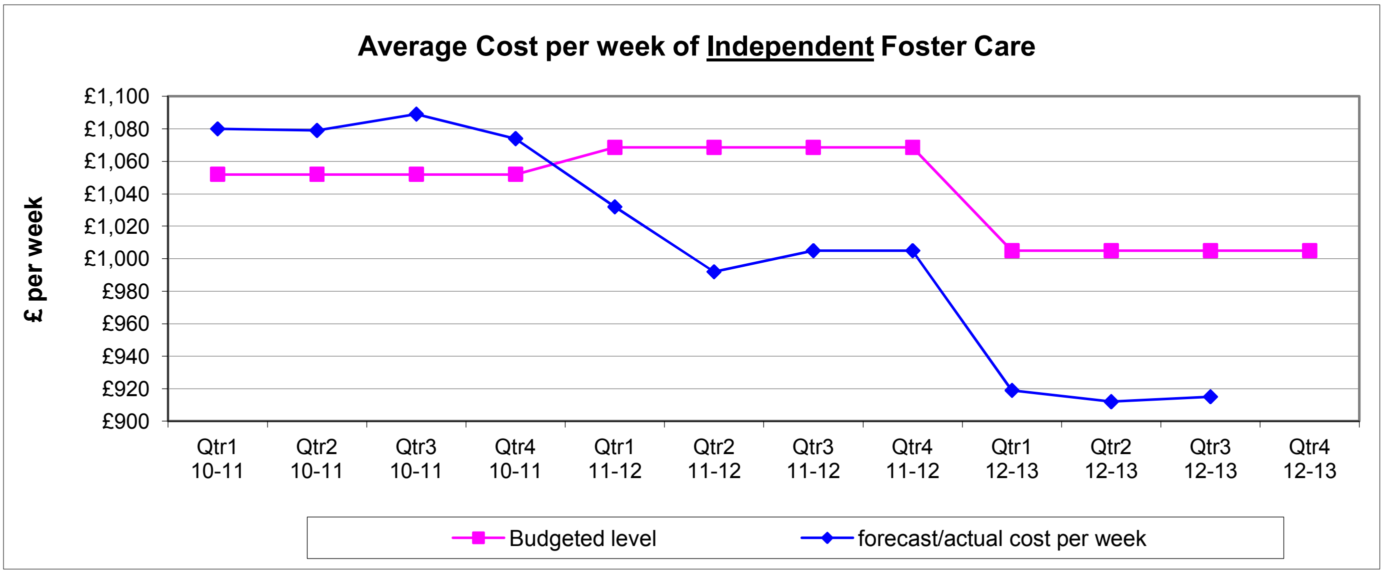
1.1.4), and problems finding suitable in-house placements. At the forecast unit cost of £381.71 per week, this increase in activity gives a pressure of £707k.

- The forecast unit cost of £381.71 is +£1.71 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£94k.
- Overall therefore, the combined gross pressure on this service for both under and over 16's (and those with a disability) is +£801k (£707k + £94k), as reported in section 1.1.3.7.

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

	2010-11				**2011-12**				**2012-13**			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	forecast
Apr - June	900	1,257	£1,052	£1,080	1,177	1,693	£1,068.60	£1,032	1,538	2,141	£1,005	£919
July - Sep	900	1,310	£1,052	£1,079	1,178	1,948	£1,068.60	£992	1,538	2,352	£1,005	£912
Oct - Dec	900	1,363	£1,052	£1,089	1,177	2,011	£1,068.60	£1,005	1,538	2,310	£1,005	£915
Jan - Mar	900	1,406	£1,052	£1,074	1,178	1,977	£1,068.60	£1,005	1,538		£1,005	
	3,600	**5,336**	**£1,052**	**£1,074**	**4,710**	**7,629**	**£1,068.60**	**£1,005**	**6,152**	**6,803**	**£1,005**	**£915**





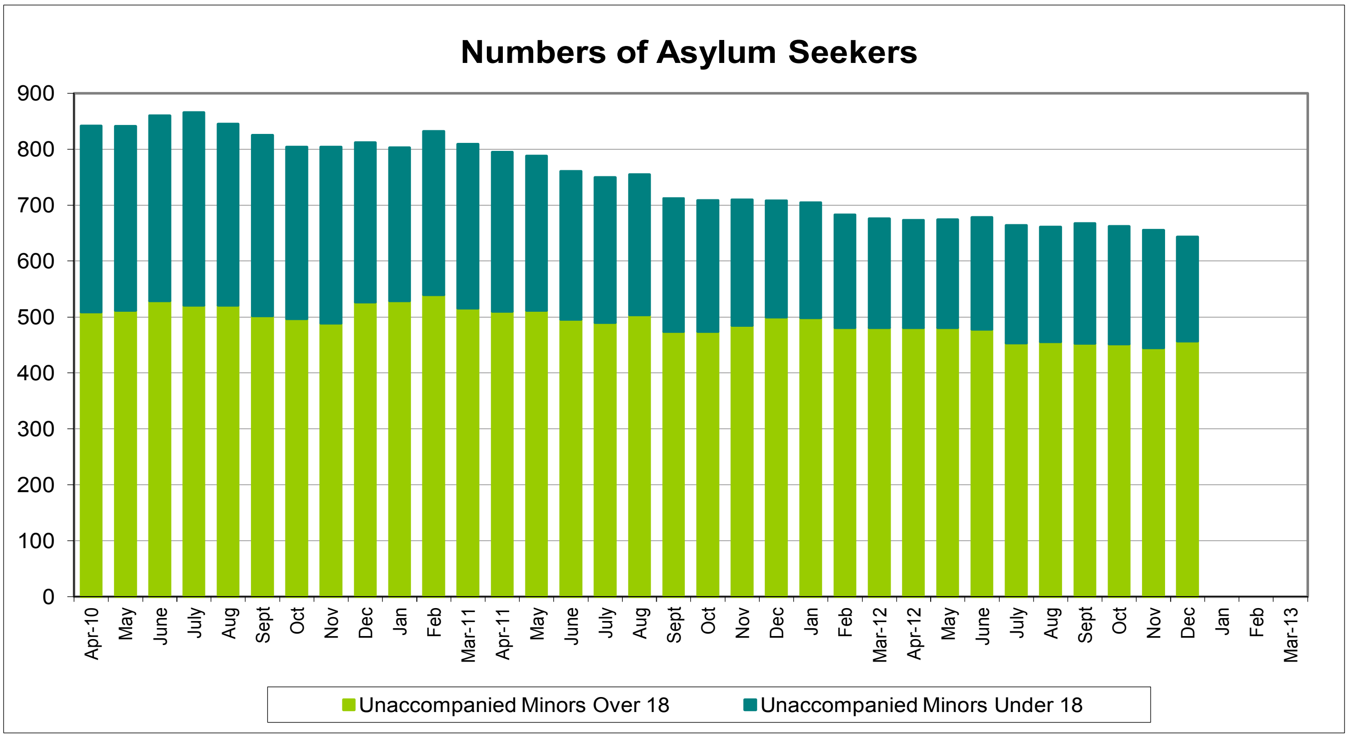
Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.

- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- For the 2012-13 budget further significant funding has been made available based on the actual level of demand at the 3rd quarter's monitoring position for 2011-12, the time at which the 2012-13 budget was set and approved. However, since that date the service has experienced continued demand on this service.
- The forecast number of weeks is 9,528 (excluding asylum), which is 3,376 weeks above the affordable level. The forecast number of weeks is higher than the YTD activity would suggest due to an increase in the number of IFA placements reflecting the difficulty in finding in-house placements. At the forecast unit cost of £914.65, this increase in activity give a pressure of £3,088k.
- The forecast unit cost of £914.65 is an average and is -£90.35 below the budgeted level and when multiplied by the budgeted number of weeks gives a saving of -£556k
- Overall therefore, the combined forecast gross pressure on this service and is +£2,532k (+£3,088k increased demand and -£556k lower unit cost), as reported in sections 1.1.3.7.

2.3 Numbers of Unaccompanied Asylum Seeking Children (UASC):

	2010-11			2011-12			2012-13		
	Under 18	Over 18	**Total Clients**	Under 18	Over 18	**Total Clients**	Under 18	Over 18	**Total Clients**
April	333	509	**842**	285	510	**795**	192	481	**673**
May	329	512	**841**	276	512	**788**	193	481	**674**
June	331	529	**860**	265	496	**761**	200	478	**678**
July	345	521	**866**	260	490	**750**	210	454	**664**
August	324	521	**845**	251	504	**755**	205	456	**661**
September	323	502	**825**	238	474	**712**	214	453	**667**
October	307	497	**804**	235	474	**709**	210	452	**662**
November	315	489	**804**	225	485	**710**	210	445	**655**
December	285	527	**812**	208	500	**708**	186	457	**643**
January	274	529	**803**	206	499	**705**			
February	292	540	**932**	202	481	**683**			
March	293	516	**809**	195	481	**676**			

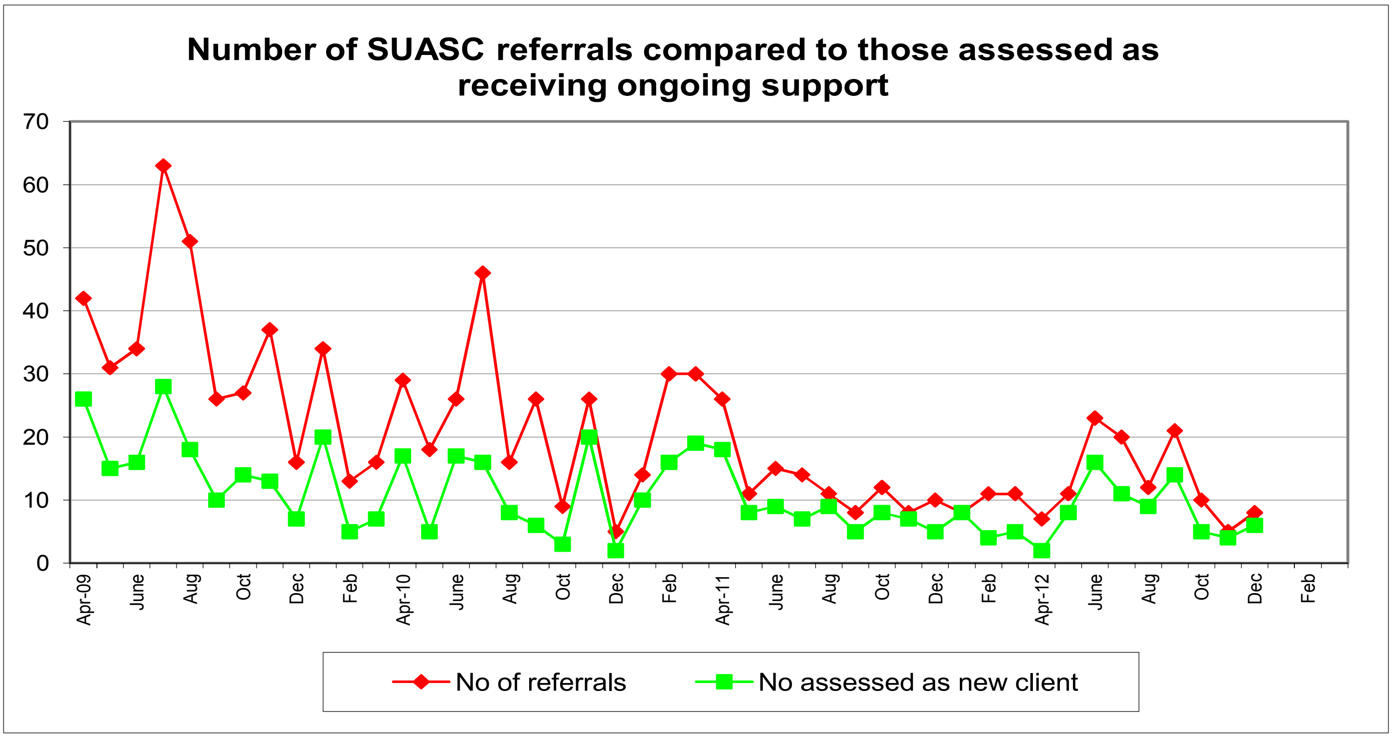


Comment:

- The overall number of children has remained fairly static so far this year. The current number of clients supported is below the budgeted level of 690.
- The budgeted number of referrals for 2012-13 is 15 per month, with 9 (60%) being assessed as under 18.
- Despite improved partnership working with the UKBA, the numbers of over 18's who are All Rights of appeal Exhausted (ARE) have not been removed as quickly as originally planned.
- In general, the age profile suggests the proportion of over 18s is decreasing slightly and, in addition, the age profile of the under 18 children has increased
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim but once their assessment has been completed, or when successfully appealed, their category may change.

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

	2009-10			2010-11			2011-12			2012-13		
	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%
April	42	26	62%	29	17	59%	26	18	69%	7	2	29%
May	31	15	48%	18	5	28%	11	8	73%	11	8	73%
June	34	16	47%	26	17	65%	15	9	60%	23	16	70%
July	63	28	44%	46	16	35%	14	7	50%	20	11	55%
Aug	51	18	35%	16	8	50%	11	9	82%	12	9	75%
Sept	26	10	38%	26	6	23%	8	5	62%	21	14	67%
Oct	27	14	52%	9	3	33%	12	8	67%	10	5	50%
Nov	37	13	35%	26	20	77%	8	7	88%	5	4	80%
Dec	16	7	44%	5	2	40%	10	5	50%	8	6	75%
Jan	34	20	59%	14	10	71%	8	8	100%			
Feb	13	5	38%	30	16	53%	11	4	36%			
Mar	16	7	44%	30	19	63%	11	5	45%			
	390	**179**	**46%**	**275**	**139**	**51%**	**145**	**93**	**64%**	**117**	**75**	**64%**

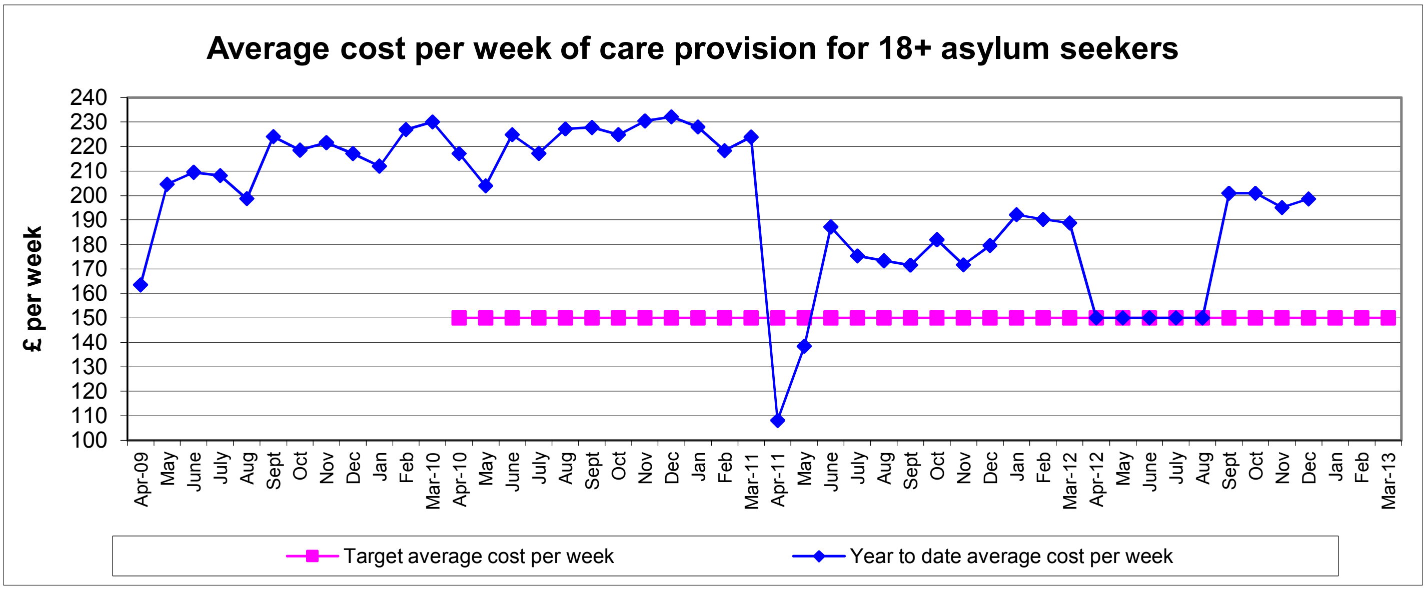


Comments:

- In general, referral rates have been lower since September 2009 which coincides with the French Government's action to clear asylum seeker camps around Calais. The average number of referrals per month is now 13, which is below the budgeted number of 15 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average number assessed as new clients is now 64%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is currently 8 i.e a 10% decrease.
- The number of referrals assessed as a new client has been revised for the period April 12 to August 12 due to a more accurate definition of criteria.
- Where a young person has been referred but not assessed as a new client this would be due to them being re-united with their family, assessed as 18+ and returned to UKBA or because they have gone missing before an assessment has been completed.

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

	2009-10		2010-11		2011-12		2012-13	
	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Year to date average weekly cost £p
April		163.50	150.00	217.14	150.00	108.10	150.00	150.00
May		204.63	150.00	203.90	150.00	138.42	150.00	150.00
June		209.50	150.00	224.86	150.00	187.17	150.00	150.00
July		208.17	150.00	217.22	150.00	175.33	150.00	150.00
August		198.69	150.00	227.24	150.00	173.32	150.00	150.00
September		224.06	150.00	227.79	150.00	171.58	150.00	200.97
October		218.53	150.00	224.83	150.00	181.94	150.00	200.97
November		221.64	150.00	230.47	150.00	171.64	150.00	195.11
December		217.10	150.00	232.17	150.00	179.58	150.00	198.61
January		211.99	150.00	227.96	150.00	192.14	150.00	
February		226.96	150.00	218.30	150.00	190.25	150.00	
March		230.11	150.00	223.87	150.00	188.78	150.00	



Comments:

- The local authority has agreed that the funding levels for the Unaccompanied Asylum Seeking Childrens Service 18+ grant agreed with the Government rely on us achieving an average cost per week of £150, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the removal process. In 2011-12 UKBA changed their grant rules and now only fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process if the LA carries out a Human Rights Assessment before continuing support. The LA has continued to meet the cost of the care leavers in order that it can meet it statutory obligations to those young people under the Leaving Care Act until the point of removal.
- As part of our partnership working with UKBA, most UASC in Kent are now required to report to UKBA offices on a regular basis, in most cases weekly. The aim is to ensure that UKBA have regular contact and can work with the young people to encourage them to make use of the voluntary methods of return rather than forced removal or deportation. As part of this arrangement any young person who does not report as required may have their Essential living allowance discontinued. As yet this has not resulted in an increase in the number of AREs being removed. The number of AREs supported has continued to remain steady, but high. Moving clients on to the pilot housing scheme was slower than originally anticipated, however all our young people, who it was appropriate to move to lower cost accommodation, were moved by the end of 2010-11. However there remain a number of issues:

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

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

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

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 2 monitoring report to reflect the centralisation of the ICT budgets to BSS directorate (see annex 6), and the transfer of the Service Level Agreements for transport related services to the new Transport Operations A-Z budget within the EH&W portfolio (see annex 4), following the transfer of the Transport Integration Unit to E&E directorate from Commercial Services. There have also been a number of other technical adjustments to budget.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Adult Social Care & Public Health portfolio							
Strategic Management & Directorate Support Budgets	9,903	-1,066	8,837	-40	-34	-74	Estimated legal charge pressure; staffing vacancies
Adults & Older People:							
- Direct Payments							
- Learning Disability	12,769	-547	12,222	-505	247	-258	Lower than budgeted activity & unit cost offset by one-off payments; income charge lower than budgeted level
- Mental Health	708	0	708	-8	-8	-16	
- Older People	6,924	-787	6,137	-453	-76	-529	Activity below budgeted level offset by unit cost above budgeted level
- Physical Disability	9,580	-374	9,206	-175	-107	-282	Activity below budgeted level offset by unit cost above budgeted level plus more one-off payments; unit income charge higher than budgeted level
Total Direct Payments	29,981	-1,708	28,273	-1,141	56	-1,085	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Domiciliary Care							
- Learning Disability	5,261	-1,532	3,729	323	306	629	Unit cost above budget level & activity below budget level; additional pressure on extra care housing clients; under-recovery of income received by Independent Living Service
- Mental Health	350	-114	236	-83	26	-57	
- Older People	44,586	-12,669	31,917	-1,687	1,529	-158	Activity for P&V & in-house below budgeted level; savings on block contract; Shortfall in income due to reduced activity
- Physical Disability	7,403	-595	6,808	186	-93	93	Activity lower than budgeted level & unit cost above budget level
Total Domiciliary Care	57,600	-14,910	42,690	-1,261	1,768	507	
- Nursing & Residential Care							
- Learning Disability	75,667	-6,456	69,211	819	175	994	Activity & unit cost above budget level for IS; activity below budget level and unit cost above budget level for preserved rights; delay in review of in-house units;
- Mental Health	7,243	-692	6,551	274	-41	233	Unit cost higher than budget level
- Older People - Nursing	46,868	-24,730	22,138	1,599	-1,050	549	Activity & unit cost above budget level; income charge higher than budget level; RNCC costs to be recharged to health
- Older People - Residential	85,686	-36,724	48,962	-2,585	1,845	-740	Activity lower than budget level; higher unit cost; in-house staffing pressure; release of contingency; income activity & unit charge lower than budget level
- Physical Disability	13,813	-1,969	11,844	-669	197	-472	Activity lower than budget level; higher unit cost;
Total Nursing & Residential Care	229,277	-70,571	158,706	-562	1,126	564	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Supported Accommodation							
- Learning Disability	33,366	-3,645	29,721	-1,184	702	-482	Unit cost below budget level; transfer from reserve; Supporting Independence Service Pressure; underspend on group homes; income charge lower than budgeted
- Physical Disability/Mental Health	2,986	-279	2,707	-238	-137	-375	Savings from the Supporting Independence Service; income charge higher than budget level
Total Supported Accommodation	36,352	-3,924	32,428	-1,422	565	-857	
- Other Services for Adults & Older People							
- Contributions to Vol Orgs	15,570	-1,655	13,915	14	80	94	
- Day Care							
- Learning Disability	13,200	-237	12,963	74	49	123	Staffing savings due ot in-house modernisation strategy & reduction in activity; Independent Sector pressure
- Older People	3,313	-59	3,254	-685	32	-653	Re-commissioning strategies
- Physical Disability/Mental Health	1,320	-5	1,315	-38	-2	-40	
Total Day Care	17,833	-301	17,532	-649	79	-570	
- Other Adult Services	13,629	-17,857	-4,228	285	-262	23	Transfer of clients to the Provider Managed Services Pilot; Increased unit cost on meals provision; learning disability development fund staffing & commissioning underspend; telehealth/telecare additional costs offset from health income
- Safeguarding	1,071	-196	875	-50	50	0	
Total Other Services for A&OP	48,103	-20,009	28,094	-400	-53	-453	
- Assessment Services							
- Adult's Social Care Staffing	41,314	-4,316	36,998	-391	185	-206	vacancies; various minor income pressures
Community Services:							
- Public Health Management & Support	374	0	374	38	-53	-15	
- Public Health (incl Local Involvement Network)	106	-57	49	-38	38	0	
Total ASC&PH portfolio	**453,010**	**-116,561**	**336,449**	**-5,217**	**3,598**	**-1,619**	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Business Strategy, Performance & Health Reform portfolio							
- Public Health (LINk, Local Healthwatch & Health Reform)	**758**	**-60**	**698**	**16**	**-16**	**0**	
Total FSC ADULTS controllable	**453,768**	**-116,621**	**337,147**	**-5,201**	**3,582**	**-1,619**	
Assumed Management Action							
- ASC&PH portfolio						**0**	
- BSP&HR portfolio						**0**	
Forecast after Mgmt Action				**-5,201**	**3,582**	**-1,619**	

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 <u>all</u> forecast revenue variances over £100k. Each of these variances is explained further below:

<u>Adult Social Care & Public Health portfolio:</u>

1.1.3.1 <u>Strategic Management & Directorate Support Budgets -£74k (-£40k Gross & -£34k Income)</u>
The gross and income variances are less than £100k but within this is a pressure on legal costs (+£133k), which assumes similar levels of activity as in 2011-12, offset by underspends on various staffing lines including -£162k within the performance & information unit due to vacancies during the year.

1.1.3.2 **<u>Direct Payments -£1,085k (-£1,141k Gross & +£56k Income):</u>**

a. <u>Learning Disability -£258k (-£505k Gross & +£247k Income)</u>
The forecast underspend against the gross service line of £505k is generated as a result of the forecast activity weeks being 2,221 (-£540k) lower than the affordable level, along with the forecast unit cost being lower than the affordable by £1.27 (-£66k). The underspend on longer term direct payments is offset by a net pressure of +£131k where the number of one-off payments has not been offset by the recovery of surplus funds from existing direct payment clients (periodically we recover unspent funds from long term direct payment clients). The remaining gross variance of -£30k relates to under spending on payments to carers.

This service is forecasting an under recovery of income of +£247k, as the actual average unit income being charged is £4.48 lower than the budgeted level resulting in a shortfall of +£234k plus a minor variance due to the reduced level of activity (+£13k).

b. <u>Older People -£529k (-£453k Gross & -£76k Income)</u>
The budget is forecast to under spend by -£453k on gross expenditure. The number of weeks is forecast to be 8,682 fewer than budgeted, generating a saving of -£1,278k, which is partially offset by the unit cost being higher than budgeted by £15.38 and therefore generating a pressure of +£803k. The balance of the variance relates to minor pressures on one-off payments and payments to carers (+£22k).

The lower than budgeted number of weeks leads to a shortfall in income of +£164k, however this is more than offset by unit income being £4.84 higher than budgeted resulting in a saving of -£240k.

c. <u>Physical Disability -£282k (-£175k Gross & -£107k Income)</u>
The forecast number of weeks of care provided is 2,841 lower than anticipated generating a forecast under spend of -£521k, this is partially offset by the unit cost being higher than budgeted by £2.73 (£145k) and the number of one-off payments being in excess of the budgeted level (+£200k) along with minor pressure on payments to carers (+£1k).

The lower than budgeted number of weeks leads to a shortfall in income of +£27k however this is more than offset by a £2.53 higher than budgeted unit income resulting in a saving of -£134k.

1.1.3.3 **<u>Domiciliary Care +£507k (-£1,261k Gross & +£1,768k Income):</u>**

a. <u>Learning Disability +£629k (+£323k Gross & +£306k Income)</u>
The overall forecast is a pressure against the gross of +£323k, coupled with an under recovery of income by +£306k. The number of hours is forecast to be 63,618 lower than the affordable level, generating a -£873k forecast under spend. The forecast unit cost is £4.22 higher than the affordable level, increasing the forecast by +£1,017k. The remaining variance of +£179k against gross, is comprised of a pressure on Extra Care Sheltered Housing of +£144k and other minor variances less than £100k each (+£35k).

The income variance is mainly due to of +£306k is mainly due to the under-recovery of income of +£337k within the Independent Living Service due to the placing of fewer clients where income is received from the supporting people service and Health.

b. <u>Older People -£158k (-£1,687k Gross & +£1,529k Income)</u>
The overall forecast is an under spend against gross of -£1,687k, coupled with an under recovery of income of £1,529k. The number of hours is forecast to be 67,409 lower than the affordable hours generating a -£1,003k forecast under spend. The forecast unit cost is £0.13 higher than the affordable level, partially offsetting this initial forecast underspend by +£311k.

The Kent Enablement at Home (KEAH) in house service is forecasting a gross under spend of -£580k, which is the cumulative effect of less hours of service than budgeted being forecast, and resultant savings in staffing costs. This is in contrast to the purchase of externally provided enablement services where a pressure of +£174k is currently being forecast. A saving of -£354k is also forecast against block domiciliary contracts, as a result of savings on non-care related costs, and where negotiations to have an element of unused hours refunded have been successful, along with a underspend of -£202k for those clients in Sheltered Accommodation.

The remaining gross variance relates to the estimated contribution to the bad debt provision (+£200k) resulting from the increase in outstanding client debt this financial year reported in section 3, offset by a drawdown from the NHS Support for Social Care reserve (-£139k) and release of unrealised creditors of -£94k.

The income variance of +£1,529k reflects the under-recovery of client income of +£1,562k which is largely due to the reduced activity, marginally offset by minor variances of -£33k.

c. <u>Physical Disability +£93k (+£186k Gross & -£93k Income)</u>
The gross variance is caused by a forecast of 17,719 hours below the affordable level, creating a -£245k saving, which is offset by a unit cost variance of £0.80 greater than affordable level, causing a pressure of +£416k. The remaining gross pressure (+£15k), and income variance (-£93k) are due to variances on a number of other budgets within this heading, all below £100k.

1.1.3.4 **<u>Nursing & Residential Care +£564k (-£562k Gross & +£1,126k Income):</u>**

a. <u>Learning Disability +£994k (+£819k Gross & +£175k Income)</u>
A gross pressure of +£819k, coupled with an under recovery of income of -£175k generates the above net forecast variance. The forecast level of client weeks is 823 higher than the affordable level generating a +£1,016k forecast pressure. The gross unit cost is currently forecast to be £4.46 higher than the affordable level, which generates a +£176k forecast pressure. The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.

There are variances on the preserved rights budgets where activity is forecast to be 1,532 weeks lower than affordable creating a saving of -£1,359k offset by a unit cost variance totalling +£868k. In addition, a further saving of -£87k has been generated from a release of a provision no longer required.

There is a +£192k pressure resulting from delays in the review of in-house units and a consequential delay in delivering the budgeted savings. The balance of the gross pressure relates to additional nursing care to be recharged to health (Registered Nursing Care Contribution - RNCC) (+£13k).

The forecast income variance of +£175k is due to a number of compensating variances within residential care. The additional forecast client weeks for residential care add -£72k of income, and the actual income per week is higher than the expected level by £8.97 which generates a further over-recovery in income of -£353k.

The reduction in client weeks compared to the affordable level for preserved rights residential care creates a loss of +£146k of income, coupled with a lower actual income per week than the expected level of £15.05 which generates an under-recovery in income of +£435k.

The remaining income variance of +£19k relates to in house provision and RNCC.

b. Mental Health +£233k (+£274k Gross & -£41k Income)

The forecast gross pressure of £274k is primarily due to the residential care gross unit cost being £19.25 higher than the budgeted level creating a pressure of £199k, along with a proposed contribution towards the S117 provision of £77k for future cases.

c. Older People - Nursing +£549k (+£1,599k Gross & -£1,050k Income)

There is a forecast pressure of +£1,599k on gross and an over recovery of income of -£1,050k, leaving a net pressure of +£549k. The forecast client weeks is 1,751 higher than the affordable level, which generates a pressure of +£829k coupled with the unit cost forecast to be £7.54 higher than budget, which gives a gross pressure of +£613k. The remaining gross variance relates to additional nursing care to be recharged to health (RNCC) of +£471k partially offset by a drawdown from the NHS Support for Social Care reserve of -£279k along with other minor variances on preserved rights and unrealised creditors (-£35k).

The increased activity in nursing care has resulted in a -£356k over-recovery of income, along with an increase in the average unit income being recouped from clients totalling -£254k. Forecast reimbursement from health for RNCC of -£471k along with minor variances on preserved rights (+£31k) form the balance of the income variance.

d. Older People - Residential -£740k (-£2,585k Gross & +£1,845k Income)

This service is reporting a gross under spend of £2,585k, along with an under recovery of income of £1,845k. The forecast level of client weeks is 3,435 lower than the affordable levels, which generates a forecast under spend of -£1,359k. This is partially offset by the unit cost being £1.74 higher than the affordable levels creating a +£267k pressure.

A gross underspend is also forecast for Preserved Rights of -£415k which is mainly due to a lower than affordable level of activity of 1,114 weeks creating a -£488k under spend, offset by a +£73k minor pricing pressure.

A gross variance of +£609k is forecast against the In-house provisions, including Integrated Care centres (ICC). The pressure on this service is mainly due to the use of agency staff to cover staff absences and vacancies (+277k), along with costs associated with the integrated care centres which are due to be recharged to the PCT (+£332k, see below for compensating income variance).

Contingency funding was held against this service to help compensate for possible volatility in the forecast for both residential and nursing care because of the impact of the Modernisation agenda. This funding has now been released, resulting in a -£1,344k underspend, to help offset the increases seen in nursing care, as detailed above. In addition, a drawdown from the NHS Support for Social Care reserve of -£279k has also been forecast. The balance of the underspend relates to unrealised creditors totalling -£64k.

On the income side, the reduction in activity results in a +£742k shortfall in client income, along with a lower than budgeted average unit income being charged which has increased this shortfall by +£871k. In addition, there is a forecast under recovery of client income of +£677k for the In-house service, mainly due to less permanent clients being placed in the homes because of the OP Modernisation Strategy. The remaining income variance predominately relates to the recharge of costs associated with the integrated care centres to the PCT (-£332k) along with other smaller variances each below £100k (-£113k).

e. Physical Disability -£472k (-£669k Gross & +£197k Income)
A gross under spend of £669k, along with an under recovery of income of £197k, is reported for this budget. The forecast level of client weeks of service is 941 lower than the affordable level, giving a forecast under spend of -£816k. The forecast unit cost is currently £13.01 higher than the affordable level, which reduces that under spend by +£184k. The balance is due to other minor underspends totalling -£37k relating the Preserved Rights service, RNCC clients and unrealised creditors.

The reduced activity results in a reduction in income of +£99k, along other minor pressures on income totalling +£98k.

1.1.3.5 **Supported Accommodation -£857k (-£1,422k Gross & +£565k Income):**

a. Learning Disability -£482k (-£1,184k Gross & +£702k Income)
A gross underspend of -£1,184k, offset with an under recovery of income of £702k generates the above net variance. The gross underspend is predominately due to the expected net draw down of -£902k from the Social Care Supported Living costs reserve following a review of potential liabilities relating to ordinary residence along with a further -£100k from the release of unrealised creditors. In addition, the gross unit cost for supported accommodation is currently forecast to be -£9.54 lower than the affordable level, which generates a saving of -£257k and a forecast underspend of -£216k is reported against group home budgets as part of the modernisation of learning disability services. These underspends are slightly offset by the Supporting Independence Service which is forecasting a pressure of +£285k as this new contract arrangement is established and the transfer of clients from other LD service lines is completed. The balance of the gross underspend (+£6k) is due to minor other variances (including a +£28k pressure as a result of forecast activity being 30 weeks above budgeted level).

The under recovery of income is mainly due to the average unit income being lower than budgeted so creating a +£709k under recovery of income. The reduction in unit income is partly due to a reduction in expected income from continuing health care i.e. those clients funded by health.

b. Physical Disability / Mental Health -£375k (-£238k Gross & -£137k Income)
Mental health supported accommodation services are forecasting a gross underspend of £200k due to savings relating to the introduction of the Supporting Independence Service (-£128k) along with reduction in the number of weeks being supported (-£72k). The balance of the gross underspend relates to physical disability (-£38k). The is a small over recovery of income of -£137k forecast for both Physical Disability and Mental Health primarily due to a higher than budgeted weekly income per client.

1.1.3.6 **Other Services for Adults & Older People -£453k (-£400k Gross & -£53k Income):**

a. Day Care -£570k (-£649k Gross, +£79k Income)
A reduction in staffing levels due to the continued non-recruitment and re-deployment to posts in preparation for modernisation and a reduction in client numbers results in an under spend of -£317k for Learning Disability in-house provision. This is more than offset by a pressure on the commissioning of external learning disability day care services (+£391k). The balance of the gross under spend is mainly due to a number of re-commissioning strategies for in-house and independently provided services across the Older People client group (-£685k) and other minor variances across the other client groups (-£38k). The income pressure of +£79k results from a reduction in health contributions based on the current client profile.

b. Other Adult Services +£23k (+£285k Gross, -£262k Income)

The gross pressure of +£285k is due to a number of variances, of which those over £100k are detailed below. The income variance of -£262k is primarily due to additional health contributions from health towards the telecare/telehealth budget.

There is a pressure of +£198k resulting from the transfer of older people clients from OP Domiciliary Care to the Provider Managed Services Pilot. This is a formal agreement whereby an approved service provider is appointed to hold and spend someone's Personal Budget for him or her on the understanding that it will be spent according to his or her individual support plan outcomes, this is in contrast to traditional case management. The costs for this service include the cost of care provision.

The number of hot meals provided to older people has continued to fall over the past few years as clients chose alternative methods to receive this service (and can be funded through a direct payment). The unit cost paid per meal is linked to the number of meals provided (under the current contract the more meals provided, the lower the unit cost) and the fall in demand for meals during this year has resulted in a pressure of +£180k due to the resultant increased unit cost associated with current numbers of meals. Negotiations with the existing supplier are taking place in respect of the unit costs for 2013-14, prior to the re-letting of the contract.

The learning disability development fund is currently forecasting a gross under spend of -£182k due to contracts with organisations being reviewed or renegotiated, along with the redeployment of staff following the recent FSC restructure of strategic commissioning and operational support.

The telecare/telehealth budget is currently forecasting a gross pressure of +£162k along with additional income contributions of -£258k. These services have been primarily funded from the whole system demonstrator grant however this grant is coming to an end and the current equipment commitments have exceeded the remaining grant available by +£175k although this is partially offset by the redeployment of staff associated with the project (-£148k). The balance of the gross pressure relates to the purchase and licence of a new server (+£135k). The PCT have agreed to fund the purchase of the new server along with a contribution towards the existing equipment commitment totalling -£258k.

The balance of both the gross and income variances (-£73k and -£4k respectively) relates to a number of minor variances on other budget lines.

1.1.3.7 **Assessment Services – Adult's Social Care staffing -£206k (-£391k Gross & +£185k Income):**

The gross underspend of -£391k reflects the current staffing forecast, representing 1% to the overall budget for assessment staffing services, and results from the delay in recruitment to known vacancies. The forecast reduction in income of +£185k is due to many minor variances all individually less than £100k.

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

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Domiciliary Care - Older People Income: under-recovery of client income due to reduced activity	+1,562	ASCPH	Residential Care - Learning Disability Gross: preserved rights number of weeks forecast to be lower than affordable level	-1,359
ASCPH	Domiciliary Care - Learning Disability Gross: forecast unit cost higher than affordable level	+1,017	ASCPH	Residential Care - Older People Gross: forecast number of weeks lower than affordable level	-1,359
ASCPH	Residential Care - Learning Disability Gross: forecast number of weeks greater than affordable level	+1,016	ASCPH	Residential Care - Older People Gross: release of contigency to help fund pressures on nursing care	-1,344
ASCPH	Residential Care - Older People Income: forecast unit charge lower than affordable level	+871	ASCPH	Direct Payments - Older People Gross: forecast number of weeks lower than affordable level	-1,278
ASCPH	Residential Care - Learning Disability Gross: preserved rights unit cost forecast to be higher than affordable level	+868	ASCPH	Domiciliary Care - Older People Gross: forecast number of hours lower than affordable level	-1,003
ASCPH	Nursing Care - Older People Gross: forecast number of weeks higher than affordable level	+829	ASCPH	Supported Accommodation - Learning Disability Gross: expected net drawdown from social care supported living costs reserve	-902
ASCPH	Direct Payments - Older People Gross: forecast unit cost higher than affordable level	+803	ASCPH	Domiciliary Care - Learning Disability Gross: forecast number of hours lower than affordable level	-873
ASCPH	Residential Care - Older People Income: forecast number of weeks lower than affordable level	+742	ASCPH	Residential Care - Physical Disabiltiy Gross: forecast number of weeks lower than affordable level	-816
ASCPH	Supported Accomodation - Learning Disability Income: forecast unit charge lower than affordable level	+709	ASCPH	Day Care - Older People Gross: savings from re-commissioning strategies in both in-house & external services	-685
ASCPH	Residential Care - Older People Income: lower income resulting from the placing of less permanent clients in in-house units	+677	ASCPH	Domiciliary Care - Older People Gross: Savings from the Kent Enablement at Home service as a result of forecast activity below budgeted level	-580
ASCPH	Nursing Care - Older People Gross: forecast unit cost higher than affordable level	+613	ASCPH	Direct Payments - Learning Disability Gross: forecast number of weeks lower than affordable level	-540
ASCPH	Nursing Care - Older People Gross: additional nursing care to be recharged to health (RNCC)	+471	ASCPH	Direct Payments - Physical Disability Gross: forecast number of weeks lower than affordable level	-521
ASCPH	Residential Care - Learning Disability Income: preserved rights unit charge forecast is lower than affordable level	+435	ASCPH	Residential Care - Older People Gross: preserved rights forecast number of weeks lower than affordable level	-488

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Domicilary Care - Physical Disability Gross: forecast unit cost higher than affordable level	+416	ASCPH	Nursing Care - Older People Income: additional nursing care to be recharged to health (RNCC)	-471
ASCPH	Day Care - Learning Disability Gross: pressure on the commissioning of external day care services	+391	ASCPH	Assessment Adult's Social Care Staffing Gross: delay in recruitment to known vacancies	-391
ASCPH	Domiciliary Care - Learning Disability Income: changing client profile in the Independent Living Service leading to reduced levels of support for those clients in receipt of external funding	+337	ASCPH	Nursing Care - Older People Income: forecast number of weeks higher than affordable level	-356
ASCPH	Residential Care - Older People Gross: integrated care centre health costs to be recharged to the PCT	+332	ASCPH	Domiciliary Care - Older People Gross: savings on block contracts	-354
ASCPH	Domiciliary Care - Older People Gross: forecast unit charge higher than affordable level	+311	ASCPH	Residential Care - Learning Disability Income: forecast unit charge greater than affordable level	-353
ASCPH	Supported Accomodation - Learning Disability Gross: Establishment of new supporting independence service & further transfer of clients from other LD services	+285	ASCPH	Residential Care - Older People Income: integrated care centre health costs to be recharged to the PCT	-332
ASCPH	Residential Care - Older People Gross: staffing pressure on in-house units due to absences and vacancy cover	+277	ASCPH	Day Care - Learning Disability Gross: staffing savings on in-house service from modernisation strategy & reduced client numbers	-317
ASCPH	Residential Care - Older People Gross: forecast unit cost higher than affordable level	+267	ASCPH	Residential Care - Older People Gross: Drawdown from NHS support for social care reserve	-279
ASCPH	Direct Payments - Learning Disability Income: forecast unit charge lower than affordable level	+234	ASCPH	Nursing Care - Older People Gross: Drawdown from NHS support for social care reserve	-279
ASCPH	Direct Payments - Physical Disability Gross: one-off payments in excess of budgeted level	+200	ASCPH	Other Adult Services Income: PCT contributions towards purchase of new telecare/telehealth server & equipment	-258
ASCPH	Domicilary Care - Older People Gross: estimated contribution to the bad debt provision to cover rising client debt levels	+200	ASCPH	Supported Accommodation - Learning Disability Gross: forecast unit cost lower than budgeted level	-257
ASCPH	Residential Care - Mental Health Gross: unit cost forecast to be higher than affordable level	+199	ASCPH	Nursing Care - Older People Income: forecast unit charge higher than affordable level	-254
ASCPH	Other Adult Services Gross: transfer of clients from OP Domiciliary Care to the Provider Managed Services Pilot	+198	ASCPH	Domicilary Care - Physical Disability Gross: forecast number of hours lower than affordable level	-245
ASCPH	Residential Care - Learning Disability Gross: delay in the review of in-house units	+192	ASCPH	Direct Payments - Older People Income: forecast unit charge higher than affordable level	-240

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Residential Care - Physical Disabiltiy Gross: forecast unit cost is higher than affordable level	+184	ASCPH	Suppported Accommodation - Learning Disability Gross: underspend on group home budgets as part of the modernisation of Learning disability in-house services	-216
ASCPH	Other Adult Services Gross: higher unit cost paid per meal resulting from drop in number of meals provided	+180	ASCPH	Domiciliary Care - Older People Gross: savings on the provision of domi care to clients within sheltered accommodation	-202
ASCPH	Other Adult Services Gross: current telecare/telehealth equipment commitments are higher than grant available	+175	ASCPH	Other Adult Services Gross: Learning Disability Development Fund underspend resulting from review of payments to organisations and redeployment of staff	-182
ASCPH	Residential Care - Learning Disability Gross: forecast unit cost higher than affordable level	+176	ASCPH	Strategic Management & Directorate Support Gross: vacancies within the performance & information unit.	-162
ASCPH	Domiciliary Care - Older People Gross: pressure on the provision of enablement services by external providers	+174	ASCPH	Other Adult Services Gross: redeployment of staff within the telecare/telehealth service	-148
ASCPH	Direct Payments - Older People Income: forecast number of weeks lower than affordable level	+164	ASCPH	Domilicary Care - Older People Gross: Drawdown from NHS support for social care reserve	-139
ASCPH	Residential Care - Learning Disability Income: preserved rights number of weeks forecast to be lower than affordable level	+146	ASCPH	Supported Accommodation - Physical Disability/Mental Health Income: forecast unit charge higher than affordable level	-137
ASCPH	Direct Payments - Physical Disability Gross: forecast unit cost higher than affordable level	+145	ASCPH	Direct Payments - Physical Disability Income: forecast unit charge higher than affordable level	-134
ASCPH	Domiciliary Care - Learning Disability Gross: pressure on Extra Care Sheltered Housing	+144	ASCPH	Supported Accommodation - Mental Health Gross: savings resulting from introduction of Supporting Independence Service	-128
ASCPH	Other Adult Services Gross: costs associated with purchase of new server & licence for telecare/telehealth service	+135	ASCPH	Supported Accommodation - Learning Disability Gross: Release of unrealised creditors set up in 2011/12	-100
ASCPH	Strategic Management & Directorate Support Gross: estimated legal charges pressure based on 11-12 outturn.	+133			
ASCPH	Direct Payments - Learning Disability Gross: one-off direct payments higher than recovery of surplus funds from long term clients	+131			
		+16,339			-17,682

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

None

1.1.5 **Implications for MTFP**:

All pressures and savings have been addressed in 2013-15 MTFP approved by County Council on 14th February 2013.

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

None.

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

The forecast underspend for Adult Services is -£1.619m as shown in table 1, which is contributing towards the £5m underspend from 2012-13 being used to support the overall 2013-14 KCC budget, as approved by County Council on 14th February 2013.

1.2 CAPITAL

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

1.2.2 Adult Social Care and Public Health
The Adult Social Care and Public Health portfolio has an approved budget for 2012-15 of £88.371m, reduced to £21.571m excluding PFI (see table 1 below). The forecast outturn against this budget is £20.160m, giving a variance of -£1.411m. After adjustments for funded variances and reductions in funding, the revised variance comes to -£1.418m (see table 3).

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

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet excl PFI	21.498
Approvals made since last reported to Cabinet	0.073
Revised approved budget	21.571

1.2.5 Table 2 – Funded and Revenue Funded Variances

Scheme	Portfolio	Amount £m	Reason
Cabinet to approve cash limit changes			
Folkestone Activities, Respite & Rehabililtation Care Centre	ASC&PH	0.007	Additional Developer Contributions
No cash limit changes to be made			

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	**0.000**
Funded variance (from table 2)	0.007
Variance to be funded from revenue	0.000
Project underspend	0.000
Rephasing (beyond 2012-15)	**-1.418**
Total variance	-1.411

1.2.7 **Main reasons for variance**

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

Annex 3

Table 4 – Scheme Progress

Scheme name	**Total cost**	**Previous spend**	**2012-15 approved budget**	**Later Years approved budget**	**2012-15 Forecast spend**	**Later Years Forecast spend**	**2012-15 Variance**	**Total project variance**	**Status Red /amber /green**
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
Modernisation of Assets (Adults)	0.810	0.437	0.373	0.000	0.373	0.000	0.000	0.000	Green
Home Support Fund	9.456	4.312	3.532	1.612	3.532	1.612	0.000	0.000	Green
Tunbridge Wells Respite (formerly Rusthall Site)	0.217	0.167	0.050	0.000	0.050	0.000	0.000	0.000	Green
Bower Mount Project	0.072	0.060	0.012	0.000	0.007	0.000	-0.005	-0.005	Green
MH Strategy	0.547	0.283	0.264	0.000	0.264	0.000	0.000	0.000	Green
Public Access	1.700	0.516	1.184	0.000	1.184	0.000	0.000	0.000	Green
Bearsted Dementia Project	0.025	0.025	0.000	0.000	0.000	0.000	0.000	0.000	Green
Folkestone Activities, Respite and Rehabilitation Care Centre	0.031	0.001	0.030	0.000	0.037	0.000	0.007	0.007	Green
IT Strategy (formerly IT Infrastructure Grant - IT Related Projects)	3.121	0.924	2.197	0.000	2.197	0.000	0.000	0.000	Amber - Delayed
Dartford TC - OP Strategy - Trinity Centre, Dartford	1.194	0.122	1.072	0.000	1.072	0.000	0.000	0.000	Green
OP Strategy - Specialist Care Facilities - (formerly Int. Care Ctr & Dorothy Lucy Ctre).	5.088	0.000	5.088	0.000	5.088	0.000	0.000	0.000	Green
PFI Excellent Homes for all - Development of new Social Housing	66.800	0.000	66.800	0.000	66.800	0.000	0.000	0.000	Green
LD Modernisation - Good Day Programme	6.779	0.427	6.352	0.000	6.357	0.000	0.005	0.005	Green
Community Care Centre - Thameside Eastern Quarry / Ebbsfleet	1.418	0.000	1.418	0.000	0.000	1.097	-1.418	-0.321	Amber - Delayed
							0.000	0.000	
TOTAL Adults Social Care and Public Health	**97.258**	**7.274**	**88.372**	**1.612**	**86.961**	**2.709**	**-1.411**	**-0.314**	

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

1.2.9 Assignment of Green/Amber/Red Status

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

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

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

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

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

Other Significant Variances

1.2.14 There are no other significant variances to report

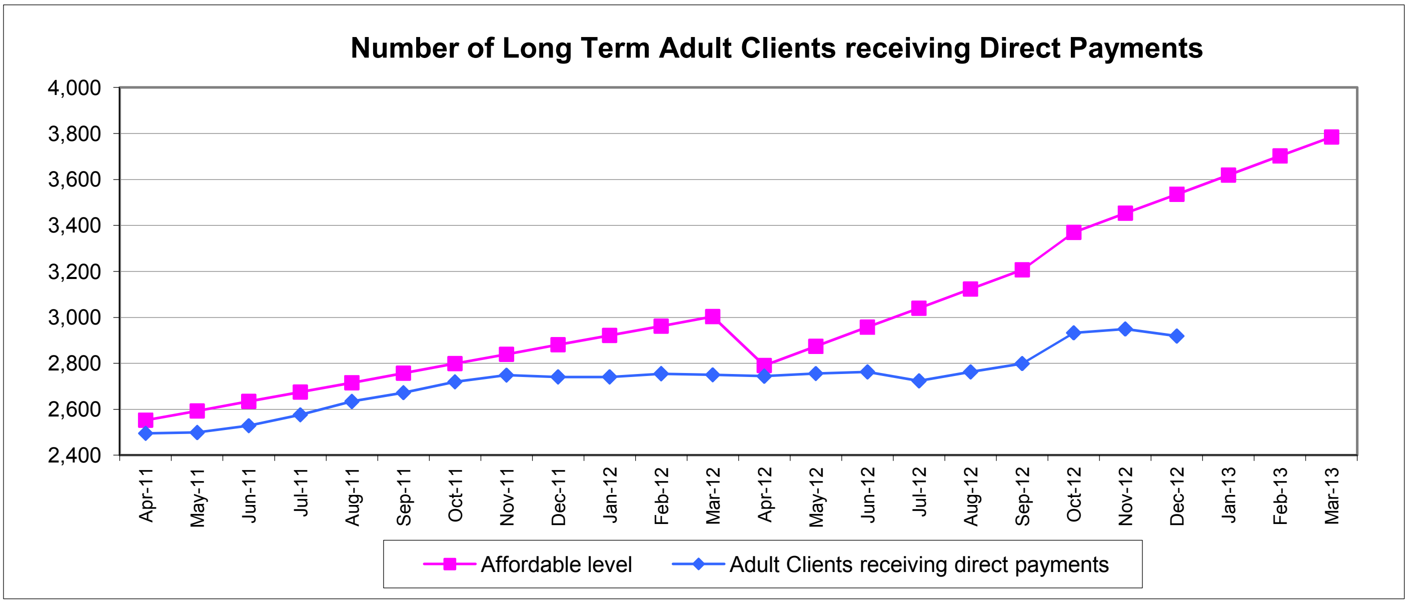
Key Issues & Risks

1.2.15 None to report

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2011-12			2012-13		
	Affordable Level for long term clients	**Snapshot of long term adult clients receiving Direct Payments**	**Number of one-off payments made during the month**	**Affordable Level for long term clients**	**Snapshot of long term adult clients receiving Direct Payments**	**Number of one-off payments made during the month**
April	2,553	2,495	137	2,791	2,744	169
May	2,593	2,499	89	2,874	2,756	147
June	2,635	2,529	90	2,957	2,763	133
July	2,675	2,576	125	3,040	2,724	156
August	2,716	2,634	141	3,123	2,763	167
September	2,757	2,672	126	3,207	2,799	147
October	2,799	2,719	134	3,370	2,933	185
November	2,839	2,749	122	3,453	2,949	119
December	2,881	2,741	111	3,536	2,919	76*
January	2,921	2,741	130	3,619		
February	2,962	2,755	137	3,702		
March	3,003	2,750	117	3,785		
			1,459			**1,299**



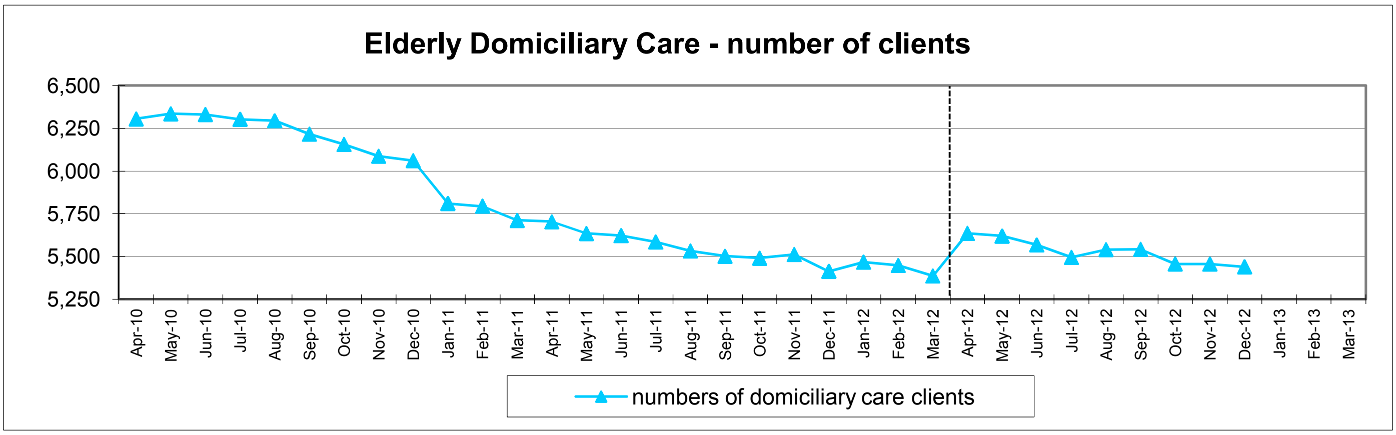
Comments:

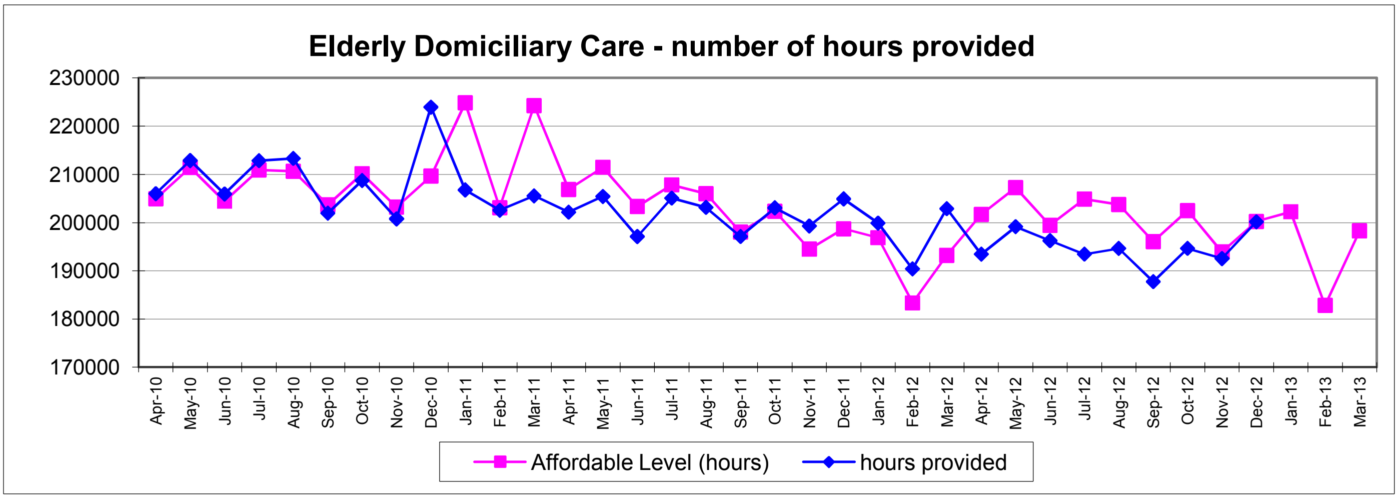
- The presentation of activity being reported for direct payments changed in the Q2 report in order to separately identify long term clients in receipt of direct payments as at the end of the month plus the number of one-off payments made during the month. Please note a long term client in receipt of a regular direct payment may also receive a one-off payment if required. Only the long term clients are presented on the graph above.
- Please note that due to the time taken to record changes in direct payments onto the client database the number of clients and one-off direct payments for any given month may change therefore the current year to date activity data is refreshed in each report to provide the most up to date information.
- *The low number of one-off payments in December may be due to delays in recording payments and will be updated in the outturn report reported to Cabinet in July.
- The drive to implement personalisation and allocate personal budgets has seen continued increases in direct payments over the years. There will be other means by which people can use their personal budgets and this may impact on the take up of direct payments. Whilst the overall numbers of Direct Payments are gradually increasing this is at a slower rate than the budget can afford, leading to a forecast gross under spend of -£1.141m as shown in section 1.1.3.2. It is important to note, the current forecast is based on known clients and does not factor in future growth in this service.

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

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

	2010-11			2011-12			2012-13		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
April	204,948	205,989	6,305	206,859	202,177	5,703	201,708	193,451	5,635
May	211,437	212,877	6,335	211,484	205,436	5,634	207,244	199,149	5,619
June	204,452	205,937	6,331	203,326	197,085	5,622	199,445	196,263	5,567
July	210,924	212,866	6,303	207,832	205,077	5,584	204,905	193,446	5,494
August	210,668	213,294	6,294	206,007	203,173	5,532	203,736	194,628	5,540
September	203,708	201,951	6,216	198,025	197,127	5,501	196,050	187,749	5,541
October	210,155	208,735	6,156	202,356	203,055	5,490	202,490	194,640	5,456
November	203,212	200,789	6,087	194,492	199,297	5,511	193,910	192,555	5,455
December	209,643	223,961	6,061	198,704	204,915	5,413	200,249	200,178	5,439
January	224,841	206,772	5,810	196,879	199,897	5,466	202,258		
February	203,103	202,568	5,794	183,330	190,394	5,447	182,820		
March	224,285	205,535	5,711	193,222	202,889	5,386	198,277		
TOTAL	**2,521,376**	**2,501,274**		**2,402,516**	**2,410,522**		**2,391,092**	**1,752,059**	





Comment:

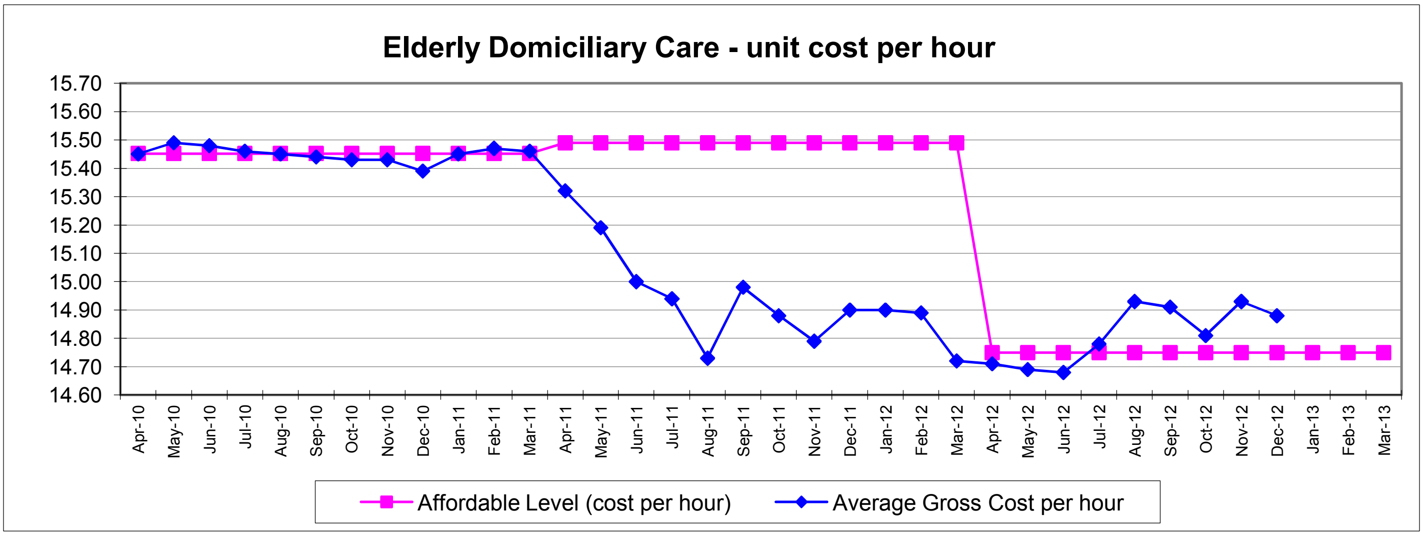
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- The current forecast is 2,323,683 hours of care against an affordable level of 2,391,092, a difference of -67,409 hours. Using the forecast unit cost of £14.88 this reduction in activity reduces the forecast by -£1,003k, as highlighted in section 1.1.3.3.b.
- To the end of December 1,752,059 hours of care have been delivered against an affordable level of 1,807,737 a difference of -55,678 hours.
- Please note, from April 2012 there has been a change in the method of counting clients to align with current Department of Health guidance, which states that suspended clients e.g those who may be in hospital and not receiving a current service should still be counted. This has resulted in an increase in the number of clients being recorded. For comparison purposes, using the new counting methodology,

the equivalent number of clients in March 2012 would have been 5,641**. A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable**.

- Domiciliary for all client groups are volatile budgets, with the number of people receiving domiciliary care decreasing over the past few years as a result of the implementation of Self Directed Support (SDS). This is being compounded by a shift in trend towards take up of the enablement service.
- Please note the affordable level of client hours has been updated from 2,373,183 included in the Q2 monitoring report to Cabinet in December to 2,391,092 to reflect the allocation of winter pressures monies for domiciliary care.
- Please note the year to date activity for 2012-13 has been updated to reflect known delays in the updating of cases on the client database due to the continually changing nature of these care packages. For comparison, in the Q2 monitoring report to Cabinet in December the total number of client hours to September was 1,184,828 and is now 1,164,686.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour
April	15.452	15.45	15.49	15.32	14.75	14.71
May	15.452	15.49	15.49	15.19	14.75	14.69
June	15.452	15.48	15.49	15.00	14.75	14.68
July	15.452	15.46	15.49	14.94	14.75	14.78
August	15.452	15.45	15.49	14.73	14.75	14.93
September	15.452	15.44	15.49	14.98	14.75	14.91
October	15.452	15.43	15.49	14.88	14.75	14.81
November	15.452	15.43	15.49	14.79	14.75	14.93
December	15.452	15.39	15.49	14.90	14.75	14.88
January	15.452	15.45	15.49	14.90	14.75	
February	15.452	15.47	15.49	14.89	14.75	
March	15.452	15.46	15.49	14.72	14.75	

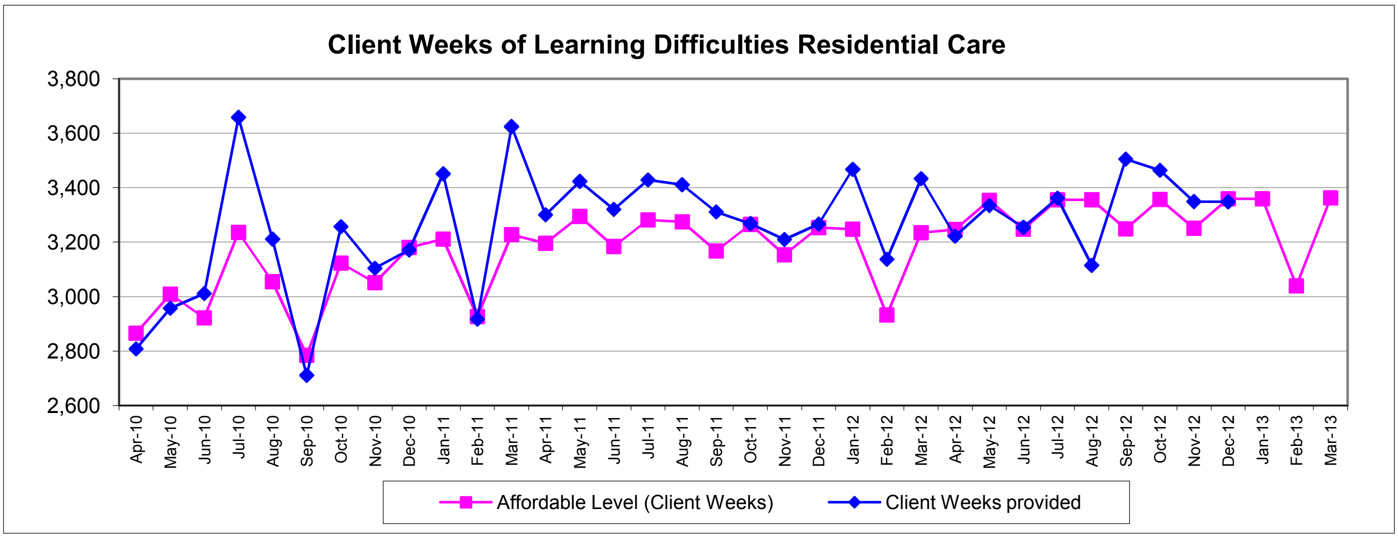


Comments:

- The unit cost has been showing an overall general reducing trend due to current work with providers to achieve savings however, the cost is also dependent on the intensity of the packages required.
- The forecast unit cost of £14.88 is higher than the affordable cost of £14.75 and this difference of +£0.13 increases the forecast by £311k when multiplied by the affordable hours, as highlighted in section 1.1.3.3.b.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided
April	2,866	2,808	3,196	3,300	3,246	3,222
May	3,009	2,957	3,294	3,423	3,353	3,334
June	2,922	3,011	3,184	3,320	3,247	3,254
July	3,236	3,658	3,282	3,428	3,355	3,361
August	3,055	3,211	3,275	3,411	3,356	3,115
September	2,785	2,711	3,167	3,311	3,249	3,505
October	3,123	3,257	3,265	3,268	3,357	3,464
November	3,051	3,104	3,154	3,210	3,251	3,349
December	3,181	3,171	3,253	3,266	3,359	3,348
January	3,211	3,451	3,248	3,467	3,359	
February	2,927	2,917	2,932	3,137	3,039	
March	3,227	3,624	3,235	3,433	3,362	
TOTAL	**36,593**	**37,880**	**38,485**	**39,974**	**39,533**	**29,952**

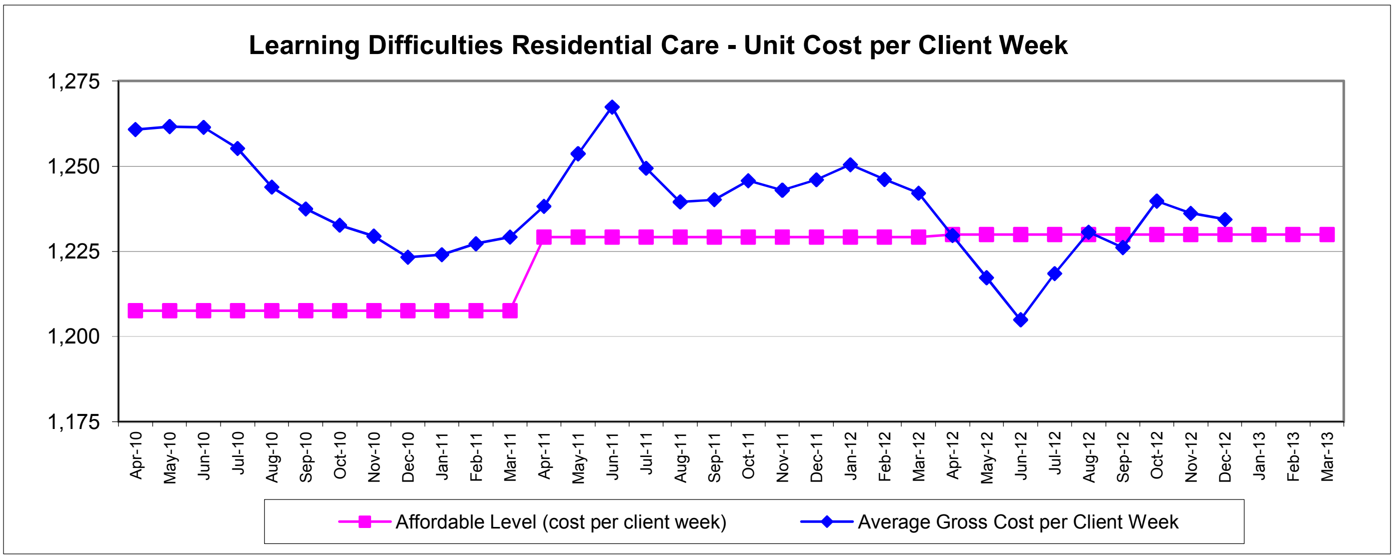


Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care at the end of 2010-11 was 713, at the end of 2011-12 it was 746 and at the end of December 2012 it was 751. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and Ordinary Residence.
- The current forecast is 40,356 weeks of care against an affordable level of 39,533, a difference of +823 weeks. Using the forecast unit cost of £1,234.39 this additional activity adds £1,016k to the forecast, as highlighted in section 1.1.3.4.a.
- To the end of December 29,952 weeks of care have been delivered against an affordable level of 29,773, a difference of +179 weeks. The current year to date activity suggests a lower pressure however the forecast also includes 233 additional weeks of transition and provision clients (as described in section 1.1.3.4.a) i.e. clients expected to transfer to this service during this financial year. In addition, the current year activity is understated due to delays in the processing of short term beds on the activity database. The forecast includes the full costs of all non permanent block contracts and assumes full occupancy of these beds within the activity forecast. Additional resources have been allocated to clear this backlog of cases and the year to date activity will be restated in the Outturn Report to Cabinet in July.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April	1,207.58	1,260.82	1,229.19	1,238.24	1,229.93	1,229.69
May	1,207.58	1,261.67	1,229.19	1,253.68	1,229.93	1,217.30
June	1,207.58	1,261.46	1,229.19	1,267.40	1,229.93	1,204.91
July	1,207.58	1,255.21	1,229.19	1,249.41	1,229.93	1,218.46
August	1,207.58	1,243.87	1,229.19	1,239.50	1,229.93	1,230.65
September	1,207.58	1,237.49	1,229.19	1,240.17	1,229.93	1,226.14
October	1,207.58	1,232.68	1,229.19	1,245.76	1,229.93	1,239.77
November	1,207.58	1,229.44	1,229.19	1,242.97	1,229.93	1,236.19
December	1,207.58	1,223.31	1,229.19	1,246.05	1,229.93	1,234.39
January	1,207.58	1,224.03	1,229.19	1,250.44	1,229.93	
February	1,207.58	1,227.26	1,229.19	1,246.11	1,229.93	
March	1,207.58	1,229.19	1,229.19	1,242.08	1,229.93	

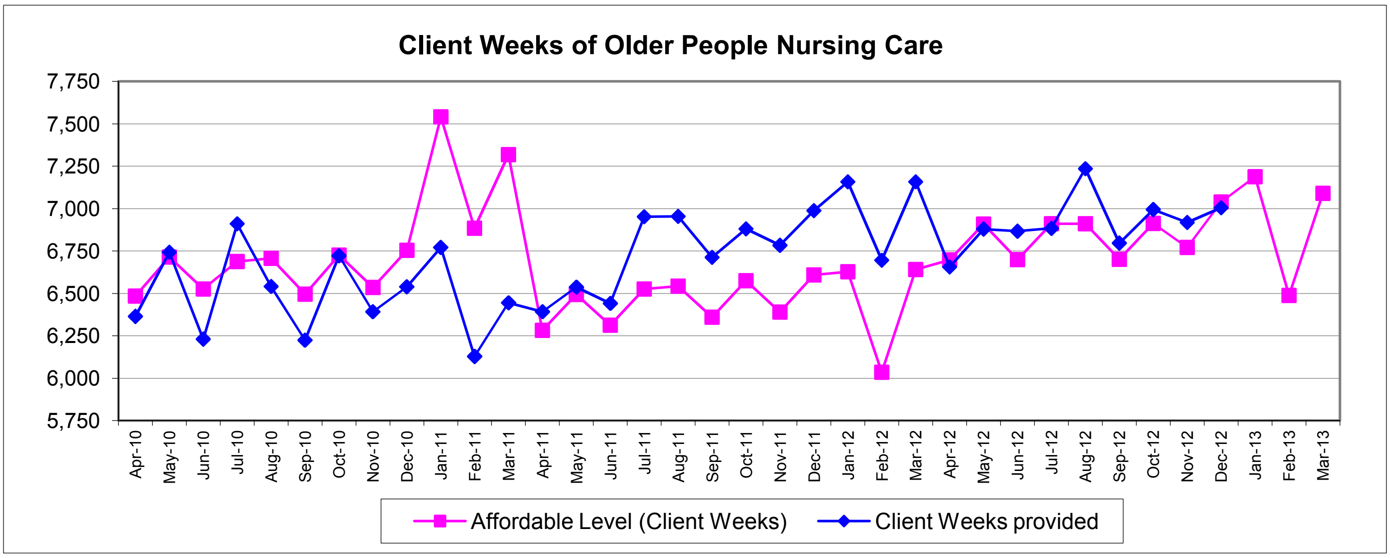


Comments:

- Clients being placed in residential care are those with very complex and individual needs which makes it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,200 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases. The general increase in the average cost per week due to the complexity of clients has been offset this financial year by the price savings forecast to be achieved as part of the 2012-13 budget.
- The forecast unit cost of £1,234.39 is higher than the affordable cost of £1,229.93 and this difference of +£4.46 adds £176k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.4.a.
- The rise in the forecast unit cost between June and September reflects the current assumption that the service will not be able to make all of the budgeted procurement savings, with a shortfall of approx. £370k currently anticipated.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided
April	6,485	6,365	6,283	6,393	6,698	6,656
May	6,715	6,743	6,495	6,538	6,909	6,880
June	6,527	6,231	6,313	6,442	6,699	6,867
July	6,689	6,911	6,527	6,953	6,911	6,884
August	6,708	6,541	6,544	6,954	6,912	7,235
September	6,497	6,225	6,361	6,713	6,701	6,797
October	6,726	6,722	6,576	6,881	6,913	6,995
November	6,535	6,393	6,391	6,784	6,772	6,918
December	6,755	6,539	6,610	6,988	7,039	7,005
January	7,541	6,772	6,628	7,159	7,189	
February	6,885	6,129	6,036	6,696	6,489	
March	7,319	6,445	6,641	7,158	7,090	
TOTAL	**81,382**	**78,016**	**77,405**	**81,659**	**82,322**	**62,237**

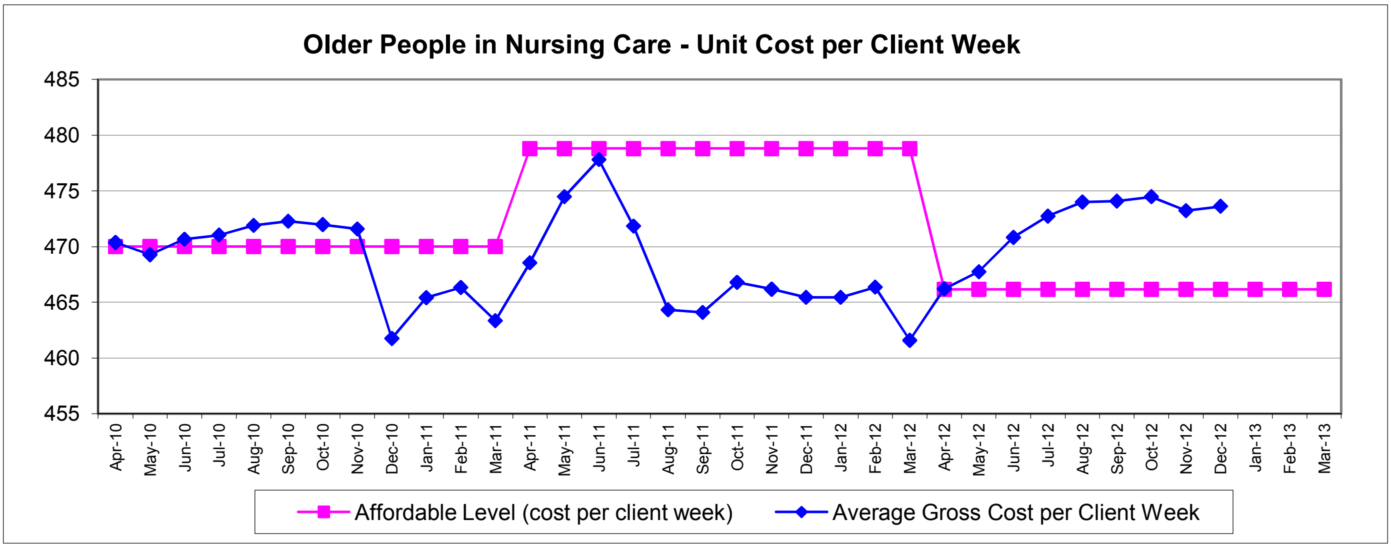


Comment:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2010-11 was 1,379, at the end of 2011-12 it was 1,479 and at the end of December 2012 it was 1,497.
- The current forecast is 84,073 weeks of care against an affordable level of 82,322, a difference of +1,751 weeks. Using the actual unit cost of £473.61, this additional activity adds +£829k to the forecast, as highlighted in section 1.1.3.4.c.
- To the end of December 62,237 weeks of care have been delivered against an affordable level of 61,554, a difference of +683 weeks. Current year to date activity suggests the forecast should be lower for this service however, the current year to date activity is understated due to delays in the processing of short term beds on the activity database. The forecast includes the full costs of all non permanent block contracts and assumes full occupancy of these beds within the activity forecast. Additional resources have been allocated to clear this backlog of cases and the year to date activity will be restated in the Outturn Report to Cabinet in July.
- Please note the affordable level of client weeks has been updated from 81,474 included in the Q2 monitoring report to Cabinet in December to 82,322 to reflect the allocation of winter pressures monies for nursing care.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**
April	470.01	470.36	478.80	468.54	466.16	466.20
May	470.01	469.27	478.80	474.48	466.16	467.74
June	470.01	470.67	478.80	477.82	466.16	470.82
July	470.01	471.03	478.80	471.84	466.16	472.74
August	470.01	471.90	478.80	464.32	466.16	473.99
September	470.01	472.28	478.80	464.09	466.16	474.09
October	470.01	471.97	478.80	466.78	466.16	474.47
November	470.01	471.58	478.80	466.17	466.16	473.23
December	470.01	461.75	478.80	465.44	466.16	473.61
January	470.01	465.40	478.80	465.44	466.16	
February	470.01	466.32	478.80	466.36	466.16	
March	470.01	463.34	478.80	461.58	466.16	



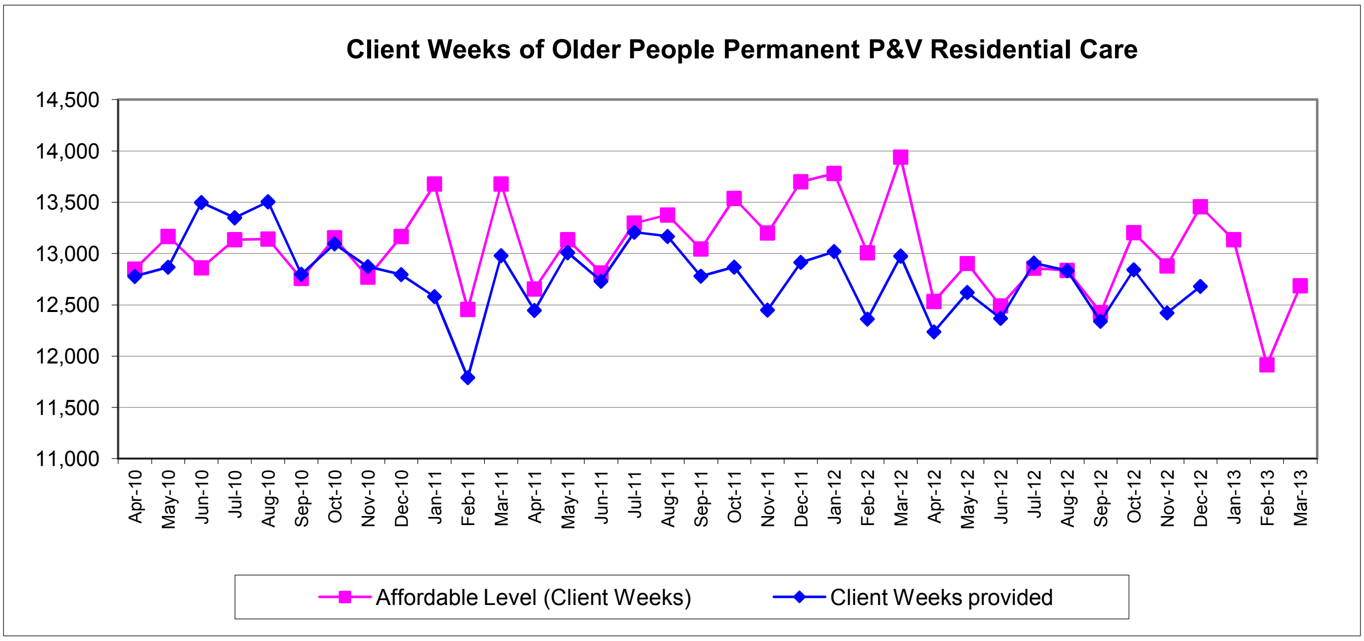
Comments:

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

- The forecast unit cost of £473.61 is higher than the affordable cost of £466.16 and this difference of +£7.54 adds +£613k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.4.c.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	**Client Weeks of older people permanent P&V residential care provided**	**Affordable Level (Client Weeks)**	**Client Weeks of older people permanent P&V residential care provided**	**Affordable Level (Client Weeks)**	**Client Weeks of older people permanent P&V residential care provided**
April	12,848	12,778	12,655	12,446	12,532	12,237
May	13,168	12,867	13,136	13,009	12,903	12,621
June	12,860	13,497	12,811	12,731	12,489	12,369
July	13,135	13,349	13,297	13,208	13,858	12,908
August	13,141	13,505	13,377	13,167	12,836	12,832
September	12,758	12,799	13,044	12,779	12,424	12,339
October	13,154	13,094	13,538	12,868	13,203	12,842
November	12,771	12,873	13,200	12,448	12,880	12,422
December	13,167	12,796	13,700	12,914	13,358	12,679
January	13,677	12,581	13,782	13,019	13,135	
February	12,455	11,790	13,007	12,361	11,916	
March	13,678	12,980	13,940	12,975	12,786	
TOTAL	**156,812**	**154,909**	**159,487**	**153,925**	**153,320**	**113,249**



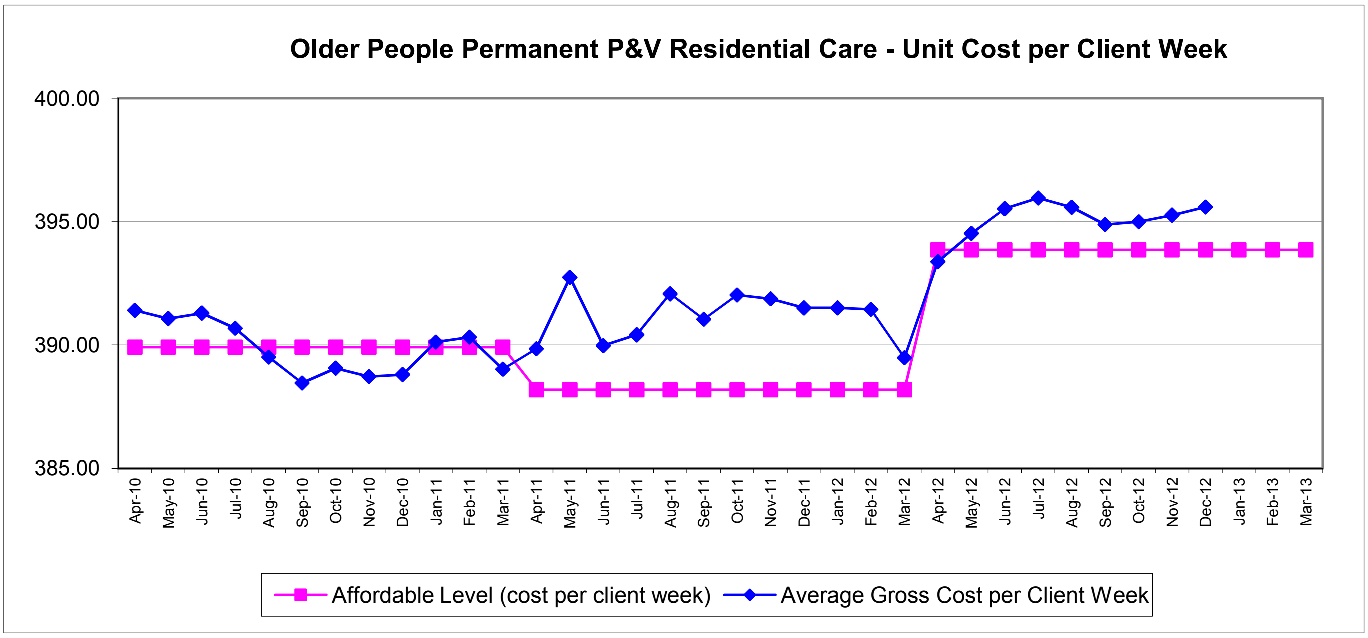
Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2010-11 it was 2,787, at the end of 2011-12 it was 2,736 and by the end of December 2012 it was 2,707. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 149,885 weeks of care against an affordable level of 153,320, a difference of -3,435 weeks. Using the forecast unit cost of £395.59 this reduced activity saves -£1,359k from the forecast, as highlighted in section 1.1.3.4.d.
- To the end of December 113,249 weeks of care have been delivered against an affordable level of 115,483, a difference of -2,334 weeks. Current year to date activity suggests the forecast could be slightly higher for this service however the forecast assumes the level of non-permanent care services falls marginally by the end of the year.

- Please note the affordable level of client weeks has been updated from 150,914 included in the Q2 monitoring report to Cabinet in December to 153,320 to reflect the allocation of winter pressures monies for residential care.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**
April	389.91	391.40	388.18	389.85	393.85	393.37
May	389.91	391.07	388.18	392.74	393.85	394.52
June	389.91	391.29	388.18	389.97	393.85	395.52
July	389.91	390.68	388.18	390.41	393.85	395.95
August	389.91	389.51	388.18	392.07	393.85	395.58
September	389.91	388.46	388.18	391.04	393.85	394.88
October	389.91	389.06	388.18	392.02	393.85	394.99
November	389.91	388.72	388.18	391.87	393.85	395.26
December	389.91	388.80	388.18	391.50	393.85	395.59
January	389.91	390.12	388.18	391.50	393.85	
February	389.91	390.31	388.18	391.44	393.85	
March	389.91	389.02	388.18	389.48	393.85	

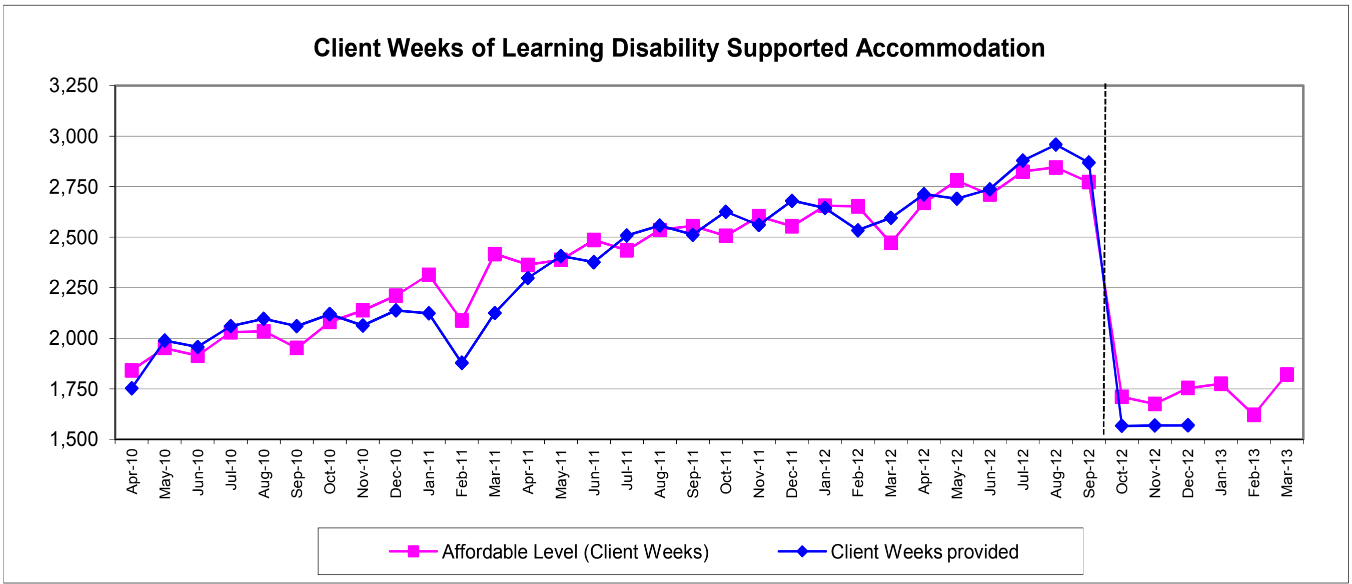


Comments:

- The forecast unit cost of £395.59 is higher than the affordable cost of £393.85 and this difference of +£1.74 adds +£267k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.4.d. This higher average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	**Client Weeks of LD supported accommodation provided**	**Affordable Level (Client Weeks)**	**Client Weeks of LD supported accommodation provided**	**Affordable Level (Client Weeks)**	**Client Weeks of LD supported accommodation provided**
April	1,841	1,752	2,363	2,297	2,670	2,712
May	1,951	1,988	2,387	2,406	2,781	2,690
June	1,914	1,956	2,486	2,376	2,711	2,737
July	2,029	2,060	2,435	2,508	2,824	2,879
August	2,034	2,096	2,536	2,557	2,845	2,958
September	1,951	2,059	2,555	2,512	2,773	2,869
October	2,080	2,119	2,506	2,626	1,710	1,566
November	2,138	2,063	2,603	2,560	1,675	1,568
December	2,210	2,137	2,554	2,680	1,753	1,569
January	2,314	2,123	2,655	2,644	1,774	
February	2,088	1,878	2,652	2,534	1,621	
March	2,417	2,125	2,472	2,595	1,820	
TOTAL	**24,967**	**24,356**	**30,204**	**30,295**	**26,957**	**21,548**



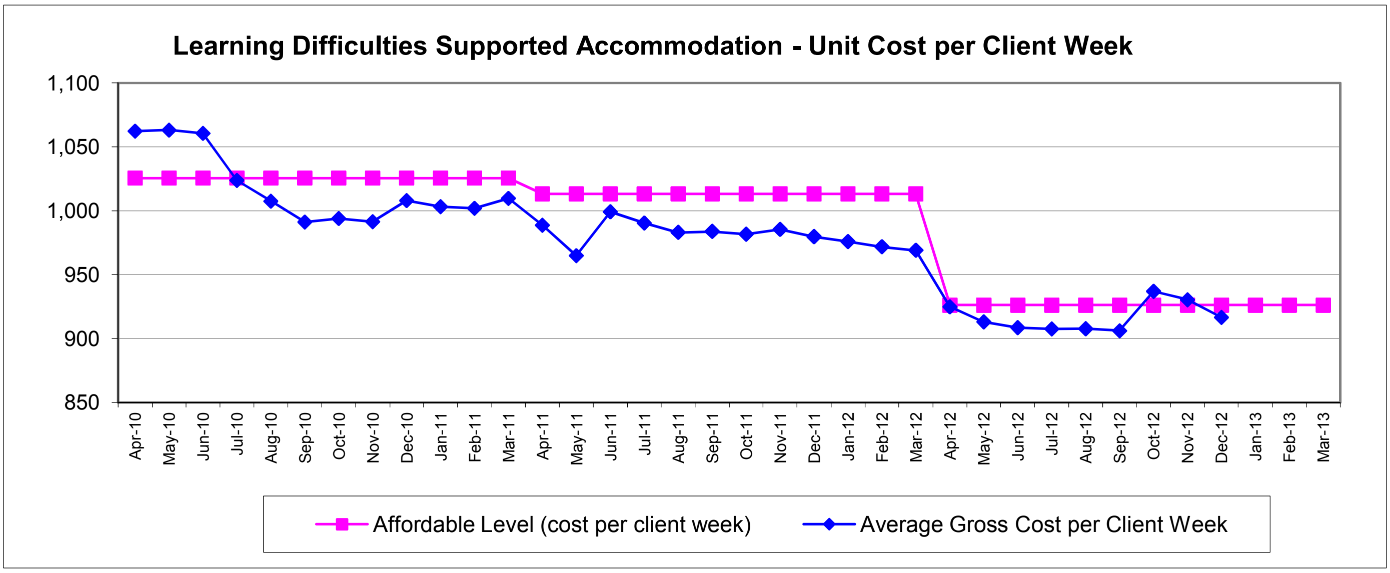
Comments:

- The affordable level for 2012-13 was amended in quarter 2 because from 1st October 2012 the Supporting Independence Service (SIS) was introduced and as a result a significant number of clients previously receiving supported accommodation services have transferred to this new arrangement and are no longer forecast under this activity indicator. This is represented by the significant drop in budgeted level from October 2012 onwards. The Supporting Independence Service clients are reported separately within the Supported Accommodation A-Z budget and are not recorded as part of the activity above. We will be reviewing the way we report supported accommodation for next year to see whether it is possible to combine both services within a single measure. **A dotted line has been added to the graph to illustrate the introduction of the new Supporting Independence Service, and the consequent transfer of clients from Supported Accommodation, as the data presented either side of the dotted line is not on a consistent basis and is therefore not directly comparable.**

- The above graph reflects the number of client weeks of service provided. The actual number of clients in LD supported accommodation at the end of 2010-11 was 491 of which 131 were S256 clients, at the end of 2011-12 it was 607 of which 156 were S256 clients, and at the end of December 2012 it was 284 (of which 114 are S256). This drop in clients reflects the transfer to the new SIS service explained above.
- The current forecast is 26,987 weeks of care against an affordable level of 26,957, a difference of +30 weeks. Using the forecast unit cost of £916.62 this increase in activity provides a pressure of +£28k, as reflected in section 1.1.3.5.a.
- To the end of December 21,548 weeks of care have been delivered against an affordable level of 21,742, a difference of -194 weeks. Current year to date activity suggests the forecast should be lower for this service however, the forecast includes approximately 196 weeks of expected transition and provision clients, therefore there is expected to be an increased pressure on this service in the final three months of the financial year.
- Like residential care for people with a learning disability, every case is unique and varies in cost, depending on the individual circumstances. Although the quality of life will be better for these people, it is not always significantly cheaper. The focus to enable as many people as possible to move from residential care into supported accommodation means that more and increasingly complex and unique cases will be successfully supported to live independently.

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

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**	**Affordable Level (Cost per Week)**	**Average Gross Cost per Client Week**
April	1,025.67	1,062.38	1,013.18	988.73	926.16	924.87
May	1,025.67	1,063.22	1,013.18	964.95	926.16	912.93
June	1,025.67	1,060.59	1,013.18	999.24	926.16	908.53
July	1,025.67	1,023.90	1,013.18	990.45	926.16	907.44
August	1,025.67	1,007.58	1,013.18	983.09	926.16	907.63
September	1,025.67	991.20	1,013.18	983.85	926.16	906.09
October	1,025.67	993.92	1,013.18	981.78	926.16	936.95
November	1,025.67	991.56	1,013.18	985.45	926.16	930.40
December	1,025.67	1,007.95	1,013.18	979.83	926.16	916.62
January	1,025.67	1,003.21	1,013.18	975.90	926.16	
February	1,025.67	1,001.98	1,013.18	971.85	926.16	
March	1,025.67	1,009.82	1,013.18	969.09	926.16	



Comments:

- The forecast unit cost of £916.62 is lower than the affordable cost of £926.16 and this difference of -£9.54 provides a saving of -£257k when multiplied by the affordable weeks. The forecast unit cost assumes £94k of the £854k procurement saving is still to be achieved before the end of the financial year.
- There are three distinct groups of clients: Section 256 clients, Ordinary Residence clients and other clients. Each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- Please note, from 2012-13 the unit cost has been recalculated to exclude spend associated with better homes active lives accommodation as these clients are not included in the client weeks reported in section 2.6.1 above. For comparison the revised March 2012 unit cost would have been £936.81 per client per week. In addition, the budgeted unit cost has been further lowered to reflect the procurement savings in the 2012-15 MTP.

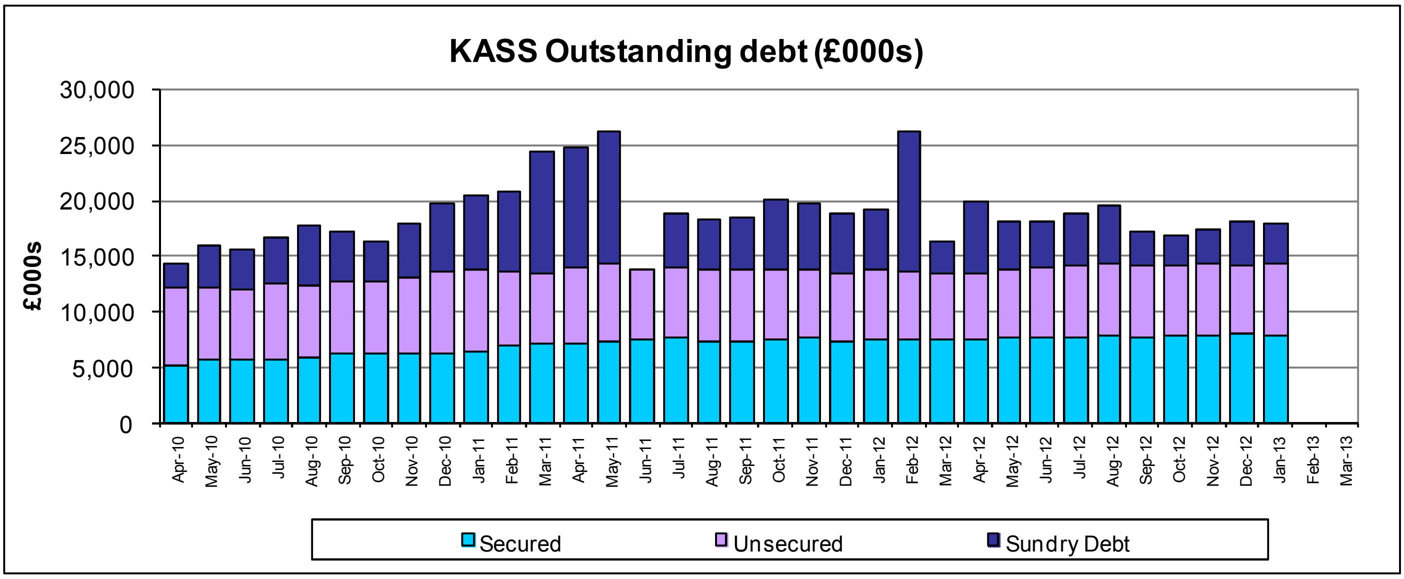
3. SOCIAL CARE DEBT MONITORING

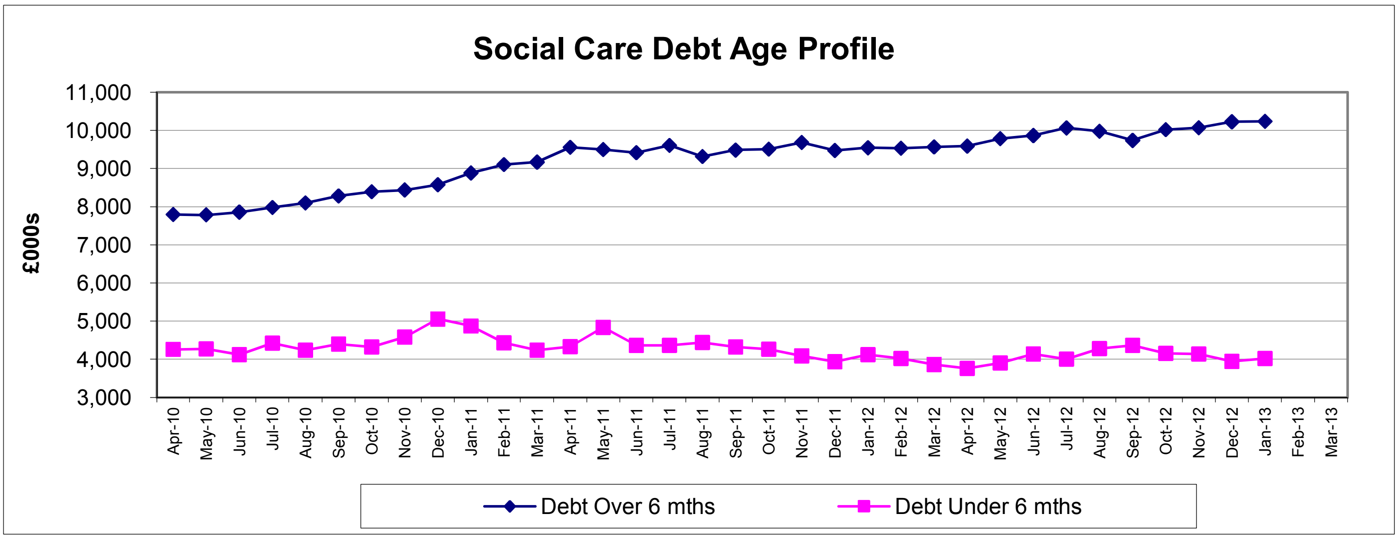
The outstanding debt as at the end of January was £17.965m compared with October's figure of £16.747m (reported to Cabinet in December) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £3.711m of sundry debt compared to £2.574m in October. The amount of sundry debt can fluctuate for large invoices to health. Also within the outstanding debt is £14.254m relating to Social Care (client) debt which is a small increase of £0.081m from the last reported position to Cabinet in December. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

			Social Care Debt				
Debt Month	**Total Due Debt (Social Care & Sundry Debt) £000s**	**Sundry Debt £000s**	**Total Social Care Due Debt £000s**	**Debt Over 6 mths £000s**	**Debt Under 6 mths £000s**	**Secured £000s**	**Unsecured £000s**
Apr-10	**14,294**	**2,243**	12,051	7,794	4,257	5,132	6,919
May-10	**15,930**	**3,873**	12,057	7,784	4,273	5,619	6,438
Jun-10	**15,600**	**3,621**	11,979	7,858	4,121	5,611	6,368
Jul-10	**16,689**	**4,285**	12,404	7,982	4,422	5,752	6,652
Aug-10	**17,734**	**5,400**	12,334	8,101	4,233	5,785	6,549
Sep-10	**17,128**	**4,450**	12,678	8,284	4,394	6,289	6,389
Oct-10	**16,200**	**3,489**	12,711	8,392	4,319	6,290	6,421
Nov-10	**17,828**	**4,813**	13,015	8,438	4,577	6,273	6,742
Dec-10	**19,694**	**6,063**	13,631	8,577	5,054	6,285	7,346
Jan-11	**20,313**	**6,560**	13,753	8,883	4,870	6,410	7,343
Feb-11	**20,716**	**7,179**	13,537	9,107	4,430	6,879	6,658
Mar-11	**24,413**	**11,011**	13,402	9,168	4,234	7,045	6,357
Apr-11	**24,659**	**10,776**	13,883	9,556	4,327	7,124	6,759
May-11	**26,069**	**11,737**	14,332	9,496	4,836	7,309	7,023
Jun-11	**13,780**	*****	13,780	9,418	4,362	7,399	6,381
Jul-11	**18,829**	**4,860**	13,969	9,608	4,361	7,584	6,385
Aug-11	**18,201**	**4,448**	13,753	9,315	4,438	7,222	6,531
Sep-11	**18,332**	**4,527**	13,805	9,486	4,319	7,338	6,467
Oct-11	**20,078**	**6,304**	13,774	9,510	4,264	7,533	6,241
Nov-11	**19,656**	**5,886**	13,770	9,681	4,089	7,555	6,215
Dec-11	**18,788**	**5,380**	13,408	9,473	3,935	7,345	6,063
Jan-12	**19,180**	**5,518**	13,662	9,545	4,117	7,477	6,185
Feb-12	**26,218**	**12,661**	13,557	9,536	4,021	7,455	6,102
Mar-12	**16,310**	**2,881**	13,429	9,567	3,862	7,411	6,018
Apr-12	**19,875**	**6,530**	13,345	9,588	3,757	7,509	5,836
May-12	**18,128**	**4,445**	13,683	9,782	3,901	7,615	6,068
Jun-12	**18,132**	**4,133**	13,999	9,865	4,134	7,615	6,384
Jul-12	**18,816**	**4,750**	14,066	10,066	4,000	7,674	6,392
Aug-12	**19,574**	**5,321**	14,253	9,977	4,276	7,762	6,491
Sep-12	**17,101**	**3,002**	14,099	9,738	4,361	7,593	6,506
Oct-12	**16,747**	**2,574**	14,173	10,020	4,153	7,893	6,280
Nov-12	**17,399**	**3,193**	14,206	10,069	4,137	7,896	6,310
Dec-12	**17,996**	**3,829**	14,167	10,226	3,941	7,914	6,253
Jan-13	**17,965**	**3,711**	14,254	10,237	4,017	7,885	6,369
Feb-13	**0**		0				
Mar-13	**0**		0				

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

In addition the previously reported secured and unsecured debt figures for April 2012 to July 2012 were amended slightly between the Quarter 1 and Quarter 2 reports following a reassessment of some old debts between secured and unsecured.





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

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 2 monitoring report to reflect the transfer or the Transport Integration Unit to E&E directorate from Commercial Services, together with the Service Level Agreements for transport related services from ELS and FSC (see annexes 1, 2 and 3). A new Transport Operations A-Z budget line has been established within the Transport Services section of the A-Z and this is reflected in table 1 below. The cash limit for General Maintenance and Emergency Response includes a virement of £300k from the underspend on Net Debt Charges in the Finance and Business Support Portfolio together with a virement of £850k from the Initiatives to Boost the Economy budget within the Other Financing Items budget also within the Finance and Business Support Portfolio; this funding is to cover the cost of pothole repairs resulting from the January/February snow. There have also been a number of other technical adjustments to budget, including the centralisation of the ICT budgets to BSS directorate (see annex 6).
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment, Highways & Waste portfolio							
E&E Strategic Management & Directorate Support Budgets	8,085	-408	7,677	-341	-136	-477	ICT development costs; saving on feasibility studies; Cyclopark revenue contribution to capital; savings on uncommitted directorate budgets
Environment:							
- Environment Management	4,132	-1,526	2,606	-4	-10	-14	
Highways:							
Highways Maintenance:							
- Adverse Weather	3,238	0	3,238	1,033	0	1,033	Additional salting runs and snow clearance
- Bridges & Other Structures	2,683	-239	2,444	-130	150	20	Reduced maintenance and associated developer income
- General maintenance & emergency response	14,359	-487	13,872	914	-494	420	Dual carriageway maintenance; office relocation; depot savings; emergency response; barrier replacement and associated drawdown of funds from the balance sheet

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Highway drainage	3,242	-82	3,160	692	0	692	Backlog of scheduled cleaning; additional drainage costs due to exceptional adverse weather
- Streetlight maintenance	3,970	-167	3,803	591	-591	0	Streetlight column replacement; drawdown of funds held in the balance sheet
	27,492	-975	26,517	3,100	-935	2,165	
Highways Safety & Management:							
- Development Planning	2,128	-1,283	845	-100	-18	-118	Staffing vacancies and other small variances
- Highways Improvements	7,709	-50	7,659	766	-972	-206	Savings from procurement exercise on resurfacing budget; Ashford Drovers roundabout scheme costs and income
- Road Safety	3,246	-2,234	1,012	28	79	107	Increase in speed awareness training & reduction in bicycle training costs & income
- Streetlight energy	5,845	0	5,845	-540	0	-540	Energy savings
- Traffic management	5,527	-2,622	2,905	-310	-551	-861	Contract saving; s74 fees and permit scheme income
- Tree maintenance, grass cutting & weed control	3,331	-78	3,253	637	-19	618	Increased weed control activity and shrub maintenance due to exceptional rainy weather; Tree stump removal
	27,786	-6,267	21,519	481	-1,481	-1,000	
Planning & Transport Strategy:							
- Planning & Transport Policy	1,251	-15	1,236	-73	-13	-86	
- Planning Applications	1,128	-550	578	-161	190	29	Staffing vacancies held to offset reduced income
	2,379	-565	1,814	-234	177	-57	
Transport Services:							
- Concessionary Fares	16,307	-27	16,280	-165	0	-165	Reduced usage
- Freedom Pass	13,648	-2,459	11,189	354	-26	328	Increased usage; education transport policy changes
- Subsidised Bus Routes	8,643	-1,454	7,189	-179	133	-46	Retendering/changing contracts
- Transport Operations	871	-170	701	45	15	60	
- Transport Planning	456	-219	237	13	0	13	
	39,925	-4,329	35,596	68	122	190	
Waste Management							
Recycling & Diversion from Landfill:							
- Household Waste Recycling Centres	8,620	-1,482	7,138	-220	-407	-627	Reduced waste tonnage; income from recyclables
- Partnership & Waste Co-ordination	722	-168	554	1	-32	-31	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Payments to Waste Collection Authorities (DCs)	5,473	-102	5,371	-441	0	-441	Reduced waste tonnage
- Recycling Contracts & Composting	10,516	-601	9,915	101	46	147	reduced waste tonnage; increase in prices / impact of landfill tax
	25,331	-2,353	22,978	-559	-393	-952	
Waste Disposal:							
- Closed Landfill Sites & Abandoned Vehicles	764	-180	584	25	52	77	
- Disposal Contracts	29,297	-156	29,141	-2,977	26	-2,951	Reduced waste processed by the Allington WtE plant; waste sent for landfill instead
- Haulage & Transfer Stations	8,575	-75	8,500	-236	8	-228	Reduced waste tonnage
- Landfill Tax	7,165	0	7,165	1,435	0	1,435	Increased landfill due to extended planned maintenance of Allington WtE plant
	45,801	-411	45,390	-1,753	86	-1,667	
Commercial Services	0	-6,879	-6,879	0	1,220	1,220	Reduced contribution
Total E, H & W portfolio	**180,931**	**-23,713**	**157,218**	**758**	**-1,350**	**-592**	
Regeneration & Enterprise portfolio							
Development Staff & Projects	**662**	**-662**	**0**	**-48**	**48**	**0**	
Total E&E controllable	**181,593**	**-24,375**	**157,218**	**710**	**-1,302**	**-592**	
Assumed Management Action							
- EHW portfolio						0	
- R&E portfolio						0	
Forecast after Mgmt Action				**710**	**-1,302**	**-592**	

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

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

Environment, Highways & Waste portfolio:

1.1.3.1 E&E Strategic Management & Directorate Support Budgets: Gross -£341k, Income -£136k, Net -£477k

Although there is a forecast gross underspend of -£341k, this includes a pressure of £89k for ICT development costs associated with system contracts being brought back in house from an external contractor. There is a forecast underspend on the Head of Transportation budget of -£175k due to a reduction in spend on feasibility studies for major transportation projects to cover the pressures elsewhere in the division. There is a forecast pressure of +£201k due to a revenue contribution to capital for the Cyclopark scheme which is being covered by an underspend of -£201k from within the Strategic Management where a number of uncommitted balances have been identified. There are a number of other gross underspends all less than £100k which total -£255k including underspends on project development and an annual management charge from an external contractor. The increased income of -£136k results from small variances over a number of lines.

1.1.3.2 **Highways:**

Overall the Highways Division is forecasting a net pressure of £1,165k, which includes an estimate of £1m for the costs of the snow in January and early February. All variances over £100k are detailed below:

1.1.3.2.1 **Highways Maintenance**

a. Adverse Weather: Gross +£1,033k, Income Nil, Net +£1,033k

There is a gross pressure of £1,033k forecast on this line of which £1,000k relates to the cost of the additional salting runs and snow clearance in January and early February.

b. Bridges & Other Structures: Gross -£130k, Income +£150k, Net +£20k

There is a gross underspend of -£130k of which -£100k relates to a reduction in maintenance fees to an external contractor. There is a corresponding reduction in income from developers of +£100k, as these maintenance costs are recharged to developers who benefit from these structures e.g. to gain access to their land. The remaining gross underspend of -£30k and reduction in income of +£50k are all due the small variances all under £100k.

c. General Maintenance & Emergency Response: Gross +£914k, Income -£494k, Net +£420k

The £414k gross pressure on this budget includes a forecast pressure of +£282k for dual carriageway maintenance together with a pressure of +£160k for emergency overnight response to incidents reported by Kent Police. In addition there is a £120k pressure for relocating the Transport Integration team to the Aylesford Highways dept. There is a forecast underspend of -£234k relating to Highways Depots including underspends on both depot maintenance and energy costs. There is a forecast pressure of +£500k for the replacement of barriers which will be made as a revenue contribution to capital and is to be funded from a drawdown of funds held in the revenue balance sheet of -£500k. There are other minor variances all less than £100k in value which total +£86k.

d. Highway Drainage: Gross +£692k, Income Nil, Net +£692k

There is a gross pressure of £500k for additional drainage costs due to the exceptional wet weather and £200k to cover the costs of a backlog in scheduled gully cleaning. There are other minor underspends of -£8k.

e. Streetlight maintenance: Gross +£591k, Income -£591k, Net Nil

There is a pressure of +£600k in capital expenditure due to the replacement of street light columns but as there is insufficient capital budget for this, it is being funded by a revenue contribution to capital, which is in turn being funded by a drawdown of funds held in the revenue balance sheet of -£600k. There are other minor gross and income variances of £9k.

1.1.3.2.2 **Highways Safety & Management**

a. Development Planning: Gross -£100k, Income -£18k, Net -£118k

The gross underspend of -£100k on this budget line is made up of a number of small variances all under £100k which includes staff vacancies.

b. Highway Improvements: Gross +£766k, Income -£972k, Net -£206k

There is a forecast pressure on this budget of £980k due to a revenue contribution to capital for the Ashford Drovers roundabout scheme. This is being funded by drawing down income of -£980k from the revenue balance sheet from a number of sources including developer contributions and performance securities. The remaining gross underspend of -£214k includes savings from a procurement exercise of -£179k on the resurfacing budget to ease the pressure on the drainage budget (section 1.1.3.2.1.d above).

c. Road Safety: Gross +£28k, Income +£79k, Net +£107k

The gross pressure on this budget includes +£258k of additional costs relating to speed awareness courses which are offset by increased income of -£153k. The approved budget assumes that income will exceed the costs to the authority but as courses are currently running under full capacity the reduction in income is not matched by an exact reduction in expenditure. There has been a reduction in expenditure on bicycle training of -£140k together with a corresponding reduction in income from schools and the Department of Transport of +£130k.

There are a number of other minor gross and income variances all less than £100k in value including reduced expenditure and income for the National Driver Improvement Scheme.

d. Streetlight energy: Gross -£540k, Income Nil, Net -£540k
There is a forecast underspend on streetlight energy of -£540k as the funding awarded for prices in the 2012-13 budget build has proved to be in excess of what has been required. A saving has been reflected in this 2013-14 budget for this.

e. Traffic Management: Gross -£310k, Income -£551k, Net -£861k
The new lane rental scheme where companies will pay to rent lanes whilst undertaking work on the most critical/busiest roads of our network has now been approved by the Department of Transport. This scheme will yield income for future years. Under the terms of the scheme the Council will retain revenues obtained from charges to meet the costs incurred for operating the Kent Lane Rental Scheme (KLRS), with any surplus revenue used for initiatives associated with the objectives of the KLRS within the areas of transportation, enabling infrastructure and industry practices and research and development. A Board including representatives from each utility area (i.e. gas, communications, water and electricity) and from Kent County Council will oversee the administration of the surplus revenues. Cabinet agreed at the December meeting that future surplus funds be transferred to a new earmarked reserve and drawn down as expenditure is incurred in line with initiatives agreed by the Board. A gross pressure on this budget of £145k, forecast in the last monitoring report, for development costs in respect of the new KLRS, which is a one-off cost for 2012-13, has now been removed as it will be transferred to this new earmarked reserve to be offset against future income streams.

There is a forecast underspend of -£263k as a result of the transfer of staff and contracts back to the Council from an external contractor.

The forecast additional income of -£551k has resulted from a combination of section 74/road closure fees (-£226k) and income from Permit Schemes (-£325k). Section 74 fees are recovered from works promoters (utility companies etc) who have taken an unreasonably prolonged occupation of the highway and the additional Permit fee income reflects the recovery of the full costs incurred, including the Directorate and Corporate overheads, which are not charged directly to this budget line.

f. Tree maintenance, grass cutting & weed control: Gross +£637k, Income -£19k, Net +£618k
The forecast pressure on this budget, due to additional activity on weed control that has arisen as a result of the particularly rainy spring and summer months, is +£216k and these weather conditions have also impacted on shrub maintenance activity leading to a further pressure of +£150k. There is also a pressure of +£252k due to the removal of tree stumps.

1.1.3.3 **Planning & Transport Strategy:**

a. Planning Applications: Gross -£161k, Income +£190k, Net +£29k
There is a gross variance of -£161k which primarily results from -£107k of staffing vacancies which are being held to offset an under-recovery in income of +£190k, which largely relates to reduced income from planning applications.

1.1.3.4 **Transport Services:**

a. Concessionary Fares: Gross -£165k, Income Nil, Net -£165k
The reduction in usage, probably due to the poor summer weather, has led to a forecast underspend on this budget line of -£232k due to fewer journeys travelled. There are other overspends, all less than £100k in value totalling +£67k.

b. Freedom Pass: Gross +£354k, Income -£26k, Net +£328k
There is a pressure forecast for the freedom pass budget of £354k due to an increase in the number of passes in issue and the number of journeys travelled. £246k of this pressure is estimated to be as a result of changes in education transport policy, namely the withdrawal of free home to school transport for new entrants to selective and denominational schools.

c. Subsidised Bus routes: Gross -£179k, Income +£133k, Net -£46k

A gross underspend of -£133k and similar corresponding shortfall in income comprises of a number of small variances all under £100k, including reduced costs and income due to the re-tendering of local bus services, reduced costs and income following the transfer of services to a voluntary organisation and reduced costs and income due to the number of entitled scholars using the subsidised bus network. In addition there is a gross underspend of -£46k due mainly to part year staff vacancies.

1.1.3.5 **Waste Management:**

Overall the Waste Management Division is forecasting a net underspend of £2,619k.

The waste tonnage for the first nine months of 2012-13 is approximately 18,900 tonnes under the affordable level to the end of December. This indicates that waste tonnage will be below the affordable level for the year and an estimated overall tonnage of 702,000 tonnes is predicted, which is 28,000 tonnes below the affordable level. This contributes to an overall forecast underspend on the waste budgets of £2,619k. The levels of waste tonnage will continue to be carefully reviewed as part of the regular monitoring process to Cabinet. Waste tonnage trends are shown in section 2.4 of this annex.

1.1.3.5.1 **Recycling & Diversion from Landfill**

a. Household Waste Recycling Centres: Gross -£220k, Income -£407k, Net -£627k

An underspend of -£220k on gross expenditure is primarily due to the lower volumes of tonnage which has resulted in reduced haulage fees of -£264k. Despite the reduction in volumes there has still been a significant over-recovery in income of -£514k. The new contract for textiles agreed last December, is generating an additional -£407k, and income on lead acid batteries is adding a further -£110k. There are also small variances in income totalling +£3k relating to glass, paper and card, waste containers, and metals, which reflects a reduction in income from previous forecasts following a drop in the prices for recycled metals. Debts of +£107k for the sale of paper and card have had to be written off after the company concerned went into liquidation.

b. Payments to Waste Collection Authorities (District Councils): Gross -£441k, Income Nil, Net -£441k

A gross underspend of -£441k is forecast due to a decrease in waste and recyclables being managed by the District Councils of approximately 7,000 tonnes.

c. Recycling Contracts & Composting: Gross +£101k, Income +£46k, Net +£147k

The tonnage for recycling and composting is approximately 9,600 tonnes under budget and this has resulted in a gross saving of -£134k. However changes in prices, particularly the impact from changes to legislation earlier in the year, in respect of the landfill tax applied to the processing of inert waste, has resulted in a +£235k pressure. Inert or inactive waste is largely water insoluble and non or very slowly biodegradable; for example, sand, subsoil, concrete, bricks, mineral fibres, fibreglass and so on.

1.1.3.5.2 **Waste Disposal**

a. Disposal Contracts: Gross -£2,977k, Income +£26k, Net -£2,951k

A gross underspend of £2,977k is forecast for this budget as a result of reduced contractual payments of -£3,281k to the operators of the Allington Waste to Energy Plant due to extended planned maintenance, which has resulted in less tonnage being processed at the plant than previously forecast. However, for the same reason part of this underspend has been offset by an increase in spend of +£375k on Landfill Disposal Contracts due to more waste being diverted to landfill; this has also resulted in a corresponding increase in landfill tax referred to in section c) below. Overall the final tonnage figure is expected to be 11,400 tonnes under the affordable level. The remaining gross underspend of -£71k relates to a reduction in the specialist disposal of hazardous material.

b. Haulage & Transfer Stations: Gross -£236k, Income +£8k, Net -£228k

This line is forecasting a gross underspend of -£236k as a result of the overall forecast reduction in waste tonnage.

c. Landfill Tax: Gross +£1,435k, Income Nil, Net +£1,435k

The increased level of waste sent for landfill referred to in section 1.1.3.5.2a above generates a forecast pressure of +£1,435k.

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

A £1,220k shortfall in the Commercial Services contribution is forecast. This relates to £640k of approved costs of restructure and reorganisation, £150k of one-off restructuring costs and a re-phasing of £430k of the increased income target built into the current year budget, now expected to be achieved in 2013-14.

A compensating underspend is forecast within annex 7 against the Financing Items budgets, as funds were being held back in anticipation of this shortfall.

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

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Landfill Tax - Additional waste (approx. 22,000 tonnes) sent to landfill due to extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+1,435	EHW	Disposal Contracts - reduced level of residual waste being processed at the Allington Waste to Energy plant and sent to landfill due to extended planned maintenance	-3,281
EHW	Highways: Adverse Weather - Additional salting runs and snow clearance	+1,000	EHW	Highways: Highways Improvements - Drawdown of revenue balance sheet income to fund revenue contribution to capital	-980
EHW	Highways: Highways Improvements - Revenue contribution to capital for Ashford Drovers roundabout scheme	+980	EHW	Highways: Streetlight maintenance - drawdown of funds held in the revenue balance sheet for streetlight column replacement	-600
EHW	Commercial Services - shortfall in contribution due to approved costs of restructure and reorganisation	+640	EHW	Highways: Streetlight energy	-540
EHW	Highways: Streetlight maintenance - revenue contribution to capital for streetlight column replacement	+600	EHW	Highways General Maintenance and Emergency Response: drawdown of funds held in the revenue balance sheet to fund replacement barriers	-500
EHW	Highways: Highways Drainage - additional costs due to exceptional wet weather conditions	+500	EHW	Payments to Waste Collection Authorities (District Councils) - reduced tonnage meaning reduced level of recycling credits paid to Districts	-441
EHW	Highways General Maintenance and Emergency Response: RCCO for replacement of barriers	+500	EHW	Household Waste Recycling Centres - additional income from textiles contract	-407
EHW	Commercial Services - rephasing of delivery of increased income target into 2013-14	+430	EHW	Highways: Traffic Management - Permit Scheme income	-325
EHW	Disposal Contracts - additional volumes of waste (approx 22,000 tonnes) sent to landfill as a result of the extended planned maintenance at the Allington WtE Plant. Offset by reduced contractual payments in Disposal Contracts.	+375	EHW	Household Waste Recycling Centres - reduced haulage fees as waste tonnage below affordable level	-264

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Highways: General maintenance and emergency response - dual carriageway maintenance	+282	EHW	Highways: Traffic Management - contract saving	-263
EHW	Highways: Road Safety - increased speed awareness costs offset by increased income	+258	EHW	Haulage & Transfer Stations - waste tonnage below affordable level	-236
EHW	Highways: Tree maintenance, grass cutting and weed control - Tree stump removal	+252	EHW	Highways: General maintenance and emergency response - depots maintenance and energy	-234
EHW	Transport Services: Freedom Pass - change of education transport policy	+246	EHW	Transport Services: Concessionary Fares - reduced usage	-232
EHW	Recycling Contracts and Composting - increase in prices	+235	EHW	Highways: Traffic Management - s74 and road closure income	-226
EHW	Highways: Tree maintenance, grass cutting and weed control - Additional weed control activity due to exceptional rainy weather	+216	EHW	Strategic Management & Directorate Support - strategic management uncommitted balances	-201
EHW	Strategic Management & Directorate Support - revenue contribution to capital for Cyclopark scheme	+201	EHW	Highways: Highways Improvements - savings from procurement exercise on resurfacing budget to offset drainage pressures	-179
EHW	Highways: Highways Drainage - backlog of scheduled cleaning	+200	EHW	Strategic Management & Directorate Support - saving on feasibility studies for major Transportation projects	-175
EHW	Planning Applications - under recovery of income due to reduced number of planning applications; offset by vacancies within staffing	+190	EHW	Highways: Road Safety - increased income for speed awareness courses to offset increased costs	-153
EHW	Highways: General maintenance and emergency response - increased overnight emergency response costs	+160	EHW	Highways: Road Safety - bicycle training reduced costs	-140
EHW	Highways: Tree maintenance, grass cutting and weed control - Shrub maintenance due to exceptional rainy weather	+150	EHW	Recycling Contracts and composting is approximately 9,600 tonnes under budget	-134
EHW	Commercial Services - shortfall in contribution due to one off restructuring costs	+150	EHW	Household Waste Recycling Centres - income from lead acid batteries	-110
EHW	Highways: Road Safety - bicycle training reduced income offset by reduced costs	+130	EHW	Planning Applications - staffing vacancies offsetting reduced income from planning applications	-107
EHW	Highways: General maintenance and emergency response - relocation of Transport Integration Team	+120	EHW	Highways: Bridges & Other Structures - reduction in maintenance fees from external contractors	-100
EHW	Transport Services: Freedom Pass - increased usage	+108			
EHW	Household Waste Recycling Centres - bad debts written off	+107			
EHW	Highways: Bridges & Other Structures - reduction in income from external contractors for maintenance fees	+100			
		+9,565			**-9,828**

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

None

1.1.5 **Implications for MTFP**:

Highways Safety and Management:
The underspend on street light energy reported in 1.1.3.2.2.d has been included as a saving in the 2013-15 MTFP.

Waste Management:
The extra income from sale of recyclable materials reported in 1.1.3.5.1.a is forecast to continue in future years and so the income budget has been increased in the 2013-15 MTFP for this.

Commercial Services
The re-phasing of the income target and full year effect of agreed costs of restructuring and reorganisation have been reflected in the 2013-15 MTFP.

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

None

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

The forecast underspend for the directorate is £592k as shown in Table 1, which contributes to the £5m underspend from 2012-13 to be used to support the overall 2013-14 KCC budget, as approved by County Council on 14 February.

1.2 CAPITAL

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

1.2.2 The Enterprise & Environment Directorate has an approved budget for 2012-15 of £180.201m (see table 1 below). The forecast outturn against this budget is £180.680m, giving a variance of £0.479m. After adjustments for funded variances and reductions in funding, the revised variance comes to -£15.845m. This is made up of an unfunded variance of +£0.060m, project underspends of -£7.775m and re-phasing to later years of -£8.130m (see table 3).

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

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet	180.201
Approvals made since last reported to Cabinet	0.000
Revised approved budget	180.201

1.2.5 Table 2 – Funded and revenue funded variances

	Portfolio	Amount	Reason
Scheme		£m	
Cabinet to agree cash limit changes:			
Highway Major Enhancement	E,H&W	6.723	Transferring DfT grant (£0.450m) from IT budget to major enhancement to deal with the drainage pressure; Additional Dft grant (£6.273m) received through LTP settlement
Integrated Transport Schemes	E,H&W	-0.450	Under spend to fund drainage pressure
Total Funded Variances		**6.273**	
No cash limit changes to be made:			
Highway Major Enhancement	E,H&W	1.368	
Integrated Transport Schemes	E,H&W	1.396	Contribution from Developer and other to carry out IT schemes.
Member Highway Fund	E,H&W	0.217	Previous year's works to be funded from revenue.
Non TSG Land and Part 1 claims	E,H&W	0.040	Developer contributions for part 1 claims
Energy Water Efficiency KCC/External	E,H&W	0.097	Recycled Initial loan for Enegy efficiency projects through revenue contribution
Coldharbour Gypsy site	E,H&W	0.060	Additional funds from HCA
Ashford Drovers Roundabout	E,H&W	3.023	GAF and Receipt in advance/capital developer contribution to fund the additional expenditure
Cyclo Park	E,H&W	0.250	Funded from revenue contribution (£0.232m) and the balance of £0.018m from Member Highway Fund
A28 Chart Road	E,H&W	3.600	Funded from developer contribution
Total		16.324	

1.2.6 Table 3 – Summary of Variance

Unfunded variance	0.060
Funded variance (from table 2)	13.648
Variance funded from revenue	2.676
Underspend	-7.775
Rephasing (beyond 2012-15)	**-8.130**
Total variance	0.479

Main reasons for variance

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

Table 4 – Scheme Progress

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/amber/green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
Major Scheme- Preliminary Design Fees	0.900	0.000	0.900	0.000	0.350	0.150	-0.550	-0.400	Green
Highway Major Maintenance	155.823	0.000	96.157	59.666	104.048	57.366	7.891	5.591	Green
Member Highway Fund	6.898	0.000	6.898	0.000	7.084	2.200	0.186	2.386	Green
Integrated Transport Scheme	17.294	0.000	11.178	6.116	12.124	6.116	0.946	0.946	Green
A2 slip Road	0.056	0.000	0.056	0.000	0.056	0.000	0.000	0.000	Green
Commercial Services Vehicle Plant & Equipment	5.100	0.000	3.800	1.300	3.800	1.300	0.000	0.000	Green
Non TSG Land ,Compensation Claims and Blight	2.967	0.000	2.967	0.000	3.007	0.000	0.040	0.040	Green
Energy & Water Investment Funds-External	0.734	0.445	0.289	0.000	0.700	0.087	0.411	0.498	Green
Energy and Water Efficiency Investment	1.989	1.173	0.736	0.080	0.359	0.010	-0.377	-0.447	Green
Coldharbour Gypsy site	1.861	0.314	1.547	0.000	1.667	0.000	0.120	0.120	Amber - Overspend
Sandwich Sea Defences	3.640	0.000	3.640	0.000	2.624	1.016	-1.016	0.000	Amber - Delayed
Hernebay Site Improvement	1.595	0.306	1.289	0.000	1.289	0.000	0.000	0.000	Green
East Kent Waste Facilities	4.597	3.021	1.576	0.000	1.576	0.000	0.000	0.000	Green
East Kent Waste Facilities-Ashford TS	5.000	0.287	4.713	0.000	4.713	0.000	0.000	0.000	Green
LTP- A228 Leybourne and West Malling Imp	28.579	28.560	0.019	0.000	0.019	0.000	0.000	0.000	Green
Ashford Ring Road	15.554	15.457	0.097	0.000	0.097	0.000	0.000	0.000	Green
Sittingbourne Northern Relief Road	31.705	28.356	3.312	0.037	2.740	0.450	-0.572	-0.159	Green
East Kent Access PH2	87.001	81.317	5.684	0.000	3.210	2.022	-2.474	-0.452	Green
Rushenden Link Road	11.468	10.655	0.813	0.000	0.813	0.000	0.000	0.000	Green
Re-shaping Kent Highways Accommodation	22.073	21.928	0.145	0.000	0.145	0.000	0.000	0.000	Green
A2 Cyclo Park	8.748	7.569	1.179	0.000	1.429	0.000	0.250	0.250	Green
Victoria Way Ph 1	18.552	17.843	0.709	0.000	0.499	0.000	-0.210	-0.210	Green
Ashford-Drover's Roundabout junct.	20.543	20.393	0.150	0.000	3.173	0.000	3.023	3.023	Green
Swale Transfer Station	3.630	0.000	3.630	0.000	3.630	0.000	0.000	0.000	Green

Annex 4

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/amber/green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
HWRC-Ton & Malling	2.300	0.000	2.300	0.000	0.300	1.000	-2.000	-1.000	Green
HWRC-West Kent	2.600	0.000	0.000	2.600	0.000	2.600	0.000	0.000	Green
Mid Kent Joint Waste Project	4.440	0.000	4.440	0.000	4.440	0.000	0.000	0.000	Green
Growth without Gridlock	10.000	0.000	10.000	0.000	2.500	2.500	-7.500	-5.000	Green
Kent Thameside Strategic Transport Programme	145.331	0.670	9.071	135.590	7.781	107.748	-1.290	-29.132	Amber - Delayed
Street Lighting Timing	2.906	0.000	2.906	0.000	2.906	0.000	0.000	0.000	Green
Orchard Way Railway Bridge	15.000	0.000	0.000	15.000	0.000	15.000	0.000	0.000	Green
A28 Chart Road	15.000	0.000	0.000	15.000	3.600	13.000	3.600	1.600	Amber - Overspend
A228 Colts Hill Strategic Link	25.000	0.000	0.000	25.000	0.000	25.000	0.000	0.000	Green
South East Maidstone Strategic Route	35.000	0.000	0.000	35.000	0.000	35.000	0.000	0.000	Green
									Green
TOTAL	**713.884**	**238.294**	**180.201**	**295.389**	**180.680**	**272.566**	0.479	-22.344	

1.2.8 Status:

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

1.2.9 Assignment of Green/Amber/Red Status

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

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

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

1.2.12 **Coldharbour Gypsy site: Amber (Real overspend +£0.120m)**

The main reason for the overspend is that unplanned works needed to be carried out by utility companies to avoid any damage to the existing cable and pipes. Part of the overspend (£0.060m) is to be funded from the Homes & Communities Agency (HCA).
Action is still being taken to confirm the remaining £0.060m.

1.2.13 **Sandwich Sea Defence: Amber (Re-phased beyond 2012-15 -£1.016m)**

The project has been re phased to reflect the agreed schedule of planned contribution from KCC to the Environment Agency.

1.2.14 **A28 Chart Road (Amber overspend +£1.600m)**

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

1.2.15 **Kent Thameside Strategic Programme: Amber (Re-phased -£0.966m underspend £0.323m)**

With continued uncertainty over future public sector funding commitment to this programme a review has been carried out. As a result, the delivery of the programme has been re-phased beyond 2012-15 by £0.966m. There is a reduction of forecast spend by £0.323m within the 3 year period to reflect reduced external funding available for this scheme.

Other Significant Variances

1.2.16 **Highways Major Enhancements: (Real overspend +£7.891m- (2012-2015))**

There is an anticipated over spend of +£0.450m in 2012-13 to deal with urgent capital repair works to drainage system resulting from the scheduled cleansing programme. This additional work will be funded from the Integrated Transport programme grant under spend.
In addition to the drainage issues, another £0.500m will be spent on high risk safety barrier repairs and replacement following county wide condition survey.

Structural testing of street lighting columns has identified urgent need for replacing high risk columns. Estimated cost for this work would be £0.600m. Both of these high risk Street lighting and drainage capital works will be funded from commuted sum receipt in advance. £0.050m revenue contribution was used for footway kerbing works related to Paralympic site.
There were some other maintenance works (£0.215m) carried out as part of the enhancement programme and these are expected to be funded from external other and developers.

Additional funding from DfT (£6.273m) was allocated to this programme in 13-14 and 14-15 as the result of the Chancellor's Autumn Statement on the 5 December 2012.

1.2.17 **Member Highway Fund: (Real overspend +£0.186m)**

The additional expenditure relates to implementing schemes related to previous year's Member High fund allocations and is funded from revenue.

1.2.18 **Integrated Transport Schemes (IT): (Real overspend +£0.946m)**

The three year programme (2012-15) now includes schemes that are expected to be funded (£1.233m) from developer contributions. A review of current year's programme has resulted in an under spend of £0.450m that will be used to fund the extra drainage pressure in maintenance. There is an additional over spend of £0.163m in the 2012-13 IT programme for a cycle scheme which is partly funded from Sustrans.

1.2.19 **Sittingbourne Northern Relief Road: (Underspend -£0.160m and re-phasing -£0.413m)**

Overall predicted scheme outturn has been reduced. This follows the completion of wider signing works with actual cost less than originally estimated together with a further reduction in residual risk provision. The part 1 compensation claims have been re-phased to beyond 2012-15.

1.2.20 **East Kent Access Road Phase 2: (Underspend -£0.452m and re-phasing -£2.022m)**

The underspend reflects the agreement on the main contract final account, revised estimates for land acquisition based on progress with land negotiations and revised LCA part 1 claim estimates based on a review with the completed scheme now operational. Part 1 claims have now been re-phased beyond 2012-15 as the result of the above mentioned review.

1.2.21 **Victoria Way: (Underspend -£0.210m)**

Reduced forecast reflects the agreement on the main contract final account and associated risk.

1.2.22 **A2 Cyclopark: (Real overspend +£0.250m)**

There is a predicted real overspend of £0.250m mainly due to activity since opening that will ensure sustainable operation and development of the facility into the future. This includes additional and final landscaping, acoustic dressing for two community rooms, acquisition of the wider land parcels as per the original overall plan, and installation of CCTV. This overspend will be funded from revenue underspends within the directorate and £0.018m from Member Highway Fund.

1.2.23 **Ashford Drovers Roundabout and M20 J9 and Foot Bridge: (Real overspend +£3.023m)**

The main contract final account has been successfully agreed after extensive assessment of major complex claims, by negotiation. This overspend will be funded from additional Growth Area Fund, unused receipt in advance, and capital contributions.

1.2.24 **Growth Without Gridlock: (underspend -£5.000m)**

The whole programme has been reviewed in light of the achievability of schemes within the timescale and as part of the capital budget process for 2013-16 the programme has been reduced by £5.000m.

1.2.25 **HWRC- Ton & Malling; (Real underspend -£1.000m and Re-phased -£1.000m)**

Based on a review of the project as part of the 2013-16 budget process, the cost of this scheme has been reduced by £1.000m. A land search for a suitable site is currently under way and the delivery of the project is now being re-phased by £1.000m.

Key issues and Risks

1.2.26 **Cyclopark:**

There is a further anticipated overspend relating to the primary engineering contract at the park and the contract for the professional management. Negotiations are underway to determine final contract costs in both respects now that works are largely completed. Details will be clearer in March once the negotiations should have been completed and will be reported once the final costs are known.

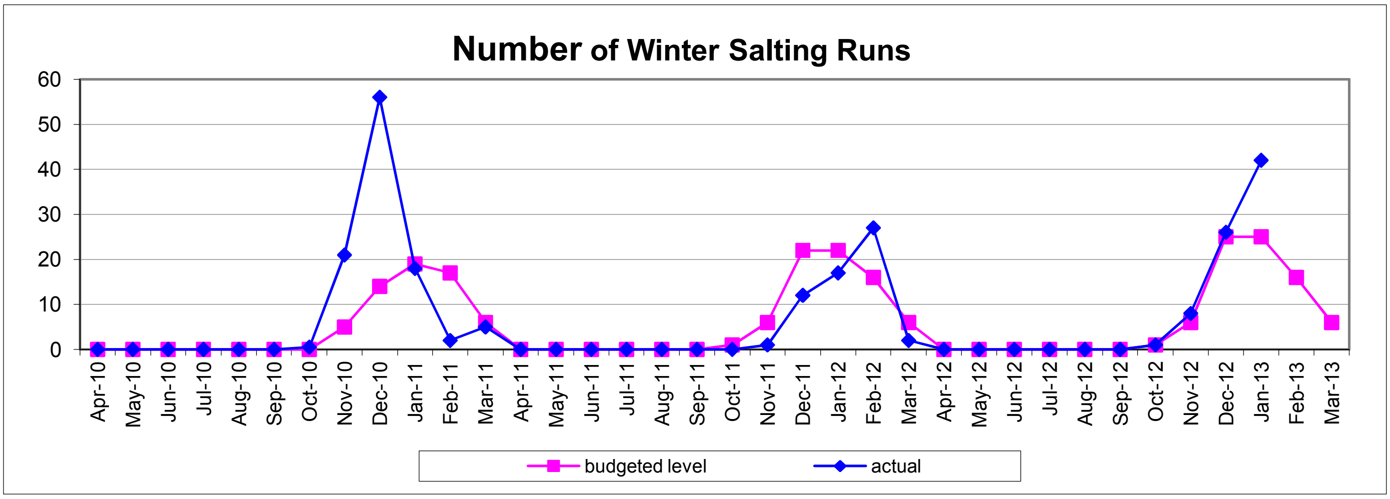
1.2.27 **Integrated Transport Schemes:**

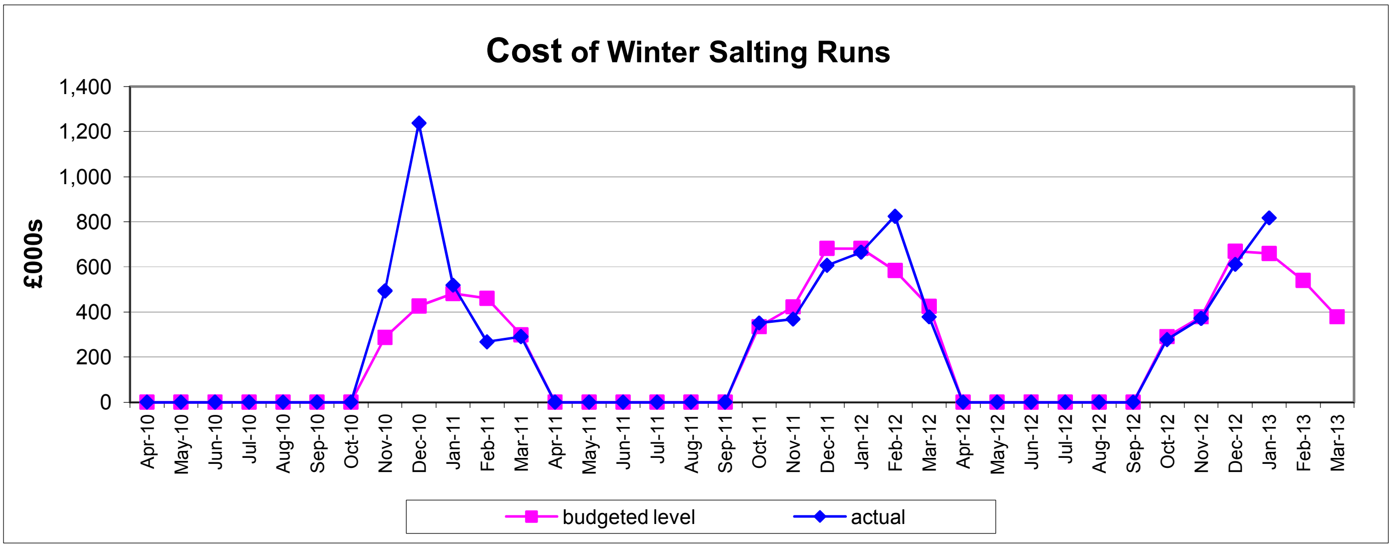
River Dour is one of the IT schemes partly (£0.450m) funded from Sustrans and the agreement with them is that the cycleway is available for use by 1 April 2013. This was thought possible at the time of signing the agreement. Recently a part of the project has been delayed due to technical reasons.
At present the likelihood for the scheme to be completed by 31 March is low with the worst case being that KCC needs to fund the £0.450m from the LTP allocation.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs:

	2010-11				2011-12				2012-13			
	Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs	
	Actual	Budgeted Level	Actual £000s	Budgeted Level £000s	Actual	Budgeted Level	Actual £000s	Budgeted Level £000s	Actual	Budgeted level	Actual £000s	Budgeted Level £000s
April	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-
October	0.5	-	6	-	0	1	351	335	1	1	278	291
November	21	5	494	288	1	6	368	423	8	6	372	379
December	56	14	1,238	427	12	22	607	682	26	25	611	670
January	18	19	519	482	17	22	665	682	42	25	817	660
February	2	17	268	461	27	16	825	584		16		540
March	5	6	291	299	2	6	378	425		6		379
TOTAL	**102.5**	**61**	**2,816**	**1,957**	**59**	**73**	**3,194**	**3,131**	**77**	**79**	**2,078**	**2,919**



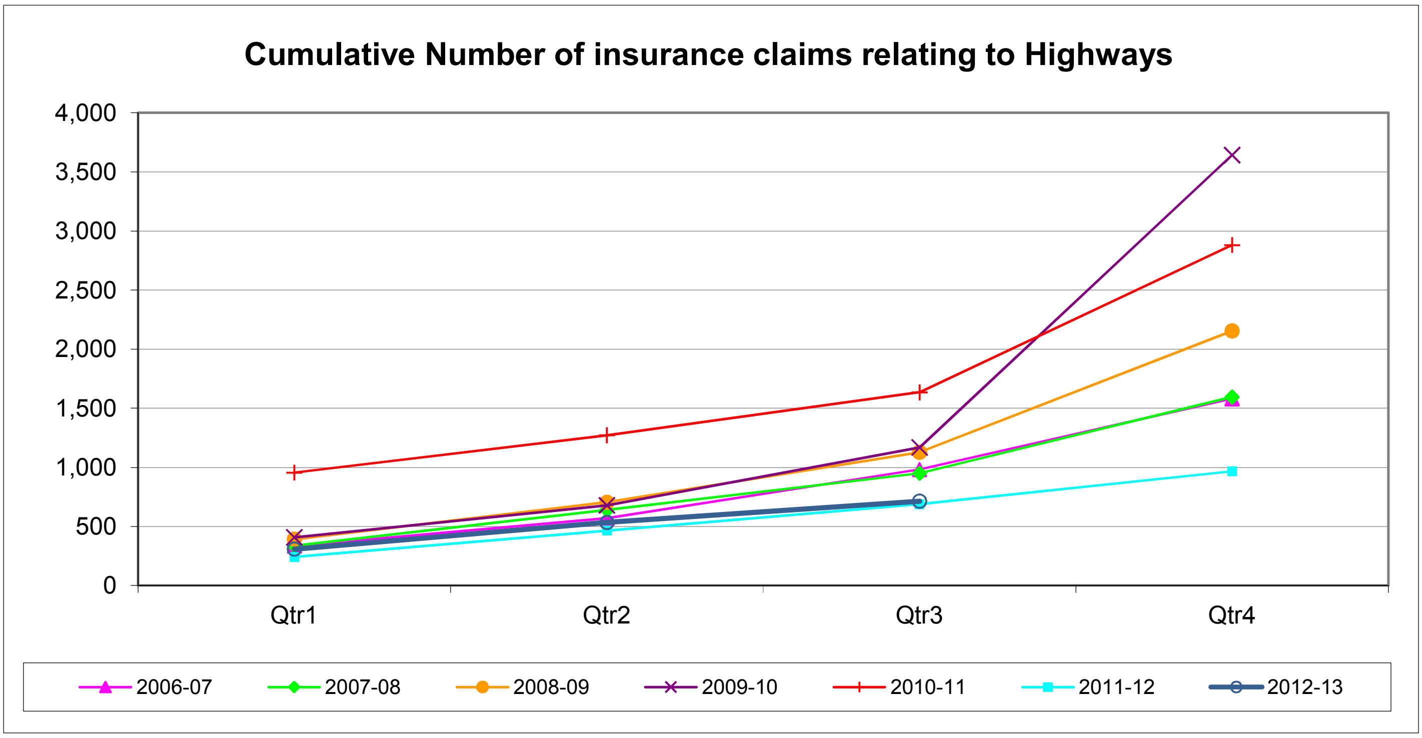


Comment:

- Under the old Ringway contract, local and specific overheads, plus depot charges were budgeted for and dealt with separately, these costs were therefore not included in the winter service expenditure figures, whereas the new Enterprise contract is an all inclusive price so these costs are now included in the graph, hence the apparent increase in the budgeted cost in 2011-12 and 2012-13 compared to previous years.
- Although the budgeted number of salting runs is higher in 2012-13 than in 2011-12, the budgeted cost is lower because 2011-12 was a transition year due to the change in contractor from Ringway to Enterprise and in 2012-13 the full year efficiency savings will be realised, hence the reduction in the budgeted costs.
- It had been anticipated that the generally mild winter in 2011-12 would mean that the number and cost of salting runs would be below budget. However, the snow emergency in February 2012 required emergency salting runs, which were more expensive than the routine salting runs due to a higher rate of spread of salt than originally budgeted. Also, additional costs were incurred as part of the new Winter Policy introduced for 2011-12, as smaller vehicles needed to be leased in order to service parts of the routes that were inaccessible to the larger vehicles (approx £140k) and some of the salting routes were extended in order to meet local needs. This resulted in outturn expenditure of £3.194m against a budget of £3.131m, despite the number of salting runs being below the budgeted level.
- Although the actual number of salting runs is higher than budgeted levels, the budgeted cost of salting runs was calculated using the worst case scenario in terms of the rate of spread of salt. As the actual spread of salt has been at a lower rate than assumed, this has resulted in the estimated costs of salting runs not being as high as the number of salting runs may suggest. The forecast pressure reported in 1.1.3.2.1.a includes other costs associated with adverse weather not directly attributed to salting runs such as costs related to snow clearance and the maintenance costs of farmer's ploughs and salt bins.

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

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims
April-June	335	337	393	407	956	242	309
July-Sept	570	640	704	679	1,271	465	534
Oct-Dec	982	950	1,128	1,168	1,636	688	714
Jan- Mar	1,581	1,595	2,155	3,644	2,882	968	

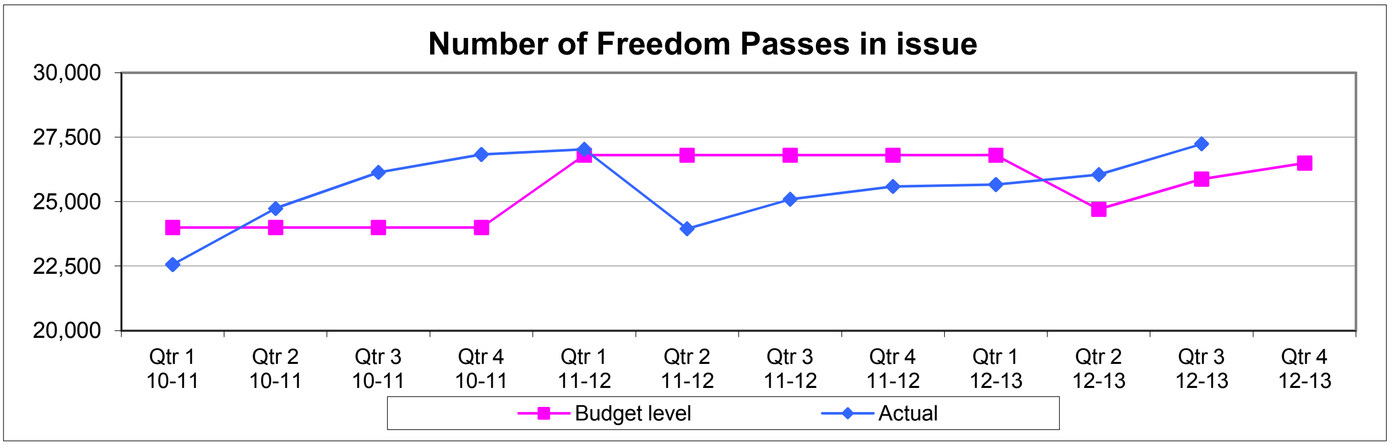


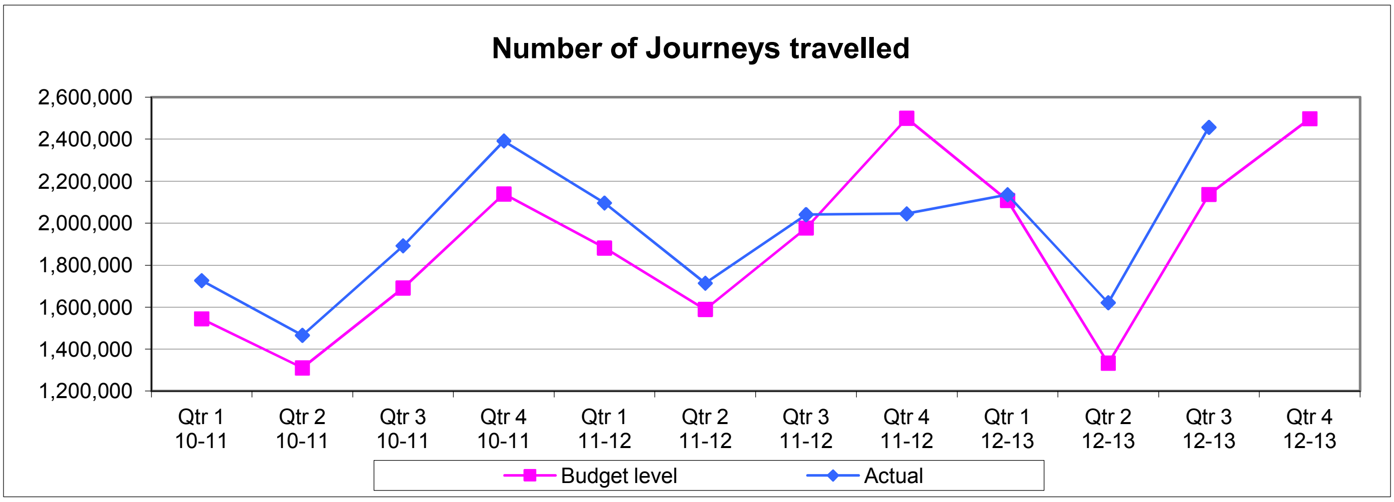
Comments:

- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 31 December 2012.
- Claims were high in the three years from 2008-09 to 2010-11 largely due to the particularly adverse weather conditions and the consequent damage to the highway along with some possible effect from the economic downturn. These claim numbers are likely to increase further as more claims are received for incidents which occurred during the period of the bad weather.
- Claims were lower in 2011-12 than in recent years. This could be due to many factors including: an improved state of the highway following the find and fix programmes of repair, an increased rejection rate on claims, and a mild winter. Also, it is likely that these claim numbers will increase as new claims are received relating to incidents occurring in previous years as explained in the first bullet point above.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on 2012-13 claims where it is considered that we do not have any liability, of about 87%.

2.3 Freedom Pass - Number of Passes in issue and Journeys travelled:

	2010-11				**2011-12**				**2012-13**			
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Qtr 1 April - June	24,000	22,565	1,544,389	1,726,884	26,800	27,031	1,882,098	2,095,980	26,800	25,668	2,108,385	2,135,800
Qtr 2 July - Sept	24,000	24,736	1,310,776	1,465,666	26,800	23,952	1,588,616	1,714,315	24,703	26,051	1,332,935	1,621,250
Qtr 3 Oct - Dec	24,000	26,136	1,691,828	1,891,746	26,800	25,092	1,976,884	2,040,713	25,877	27,239	2,136,769	2,456,400
Qtr 4 Jan - Mar	24,000	26,836	2,139,053	2,391,818	26,800	25,593	2,499,462	2,045,000	26,500		2,497,561	
			6,686,046	7,476,114			7,947,060	7,896,008			8,075,650	6,213,450





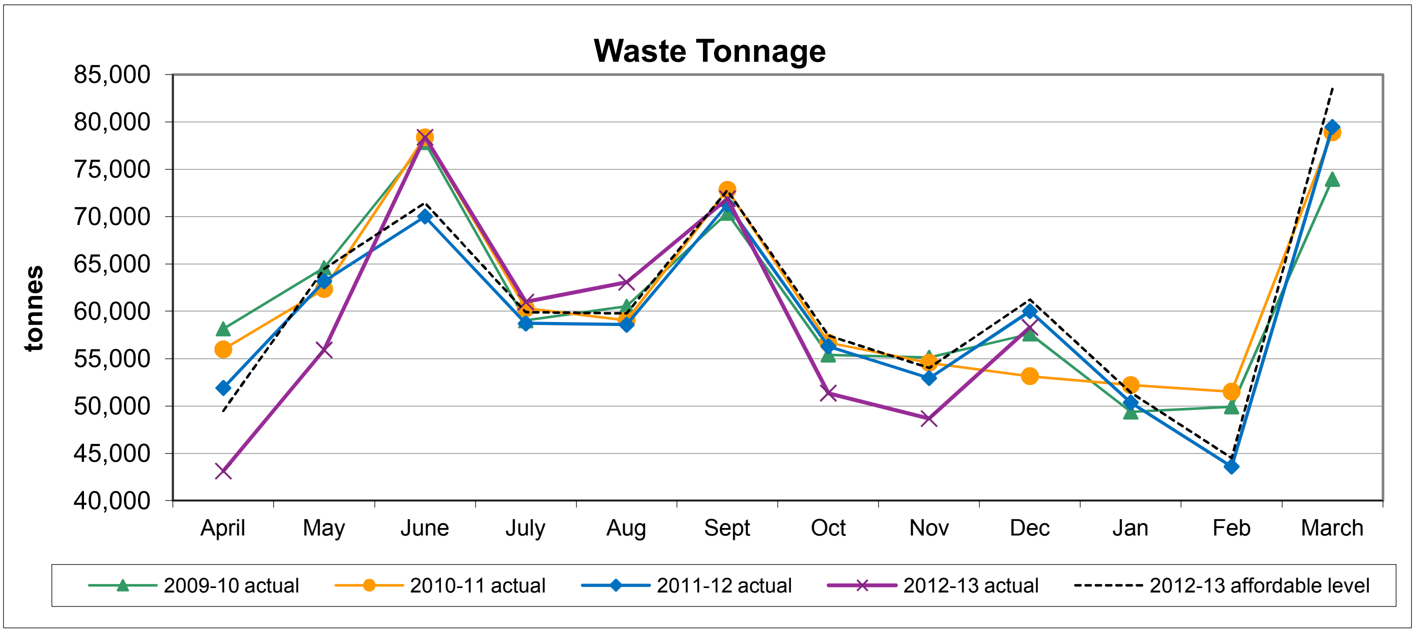
Comments:

- As predicted the number of Kent Freedom Passes was lower in the first quarter of 2012-13 compared to the same quarter in 2011-12 probably due to the fee increase. Applications since quarter one have steadily increased, due in part to changes in education transport policy, and actual journeys are higher than budgeted leading to a forecast pressure which is reported in section 1.1.3.4.b.
- The figures for actual journeys travelled are regularly reviewed and updated as further information is received from the bus companies, so may be subject to change
- The above figures do not include journeys travelled relating to free home to school transport as these costs are met from the Education, Learning & Skills portfolio budget and not from the Kent Freedom Pass budget.

2.4 **Waste Tonnage:**

	2009-10	2010-11	2011-12	2012-13	
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Waste Tonnage *	Affordable Level
April	58,164	55,975	51,901	43,131	49,499
May	64,618	62,354	63,168	55,912	64,467
June	77,842	78,375	70,006	78,371	71,446
July	59,012	60,310	58,711	60,977	59,919
August	60,522	59,042	58,581	63,069	59,787
September	70,367	72,831	71,296	71,894	72,763
October	55,401	56,690	56,296	51,359	57,454
November	55,138	54,576	52,942	48,669	54,031
December	57,615	53,151	60,009	58,312	61,244
January	49,368	52,211	50,366		51,403
February	49,930	51,517	43,607		44,504
March	73,959	78,902	79,468		83,483
TOTAL	**731,936**	**735,934**	**716,351**	**531,694**	**730,000**

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



Comments:

- The March 2012 actual figure was adjusted in Quarter 1 2012-13 to take account of revised data received from districts.
- In Quarter 1 it was necessary to revise the affordable tonnage levels for April and March to reflect the actual number of days in each accounting period. Historically contracts with service providers have been on the basis of a four/four/five week cycle of accounting periods (with weeks ending on a Sunday), rather than on calendar months, and reported waste tonnages have reflected this. It is expected that by April 2013 all service providers will have transferred to a calendar month basis.
- These waste tonnage figures include waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.
- To date, the cumulative tonnage activity for the first nine months is approximately 18,900 tonnes less than the affordable level for the same period, and this reduction is reflected in the current forecast in section 1.1.3.5 of this annex which assumes waste volumes will be approximately 28,000 tonnes below budget by year end. The forecast assumes that the reduction in waste volumes experienced in the period October to December will continue throughout the remainder of the year and this reduction is likely to be due to the changes to the operating policies at Household Waste Recycling Centres to stop accepting commercial waste at the sites.
- Waste tonnages will continue to be carefully reviewed as part of the regular monitoring process to Cabinet.

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

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered "technical adjustments" 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 for the A-Z service analysis have been adjusted since the quarter 2 monitoring report to reflect a number of technical adjustments to budget including the centralisation of ICT budgets and further centralisation of property budgets to Corporate Landlord.
- The inclusion of a number of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Customer & Communities portfolio							
C&C Strategic Management & Directorate Support Budgets	10,139	-4,114	6,025	-655	-2	-657	Staffing vacancies offset by directorate and invest to save priorities
Other Services for Adults & Older People:							
- Drug & Alcohol Services	15,971	-14,609	1,362	0	0	0	
- Supporting People	25,605	0	25,605	-384	0	-384	unrealised creditors from prior years; re-tendering of contracts and variations during 12-13
	41,576	-14,609	26,967	-384	0	-384	
Children's Services Education & Personal:							
- Youth Service	8,643	-2,154	6,489	162	-37	125	increased activities in Youth centres & hubs offset by increased income. Costs of global camp at Swattenden Centre during Olympics offset by draw down from Big Events Fund reserve. Reduced income for Outdoor Education
- Youth Offending Service	5,539	-2,409	3,130	-357	-19	-376	Reduction in activity levels/placements. Staffing vacancies
	14,182	-4,563	9,619	-195	-56	-251	
Community Services:							
- Archive Service (incl Museum Development)	754	-187	567	-7	-30	-37	
- Arts Development (incl Turner Contemporary)	2,035	-103	1,932	13	-19	-6	
- Big Society	1,000	0	1,000	0	0	0	
- Community Learning & Skills	15,002	-15,355	-353	-121	121	0	Reduced income from course fees offset by savings against non staffing

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Community Safety	1,199	-226	973	-1	2	1	
- Community Wardens	2,884	0	2,884	-49	0	-49	Staff vacancies offset by contribution to IDVA fund
- Contact Centre & Consumer Direct	5,180	-1,859	3,321	-515	513	-2	CDSE - reduced staff numbers & impact of cost cutting exercise, offset by reduced income as a result of reduced activity
- Gateways	2,750	-635	2,115	-129	69	-60	Rephasing of Gateways opening, offset by replacement of furniture/equipment at existing gateways. Reduction of one staff post
- Library Services	16,154	-2,151	14,003	-216	224	8	Underrecovery of income offset against managed underspend
- Sports Development	2,600	-1,621	979	0	-4	-4	
- Supporting Independence & Supported Employment	1,361	-484	877	-206	98	-108	Reduction in staffing; increase in SIP programmes related to Neighbourhood Community projects
	50,919	-22,621	28,298	-1,231	974	-257	
Environment:							
- Country Parks	1,478	-911	567	23	-25	-2	
- Countryside Access (incl PROW)	2,876	-1,023	1,853	0	0	0	
	4,354	-1,934	2,420	23	-25	-2	
Local Democracy:							
- Community Engagement	710	0	710	9	0	9	
- Member Grants	1,266	0	1,266	0	1	1	
	1,976	0	1,976	9	1	10	
Regulatory Services:							
- Coroners	2,980	-475	2,505	-27	0	-27	
- Emergency Planning	841	-199	642	-222	-2	-224	Release of oil pollution boom reserve & staff vacancies
- Registration	2,738	-3,135	-397	267	-582	-315	Staffing vacancies; increased expenditure on software licences & equipment; increased income from ceremonies & associated licences
- Trading Standards	4,047	-735	3,312	-151	-85	-236	staffing vacancies
	10,606	-4,544	6,062	-133	-669	-802	
Total controllable	**133,752**	**-52,385**	**81,367**	**-2,566**	**223**	**-2,343**	
Assumed Management Action						**0**	
Forecast after Mgmt Action				**-2,566**	**223**	**-2,343**	

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

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

Customer & Communities portfolio:

1.1.3.1 C&C Strategic Management & Directorate Support Budgets: Gross -£655k, Income -£2k, Net -£657k

There is a forecast underspend of -£189k against staffing in Business Transformation following a restructure of the unit as recruitment is taking longer than anticipated.
Following the Heads of Service and senior management reviews within the service there is a -£434k underspend on staffing. This is offset by anticipated spend on directorate and invest to save priorities totalling +£154k.

The current year's Corporate Communications budget included a roll forward sum of £400k, of which £250k was for staffing, and this has not been fully utilised. This, together with an underspend on staffing due to a delay in recruitment of certain posts following a restructure of the unit, has resulted in a forecast underspend on staffing of -£287k. There are other small variances totalling +£101k on gross and -£2k on income.

1.1.3.2 **Other Services for Adults & Older People:**

a. Supporting People: Gross -£384k, Income Nil, Net -£384k

Following a thorough review of the Supporting People year to date expenditure and the balance sheet, a number of unrealised creditors relating to prior years have been identified which are no longer deemed necessary and have been released accordingly, contributing -£224k to the forecast underspend. The remaining -£160k forecast gross variance is due to the impact of savings from re-tendering of contracts effective from 1 October 2012, which is the part year effect of the savings to be fully delivered in 2013/14.

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

a. Youth Service: Gross +£162k, Income -£37k, Net +£125k

There is a forecast pressure on activities in Youth Centres & Youth Hubs of +£212k, which is partially offset by an increase in income from those centres of -£170k. The Outdoor Education centres have suffered a decrease in income of +£141k as a result of reduced use of facilities by external clients largely due to the inclement weather over the summer. The service has part mitigated this pressure by reducing costs where possible, albeit a large majority of costs are fixed in nature, and a £90k part compensating reduction is forecast. Spend of £119k on a global camp at the Swattenden Centre providing activities for children during the Olympics, including trips to the Olympic park, is largely being met by a draw down from the Big Events Fund reserve. There are further under and over spends which are individually below £100k.

b. Youth Offending Service: Gross -£357k, Income -£19k, Net -£376k

During the year there has been lower than expected activity in secure accommodation placements which has led to a forecast underspend of -£131k. There has been a similar reduction in remand fostering placements, accompanying young offenders to court and youth offending activities which together total an underspend of -£68k. The notification for the 2013-14 funding from Youth Justice Board is yet to be finalised and pending the notification of future funding levels, the service is prudently holding a number of vacancies with a gross staffing underspend of -£158k being reported.

1.1.3.4 **Community Services:**

a. <u>Community Learning & Skills: Gross -£121k, Income +£121k, Net nil</u>

Tuition fee income from course fees is below expected levels for the 2012/13 academic year (Sept 2012 – March 2013), with a forecast under-recovery of +£321k. However, better than expected performance against the summer term of 2011/12 (April 2012 – August 2012) Adults Skills contract is partly offsetting this risk with additional income of -£200k anticipated from the Skills Funding Agency. There are mitigating gross underspends totalling -£121k across a range of budgets as a result of management action taken to offset this income shortfall.

b. <u>Community Wardens: Gross -£49k, Income Nil, Net -£49k</u>

There are two additional leavers since the last quarterly report and this has increased the staffing underspend to -£166k. The budget includes a built in vacancy management target, otherwise the projected underspend would be in excess of this. A one off contribution of £110k has been committed towards a multi-agency project aimed at setting up an Independent Domestic Violence Advocate fund.

c. <u>Contact Centre & Consumer Direct: Gross -£515k, Income +£513k, Net -£2k</u>

There has been a reduction in Consumer Direct call volumes that has led to a reduction in income, as the contract is based on a price per call, of +£520k. However this is offset by a -£470k gross underspend on staffing as a result of reduced staff numbers in line with the reduction in call volumes. A cost cutting exercise has identified further savings to offset the fall in income and this is currently forecast as -£45k. In addition there is a minor income variance relating to services which are no longer provided by the contact centre.

d. <u>Gateways: Gross -£129k, Income +£69k, Net -£60k</u>

The quarter 2 monitoring report included an underspend of -£159k as a result of the re-phasing of the opening of two multi-agency Gateways to 2013-14 (Herne Bay & Swanley). This saving is now partially offset by costs of £75k associated with the opening, in January 2013, of the Eden Centre, a new Gateway in Edenbridge, together with the costs of promoting services and the replacement of furniture, equipment and staff uniforms at existing gateways. A staffing saving of -£45k is now reported following the reduction of one post. The income shortfall results primarily from reduced funding from Gateway partners pending agreement on cost allocations.

e. <u>Library Services: Gross -£216k, Income +£224k, Net +£8k</u>

The income shortfall of +£224k relates to an under-recovery of income from a company that was commissioned to undertake certain merchandising activities and which is now in the process of going into liquidation. When the service became aware of the potential for this loss of income, management action was put in place with a resultant reduction in non staffing costs of -£302k forecast. However, there are some small offsetting gross pressures including an increase in merchandising purchases and additional costs at the Beaney Centre, totalling +£86k.

f. <u>Supporting Independence & Supported Employment: Gross -£206k, Income +£98k, Net -£108k</u>

The forecast income shortfall of +£98k is within Kent Supported Employment (KSE) and relates to the Department for Work & Pensions funded Work programme contract where referrals are below anticipated levels.

There is a -£252k gross variance relating to a reduction in staffing in KSE which has been achieved through improved performance, holding vacancies, as well as reduced activity to programmes such as the DWP contract referred to above.

Within the Supporting Independence Service there is a pressure related to grants to external providers of +£165k to support the Neighbourhood Community Projects, which is offset by underspending on staffing within these projects of -£90k, together with other small variances totalling -£29k.

1.1.3.5 **<u>Regulatory Services:</u>**

a. Coroners: Gross -£27k, Income NIL, Net -£27k

A roll forward of £150k was approved from 2011-12 for a backlog of long inquests, however £60k is forecast to fall into 2013-14 and so as not to place undue pressure on the 2013-14 budget, roll forward will be required to fund this re-phasing. This £60k underspend in the current year is partially offset by a pressure on staffing for long inquests.

b. Emergency Planning: Gross -£222k, Income -£2k, Net -£224k

There is a forecast underspend against staffing of -£71k as vacancies continue to be held following a restructure of the service during the year. In addition, the Oil Pollution Boom renewals reserve is no longer required following the effective commissioning of alternative arrangements, which transfers the responsibility for the boom to an external provider. Therefore, the balance on the reserve of -£136k has been drawn down and released back to revenue. Other minor variances totalling -£15k contribute to the overall -£222k gross variance.

c. Registration: Gross, +£267k, Income -£582k, Net -£315k

The Registration Service is predicting an underspend on staffing of -£182k arising from vacancies which have been held during the restructure and integration of Registration with the Libraries and Archives services. However, this is offset by some one-off costs relating to the purchase of additional software licences (+£220k) and equipment (+£200k). The income variance of -£562k follows a full reconciliation of income received to date, with amounts relating to the current and future years separately analysed. As the year end approaches, income is initially assumed to relate to deposits for future year ceremonies but this reconciliation has highlighted additional income relating to the current year. In addition, there has been a higher than expected number of weddings in the June to October period resulting in additional income from ceremonies and associated licences.

d. Trading Standards (including Kent Scientific Services): Gross -£151k, Income -£85k, Net -£236k

The combined service is forecasting an underspend on staffing of -£150k as there are a number of posts which have been held vacant during the year pending the restructure of the service.
The income variance, as mentioned in the quarter 2 report, consists of an over recovery of income from the Olympic Delivery Authority (-£26k), an improved income forecast for Kent Scientific Services of (-£22k), and additional income from the sale of a van as well as funding from the National Trading Standards Board to cover the costs of agency staff, which together total -£28k.

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
C&C	Contact Centre & Consumer Direct: reduction in income linked to reduced call volumes for Consumer Direct	+520	C&C	Registration Service: additional income from ceremonies & associated licences	-582
C&C	Community Learning & Skills: reduced tuition fee income from course fees for 2012-13 academic year	+321	C&C	Contact Centre & Consumer Direct: reduction in staff numbers in line with reduced call volumes for Consumer Direct	-470
C&C	Library Service: underrecovery of income from a company which is in the process of going into liquidation	+224	C&C	Strategic Management & Directorate Support: Staff savings following Heads of Service & senior management reviews	-434

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
C&C	Registration Service: purchase of additional software licences	+220	C&C	Library Service: managed underspend to offset unrecovered income from a company facing liquidation	-302
C&C	Youth Service: Increased activities at Youth centres/hubs	+212	C&C	Corporate Communications: staff savings from restructure & unspent roll forward	-287
C&C	Registration Service: purchase of equipment	+200	C&C	Supported Independence & Supported Employment: staffing underspend within KSE	-252
C&C	Supporting Independence: increase in grants to external providers to support the Neighbourhood Community Projects	+165	C&C	Supporting People: release of unrealised creditors from prior years	-224
C&C	Strategic Management & Directorate Support: expenditure on directorate priorities & Invest to Save Projects	+154	C&C	Community Learning & Skills: better than expected performance against Adult Skills contract in summer term resulting in increased income from Skills Funding Agency	-200
C&C	Youth Service: Outdoor Education reduction in use by external clients due to inclement weather	+141	C&C	Strategic Management & Directorate Support: staff savings from delay in recruiting to posts following Business Transformation restructure	-189
C&C	Youth Service: costs of global camp at Swattenden Centre during the Olympics	+119	C&C	Registration Service: staffing savings due to holding vacancies during restructure & integration with Libraries & Archives services	-182
C&C	Community Wardens: One-off contribution to Independent Domestic Violence Advocate Fund	+110	C&C	Youth Service: increased income at Youth Centres/hubs	-170
			C&C	Community Wardens: staff vacancies	-166
			C&C	Supporting People: savings from re-tendering of contracts effective from October 2013	-160
			C&C	Gateways: re-phasing of opening and change in specification of Swanley & Herne Bay gateways	-159
			C&C	Youth Offending Service: staff vacancy savings pending notification of future funding levels from Youth Justice Board	-158
			C&C	Trading Standards (including KSS): staffing vacancies	-150
			C&C	Emergency Planning: release of Oil Pollution Boom reserve	-136
			C&C	Youth Offending service: lower activity levels than expected in secure accomodation placements	-131
			C&C	Community Learning & Skills: effects of management action taken to offset income shortfall	-121
			C&C	Youth Service: costs of global camp at Swattenden Centre during the Olympics part funded by draw down from Big Events Fund reserve	-106
		+2,386			-4,579

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

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

1.1.5 **Implications for MTFP**:

To try and minimise the impact of enforced redundancies, a number of the underspends reported in the sections above are where vacancies were being held and where consultation occurred or is ongoing in the current year, in order to achieve the significant budget savings approved by County Council on 14 February 2013.

Also, there remains a lack of clarity around funding allocations for future years which may well yet impact on future year budgets e.g. Youth Justice Board grant for 2013/14. In addition, the directorate is particularly sensitive to changes in income as close to 40% of the directorate's gross expenditure is funded by income and external grants. The final amounts for funding/grants may not be known for some time but any changes in assumptions will be included within future monitoring reports.

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

Towards the end of 2011/12, £1m from the Big Society budget was provided to the Kent Community Foundation to establish a loan fund to award loans/grants to social enterprises that are perhaps unable to secure loans through other routes. A further £2m was set aside for further donations of £1m in each of 2012/13 and 2013/14 subject to an annual review by KCC of, among other things, the demand within the market.

It is currently forecast that a further £1m will be donated in 2012/13. The approved budget for 2013/14 assumes that the 2013/14 contribution will be delayed until 2014/15 and this one-off saving is to be used as part of the budget measures for delivering a balanced 2013/14 budget.

Within the Coroners Service, there is a £60k re-phasing of the long inquests backlog into 2013-14, as explained in section 1.1.3.5a above.

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

The forecast underspend for the directorate is -£2,343k as shown in table 1. After adjusting for the roll forward requirement of £60k for the re-phasing of the back log of Coroners long inquests referred to in section 1.1.6 above, there is an underspend of -£2,283k which is contributing towards the £5m underspend from 2012-13 being used to support the overall 2013-14 KCC budget, as approved by County Council on 14 February 2013.

1.2 CAPITAL

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

1.2.2 The Customer and Communities portfolio has an approved budget of £13.687m (see table 1 below). The forecast outturn against this budget is £14.011m, giving a variance of +£0.324m. After adjustments for funded variances and reductions in funding, the revised variance comes to -£0.005 (see table 3).

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

1.2.4 Table 1 – Revised approved budget

	£m	
Approved budget last reported to Cabinet	13.551	
Approvals made since last reported to Cabinet	0.136	Virement from Modernisation of Assets budget held within Corporate Landlord
Revised approved budget	13.687	

1.2.5 Table 2 – Funded and revenue funded variances

Scheme	Portfolio	Amount £m	Reason
Cabinet to approve cash limit changes			
Modernisation of Assets - Youth Vehicles	C&C	0.041	To be funded from developer contributions
No cash limit changes to be made			
Public Rights of Way	C&C	0.085	To be funded from revenue (£0.063), external partner funding (£0.007) and Members Highways Fund within E&E (£0.015)
Country Parks	C&C	0.015	To be funded from revenue
Modernisation of Assets - Youth Vehicles *	C&C	0.146	To be funded from revenue
Trading Standards Vehicles	C&C	0.017	To be funded from revenue
Tonbridge Youth Facility *	C&C	0.025	To be funded from revenue
Total		0.329	

*The above variances were contained within a previous monitoring report and are only included here as cash limit changes are not made when variances are funded by revenue, hence this represents an accumulation of variance funded by revenue.

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	**0.000**
Funded variance (from table 2)	0.063
Variance to be funded from revenue	0.266
Project underspend	-0.005
Rephasing (beyond 2012-15)	**0.000**
Total variance	0.324

1.2.7 **Scheme Progress**

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

Annex 5

Table 4 - Scheme Progress

	Total Cost	Previous Spend	2012-15 Approved Budget	Later Years Approved Budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status (Red / Amber / Green)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e - c	(h) = (b+e+f)-a	
Public Rights of Way - Structural Maintenance	2.422	0.000	2.422	0.000	2.507	0.000	0.085	0.085	Green
Country Parks Access and Development	0.510	0.000	0.510	0.000	0.525	0.000	0.015	0.015	Amber - Delayed
Small Community Projects	2.510	0.000	1.510	1.000	1.510	1.000	0.000	0.000	Green
Library Modernisation Programme	3.113	0.295	1.898	0.920	1.898	0.920	0.000	0.000	Green
Modernisation of Assets	0.727	0.000	0.457	0.270	0.661	0.270	0.204	0.204	Green
Public Sports Facilities Improvements - Capital Grants	0.500	0.000	0.300	0.200	0.300	0.200	0.000	0.000	Green
Village Halls and Community Centres - Capital Grants	1.111	0.000	0.711	0.400	0.711	0.400	0.000	0.000	Green
The Beaney, Canterbury	3.756	3.365	0.391	0.000	0.391	0.000	0.000	0.000	Green
Turner Contemporary	17.400	17.400	0.000	0.000	0.000	0.000	0.000	0.000	Green
Gateways	6.924	4.824	2.100	0.000	2.100	0.000	0.000	0.000	Amber - Delayed
Ashford Gateway Plus	7.606	7.539	0.067	0.000	0.067	0.000	0.000	0.000	Green
Grant to Cobtree Trust	0.100	0.043	0.057	0.000	0.057	0.000	0.000	0.000	Green
Tunbridge Wells Library	0.469	0.028	0.441	0.000	0.441	0.000	0.000	0.000	Amber - Delayed
Kent History and Library Centre	10.981	10.625	0.356	0.000	0.356	0.000	0.000	0.000	Green
Gravesend Library	2.500	2.404	0.096	0.000	0.096	0.000	0.000	0.000	Green
Libraries Invest to Save	1.730	1.528	0.202	0.000	0.197	0.000	-0.005	-0.005	Green
New Community Facilities at Edenbridge	1.009	0.337	0.672	0.000	0.672	0.000	0.000	0.000	Amber - Delayed
Web Platform	1.139	0.810	0.329	0.000	0.329	0.000	0.000	0.000	Green
Youth Service Recognition	0.058	0.000	0.058	0.000	0.083	0.000	0.025	0.025	Green
CLS Service re-provision	0.482	0.000	0.482	0.000	0.482	0.000	0.000	0.000	Green
New Library and Community Centre, Cheeseman's Green	0.350	0.000	0.350	0.000	0.350	0.000	0.000	0.000	Green
Gateway phase 2 completion	0.150	0.000	0.150	0.000	0.150	0.000	0.000	0.000	Green
Dartford & Gravesham NHS trust Capital Contribution	0.128	0.000	0.128	0.000	0.128	0.000		0.000	Green
TOTAL	65.675	49.198	13.687	2.790	14.011	2.790	0.324	0.324	

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

1.2.9 **Assignment of Green/Amber/Red Status**

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

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

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

1.2.12 **Country Park Access & Development (Re-phasing)** – The improvements to the car park at Manor Park is now expected to be completed by September 2013. Initially the works were due to be completed by the year end but the bedding in of the new grasscrete surface is going to take longer than expected, which would mean the car park being closed over the busiest summer months, so the commencement date has been rescheduled accordingly.

1.2.13 **Tunbridge Wells Library (Re-phasing) -** Practical completion is now scheduled to occur in the next financial year due to a combination of issues including protracted procurement and contractual processes as well as changes to specification. Contracts have now been signed.

1.2.14 **Edenbridge Community Centre – (Re-phasing) -** The contractor submitted an extension of time request in relation to the construction of the Edenbridge Centre and the associated housing development. The impact of this was that the opening of the centre was delayed. The facility is being opened in phases with the Church and the Library opening their doors on the 2 January 2013. The remaining partners will be moving in over the coming months. The official opening event will be held on the 6 March 2013.

1.2.15 **Gateways (Re-phasing) –** The ICT Multi-Channel project has been re-aligned to run in parallel with the ICT Infrastructure investment (within the BSS portfolio) and the requirements of the single customer account as the various projects are dependent on one another.

Other Significant Variances

1.2.16 None to report.

Key issues and Risks

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

1.2.18 Library Modernisation – Within the cash limit, funds have been set aside for the Library element of the Herne Bay and Swanley Gateways, therefore this budget is intrinsically linked to that programme (see 1.2.21 below). Funds are also required at Folkestone, for the library element of Edenbridge Community Centre and some Modernisation costs at Tunbridge Wells.

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

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

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

1.2.21 Tunbridge Wells Library - As this is a listed building there is a potential risk that once work commences, issues could be encountered which may increase the scope and costs of works. The project will be regularly reviewed as part of the project management in an attempt to mitigate any risks. Any increase in scope or costs will be reported as part of the monitoring process.

1.2.22 Libraries Invest to Save – The project is now complete, with 42 of the self service radio frequency identification (RFID) terminals now installed and fully operational at sites across the county. A small underspend is anticipated. The only residual risk pertinent to this project is that the funds being set aside to replenish/replace the current technology at the end of its useful economic life is insufficient but this will be reviewed on a regular basis.

1.2.23 Web Platform – It was reported previously that there was no rolling programme to fund improvements/enhancements to kent.gov once this fixed term project expires. As opposed to updating the current system, a project is now underway – in conjunction with the Customer Service 'Channel Shift' strategy – to replace the current web platform in order to increase its functionality and improve the user experience as the current system will be unsupported come March 2013 and has insufficient capacity to fully enable channel shift. Delivery of the programme is dependent on appropriate ICT resources being available.
Previously, a risk was highlighted that the existing budget of £0.329m might be insufficient to fully fund the replacement. This potential risk has materialised and further funding of £0.455m has been secured in the 2013/14 Medium Term Financial Plan that was approved by County Council in February 2013.

1.2.24 Youth Service Vehicles – the Integrated Youth Service has purchased a total of 6 vehicles in order to replenish and replace an ageing fleet in anticipation of the launch of the new youth transformation which occurred in January 2013. An additional 1 vehicle is to be purchased, funded mainly from developer contributions, since the last report. The above investment, along with the existing renewals programme, will achieve the intended outcome of at least one vehicle per district in the new model.

1.2.25 Post mortem facility - this is a capital contribution to a much larger project led by Dartford & Gravesham NHS Trust, of which the post mortem facility is just a part of, so there is a risk that the overall cost, specification and timing is not in line with expectation. This is outside of the direct control of the authority but will be mitigated by regular dialogue with the Trust.

1.2.26 Kent History and Library Centre – The Centre was officially opened by HRH The Duke of Kent on 11 December 2012. There have been no additional costs recorded on this project since the last report, with the slightly higher spend on fit out compensated by a compensating underspend on the public realm.

The remainder of the tree works and signage will be completed in the spring. The Gormley sculptures will be installed once the necessary groundwork has been undertaken and progress will be updated in future reports.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

N/A

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

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the quarter 2 report to reflect a number of technical adjustments to budget including the centralisation of ICT budgets and further centralisation of property budgets to Corporate Landlord.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Regeneration & Enterprise portfolio							
Directorate Management & Support	166	0	166	-17	14	-3	
Development Staff & Projects	4,979	-1,492	3,487	3	0	3	
Total R&E portfolio	**5,145**	**-1,492**	**3,653**	**-14**	**14**	**0**	
Finance & Business Support portfolio							
Finance & Procurement	18,629	-7,303	11,326	-419	219	-200	Many staff appointed at bottom of grade, budget based on mid-point of grade; Edukent pressures offset with draw down from Reserve; relocation and accommodation costs
Total F&BS portfolio	**18,629**	**-7,303**	**11,326**	**-419**	**219**	**-200**	
Business Strategy, Performance & Health Reform portfolio							
Strategic Management & Directorate Support budgets	2,893	-4,520	-1,627	-87	0	-87	
Governance & Law	10,337	-12,470	-2,133	-191	317	126	Staffing vacancies; difficulties generating external work
Business Strategy	3,216	-139	3,077	-233	-21	-254	Staffing vacancies and delays in recruitment

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Property & Infrastructure	29,484	-4,686	24,798	327	-312	15	Extension to leasehold payments; more cautious approach to capitalising spend; use of Capital Grant to fund revenue expenditure; re-phasing of New Ways of Working; management action against central budgets; small variances in income
Human Resources	16,684	-5,645	11,039	169	-323	-154	Under recovery of income on Schools Personnel Services, partially offset by underspend on staffing; additional training costs partially offset by extra income; increased demand to support restructures resulting in staffing pressure on Employee Services; i
Information & Communication Technology	34,087	-13,250	20,837	767	-767	0	IT pay as you go activity funded by additional income
Total BSP&HR portfolio	**96,701**	**-40,710**	**55,991**	**752**	**-1,106**	**-354**	
Democracy & Partnerships portfolio							
Finance - Internal Audit	1,103	-34	1,069	-64	-44	-108	
Business Strategy - International & Partnerships	1,007	-223	784	-104	46	-58	
Democratic & Member Services	3,865	-3	3,862	58	-81	-23	
Local Democracy:							
- Member Grants incl. County Council Elections	1,273	0	1,273	-14	0	-14	
Total D&P portfolio	**7,248**	**-260**	**6,988**	**-124**	**-79**	**-203**	
Total BSS Controllable	**127,723**	**-49,765**	**77,958**	**195**	**-952**	**-757**	
Assumed Management Action:							
- R&E portfolio						**0**	
- F&BS portfolio						**0**	
- BSP&HR portfolio						**0**	
- D&P portfolio						**0**	
Forecast after Mgmt Action				**195**	**-952**	**-757**	

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

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

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

1.1.3.1 Finance & Procurement: Gross -£419k, Income +£219k, Net -£200k

Within the gross underspend is **-£302k** relating to staffing as many appointments to the new finance structure have been made at the bottom of grade, whereas the budget is set at mid-point of grade; the division is also carrying a number of vacancies. There is a pressure of **+£249k** against Edukent resulting from reduced income, and a further pressure of **+£281k** primarily resulting from additional costs relating to the Contractor Services Billing system. This net pressure will be funded via a drawdown of **-£530k** against gross expenditure from the Dedicated Schools Grant – Central Expenditure Reserve. The centralisation of finance has resulted in additional one-off relocation and accommodation costs causing a pressure of **+£140k**. There are also a number of small variances below £100k totalling -£8k against gross and -£30k against income.

Business Strategy, Performance & Health Reform portfolio:

1.1.3.2 Governance & Law: Gross -£191k, Income +£317k, Net +£126k

The underspend on gross expenditure of -£191k primarily consists of **-£154k** on staffing budgets as the unit has been carrying vacancies; non-staffing budgets are underspending by -£37k. There is a reduced income forecast of **+£317k** as there have been difficulties in generating new external work. The forecast remains volatile as demand for the service will inevitably move in the final quarter.

1.1.3.3 Business Strategy: Gross -£233k, Income -£21k, Net -£254k

There is currently an underspend of **-£124k** against staffing resulting from vacancies and delays in recruitment. There are also a number of small variances against non-staffing budgets totalling -£109k and a small income variance of -£21k.

1.1.3.4 Property & Infrastructure: Gross +£327k, Income -£312k, Net +£15k

Property Group is forecasting a +£327k gross pressure with a compensating increase in income of -£312k against their revenue budget.

The Property revenue budget has been reduced by £3.56m over the past two years in respect of 'Total Place' savings. It was expected that these savings would primarily be generated by coming out of leasehold properties as soon as leases came to an end. Service transformations and restructures throughout the Council, together with the formulation of the new Work Place Transformation Strategy, have resulted in the requirement to extend a number of leases and thus push delivery of some savings to later years. Delivery of these savings is a top priority and therefore a full review of all 'Total Place' potential savings, alongside current service plans, has been undertaken to determine the revised phasing of the savings reflected in the 2013-15 MTFP. Also, dedicated resources have been put in place to programme manage the New Ways of Working initiative (formerly the Work Place Transformation Programme) which will give greater clarity on timelines for coming out of properties. Additionally, in accordance with accounting requirements, many items of expenditure which have traditionally been capitalised, must be charged to and funded through revenue. This, together with issues outlined above have resulted in a **+£996k** gross pressure against Corporate Landlord budgets.

As a consequence Property Group is planning to use -£580k of the DFE Local Authority Capital Maintenance Grant, currently shown within their capital budget, to cover the expenditure that was previously capitalised, as the grant rules allow us to fund revenue expenditure from it. Also a number of centrally held budgets within Property Group have been subject to management action and the resulting under-spend of **-£505k** will be used to offset the pressures within Corporate Landlord. Additional clarity around the New Ways of Working initiative has identified a gross underspend of **-£164k** resulting from delays in office moves which have re-phased into 2013-14. This will require a roll forward to 2013-14 in order fund the re-phasing of these one off costs.

Although income is forecast to be -£312k more than budget, **-£580k** relates to the use of the capital grant referred to above. There are small (under £100k) under-recoveries in income across a number of budgets within Property Group which total +£268k.

1.1.3.5 Human Resources: Gross +£169k, Income -£323k, Net -£154k

The Schools Personnel Service continues to have extremely challenging income targets which, with further delegations of funding and responsibilities to schools, require business to be secured on a school by school basis. As a result, SPS are forecasting an under-delivery of income of

+£327k, but also a partially compensating underspend, mainly on salaries of **-£285k**. In addition, HR is continuing to face increased demand to support many Divisional restructures and transformation programmes throughout this year, which is putting pressure on many units, and as a result Employee Services are forecasting a gross pressure of **+£299k**, mainly on staffing, which is partially offset by increased income of **-£256k**. There is a further pressure of **+£187k** on the cost of providing training, especially professional training for social workers, but this is largely offset by an additional **-£177k** of income. The Kent Graduate programme is showing an underspend of **-£121k** due to staff finding permanent jobs and leaving the scheme early. A pressure of **+£100k** also exists within the Reward Team mainly due to increased payments to the rewards providers to reflect above budgeted take up; this is more than offset by extra income of **-£122k**. There are a number of smaller gross and income variances against the rest of Human Resources, including Health and Safety, the Divisional budget and the 'Grads Kent' website. These in total add up to a gross of **-£11k** and income of **-£95k**.

1.1.3.6 <u>Information & Communication Technology: Gross +£767k, Income -£767k, Net Nil</u>

Variances of **+£767k** and **-£767k** on gross and income respectively reflect the increased demand for additional IT Pay-as-you-go services. Ad hoc demand for services is difficult to predict during budget setting.

Democracy & Partnerships portfolio:

1.1.3.7 <u>Business Strategy – International & Partnerships: Gross -£104k, Income +£46k, Net -£58k</u>

There is an underspend of £104k on gross resulting from reduced spend on a number of non-staffing budgets, primarily specialist fees, rents, and other running costs.

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

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

Pressures (+)			**Underspends (-)**		
portfolio		£000's	portfolio		£000's
BSPHR	Property & Infrastructure Gross - extensions to leasehold payments; and more cautious approach to capitalising expenditure	+996	BSPHR	ICT Income: Information Systems income from additional pay as you go activity	-767
BSPHR	ICT Gross: Information Systems costs of additional pay as you go activity	+767	BSPHR	Property and Infrastructure Income - Use of Local Authority Capital Maintenance Grant to fund revenue expenditure previously categorised as capital	-580
BSPHR	Human Resources Income - under recovery of income target by Schools Personnel Service	+327	F&BS	Finance & Procurement Gross: draw down of Dedicated Schools Grant - Central Expenditure reserve to offset pressure within Edukent	-530
BSPHR	Governance & Law Income - difficulties in generating new external work	+317	BSPHR	Property & Infrastructure Gross - management action/underspend on central budgets	-505

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
BSPHR	Human Resources Gross - pressure on Employee Services budget mainly on staffing	+299	F&BS	Finance & Procurement Gross - staffing underspend	-302
F&BS	Finance & Procurement Gross: additional Edukent costs, primarily for the Contractor Services Billing system	+281	BSPHR	Human Resources Gross - underspend on Schools Personnel Service mainly on salaries, partially off-setting under delivery of income target	-285
F&BS	Finance & Procurement Income: reduced income for Edukent	+249	BSPHR	Human Resources Income - increased Employee Services income	-256
BSPHR	Human Resources Gross - pressure on providing training	+187	BSPHR	Human Resources Income - aditional training income	-177
F&BS	Finance & Procurement Gross: relocation and accommodation costs following centralisation	+140	BSPHR	Property & Infrastructure Gross - re-phasing of New Ways of Working initiative	-164
BSPHR	Human Resources Gross - increased spend relating to Rewards	+100	BSPHR	Governance & Law Gross - vacancies on staffing	-154
			BSPHR	Business Strategy Gross - staffing underspend	-124
			BSPHR	Human Resources Income - increased income relating to Rewards	-122
			BSPHR	Human Resources Gross - underspend on Kent Graduate Programme	-121
		+3,663			-4,087

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

None

1.1.5 **Implications for MTFP**:

Property Division has submitted new phasing for their Total Place savings, moving £1.3m to future years and the 2013-15 MTFP has been updated accordingly. The Division will also continue to need to utilise some of its DFE capital grant to fund revenue expenditure which cannot be capitalised – this will need to be quantified each year dependent on the spend incurred.

In HR – Schools Personnel Service have realigned their gross and income budgets within the 2013-15 MTFP to reflect their Business Plans for 2013-14.

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

Property & Infrastructure
New Ways of Working activity will need to be re-phased following delays in office moves (as detailed in section 1.1.3.4). Roll forward of £164k to 2013-14 will be required in order to fund the re-phasing of this programme.

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

Of the -£757k underspend shown in table 1, revenue project re-phasing accounts for +£164k (as detailed in section 1.1.6 above), leaving an underlying underspend of -£593k, which is contributing towards the £5m underspend from 2012-13 being used to support the overall 2013-14 KCC budget, as approved by County Council on 14 February 2013.

1.2 CAPITAL

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

1.2.2 The Business Strategy and Support directorate has an approved budget for 2012-15 of £137.567m (see table 1 below). The forecast outturn against this budget is £102.852m, giving a variance of -£34.715m.

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

1.2.4 Table 1 – Revised approved budget

	Total	Business Strategy, Performance & Health Reform	Regeneration & Economic Development	
	£m	£m	£m	
Approved budget last reported to Cabinet	137.703	33.476	104.227	
Approvals made since last reported to Cabinet	-0.136	-0.136		Virement from MOA to C&C
Revised approved budget	137.567	33.340	104.227	

1.2.5 Table 2 – Funded and Revenue Funded Variances

Scheme	Portfolio	Amount £m	Reason
Cabinet to approve cash limit changes			
No cash limit changes to be made			
Rendezvous site Margate	R&ED	0.002	Revenue funded
Total		0.002	

1.2.6 Table 3 – Summary of Variance

Reason	Total	Business Strategy, Performance & Health Reform	Regeneration & Enterprise
	£m	£m	£m
Unfunded variance			
Funded variance (from table 2)	0.000		
Variance funded by revenue (from table 2)	0.002		0.002
Project underspend	-12.984	-0.700	-12.284
Rephasing (beyond 2012-15)	-21.733		-21.733
Total variance	-34.715	-0.700	-34.015

1.2.7 **Main reasons for variance**

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

Table 4 – Scheme Progress

	Total Cost	Previous Spend	2012-15 Approved Budget	Later Years Approved Budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status (Red / Amber / Green)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
BSP&HR	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e - c)	(h) = (b+e+f)-a	
Modernisation of Assets	17.602	0.000	12.861	4.741	12.861	4.741	0.000	0.000	Green
Disposal Costs	1.000	0.000	0.750	0.250	0.750	0.250	0.000	0.000	Green
Corporate Property Strategic Capital	2.851	0.000	2.851	0.000	2.151	0.000	-0.700	-0.700	Green
Connecting Kent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Green
Connecting with Kent	2.413	1.653	0.760	0.000	0.760	0.000	0.000	0.000	Green
Oracle Release 12	1.613	1.383	0.230	0.000	0.230	0.000	0.000	0.000	Green
Oracle Self Service Development	0.633	0.566	0.067	0.000	0.067	0.000	0.000	0.000	Green
Property Asset Management System	0.310	0.000	0.310	0.000	0.310	0.000	0.000	0.000	Amber - Delayed
Sustaining Kent - Maintaining the Infrastructure	10.845	7.875	2.970	0.000	2.970	0.000	0.000	0.000	Green
New Work Spaces	1.030	1.030	0.000	0.000	0.000	0.000	0.000	0.000	Green
Connecting Kent	0.255	0.255	0.000	0.000	0.000	0.000	0.000	0.000	Green
Enterprise Resource Programme (PHASE 1)	2.018	0.164	1.854	0.000	1.854	0.000	0.000	0.000	Amber - Delayed
Energy Efficiency and Renewable Energy in the KCC Estate - Solar Panels (spend)	0.321	0.000	0.321	0.000	0.135	0.000	-0.186	-0.186	Green
Integrated Childrens System	1.326	0.012	1.314	0.000	1.314	0.000	0.000	0.000	Amber - Delayed
Faversham Family Centre	0.026	0.000	0.026	0.000	0.026	0.000	0.000	0.000	Green
Energy Efficiency and Renewable Energy in the KCC Estate - (plan)	0.182	0.000	0.182	0.000	0.368	0.000	0.186	0.186	Green
Enterprise Resource Programme (PHASE 2)	0.500	0.000	0.500	0.000	0.500	0.000	0.000	0.000	Amber - Delayed
New Work Spaces	8.831	0.487	8.344	0.000	8.344	0.000	0.000	0.000	Green
BSP&HR Total	51.756	13.425	33.340	4.991	32.640	4.991	-0.700	-0.700	

	Total Cost	Previous Spend	2012-15 Approved Budget	Later Years Approved Budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status (Red / Amber / Green)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e - c)	(h) = (b+e+f)-a	
East Kent Empty Property Initiative	6.625	5.356	1.269	0.000	1.269	0.000	0.000	0.000	Green
No Use Empty - Rented Affordable Homes project	1.000	0.000	1.000	0.000	1.000	0.000	0.000	0.000	Green
Euro Kent	6.398	5.974	0.424	0.000	0.140	0.000	-0.284	-0.284	Green
Dover Priory Station Approach Road	1.604	1.575	0.029	0.000	0.029	0.000	0.000	0.000	Green
Rural Broadband Demonstration Project	2.458	0.000	2.458	0.000	2.458	0.000	0.000	0.000	Green
Tram Road/Tontine Street Road Works	0.100	0.006	0.094	0.000	0.094	0.000	0.000	0.000	Green
Folkestone Heritage Quarter (HLF)	0.400	0.000	0.400	0.000	0.400	0.000	0.000	0.000	Green
Old Town Hall Operating costs Capital	0.150	0.006	0.144	0.000	0.095	0.049	-0.049	0.000	Green
Managed Work Space - The Old Rectory	0.180	0.000	0.180	0.000	0.180	0.000	0.000	0.000	Green
Swale Parklands	0.999	0.827	0.172	0.000	0.172	0.000	0.000	0.000	Green
Rendezvous Site - Margate	0.000	0.000	0.000	0.000	0.002	0.000	0.002	0.002	Green
Broadband	20.000	0.000	20.000	0.000	15.000	5.000	-5.000	0.000	Amber - Delayed
Capital Regeneration Fund	10.106	0.000	10.106	0.000	10.106	0.000	0.000	0.000	Green
Empty Property Initiative	10.951	0.000	5.951	5.000	5.951	5.000	0.000	0.000	Green
Margate Housing	10.000	0.000	10.000	0.000	8.750	1.250	-1.250	0.000	Green
Regional Growth Fund	40.000	0.000	40.000	0.000	24.566	15.434	-15.434	0.000	Amber - Delayed
LAMS	12.000	0.000	12.000	0.000	0.000	0.000	-12.000	-12.000	Green
R&ED Total	122.971	13.744	104.227	5.000	70.212	26.733	-34.015	-12.282	
BSS Total	174.727	27.169	137.567	9.991	102.852	31.724	-34.715	-12.982	

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

1.2.9 Assignment of Green/Amber/Red Status

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

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

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

Business Strategy, Performance and Health Reform Portfolio:

1.2.12 **Integrated Childrens System:** -£0.207m re-phasing within the three year period. The original project timeline with the practical completion date of 31 March 2013, was optimistic and once the project team started working through the detail it became evident that it was not achievable. It has been agreed to phase the roll out, which would see the main part of ICS going live at the end of May 2013.

1.2.13 **Enterprise Resource Programme (Phase 1):** This project was originally planned to be completed by 31st March 2013. Synchronised sign on and elements of remote access work streams cannot be delivered until server refresh has completed. This has resulted in a small amount of re-phasing (-£0.114m) into 2013-14.

1.2.14 **Enterprise Resource Programme (Phase 2):** -£0.500m re-phasing within the three year period. Sufficient funding remains from phase 1 to cover initial stages of phase 2. Plans are being developed for the phase 2 money and are likely to be utilised in the first few months of 2013-14.

1.2.15 **Property Asset Management System:** -£0.280m re-phasing within the three year period. The specification for the system was drawn up when the business was very different. A business analysis is being undertaken to double check suitability of the preferred system and to ensure that Atrium delivers what is required. This has delayed implementation of the new system from March 2013 to December 2013. The impact of this is that the current Atrium system will now be retired by September and the Enterprise system by December.

Regeneration & Economic Development Portfolio:

1.2.16 **Regional Growth Fund**: -£15.434m has been re-profiled beyond 2012-15 based on the best estimates of applications expected for the Expansion East Kent Fund. It is still anticipated that the money will be distributed in accordance with the grant rules and within the timescale specified.

1.2.17 **Broadband**: -£5.000m has been re-phased to beyond 2012-15. Due to delays at a national level in finalising the BDUK procurement framework and the UK state aid notification with the EU, the implementation of the Kent and Medway BDUK programme has been delayed. As a result, suppliers are now informing Government that it will be necessary to extend the implementation window beyond March 2015. Given that Kent has an early slot on the procurement pipeline, we anticipate that the project will be completed by the end of December 2015. We anticipate that we should have a more detailed spend profile post procurement in April 2013.

Other Significant Variances

1.2.18 **Local Authority Mortgage Scheme (R&ED)** – underspend of -£12.000m. The LAMS initiative is now to be handled as part of the Investments and Treasury function and therefore will no longer form part of the capital monitoring.

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

1.2.20 **Euro Kent (R&ED)** – underspend of -£0.284m There forecast underspend is due to a reduction in the forecast of compensation claims which are payable under the Land Compensation Act Part 1.

1.2.21 **LIVE Margate (R&ED) –** re-phasing beyond 2012-15 of -£1.250m. The programme has been re-aligned according to the latest model.

1.2.22 **Capital Regeneration Fund (R&ED) –** re-phasing of -£6.115m from 12-13 to 13-14. This re-phasing reflects the latest estimates of bids received.

1.2.23 **New Work Spaces (BSP&HR) –** re-phasing of -£3.694m from 12-13 to 13-14. The New Work Spaces programme is currently finalising proposals for three office hubs and localised hubs. Negotiations are being finalised so that the necessary arrangements can be put in place before the end of the year but the payment is likely to fall in the 1st quarter for 2013-14.

1.2.24 **Modernisation of Assets (BSP&HR) –** re-phasing of -£1.000m from 12-13 to 13-14. Some works due to commence this financial year will run into 2013-14 for completion.

1.2.25 **East Kent Empty Property Initiative (R&ED) –** re-phasing of -£0.620m from 12-13 to 13-14 due to a lower than anticipated level of loans being distributed in the current year.

1.2.26 **Sustaining Kent (BSP&HR) –** re-phasing of -£0.470m from 12-13 to 13-14. Part of this project was to be a planned full roll out before year end but due to the purchasing of software licences this has been delayed until the first part of 2013-14. This has not impacted on the planned overall completion date of this project which is 31st March 2014.

Key issues and Risks

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

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts

2.1.1 The total forecast receipts expected to come in during 2012-13 is £17.369m. This is broken down between the various "pots" as detailed in the tables below.

2.1.2 Capital Receipts Funding Capital Programme

	2012-13
	£m
Capital receipt funding required for capital programme	6.255
Banked in previous years and available for use	3.202
Receipts from other sources*	1.880
Requiring to be sold this year	1.173
Forecast receipts for 2012-13	7.290
Potential Surplus / (Deficit)	6.117

2.1.3 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2012-13 totals £6.255m. Taking into account receipts banked in previous years which are available for use and receipts from other sources* (such as loan repayments from the Empty Property Initiative), the required level of receipts to achieve in 2012-13 is £1.173m.

2.1.4 Current forecasts show receipts expected in during 2012-13 will total £7.290m, which leaves a potential surplus on capital receipt funding in the capital programme of £6.117m. This will continue to be monitored over the remainder of the year. Any "surplus" receipts achieved in 2012-13 will be needed to fund projects in the future years capital programme.

PEF1

2.1.5 County Council approved the establishment of the Property Enterprise Fund 1 (PEF1), with a maximum permitted deficit of £10m, but self-financing over a period of 10 years. The cost of any temporary borrowing will be charged to the Fund to reflect the opportunity cost of the investment. The aim of this Fund is to maximise the value of the Council's land and property portfolio through:

- the investment of capital receipts from the disposal of non operational property into assets with higher growth potential, and
- the strategic acquisition of land and property to add value to the Council's portfolio, aid the achievement of economic and regeneration objectives and the generation of income to supplement the Council's resources.

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

2.1.7 Forecast 2012-13 position

	2012-13
	£m
Opening balance 1st April 2012	-5.567
Planned receipts	0.532
Costs	-0.021
Planned acquisitions	0.000
Closing balance	-5.056

2.1.8 The previous table shows the opening balance on the fund as being -£5.567m. With forecast PEF1 receipts of £0.532m and associated costs of £0.021m, this results in a forecast closing balance of -£5.056m, which is within the permitted £10m overdraft limit.

Revenue position

2.1.9 The balance brought forward at the 1st April 2012 was –£2.328m. The anticipated net income from managing the properties held within the fund is estimated at £0.035m, but with the need to fund costs of borrowing -£0.494m against the overdraft facility, the PEF1 is forecasting a £2.787m deficit on revenue, which will be rolled to be met from future income streams.

PEF2

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

2.1.11 Overall Forecast Position on the Fund:

	2012-13
	£m
Capital	
Opening balance	-14.196
Properties to be agreed into PEF2	0.000
Purchase of properties	-1.104
Forecast sale of PEF2 properties	**9.547
Disposal costs	-0.388
Closing Balance	-6.141
Revenue	
Opening balance	-4.231
Net interest on borrowing	-0.478
Holding costs	-0.046
Closing balance	-4.755
Overall closing balance	-10.896

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

2.1.12 The forecast closing balance on the fund is -£10.896m, within the overdraft limit of £85m.

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

FINANCING ITEMS SUMMARY
DECEMBER 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the quarter 2 report to reflect a number of technical adjustments to budget including a virement for £300k from the underspending on net debt charges, together with a virement of £850k from the Initiatives to Boost the Economy budget within the Other Financing Items budget to EH&W portfolio for pot hole repairs following the January/February snow.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

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

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Finance & Business Support Portfolio							
Carbon Reduction Commitment Levy	400		400	-150		-150	underspend on carbon reduction commitment energy efficiency scheme
Contribution to/from Reserves	9,962		9,962	1,409		1,409	transfer of 12-13 write down of discount saving from 08-09 debt restructuring to reserves; tfr of forecast underspend on Insurance fund to the Insurance reserve
Underspend rolled forward from 11-12	-3,079		-3,079			0	
Insurance Fund	4,679		4,679	-1,250		-1,250	lower than anticipated recorded claims/ settlements paid
Modernisation of the Council	3,320		3,320			0	
Contingency for Children's Improvement Plan	0		0			0	budget transferred to SCS
Net Debt Charges (incl Investment Income)	129,338	-9,048	120,290	-6,104	1,324	-4,780	2012-13 write down of discount saving from 2008-09 debt restructuring; re-phasing of capital programme in 11-12 has provided savings on debt charges; no new borrowing in 12-13; increase in MRP; underspend on leases.
Other	1,514	-36	1,478	-225	0	-225	subscriptions & various other underspends
Unallocated	3,048	0	3,048	-3,048	0	-3,048	earmarked funds to offset shortfall in Commercial Services contribution & other pressures
Unringfenced Government Grants		-90,589	-90,589			0	
Total F&BS portfolio	**149,182**	**-99,673**	**49,509**	**-9,368**	**1,324**	**-8,044**	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Business Strategy, Performance & Health Reform portfolio							
Contribution to IT Asset Maintenance Reserve	**3,302**		**3,302**			**0**	
Democracy & Partnerships portfolio							
Audit Fees	**464**		**464**	**-150**		**-150**	reduction in audit fee
Total Controllable	**152,948**	**-99,673**	**53,275**	**-9,518**	**1,324**	**-8,194**	

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

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

Finance & Business Support Portfolio:

1.1.3.1 Carbon Reduction Commitment Levy:

There is an anticipated underspend of £0.150m against the carbon reduction commitment energy efficiency scheme.

1.1.3.2 Modernisation of the Council:

Any variance against this budget will be transferred to/from reserves in line with usual practice, hence a balanced position is forecast.

1.1.3.3 Net Debt Charges (including Investment Income):

- There is a saving of £0.159m which relates to the write-down in 2012-13 of the £4.024m discount saving on debt restructuring undertaken at the end of 2008-09. (£3.865m was written down during the period 2008-12).
- There is a saving of £4.572m as a result of deferring borrowing in 2011-12 due to the re-phasing of the capital programme, in addition no new borrowing has been taken during 2012-13 and cash balances have been relatively high during the year. In addition, there is an improvement in interest returns following the reinstatement of previously suspended counterparties and some lengthening of deposit durations.
- A £0.452m underspend against the leases budget is expected, reflecting a continuation of the trend of recent years.
- There is an increase in the Minimum Revenue Provision (MRP) of +£0.403m. As reported in 2010-11, we have adopted the asset life method of calculating MRP. This method provides authorities with the option of applying MRP over the life of the asset once it is in operation, so for assets that are not yet operational and still under construction we effectively have an "MRP holiday". However, once these assets do become operational we will incur MRP in the following year. MRP is based on capital expenditure incurred in the previous year and therefore cannot be calculated until the previous year's accounts have been finalised and audited. This very complex calculation has recently been completed and this increase is due to a number of projects completing earlier than anticipated, which has increased the percentage of MRP to be charged. This includes a number of aborted capital costs which had to be written off last year as there was no asset life to apportion the costs over.

1.1.3.4 Insurance Fund:

In the 2012-13 budget additional funding of £1.250m was provided for the Insurance Fund as a result of increased demand placed upon the Fund over recent years. However, there is currently a forecast underspend of £1.250m against the Insurance Fund this year mainly due to lower claims settlements paid and a lower than anticipated provision for recorded claims, which is largely as a result of KCC requiring insurers to put improved processes in place to ensure that provisions for claims are constantly reviewed, kept more up to date and accurate. This position will be closely monitored throughout the remainder of the year as the forecast can be appreciably affected by conditions such as adverse weather or just a few significant claims. It should be noted that the Municipal Mutual Scheme of Arrangements has been triggered which will generate a claw back from the Council to meet the outstanding liabilities of the insurer. It is not known when this might take place or how much might be involved, however there is some suggestion that an initial request for funds might be made within the next financial year and could be in the region of 10% of the total exposure of the Council which is currently in excess of £4m. Funding was added to the Insurance reserve during 2011-12 for the potential impact of this claw back and therefore funds are available to cover this liability.

1.1.3.5 Contributions to/from reserves:

- As planned, the £0.159m write down of the discount saving earned from the debt restructuring in 2008-09, will be transferred to the Economic Downturn reserve to offset the Icelandic investments impairment cost incurred in 2010-11.
- The forecast underspend on the Insurance Fund of £1.250m will be transferred to the Insurance Reserve in line with usual practice.

1.1.3.6 Other:

A £0.225m underspend is forecast against the other financing items budgets, mainly local authority subscriptions (£0.100m), together with variances on various other budgets totalling £0.125m.

1.1.3.7 Unallocated:

A £3.048m underspend is forecast. These funds were being held back for anticipated pressures arising during the year, which are now included within directorate/portfolio forecasts, including the forecast shortfall against the Commercial Services contribution as reported in annex 4, which relates to £0.640m of approved costs of restructure and reorganisation, £0.150m of one-off restructuring costs and a re-phasing of £0.430m of the increased income target built into the current year budget but is not now expected to be achieved until 2013-14.

Democracy & Partnerships Portfolio:

1.1.3.5 Audit Fees:

A £0.150m underspend is forecast for the External Audit Fee. A combination of outsourcing of the Audit Commission's in-house Audit Practice and their own internal efficiency savings means that the Audit Commission is able to pass on significant reductions in audit fees this year to audited bodies. These lower fees are fixed for five years irrespective of inflation, and will help public bodies at a time when budgets are under pressure.

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

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

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
F&BS	transfer of forecast underspend on Insurance Fund to the Insurance reserve	+1,250	F&BS	savings on debt charges due to re-phasing of capital programme in 11-12, together with no new borrowing in 12-13	-4,572
F&BS	Increase in MRP	+403	F&BS	Earmarked funding held within unallocated budgets to offset anticipated shortfall in Commercial Services contribution & other pressures	-3,048
F&BS	Contribution to economic downturn reserve of 2012-13 write down of discount saving from 2008-09 debt restructuring	+159	F&BS	Reduction in anticipated insurance claims	-1,250
			F&BS	underspend on leases	-452
			F&BS	2012-13 write down of discount saving from 2008-09 debt	-159
			F&BS	anticipated underspend on carbon reduction commitment energy efficiency scheme	-150
			D&P	Reduction in External Audit Fee	-150
			F&BS	underspending against the other financing items budgets	-125
			F&BS	underspend against local authority subscriptions budget	-100
		+1,812			-10,006

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

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

N/A

1.1.5 **Implications for MTFP**:

The reduction in the External Audit Fee is reflected as a saving in the 2013-15 MTFP.

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

N/A

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

The £8.194m underspending on the Financing Items budgets as shown in table 1 is offsetting pressures elsewhere across the authority and contributing towards the £5m underspend from the current year being used to support the overall 2013-14 KCC budget, as approved at County Council on 14 February.

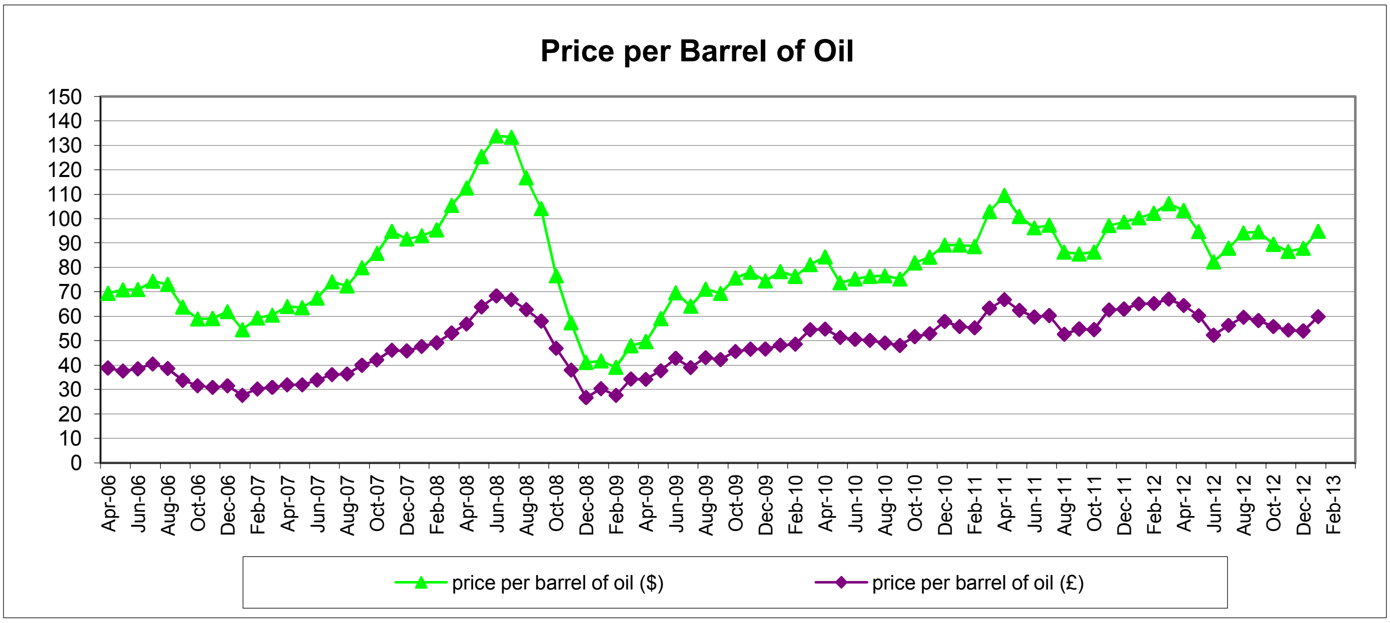
1.2 CAPITAL

N/A

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	Price per Barrel of Oil						
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	$	$	$	$	$	$	$
April	69.44	63.98	112.58	49.65	84.29	109.53	103.32
May	70.84	63.45	125.40	59.03	73.74	100.90	94.65
June	70.95	67.49	133.88	69.64	75.34	96.26	82.30
July	74.41	74.12	133.37	64.15	76.32	97.30	87.90
August	73.04	72.36	116.67	71.05	76.60	86.33	94.13
September	63.80	79.91	104.11	69.41	75.24	85.52	94.51
October	58.89	85.80	76.61	75.72	81.89	86.32	89.49
November	59.08	94.77	57.31	77.99	84.25	97.16	86.53
December	61.96	91.69	41.12	74.47	89.15	98.56	87.86
January	54.51	92.97	41.71	78.33	89.17	100.27	94.76
February	59.28	95.39	39.09	76.39	88.58	102.20	
March	60.44	105.45	47.94	81.20	102.86	106.16	



Comments:

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

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By: Roger Gough - Cabinet Member Business Strategy, Performance & Health Reform
David Cockburn – Corporate Director Business Strategy and Support

To: Cabinet – 18 March 2013

Subject: Quarterly Performance Report, Quarter 3, 2012/13

Classification: Unrestricted

Summary

The purpose of the Quarterly Performance Report is to inform Cabinet about key areas of performance for the authority.

Members are also asked to NOTE the report.

Introduction

1. A draft of the KCC Quarterly Performance Report for Quarter 3, 2012/13 is attached at Appendix 1.

2. The Quarterly Performance Report (QPR) is a key mechanism within the Performance Management Framework for the Council.

Quarter 3 Performance Report

3. An executive summary of performance for quarter 3 is provided on pages 3 to 4 of Appendix 1. This is supplemented with summary KPI tables from page 5 through to page 7.

4. Of the 30 Key Performance Indicators included in the report, 15 (50%) are Green (currently achieving or exceeding the targets set), with 8 (27%) Red (performance below pre-defined floor standards).

5. The council continues to set challenging targets within its performance reports with a focus on areas in need of improvement. Clear actions are in place to improve performance where we have rated indicators with a Red status.

Recommendations

6. Members are asked to NOTE this report.

Contact officer:
Richard Fitzgerald, Corporate Performance Manager,
Business Strategy, Tel 01622 22(1985)

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Kent County Council

Quarterly Performance Report
Quarter 3, 2012/13

December 2012

Produced by: KCC Business Intelligence
E-mail: performance@kent.gov.uk
Phone: 01622 221985

Foreword

Welcome to Kent County Council's Quarterly Performance Report for Quarter 3 of financial year 2012/13.

Within this report you will find information on our Key Performance Indicators (KPIs) and Lead Indicators as well as a range of other essential management information. The Key Performance Indicators represent some of our top priority areas and targets for improvement in the current financial year. The Lead Indicators represent demand and activity levels we need to manage, and also some of the challenges placed upon us by the external environment we operate in.

The selection of Key Performance Indicators included in this report are refreshed for each financial year. The refresh ensures the report reflects new business plan targets for the year and keeps the selection of indicators up-to-date and relevant. We also deliberately included indicators where we have challenging targets to deliver for example within Children's Social Services, where we know we still have a lot more to do to deliver the improvement in services we wish to see.

The Council is committed to delivering its strategic objectives as outlined in our medium term plan **Bold Steps for Kent** and the suite of underlying strategies underpinning our Framework for Regeneration, 'Unlocking Kent's Potential'.

At the heart of Bold Steps for Kent are our three ambitions:

- To Help the Economy Grow
- To Tackle Disadvantage
- To Put the Citizen In Control

We are working in very challenging times, with significantly less funding from central government and increased demand for services. The need for a new approach to public services has never been more urgent given the pressures on public finance and the changes in the way that people want their services to be delivered. KCC must radically rethink its approach to the design and delivery of services whilst ensuring Kent remains one of the most attractive places to live and work. Our Bold Steps priorities will help us achieve this.

We hope you find this report useful and we welcome any feedback on how we can improve it.

Table of Contents

Detailed Performance Reports by Service Area

Other Management Information

Data quality note

All data included in this report for the current financial year is provisional unaudited data and is categorised as management information. All results may be subject to later change.

Executive Summary – KPI Results

The second quarter of the year has seen a decrease in the number of Key Performance Indicators rated as 'Red' but no change in the number rated as 'Green'.

A summary of results for the Key Performance Indicators is provided below, with more information available in the relevant section of the detailed report.

	GREEN	AMBER	RED	TOTAL
Current ratings	**15**	**7**	**8**	**30**
Previous ratings	**14**	**4**	**12**	**30**
Change	**+1**	**+3**	**-4**	

RED = Performance below Floor Standard

- The number of children becoming subject to a Child Protection Plan reduced this quarter but numbers remain higher than our target level. Most of these children came off plans more than a year ago, which is less of a concern than if they had come off of a plan more recently. All cases where the new plan is within a year of an old plan are being carefully reviewed.
- The number of children coming off a child protection plan, who had been subject to a plan for two or more years, was at a much reduced and improved level in the last quarter and the forecast is that this should achieve target by the year end.
- The adoption rate for Children in Care improved in the quarter with the number of adoptions this year exceeding the numbers in previous years. Coram now manages the Adoption Service on Kent's behalf, with the service's progress being externally monitored by the newly formed Adoption Board.
- The number of Children in Care who experience 3 or more placements in a year has reduced (improved) this quarter. Placement Stability Core Groups have been established to prevent potential breakdowns in placements and Placement Panels are being established to ensure all placement moves meet the needs of the child.
- Ofsted inspection results for primary schools is showing good improvement in the quarter but there is still a lot more improvement required to reach our challenging target.
- The number of schools in an Ofsted category showed a reduction in the quarter but numbers remain much higher than our target level. We have launched a new Schools Improvement Strategy for this academic year and we are working in collaboration with schools, offering bespoke and targeted support to deliver improvements.
- The timeliness of completing Special Educational Needs (SEN) statutory assessments has improved this quarter but remains behind target. A new Head of Service is implementing a plan of improvement, which includes close monitoring of performance by team and ensuring all staff have the skills required to effectively influence the various third parties whose co-operation we require to deliver timely assessments.
- The number of Adult Social Care clients receiving enablement (in-house provision) improved in the quarter but numbers remain below the target level. The causes of this are being investigated so that appropriate management action can be taken. In part the reduction in clients receiving enablement is due to other similar services being offered, which deliver the same final outcome (independent living through enablement) but which are not included within the scope of this indicator.

AMBER = Behind Target but Above Floor Standard

- Call answering response times in our contact centre (Contact Point) improved following the delivery of management action as outlined in previous reports. Performance for the quarter was not far behind target and from middle of October good performance levels were maintained. Longer term plans are being introduced to ensure that improvement can be maintained.
- Our overall qualified social worker staffing levels continue to be near the Establishment requirement but we still have too high a reliance on agency workers. We have launched a new targeted recruitment campaign to recruit more permanent staff.
- GCSE results for Kent children are generally good but we have set challenging targets which were not achieved this year, so performance has been rated as Amber.
- Attainment gaps for children with Free School Meals at Key Stage 4 have reduced and the performance rating has this year moved up from Red to Amber.
- The percentage of Adult Social Care clients satisfied that desired outcomes have been achieved was slightly behind target for the quarter. Performance is ahead of the same time last year and the service continues to promote and monitor the achievement of people's outcomes to support further improvement.
- Customer satisfaction for Highways maintenance has fallen below target level this quarter and this has been due to our prioritisation policies for drainage issues and pothole repairs.
- Inward investment by businesses into Kent showed good results in the last quarter and the performance rating has moved from Red to Amber.

GREEN = Target level being achieved or exceeded

- Visits to our website continue to be ahead of our target level and we are continuing to invest in improvement in our on-line offer.
- Performance remains above target for timeliness of Children's Social Services initial assessments and the number of assessments out of timescale remains low.
- Key Stage 2 results for Kent's children have been very high this year and the county target level was exceeded.
- Attainment gaps for children with Free School Meals at Key Stage 2 have reduced substantially and targets were exceeded.
- The percentage of pupils permanently excluded has in the last 12 months reduced to a record low level and performance is in line with target.
- The success rate for apprentices for the last academic year was ahead of target and results for the more recent year are not yet published.
- The number of first time entrants to the youth justice system continues to reduce.
- The percentage of Adult Social Care clients with personal budgets is ahead of target, although it should be noted that the government has recently reduced the national target level and local targets have been changed accordingly.
- The number of Adult Social Care clients receiving telecare continues to increase and the result for the quarter was ahead of target.
- The percentage of Adult Social Care assessments completed within six weeks also continues to be ahead of target.
- Our performance for highway maintenance continues to be above target for routine highways repairs and pothole repairs.
- We continue to maintain good performance in relation to waste management targets, both diversion of waste from landfill and recycling achieved at household waste recycling sites.
- Early estimates for the current financial year suggest CO_2 emissions will reach our target level.

KPI Tables

The following tables show the movements in RAG ratings for all Key Performance Indicators included within this report.

Key to Tables

GREEN	Target has been achieved or exceeded
AMBER	Performance is behind target but within acceptable limits
RED	Performance is significantly behind target and is below an acceptable pre-defined minimum *
⇧	Performance has improved relative to targets set
⇩	Performance has worsened relative to targets set
⇔	Performance has remained the same relative to targets set

* Floor standards represent the minimum acceptable level of performance for each indicator. These standards are set within our annual business plans.

<u>Customer Services</u> (Page 9)

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of Tier 1 phone calls to the Contact Point answered within 20 seconds	RED	AMBER	⇧
Number of visits to KCC website	GREEN	GREEN	⇧

<u>Children's Social Services</u> (Page 19)

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of initial assessments completed within 7 days	GREEN	GREEN	⇩
Percentage of case holding posts filled by permanent qualified social workers	AMBER	AMBER	⇧
Percentage of children becoming subject to a child protection plan for the second or subsequent time	RED	RED	⇧
Percentage of children subject to a child protection plan for two or more years	RED	RED	⇧
Percentage of children leaving care who are adopted	RED	RED	⇧
Children in Care with 3 or more placements in the last 12 months	RED	RED	⇧

KPI Tables

Education, Learning and Skills (Page 33)

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of pupils achieving 5+ A*- C GCSE including English and Maths	AMBER	AMBER	⇧
Percentage of pupils achieving level 4 and above in both English and Maths at Key Stage 2	AMBER	GREEN	⇧
Attainment gap for children with Free School Meals at Key Stage 4	RED	AMBER	⇧
Attainment gap for children with Free School Meals at Key Stage 2	RED	GREEN	⇧
Percentage of primary schools with Good or Outstanding Ofsted inspection judgements	RED	RED	⇧
Percentage of schools in category (special measures or with notice to improve)	RED	RED	⇧
Percentage of SEN statements issued within 26 weeks (no exceptions)	RED	RED	⇧
Percentage of pupils permanently excluded from school	GREEN	GREEN	⇔
Success rate for apprenticeships, age range 18 to 24	GREEN	GREEN	⇧

Integrated Youth Service (Page 49)

Indicator Description	Previous Status	Current Status	Direction of Travel
Number of first time entrants to youth justice system	GREEN	GREEN	⇧

Adult Social Care (Page 52)

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of clients who receive a personal budget and/or a direct payment	GREEN	GREEN	⇧
Number of clients receiving a telecare service	GREEN	GREEN	⇧
Number of clients provided with an enablement service	RED	RED	⇧
Percentage of assessments completed within six weeks	GREEN	GREEN	⇩
Percentage of clients satisfied that desired outcomes have been achieved	AMBER	AMBER	⇔

KPI Tables

Highways and Transportation (Page 63)

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of routine highway repairs completed within 28 days	GREEN	GREEN	⇩
Average number of days to repair potholes	GREEN	GREEN	⇩
Percentage of satisfied callers for Kent Highways 100 call back survey	GREEN	AMBER	⇩

Waste Management (Page 70)

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of municipal waste recycled or converted to energy and not taken to landfill	GREEN	GREEN	⇧
Percentage of waste recycled and composted at Household Waste Recycling Centres	GREEN	GREEN	⇧

Environment (Page 75)

Indicator Description	Previous Status	Current Status	Direction of Travel
Carbon dioxide emissions from KCC estate and operations	GREEN	GREEN	⇧

Economic Support (Page 77)

Indicator Description	Previous Status	Current Status	Direction of Travel
Number of gross jobs created in Kent and Medway through inward investment	RED	AMBER	⇧

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Customer Services

Bold Steps Priority/Core Service Area	Improve access to public services and move towards a single initial assessment process
Cabinet Member	Mike Hill
Portfolio	Customer and Communities
Director	Des Crilley
Division	Customer Services

Performance Indicator Summary

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of Tier 1 phone calls to the Contact Point answered within 20 seconds	RED	AMBER	⇧
Number of visits to KCC website	GREEN	GREEN	⇧

Customer Services Strategy Update

In January 2012 the Customer Service Strategy was launched across KCC. Below is a snapshot of progress made to date against each of the themes in the last quarter.

<u>Theme One – Understanding our Customers</u>

The launch of the Customer Feedback project (a new corporate system for capturing Complaints, Comments and Compliments) has been delayed. Following project review it was felt that the project was closely aligned to a number of significant infrastructure developments that would in the long term save the authority money through economies of scale. We took this opportunity to verify current requirements to ensure that the system put in place is fit for purpose for the long term. The process and requirements have been defined and system options are currently being explored with a view to development and training being conducted over the course of 2013.

<u>Theme Two – Connecting with our Customers</u>

Channel Shift - Joint Kent Chiefs have commissioned a joint channel shift project bringing together KCC with District Councils and other strategic partners. The project will use customer insight and activity levels to prioritise services with greatest customer appeal that can be successfully channelled through web and digital media. Priority will be given to those services with most customer impact and savings possible. This work reflects the shared objectives of maximising digital channels for customer convenience and cost reduction. The lessons learned from the project will be reflected in the products and applications developed, which will be shared with public sector partners in Kent. Where appropriate this work will also influence the potential for a common citizen web portal to provide ease of access to county and district council services, Police, Fire & Rescue and the NHS.

Contact Point received the results of the Top 50 Contact Centre awards and was the 2nd most improved in call performance. Overall Contact Point have improved from last year's position of 49th to rank 30th this year.

Theme Three – Empowering our Staff to Meet Customer Expectations

We are currently working to create a training programme which will be launched in February 2013, starting with a series of workshops aimed at managers in which they will be introduced to topics such as Channel Shift, Customer Engagement and Customer Journey Mapping. The workshops will be led by Directors from across the Council, enabling staff to see how the aims of the strategy are being implemented. Following this, a staff training programme will be launched including e-Induction, group workshops, team development days and personal development modules delivered through e-learning.

Theme Four – Providing Excellent Quality and Value to Customers through Better Service Delivery

We have focused on a number of key areas to improve processes whilst unlocking savings. A few examples are:

- Children's Centres - We organised Customer Journey Programme sessions at a number of Children's Centres to establish how and why parents access and use the services available. Attendees have been very engaged in the sessions; the input of actual customers has provided valuable insight into defining and documenting a consistent approach to cost effective and efficient customer engagement and retention, which is to be shared as best practice across Centres countywide. In addition, the sessions have informed the decision to not proceed with an annual survey that has historically been undertaken but found to add little value. This resulted in a saving of £60k.

- Social Fund - KCC will be taking lead responsibility for the administration of the Social Fund from April 2013, following its transfer from the Department of Work and Pensions. As part of the preparations for this, we have been involved in initial customer journey mapping for customers of the new fund, to embed effective customer access, assessment processes and means of distributing results of successful applications to customers.

- Recruitment Line – After undertaking analysis of the calls and e-mails, improvements have been made with regard to the handling of recruitment enquires via telephone and e-mail. This has made it easier for customers contacting us and has reduced duplication of work within KCC. This has resulted in an anticipated annual saving of £10k.

Theme Five – Improving Customer Experience Working with our Public Service Partners

Swanley Gateway

Permission has been granted for the development of Swanley Gateway. Swanley Town Council will be the strategic partner in the transformation of the existing Help Point with the introduction of a core tenant; West Kent Housing. Discussions have also taken place with existing tenants such as the Volunteer Bureau and Simon Paul, and with potential new tenants including the Citizens Advice Bureau. All potential tenants are in the process of providing requirements to enable design to progress.

The Eden Centre – Edenbridge

The Eden Centre opened on 2nd January 2013. Core stakeholders include; Kent County Council Libraries, Registrations and Archives, Families & Social Care, The Eden Church, Citizens Advice Bureau, House and West Kent Extra. A number of community groups have also made bookings with income allocated to reduce revenue contributions from all stakeholders. The centre will initially be led by Kent County Council with options currently being developed for the long term delivery led by the community through a trust or community interest company.

Performance Indicators

The percentage of Tier 1 (high priority) calls answered within 20 seconds has significantly improved on previous quarters this year. The beginning of October saw newly recruited staff undergoing training, which helped to improve performance against target from the middle of October.

The Interactive Voice Recognition (IVR) has now been embedded into Contact Point and continues to ensure that customers are directed to the most appropriate advisor for their particular enquiry. Callers have been able to select the right service first time, reducing the double handling of calls and the number of repeat callers and abandoned calls.

On average 23% of calls made via the 247247 telephone number are social services calls that could relate to adult and child protection issues. The use of the IVR enables these calls to be transferred directly to the right skilled advisor first time and ensure that these calls are prioritised.

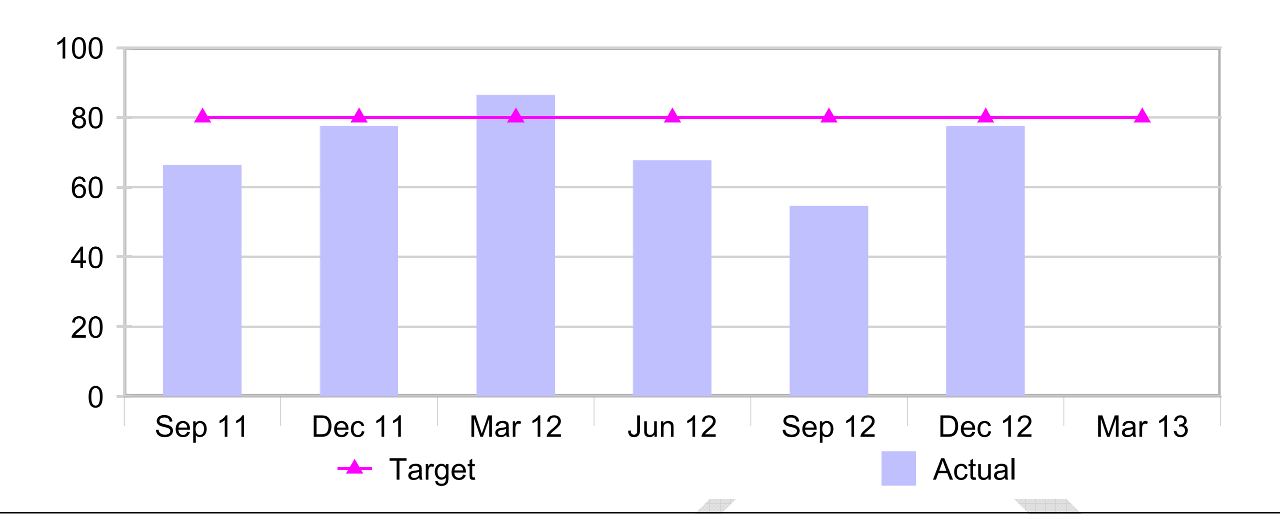
During the last quarter we have seen an increase in the number of both Adult and Children Social Service calls which are more complex to deal with. Kent Contact and Assessment Service performance has continued to suffer from lack of staff resource; however Contact Point has reinforced the service with its own highly skilled advisors, some of whom have now been recruited into this service area permanently. The high level of support provided to this service has had a knock on effect on other services as it reduces the number of available multi-skilled advisors.

4,452 customers chose to leave GovMetric feedback following their call during this period. The overall satisfaction levels with the service offered was at 89%, this includes satisfaction with the decision given and query resolution. Advisor satisfaction remained consistent at 99%.

The number of visits to the KCC website continue to show an increase and numbers are ahead of targets.

Percentage of Tier 1 (high priority) calls to Contact Point answered within 20 seconds

AMBER ⇧



Trend Data – by quarter	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	66%	78%	86%	68%	55%	78%	
Target	80%	80%	80%	80%	80%	80%	80%
RAG Rating	Red	Amber	Green	Red	Red	Amber	

Commentary

There was improvement in the last quarter, this is due to the number of new staff who were recruited and trained throughout October. This had a significant effect on Contact Point's ability to answer calls within the performance target.

We have seen improvements in a number of areas particularly in Blue Badges where the wait time of 12 weeks has reduced to 6 weeks. This has resulted in a reduction of repeat calls from customers chasing their application.

During this period there was an increase in calls to Kent Report Line as a direct result of the changes in policy at Waste Management sites. There was also an increase in Education calls due to registrations for the Kent Test and Primary School Admissions.

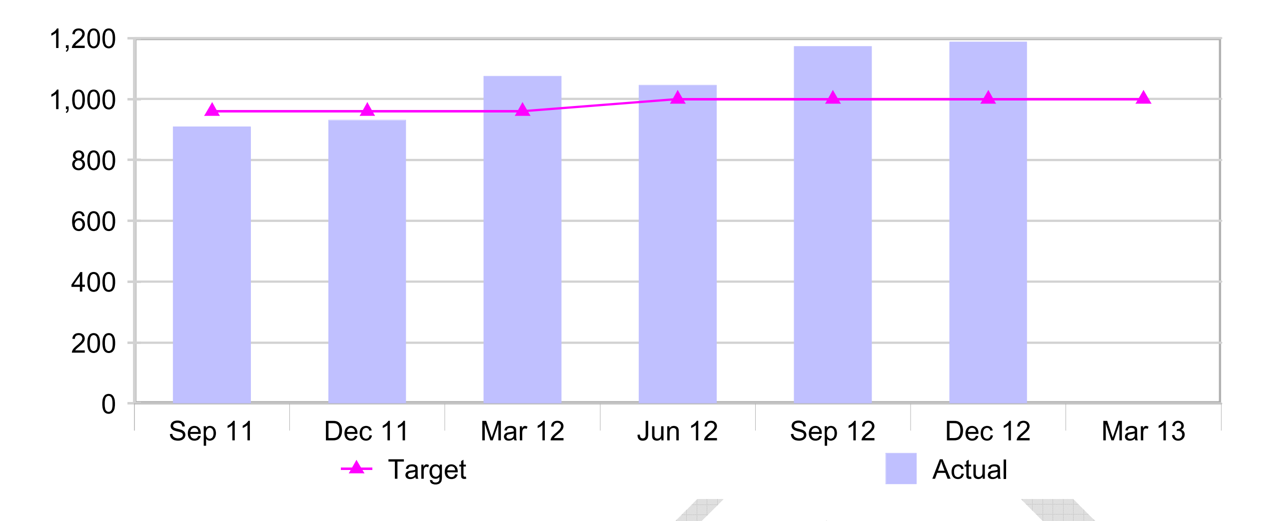
Overall call volumes continue to reduce, particularly in those services where there are online alternatives, for example Library renewals.

Data Notes

Tolerance: Higher values are better
Data is reported as percentage achieved for each individual quarter.

Source: Siemens Hipath telephony system

Number of visits to KCC website (in thousands) — GREEN ⇧



Trend Data – by quarter	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	909	931	1,075	1,046	1,173	1,188	
Target	960	960	960	1,000	1,000	1,000	1,000
RAG Rating	Amber	Amber	Green	Green	Green	Green	

Commentary

There was a general increase in visits to Kent.gov this quarter from the last quarter. Parents were looking for information on applying for a primary school place which increased visits in this quarter.

Mobile visits are 193% higher than the same quarter in 2011 and 15% higher than last quarter.

A total of 9,630 customers opted to leave feedback through GovMetric on the website. During this quarter the net satisfaction of these customers was 25% which although a low figure, compares well with available benchmarks for other councils using the GovMetric tool to gather user feedback.

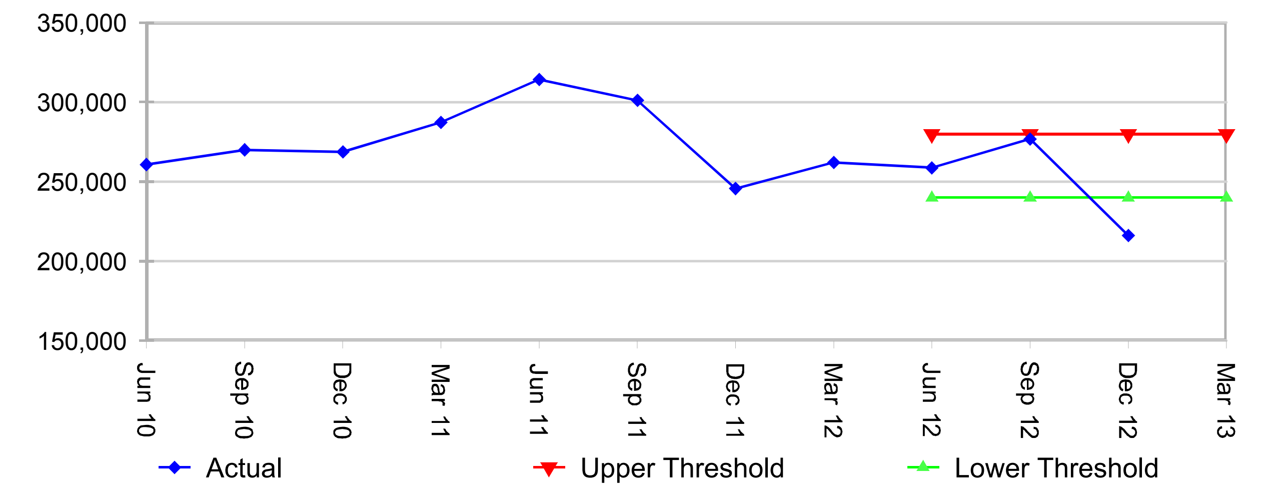
Data Notes

Tolerance: Higher values are better
Data is reported as number of visits made in each quarter.

Data Source: Google Analytics

Customer Services – Contact Centre activity

Number of calls received by the Contact Point each quarter



The number of calls to Contact Point in this period was 216,000, which is a 22% decrease on the previous quarter's activity and a 12% reduction on the same time last year. Call volumes for the last 12 months have been 10% lower than the year to December 2011.

Contact Phone Line or queue calls are directed to	Tier	12 mth to Mar 11	12 mth to Mar 12	12 mth to Dec 12	Change
Highways and Transportation	1	142	158	152	-4%
247 main phone line	1	135	159	128	-19%
Libraries and Archives	3	172	131	101	-23%
Adult Social Care	1 / 2	79	98	115	18%
Office switchboards	1 / 2	166	125	76	-39%
Registration Services	1	124	105	86	-17%
Education Line	2	57	90	85	-6%
Blue Badges	2	41	61	60	-3%
Children's Social Services	1	36	42	48	14%
Adult Education	2	59	47	42	-12%
Concessionary Fares	2	1	22	21	-5%
Property and Facilities	1 / 2	21	18	17	-5%
Kent report line	2	10	10	17	67%
CFIS	2	0	10	9	-11%
Freedom Pass	3	-	-	12	-
Access Kent	3	8	8	7	-17%
Emergency Line	1	7	6	6	3%
District council out of hours	1	5	5	5	-8%
Other lines	1 / 2 / 3	24	26	26	-1%
Total Calls (in thousands)		**1,087**	**1,123**	**1,014**	**-10%**

Customer Services – Contact Centre activity

Major reductions are being seen in calls being routed through old switchboard numbers and we are also now seeing reductions in calls logged under the number 247247, as these calls are being correctly routed to the right queue automatically through use of IVR. This has contributed towards the improvement in the call answer rate.

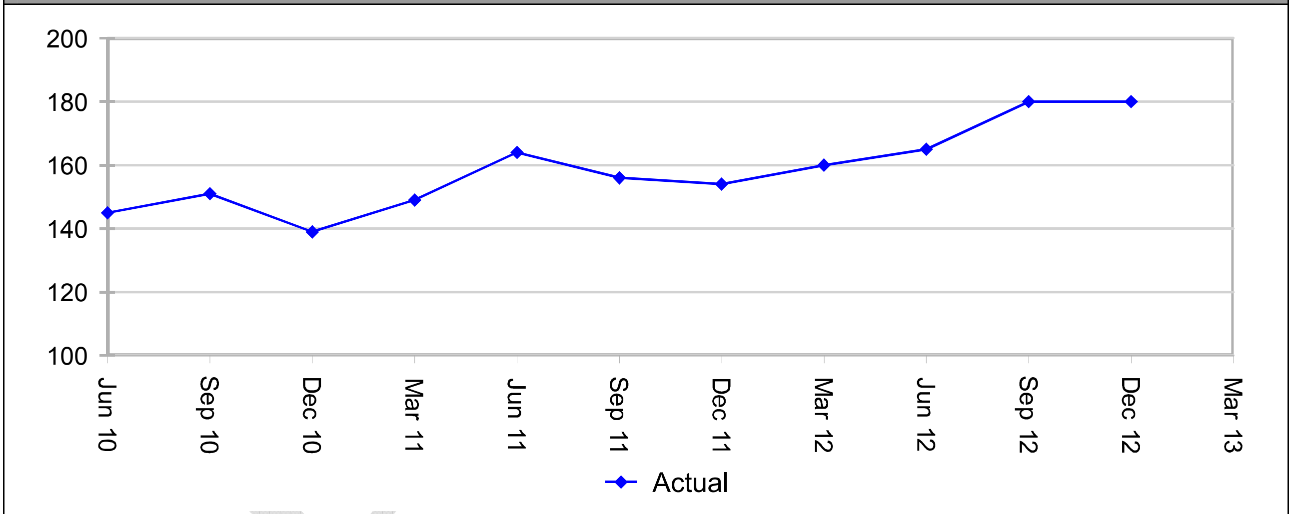
However, there was an increase in more complex calls answered during Quarter 3; there was a decrease in those calls easier to answer including switchboard and library calls.

The Interactive Voice Recognition (IVR) pilot has been successful, seeing a huge reduction in the number of calls going through to 08458 247247 to be redirected to a skilled advisor within the centre. Phone calls relating to the Freedom Pass can now be identified as a separate queue due to the introduction of IVR. The figure of 12,000 calls only relates to five months, and these include the busiest months of the year for this service.

The promotion of the improved Highways Fault Reporting on-line system for customers (and Contact Point Advisors who log-on on behalf of customers) has resulted in a 25% increase in the use of the on-line reporting tool.

There was also an increase in Social Services calls during this period. These calls tend to be more complex and result in longer call duration.

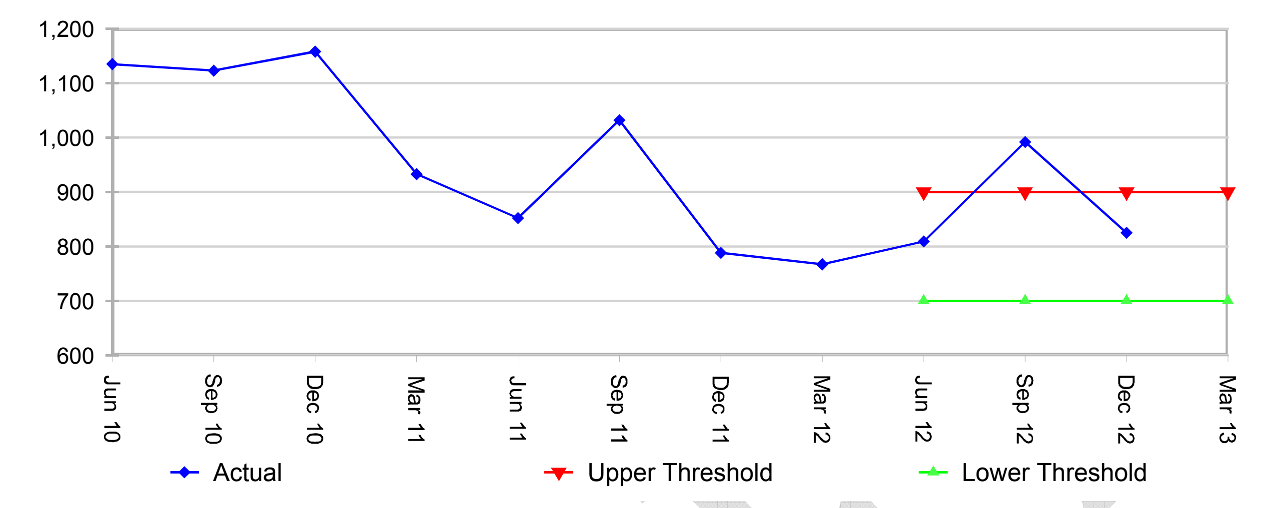
Average call handing time in seconds by quarter



The reduction in the volume of calls has been more than outweighed by the increase **in average call handling times.** The Contact Point is handling less routine calls, where transactions can be delivered on the website (e.g. library book renewal) and more complex service enquiries (e.g. calls relating to social care). As a result average call handling times were up to 180 seconds in the quarter to December which is a 15% increase on the same time last year.

Customer Services – Complaints monitoring

Number of complaints received each quarter



In the third quarter of 2012/13 KCC received 825 complaints, this was an increase of 5% on the same quarter last year. The year to December 2012 showed a reduction of 1% compared to the year to March 2012.

Service	**12 mth to Mar 12**	**12 mth to Dec 12**		**Quarter to Sep 12**	**Quarter to Dec12**
Highways and Transportation	939	1,009		324	206
Libraries, Archives and Registrations	722	613		127	88
Children's Social Services	503	407		94	114
Adult Social Care	425	411		103	111
Waste management	193	420		232	101
Commercial Services	152	22		5	0
Adult Education	117	89		27	26
Insurance Claims	106	56		13	15
Countryside access and country parks	105	31		6	3
Gateways and Contact Point	66	83		31	8
Education services	44	40		5	12
Youth services	16	26		4	17
Other services	71	186		21	124
Total Complaints	**3,459**	**3,393**		**992**	**825**

Adult Social Services: As a result of customer feedback, procedures have been implemented to ensure that when day care providers advise KCC of non attendance, this information is inputted speedily to prevent inaccurate invoices.

Communications have also been improved when a patient has been discharged from hospital and referred to Social Services – meaning that every effort will be made to contact them by telephone now, rather than by letter, to ascertain how they are and to arrange services if necessary. Letters will only be sent as a last resort when all other attempts have failed.

Highways & Transportation: Levels of complaints fell from quarter 2 as the very wet weather we had over the summer and autumn slowly died out. This was replaced by colder weather and this led to expected increases in the number of potholes which resulted in complaints. Following increased levels of complaints about changes to the drainage service, Highways have updated the website and, through Interactive Voice Recording (IVR) messages in Contact Point, inform customers about how KCC carries out cleansing. Overall numbers of complaints were still very low compared to the high volume of service requests received by Highways & Transportation.

Waste Management: During quarter 3 we saw a decrease in the number of complaints received by the Waste Management team as a result of the operational policy change at Household Waste Recycling Centres. Previously in quarter 2 the number of complaints spiked in September as predicted due to the media activity surrounding the new policy launch on 1st October 2012. This downward trend has continued in the first weeks of 2013.

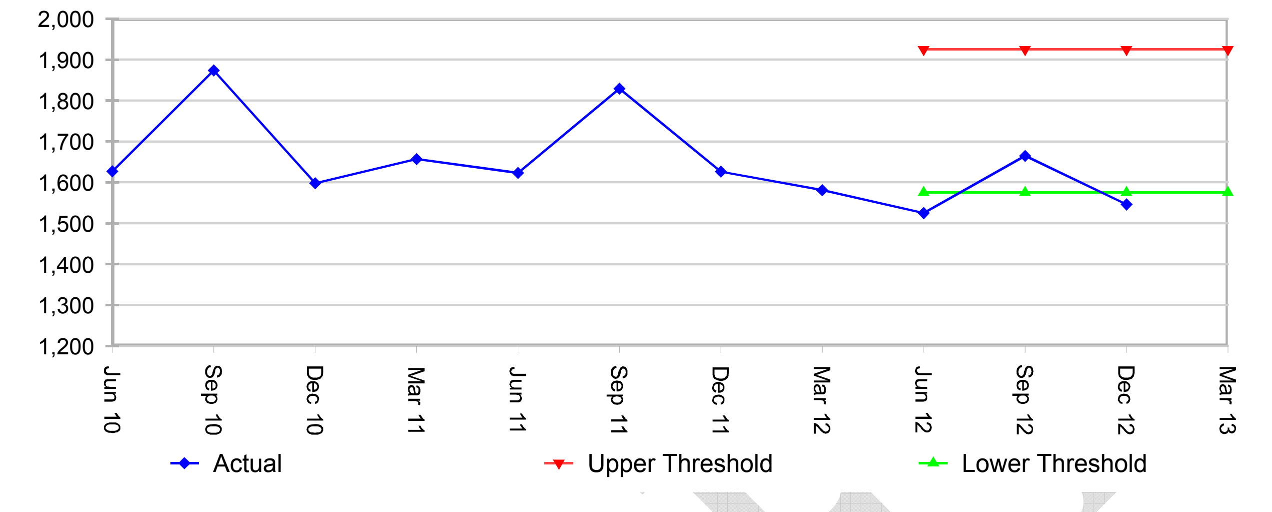
Contact Point: Complaints received by Contact Point have also reduced in this quarter as the changes to the Blue Badge procedure began to take effect, resulting in faster turnaround times and a reduction in customer dissatisfaction.

'Other': The increase in 'other' complaints is largely due to complaints arising from a malfunction in packaging pension illustrations, which resulted in a delay of them being distributed or in some cases, resulted in them being sent to the wrong addresses.

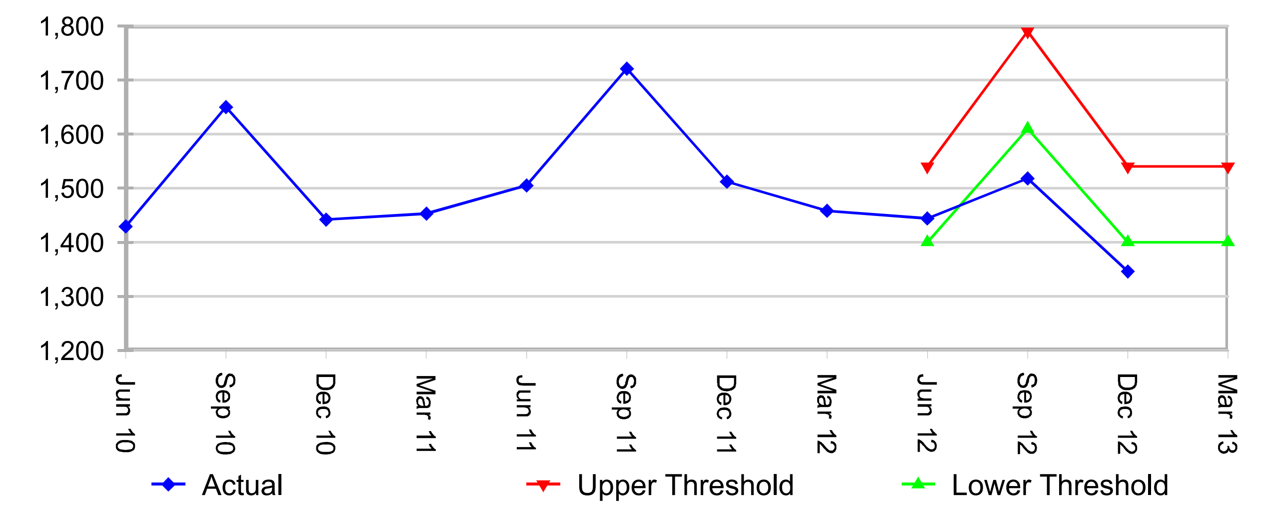
We are continuing to work towards putting in place a new system and process to record complaints to ensure a more consistent approach across all service areas within the council. Once the new system is in place, we should expect an increase in the number of logged complaints as a result of a more consistent approach.

Customer Services – Library Usage

Number of visits to libraries each quarter (in thousands)



Number of book issues from libraries each quarter (in thousands)



Visits to libraries were down 7% in the quarter compared to last quarter, which is the expected seasonal trend. Visitor numbers are however lower than the same quarter last year by 5%, and also 6% lower on a rolling 12 month basis. There have had several closures in Broadstairs, Canterbury and for self-service during the last quarter, which would have had an impact on visitor numbers.

Book issues from libraries in the quarter were also low compared to the same quarter last year, down by 11%. However on a rolling 12 month basis book issues are only down by 7% compared to the previous year.

Children's Social Services

Bold Steps Priority/Core Service Area	Ensure we provide the most robust and effective public protection arrangements
Cabinet Member	Jenny Whittle
Portfolio	Specialist Children's Service (SCS)
Director	Mairead MacNeil
Division	Specialist Children's Service (SCS)

Performance Indicator Summary

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of initial assessments completed within 7 days	GREEN	GREEN	⇩
Percentage of case holding posts filled by permanent qualified social workers	AMBER	AMBER	⇧
Percentage of children becoming subject to a child protection plan for the second or subsequent time	RED	RED	⇧
Percentage of children subject to a child protection plan for two or more years	RED	RED	⇧
Percentage of children leaving care who are adopted	RED	RED	⇧
Children in Care with 3 or more placements in the last 12 months	RED	RED	⇧

Improvement Plan Update

Overview

The welfare of children and young people in the county is the council's top priority.

At the end of last year Ofsted inspectors spent an intense eight days with staff, parents and children around Kent and found that the council's children safeguarding services have greatly improved and are now judged 'adequate' which as defined by Ofsted is 'a service that is doing what is required to keep children and young people safe'. Ofsted's report on Kent's Safeguarding services was published on 15 January 2013.

The Improvement Programme began in February 2011 and was set up to respond to the failings identified during the previous 2010 Ofsted inspection. The Programme has been split into three Phases (or tranches) of work.

- Phase One of the Improvement Plan focused on strengthening the quality of practice, introducing robust performance management, restoring throughput and dealing with the backlog of unallocated cases and incomplete assessments.
- Phase Two was focused on building on the improvement made during Phase One, with an emphasis on quality and sustainability.
- The aim of the Phase Three Plan is to deliver a whole system approach to managing family pathways from early help to statutory intervention. This tranche is

being reviewed in light of the findings of the recent inspection of Kent's Safeguarding services.

The themes for Phase Three of the Improvement Plan are as follows:

1. Realise our vision to ensure that all staff are dedicated to delivering the highest quality of practice which is responsive to service user need.
2. Improve the quality of assessment, planning and provision to ensure that decision making is timely and child-centred.
3. Strengthen the range of preventative services to avoid unnecessary family breakdown and to target support for children and young people with additional needs.
4. Improve care planning and outcomes for Children in Care.
5. Improve care planning and outcomes for Children in Need, including those subject to Child Protection Plans.
6. Implement an integrated structure for service delivery supported by an effective infrastructure with robust performance measures.

Phase Three of the Programme is scheduled to run until August 2013, though the Plan will be updated before this time to ensure it remains focused and relevant to the Improvement journey. At the end of this period, a decision will be made about whether to continue with the Programme or to integrate this work into mainstream business.

Key Achievements

- Kent received an adequate rating from Ofsted regarding its Safeguarding services. Adequate judgments were given in relation to Kent's quality of practice, effectiveness of help and protection, leadership and governance and overall effectiveness.
- The reconfiguration of early help services has improved the accessibility and responsiveness of help.
- There has been a significantly improved response at the point of referral into SCS, following the launch of the Central Duty Team (CDT) and Central Referral Unit (CRU).
- The CDT/CRU is functioning well and the thresholds for referral are correct. Decision making is also now consistently applied and there is effective initial screening and prompt subsequent action by the council and partner agencies (Police services).
- The route to escalate cases from Common Assessment Framework (CAF) is being more effectively applied.
- Children requiring protection are receiving a more assured initial response than previously. Risks are being identified in a timely and effective manner.
- Managers and staff understand the need to focus on children and young people to ensure that interventions are timely, effective and avoid drift.
- Interventions aimed at protecting and supporting children on child protection plans are proportionate.
- Measures continue to be employed to improve the quality of practice, including via the County Audit Programme. There are plans in place to launch a third Practice Improvement Programme to support improved quality of practice across the county.
- Timeliness of assessments continues to be maintained.
- Social Worker caseload levels remain low.
- Instances of unallocated Child in Need cases are rare.

- The new structure has come into effect. The service has been redesigned to ensure that children and young people are provided with the correct level and type of support to meet their needs.

Finance

In 2012/13, £751,000 was allocated to support the Improvement Programme in Specialist Children's Services, in addition to the costs of implementing the workforce strategy and new ICS system.

Governance

The Improvement Programme reports to the Improvement Board on a bi-monthly basis. The Improvement Board is a government appointed Board, chaired by an independent consultant (Liz Railton). The Board is attended by the Department for Education (DfE) and senior managers from Health, the Police and KCC. The Board perform a scrutiny role, ensuring the Programme remains on track and delivers the required improvements.

A special Board has also been established to review the progress of the Adoption Service. The Adoption Board is chaired by Jonathan Pearce, CEO of Cabrini Children's Society. This Board meets on a bi-monthly basis.

Finally, the Programme is subject to internal scrutiny via the Children's Services Improvement Panel (chaired by Mrs Whittle, Cabinet Member for SCS), and the SCS Programme Board (chaired by Andrew Ireland).

Risk Management

An Improvement Programme Risk Register was established at the beginning of the Programme and is comprehensively maintained. This Register is reported to the external Improvement Board at each meeting. Key strategic risks that need to be mitigated are:

- Recruitment and retention of sufficient experienced staff and managers.
- Changes to required standards following the launch of the new multi-agency Children in Care and care leavers inspection in April 2013.
- The possibility of untoward safeguarding incidents.
- The Kent Safeguarding Children's Board's (KSCB) process of implementation and challenge may be insufficient to achieve the improvements necessary to safeguard children and young people.

Children's Social Services

Performance Indicators

Performance for **initial assessments completed within timescales** continues to exceed target.

The **percentage of caseholder social worker posts held by qualified social workers** was 86.5% for December 2012, with the vacancies being filled by agency staff.

A number of actions are being taken to address this:

- A targeted recruitment campaign was launched. This has now ended and the outcomes are being evaluated. A total of 41 people have been appointed as a result of recruitment activity since August 2012.
- Kent Top Temps have advised on the placement fees for permanent staff and have been asked to forward CVs.
- Action is also being taken to engage with our existing agency social workers to encourage them to join KCC as substantive employees. A total of 3 agency workers have moved into substantive posts. This activity is ongoing
- Staffing and turnover data continues to be monitored and fed into retention activity.
- Analysis of turnover is being undertaken to inform retention proposals and target activity to support retention.

The percentage of children **becoming subject to a child protection plan for the second time** has decreased this quarter, from 26.2% in September 2012 to 20.6% in December 2012. All cases where the new plan is within a year of an old plan are being carefully reviewed. However, most of these cases are for children who have not been subject to a plan within the last 12 months. From next year this indicator will exclude those cases and only report on children who become subject to a plan within 2 years of coming off a plan. On the basis of the new definition the current result would be 11.9%.

The percentage of **children subject to a child protection plan lasting two or more years at the point of de-registration** has reduced again this quarter and results are close to target. A number of actions are being taken to manage performance in this area, including:

- Reviewing and undertaking change promotion work on current cases where children have been subject to a child protection plan for over 18 months to try to prevent them moving into the 2 year plus category.
- Taking action to ensure timely decision making and progression of all child protection cases of 2 years plus.
- Strengthening child protection and conference processes, reports and assessment work.
- Strengthening Kent Safeguarding Children Board's (KSCB's) scrutiny function to ensure effective multi-agency engagement in child protection planning.

The percentage of **looked after children who are adopted** is below target and action being taken to increase the number of adoptions includes:

- Coram is managing the Adoption Service on Kent's behalf; the service's progress is being externally monitored by the newly formed Adoption Board. The Board have appointed an independent chair to scrutinise and challenge KCC's performance, as well as to support the service to make the changes necessary to increase efficiency and productivity. The Adoption Board will report on progress made to the KCC Improvement Board at regular intervals;
- Implementing a robust system to ensure assessments are given priority;
- A comprehensive Action Plan has been devised and continues to be revised to address the recommendations from the Narey Review and the Ofsted Inspection;
- Service managers and adoption leads are jointly monitoring the progress of all children requiring adoption;
- Permanency policy and prompts have been agreed; workshops on permanency conducted; Permanency Plans now identified by the second Child in Need review;
- Performance reporting has been established to monitor the percentage of children adopted;
- Tracking processes have been established to follow children identified for adoption and ensure there is no drift in their planning.

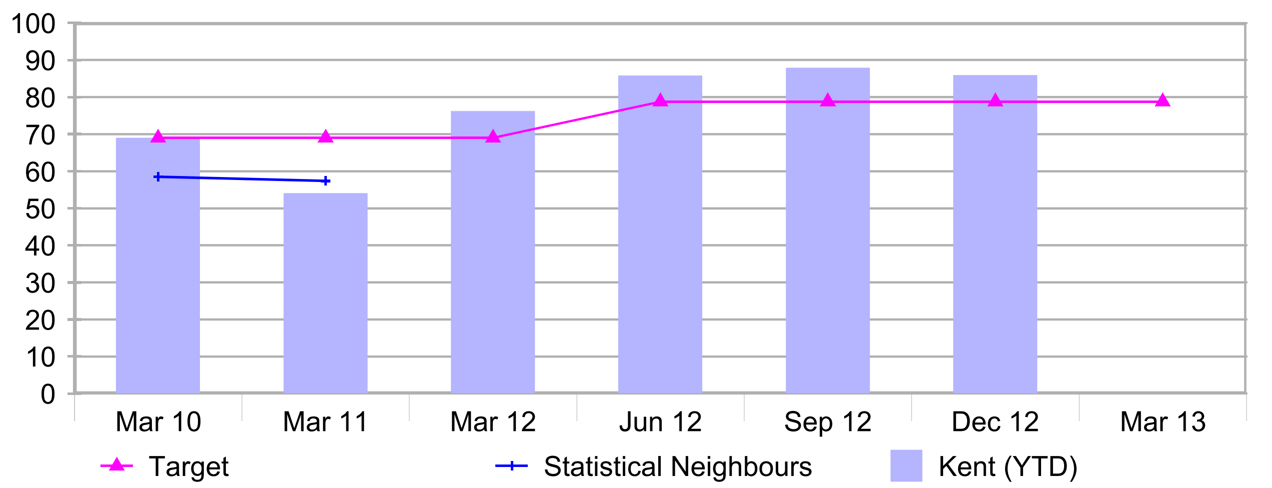
It should be noted that the level of adoptions achievable in Kent, as a percentage of numbers leaving care, is impacted upon by the relatively high numbers of Unaccompanied Asylum Seeking Children (UASC) in the county for whom adoption is usually not an option although these individuals are treated as children in care.

The percentage of **children in care with 3 or more placements** in the last 12 months has reduced this quarter and performance is closer to target. Changes implemented, which will impact upon this performance measure, include:

- Placement Panels being established, which will ensure that all placement moves meet the needs of the child.
- Placement Stability Core Groups established to prevent and support potential breakdowns in placements.
- All cases for children who have had two placement moves to date being reviewed.

Percentage of initial assessments completed within 7 days

GREEN ⇩



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	69%	54%	76%	86%	88%	86%	
Target	69%	69%	69%	79%	79%	79%	79%
RAG Rating	Green	Red	Green	Green	Green	Green	
Stat N	59%	57%					

Commentary

Improvement Notice Target

The target for initial assessments carried out within 7 days of referral continues to be exceeded and performance is actively monitored on a daily basis by operational teams in Specialist Children's Services. Performance is tracked at a district level and is reported upon on a weekly basis.

The emphasis within the assessment process has shifted from timeliness to the quality of casework. Managers are being encouraged to resist signing off poor quality assessments, even if this means that timescale completion dates may be missed as a consequence. Despite this, performance against this timeliness measure is being maintained.

Data Notes

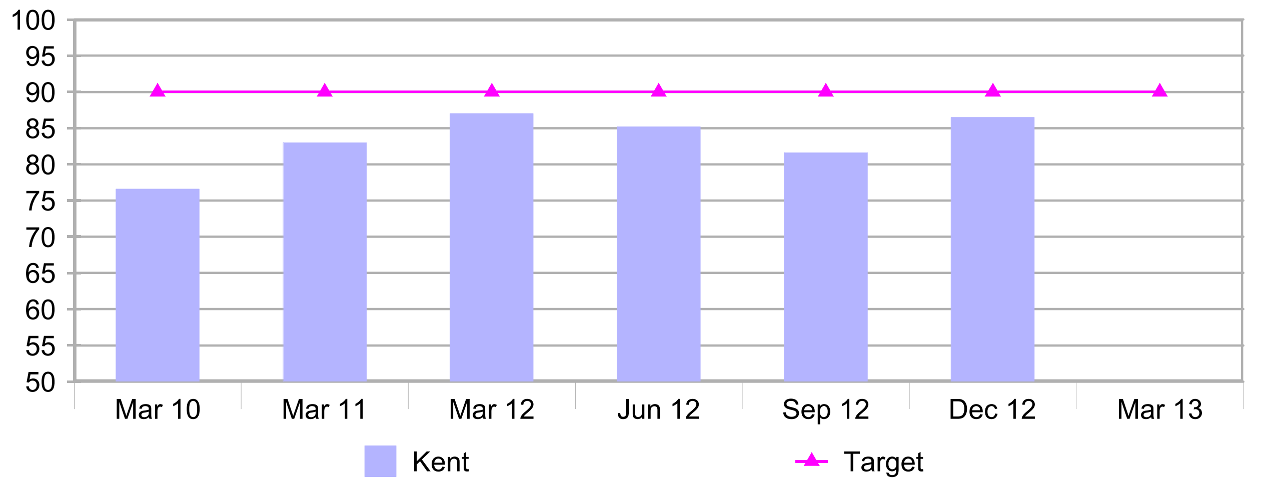
Tolerance: Higher values are better

Results are reported as year to date.

Data Source: ICS

Percentage of caseholding posts filled by permanent qualified social workers

AMBER ⇧



Trend Data – quarter end	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	76.6%	83.0%	87.0%	85.2%	81.6%*	86.5%	
Target	90%	90%	90%	90%	90%	90%	90%
RAG Rating	Red	Amber	Amber	Amber	Amber	Amber	
Agency		16.1%	13.9%	15.8%	12.9%	13.9%	

*August Figure

Commentary

Improvement Notice Target
Improvement actions include:

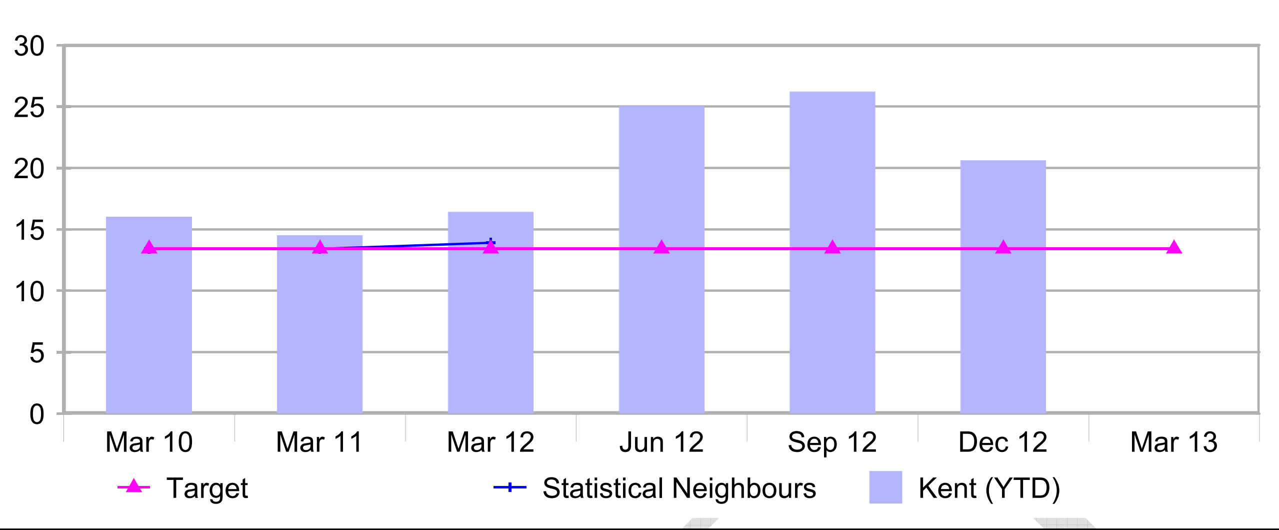
- A targeted recruitment campaign was launched. This has now ended and the outcomes are being evaluated. A total of 41 people have been appointed as a result of recruitment activity since August 2012.
- Kent Top Temps have advised on the placement fees for permanent staff and have been asked to forward CVs.
- Action is also being taken to engage with our existing agency social workers to encourage them to join KCC as substantive employees. A total of 3 agency workers have moved into substantive posts. This activity is ongoing
- Staffing and turnover data continues to be monitored and fed into retention activity.
- Analysis of turnover is being undertaken to inform retention proposals and target activity to support retention.

Data Notes

Tolerance: Higher values are better.
Data is reported as the position at each quarter end.
Posts held by agency staff are not included in the figures for the headline indicator.

Data Source: SCS Weekly Performance Report

Percentage of children becoming subject to a child protection plan for the second or subsequent time	RED ⇧



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	16.0%	14.5%	16.4%	25.0%	26.2%	20.6%	
Target	13.7%	13.7%	13.7%	13.4%	13.4%	13.4%	13.4%
RAG Rating	Red	Amber	Red	Red	Red	Red	
Stat N.	13%	13.4%	13.9%				
Number	167	219	227	46	120	185	

Commentary

Improvement Notice Target

All cases where the new plan is within a year of an old plan are being carefully reviewed. This equates to 64 cases and each case will be reviewed by the Safeguarding Unit to understand why this has happened. There are variances across districts, which are also being investigated.

Many of the children becoming subject to a plan for a second or subsequent time this year were not subject to a previous plan within the previous two years. For 2013/14 these children will not be counted under this indicator. Under the new definition only those children who were subject to a subsequent plan within two years will be included and Kent's result, based on December's data, is 11.9%.

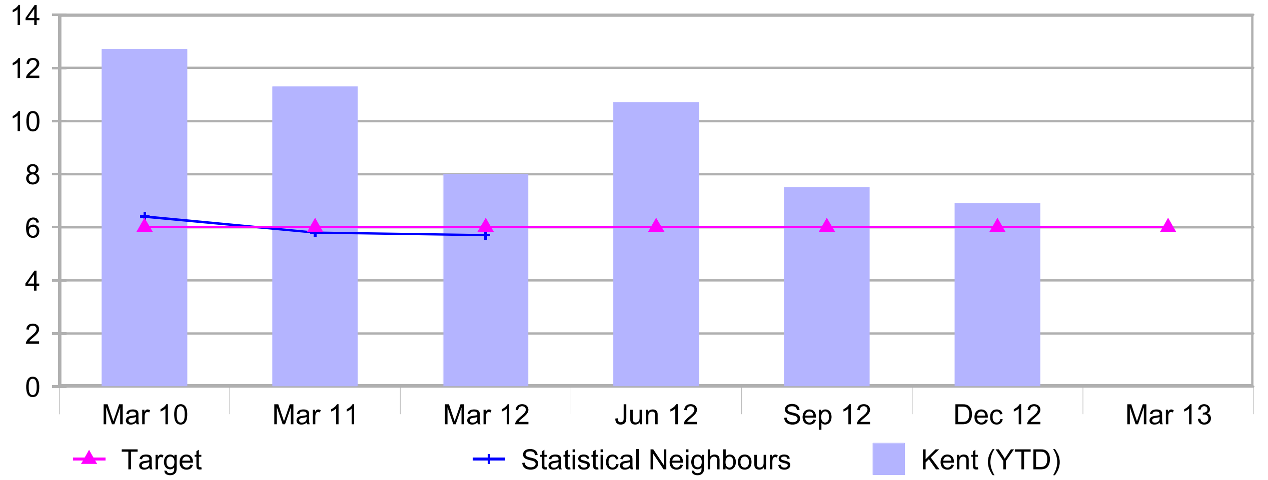
Data Notes

Tolerance: Lower values are better.

Data is reported as financial year to date, and calculated as the percentage of children commencing a new plan, who had been subject to a previous plan at any time.

Data Source: ICS

Percentage of children subject to a child protection plan for two or more years at the point of de-registration	RED ⇧



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	12.7%	11.3%	8.7%	10.7%	7.5%	6.9%	
Target	6%	6%	6%	6%	6%	6%	6%
RAG Rating	Red	Red	Red	Red	Red	Red	
Stat N.	6.4%	5.8%	5.7%				
Number	100	126	161	36	46	63	

Commentary

Improvement Notice Target
There has been continued improvement in performance for this measure throughout this year and the year to date performance is better than last year's performance and close to the Improvement Notice Target of 6%.

Work continues to review and undertake change promotion work on current cases where children have been subject to a child protection plan for over 18 months to try to prevent them moving into the 2 year plus category. We also continue to ensure that timely decision making and progression of all child protection cases which reach the 2 year point.

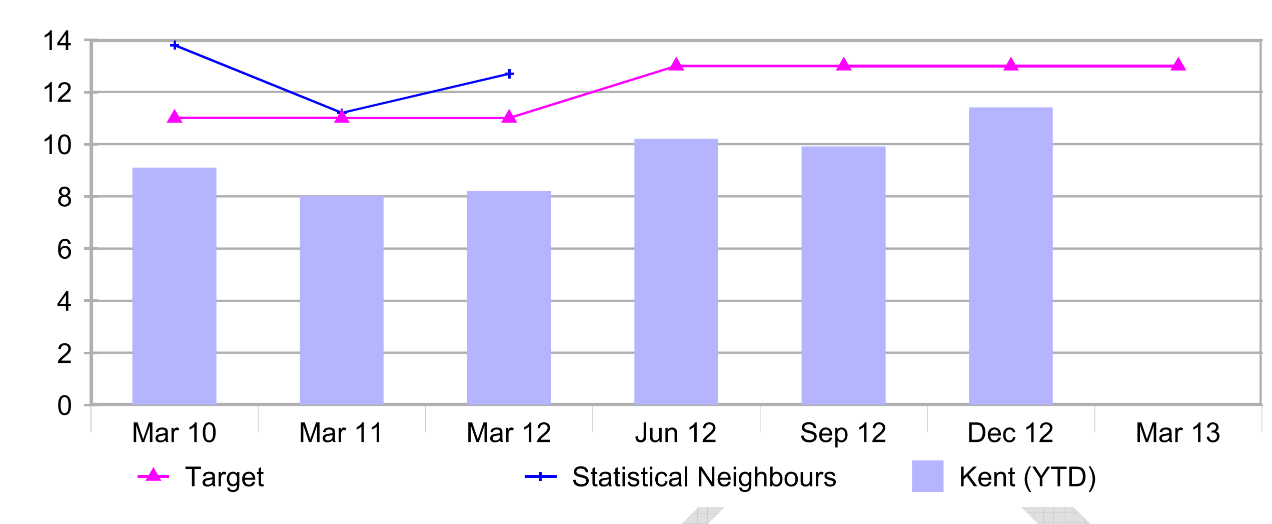
Data Notes

Tolerance: Lower values are better.
Data is reported as financial year to date.
Calculated as the percentage of children ceasing to be subject to a child protection plan who had been subject to that plan for two or more years.

Data Source: ICS

Percentage of children leaving care who are adopted

RED ⇧



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	9.1%	8.0%	8.2%	10.2%	9.9%	11.4%	
Target	11%	11%	11%	13%	13%	13%	13%
RAG Rating	Red	Red	Red	Red	Red	Red	
Stat N	13.8%	11.2%	12.7%				
Number	70	60	70	20	40	75	

Commentary

Improvement Notice Target.
Performance is below the target set in the Improvement Notice but the results so far this year are an improvement on previous years, with 77 children having been adopted in the year to date, and 86 forecast for the full year. This compares to 70 children adopted in 2011/12.

Coram is managing the Adoption Service on Kent's behalf; the service's progress is being externally monitored by the newly formed Adoption Board. The Board have appointed an independent chair to scrutinise and challenge KCC's performance, as well as to support the service to make the changes necessary to increase efficiency and productivity. The Adoption Board will report on progress made to the KCC Improvement Board at regular intervals

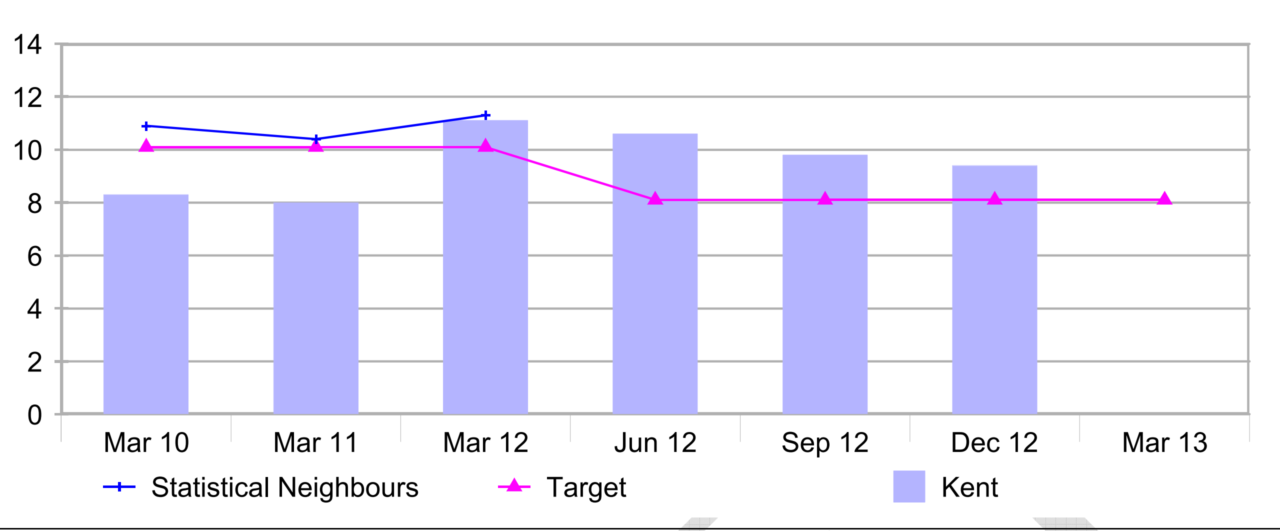
Data Notes

Tolerance: Higher values are better.
Results are reported as year to date.
For the number of adoptions the count is rounded to the nearest 5.

Data Source: ICS

Looked after children with 3 or more placements in the last 12 months

RED ⇧



Trend Data – quarter end	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	8.3%	8.0%	11.1%	10.6%	9.8%	9.4%	
Target	10.1%	10.1%	10.1%	8.1%	8.1%	8.1%	8.1%
RAG Rating	Green	Green	Amber	Red	Red	Red	
Stat N.	11%	10%	11.3%				

Commentary

Actions to improve performance include:

- The establishment of Placement Panels, which has ensured that all placement moves meet the needs of the child.
- Placement Stability Core Groups have been established to prevent and support potential breakdowns in placements.
- All cases for children who have had two placement moves to date are reviewed at the point of the second placement.
- Details on those children with three or more moves are discussed with District Management Teams during the Quarterly Deep Dive meetings.

171 children have had three or more moves in placement in the 12 month period. Of these, the Catch22 Service (responsible for children over the age of 16) has the highest percentage. This is to be expected as these moves will include planned changes towards independent living.

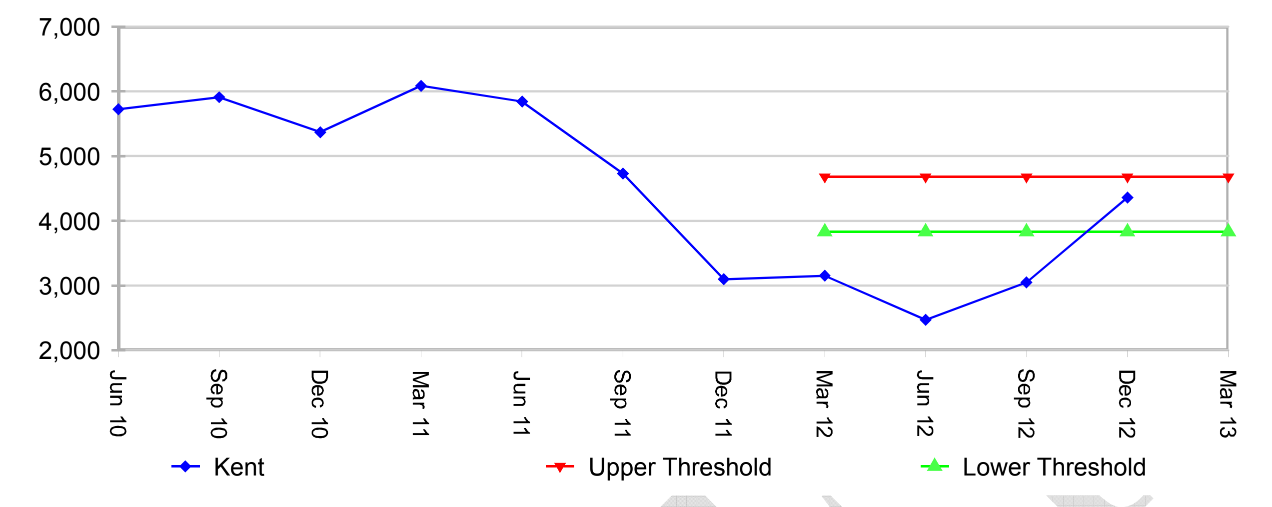
Data Notes

Tolerance: Lower values are better.
Data is reported as a snapshot at each quarter end.

Data Source: ICS

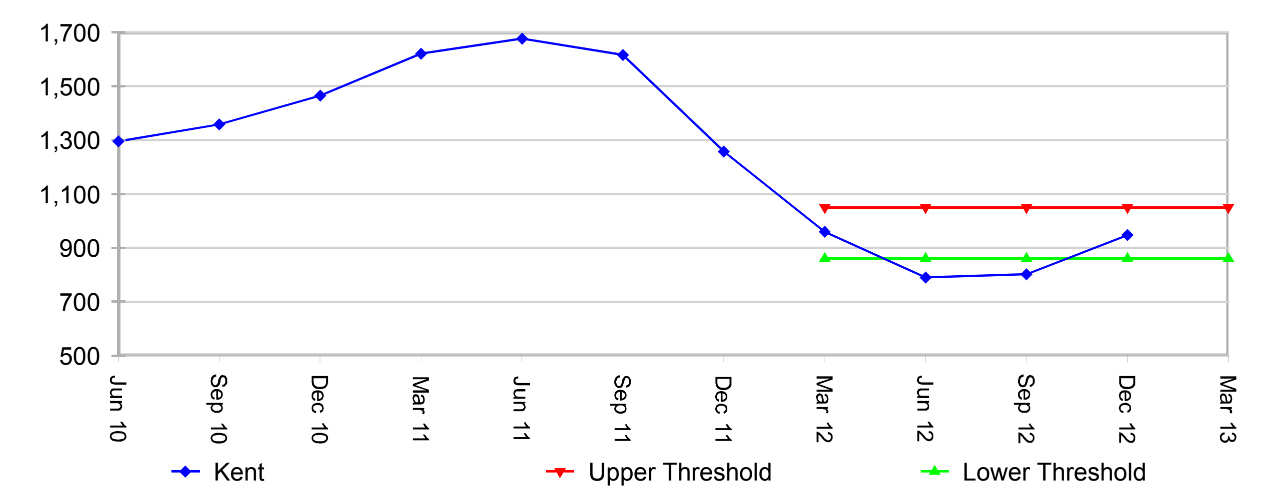
Children’s Social Services - Lead indicators

Quarterly number of referrals



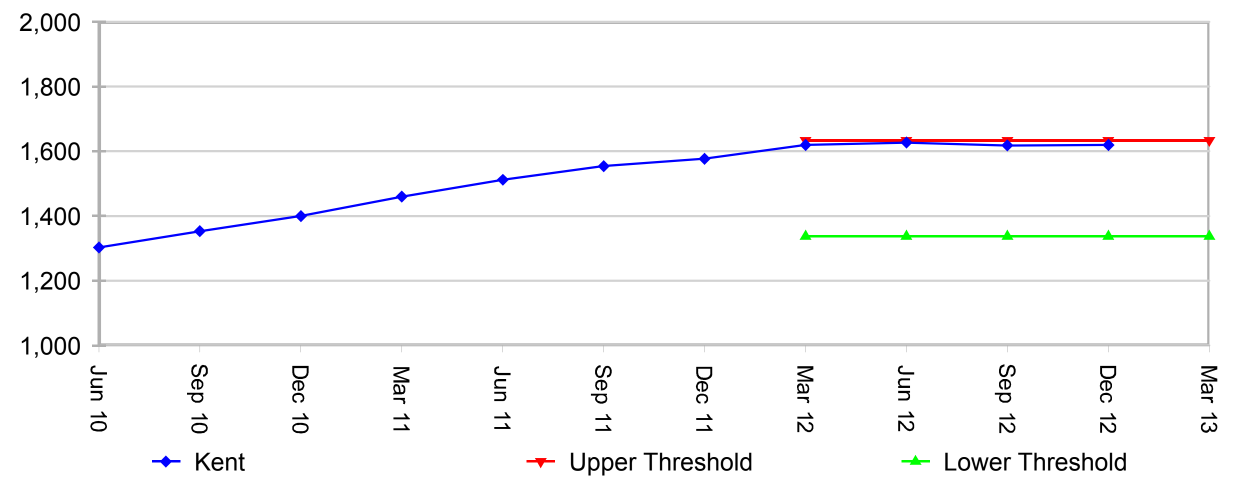
The introduction of the Central Duty Team last year contributed to a decrease in the number of recorded **referrals** to Children’s Social Care. For the year, referral counts were recorded as below the expected level. During this period Kent was undertaking a high level of investigation work at the Contact stage through the new County Duty Team to identify if the Contact required a more specialist detailed assessment. Previously contacts with this level of investigation would have been treated as referrals. Action was taken to address this and a revised process became operational in August 2012. In July 2012 the conversion rates of Contacts to Referrals was 44.7%, in December 2012 this had risen to 71.7%. Referral rates continue to be monitored on a regular basis by the Central Duty Team, and by the SCS Management Team.

Number of children with child protection plans (quarter-end count)



Whilst the reduction in the number of **children with Child Protection Plans** was greater than expected during the year there has been an increase in the last quarter. The target for 2012/13 is to maintain a level of 30.5 per 10,000 of the under 18 population which is in line with best performing statistical neighbour authorities. This equates to 953 children. Current numbers of children with plans stands at 947.

Number of indigenous looked after children (quarter-end count)



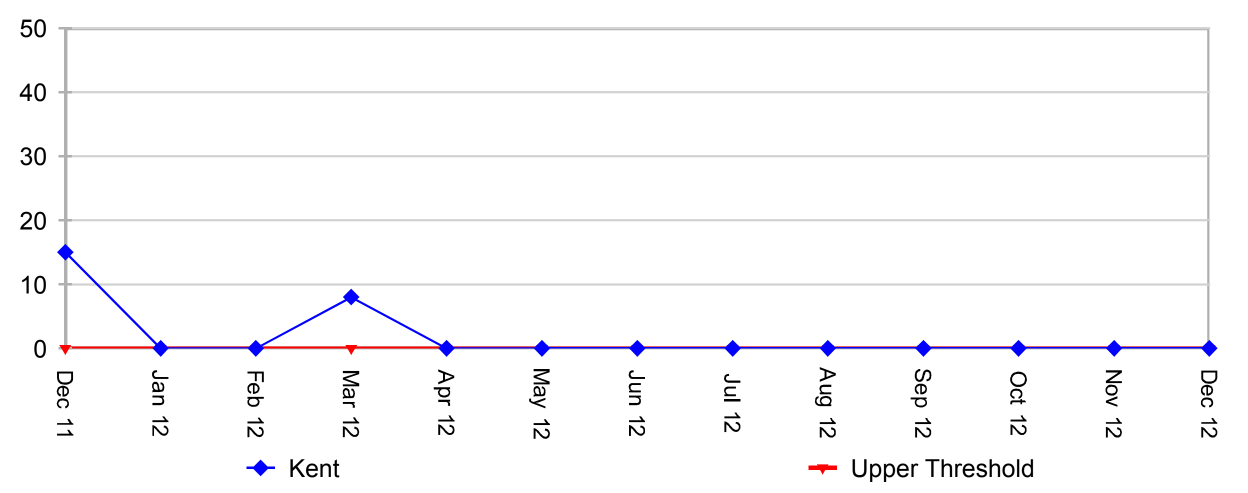
The **number of indigenous Children in Care** is currently at the higher end of expectations and has remained fairly static throughout the year. Current actions which will impact on the number of Children in Care include:

- Improving the percentage of children who are adopted (see specific actions against the next indicator).
- Identifying end dates for all Children in Care.
- Robust gate-keeping of decisions to take children into care.
- Robust tracking of permanency planning including tackling drift and delay.
- Weekly and monthly monitoring of caseloads at district level.

In the longer term, the following actions will impact on Children in Care numbers:

- Increased investment in a range of prevention and early intervention services, particularly in adolescent intervention services and in high-level family support.
- Scoping out work needed for speedier and integrated responses to vulnerable adolescents, including an 'invest to save' proposal on adolescent services.

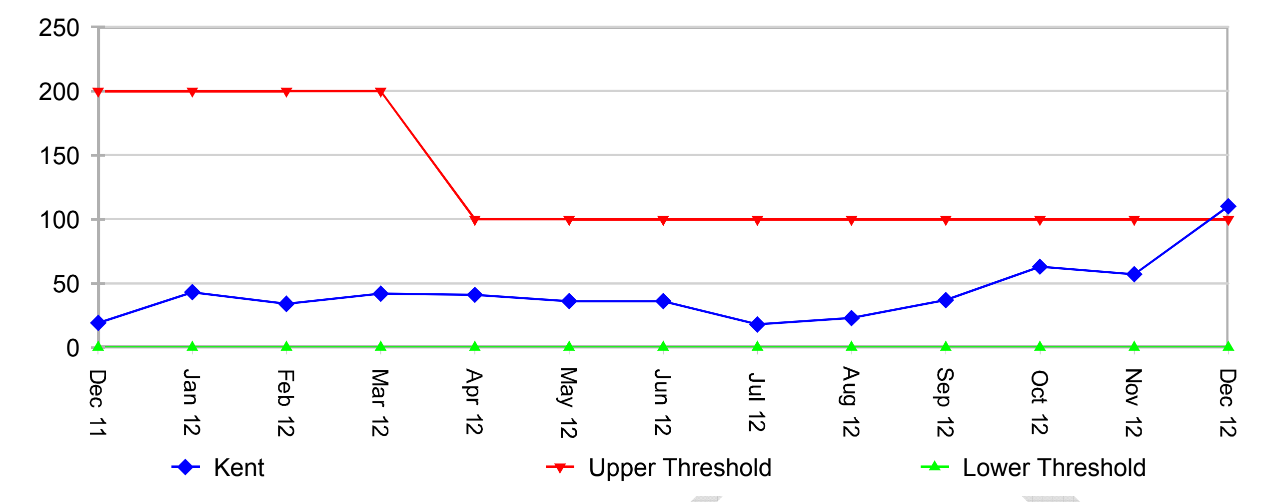
Number of unallocated cases for over 28 days (month-end count)



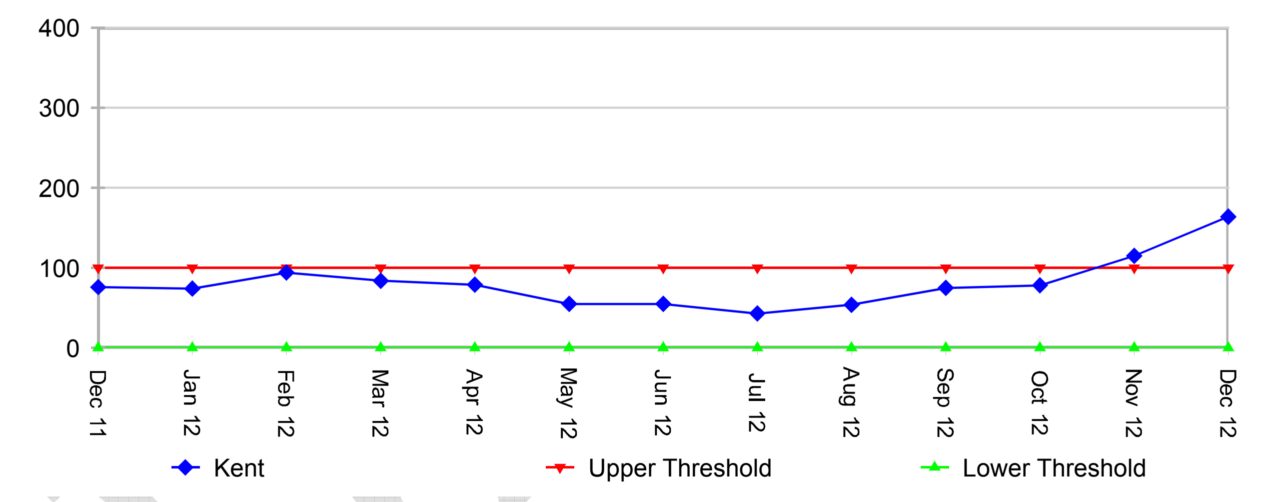
Figures for **unallocated cases** are within expected levels.

Children’s Social Services - Lead indicators

Initial assessments in progress, out of timescale (month-end count)



Core assessments in progress, out of timescale (month-end count)



The number of **core assessments in progress and out of timescale** has been steadily increasing since October 2012 and the current number of 164 which is above the Improvement Board Notice Target of 100. Of these 164, 80 are from within the Thanet District – some of which are the result of staffing difficulties.

Education, Learning and Skills

Bold Steps Priority/Core Service Area	Ensure all pupils meet their full potential, Shape education and skills provision around the needs of the Kent economy
Cabinet Member	Mike Whiting
Portfolio	Education, Learning and Skills
Corporate Director	Patrick Leeson
Directorate	Education, Learning and Skills

Performance Indicator Summary

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of pupils achieving 5+ A*- C GCSE including English and Maths	AMBER	AMBER	⇧
Percentage of pupils achieving level 4 and above in both English and Maths at Key Stage 2	AMBER	GREEN	⇧
Attainment gap for children with Free School Meals at Key Stage 4	RED	AMBER	⇧
Attainment gap for children with Free School Meals at Key Stage 2	RED	GREEN	⇧
Percentage of primary schools with Good or Outstanding Ofsted inspection judgements	RED	RED	⇧
Number of schools in category (special measures or with notice to improve)	RED	RED	⇧
Percentage of SEN statements issued within 26 weeks (excluding exceptions to the rule)	RED	RED	⇧
Percentage of pupils permanently excluded from school	GREEN	GREEN	⬄
Number of starts on Kent Success Apprenticeship scheme		AMBER	⇩

Standards & School Improvement Update

2012 results are showing an improvement in attainment at all key stages in Kent schools and settings, e.g. at Key Stage 2 with a 6% increase since 2011. (78% level 4 with English and maths combined in 2012 compared to 72% in 2011. This is just 1% below the national average). In 2012 the number of Primary schools below the floor standard reduced to 20, from 70 schools in 2011. GCSE attainment at 5 A*- C grades including English and mathematics improved by 2%, to 61%, which is above the national average.

This is good news. At the same time performance in too many schools still does not meet the standards required. Our school improvement strategy for 2012/13 will support and challenge schools and settings to build on the success of the latest results and ensure that 2013 sees further improvement in standards overall and even fewer schools below the floor standard.

We currently have 20 Primary schools (down from 70 in 2011 and 97 in 2010) below the floor standard of 60% of pupils achieving level 4 in both English and Maths combined and

16 Secondary schools (down from 27 in 2011) below the new floor standard of 40% of pupils achieving 5 GCSEs at A* to C, including English and Maths.

We have issued a **new school improvement strategy** which shows how we are categorising our schools and the level of support they can expect to receive. This is summarised below.

Support level	**Criteria for support level**	**Action required and support given**
Intensive	Schools in an OFSTED category, serious weaknesses or special measures.	Statement of action and up to 20 visits a year to secure rapid improvement.
High	Schools with satisfactory or a 'requires improvement' judgement for the last two Ofsted inspections, or meeting DfE Criteria 1 or 2.	Kent Challenge with 6 weekly progress reviews and a targeted support plan. 12 to 15 visits.
Medium	Schools with 'requires improvement' or satisfactory judgement from Ofsted inspection or Kent Criteria 1.	Action plan with 12 week reviews and a targeted support plan and 6 to 8 visits.
Low	Good, outstanding schools and collaboratives.	Universal support, up to 3 visits annually. 2 day support for improvement offer.

Support to Governors is negotiated on a school by school basis.

- DfE Criteria 1 is a school which has been below the government floor standard for the last 4 years.
- DfE Criteria 2 is a school which has been below the government floor standard and/or has been below the national average for level of pupil progress for the last 3 years.
- Kent Criteria 1 is a school which has been below the government floor standard for 2 years and/or has been below the national average for level of pupil progress for the last 3 years.

The number of schools in the High Support category is as follows:

	Primary	Secondary Maintained	Secondary Academies
High Support Double Satisfactory (Satisfactory judgement at last two Ofsted inspections)	72	13	7
DfE criteria 1	15		
DfE criteria 2	44		

Double satisfactory is a new high risk category following the introduction of the new OFSTED framework in September 2012. For new inspections the satisfactory grade is being replaced with a category of Requiring Improvement and if a school receives this judgement on two successive inspections they are likely to be moved into an OFSTED category. In short, the new inspection regime is built on the premise that satisfactory is not good enough and all schools need to aim to become 'Good'. This is already a key feature of the Kent School Improvement Strategy.

Rigorous action has been taken in many of the schools within the High Support category, to reduce the legacy of underperformance and to strengthen or replace leadership, and this is showing impact.

All Kent Challenge schools have a detailed improvement plan and in these schools the Kent Challenge Lead Advisers hold 6 weekly review meetings to judge progress and re-focus activity to maintain a good pace of improvement. We are supplying both financial and personnel support to assist rapid improvement in these schools.

There is still a legacy of underperformance in standards and of weak leadership in a significant number of the 'high support' schools. Teaching is also only satisfactory overall in the majority of high support schools and requires rapid improvement with programmes such as 'Every Lesson Counts'. Ensuring that schools have rigorous and robust assessment procedures in place to inform teaching and monitor pupil progress is also critical for rapid improvement. Often there is a need to challenge a culture of low expectations and aspirations and a need to set more challenging targets to raise attainment for all groups of pupils.

A key issue is to improve the effectiveness of scrutiny and challenge by Governing Bodies, particularly in holding school leadership to account and in being prepared to take the necessary action when there is poor leadership. However, many Governing Bodies have responded well to the challenge and are focusing more effectively on the quality of education, the progress of pupils and the necessary actions to secure improvement.

Recent Ofsted inspections have resulted in more schools moving from a previous 'satisfactory' judgement to 'good'. There have now been 81 inspections since the beginning of the 2012 school year; 54 schools (66.7%) were rated as good or outstanding and among these 36 schools (44.4%) improved from a previous satisfactory judgement, including 29 primary schools, 4 secondary schools, 1 special school and 2 PRUs. This is an encouraging upward trend.

Performance Indicators

It should be noted that the first four Performance Indicators in this section are annual indicators, with school attainment results only becoming available once a year. The other indicators in this section are provided with quarterly results.

Published results for **pupil attainment at five good GCSEs** have shown further improvement this year to 61% and the result is just 1% below the target set.

Published results for **pupil attainment at Key Stage 2** have shown significant improvement this year ahead of the target level, to 78% level 4 with English and maths combined. The result is just 1% below the national average.

Results for the **achievement gaps for children with Free School Meals** have shown minimal improvement for GCSE and substantial improvement ahead of target for Key Stage 2.

There has been an improvement this quarter for the percentage of primary schools with Good or Outstanding **Ofsted inspection judgements for overall effectiveness**. Working in collaboration with schools the bespoke and targeted support and challenge provided through our School Improvement Strategy is designed to deliver improvements within schools against the criteria used by Ofsted (which includes quality of teaching and pupil attainment).

However, while the number of **schools in an Ofsted category of concern** has dropped it continues to be below target. The Local Authority works closely with all schools in category. Each school, following a category judgement, will work to a Local Authority Statement of Action that is submitted to Ofsted for approval. The leadership of the school, including the Governing Body is held to account for progress against this plan every six weeks.

Performance has improved in the quarter for the percentage of **SEN statements issued within 26 weeks** and has risen above 80% for the first time in nearly two years. This is an area that will be influenced by government proposals for changes in the way services are provided for children with special needs and disabilities and which Kent is testing with other local authorities as part of the South East 7 (SE7) Pathfinder programme.

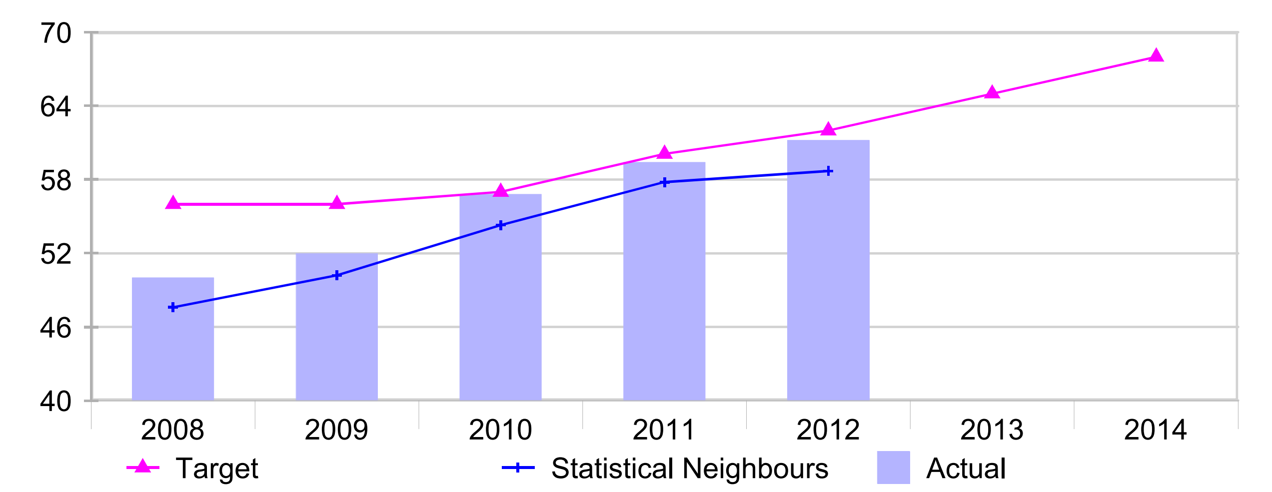
Permanent exclusions have reduced this quarter and results are on target with this quarter being the second time in a row that the number of permanent exclusions is below 200. Discussions are taking place with schools across all districts to review and improve our PRU (Pupil Referral Unit) alternative curriculum provision and to look at ways of reducing exclusions as part of the development of a new Inclusion Strategy.

KCC is leading by example with the **Kent Success apprenticeship scheme**, which is set to continue to expand as a result of the *Kent Jobs for Kent Young People* campaign. So far, over 500 young people have been employed by KCC as apprentices and of those the 80% who successfully complete the programme go into full time, permanent employment.

National data was published for 2011/12 at the end of January 2013, with Local Authority level data due within two weeks. Kent's success rates are slightly below national levels. Kent's success rate for 19-24 year olds was 77.5% in 2010-11. Kent's targets relate to the whole 16-24 age-group. We are currently speaking to data contacts at the National Apprenticeship Service (NAS) in order to obtain Kent and National success rates for 16-24 year olds overall.

Percentage of pupils achieving 5+ GCSE A* to C including English and maths

AMBER ⇧



Trend Data – annual	2008	2009	2010	2011	2012	2013	2014
Actual	50.0%	52.0%	56.8%	59.4%	61.2%		
Target		56.0%	57.0%	60.1%	62.0%	65.0%	68.0%
RAG Rating		Amber	Amber	Amber	Amber		
Stat. N.	48.2%	50.2%	54.3%	57.8%	58.7%		

Commentary

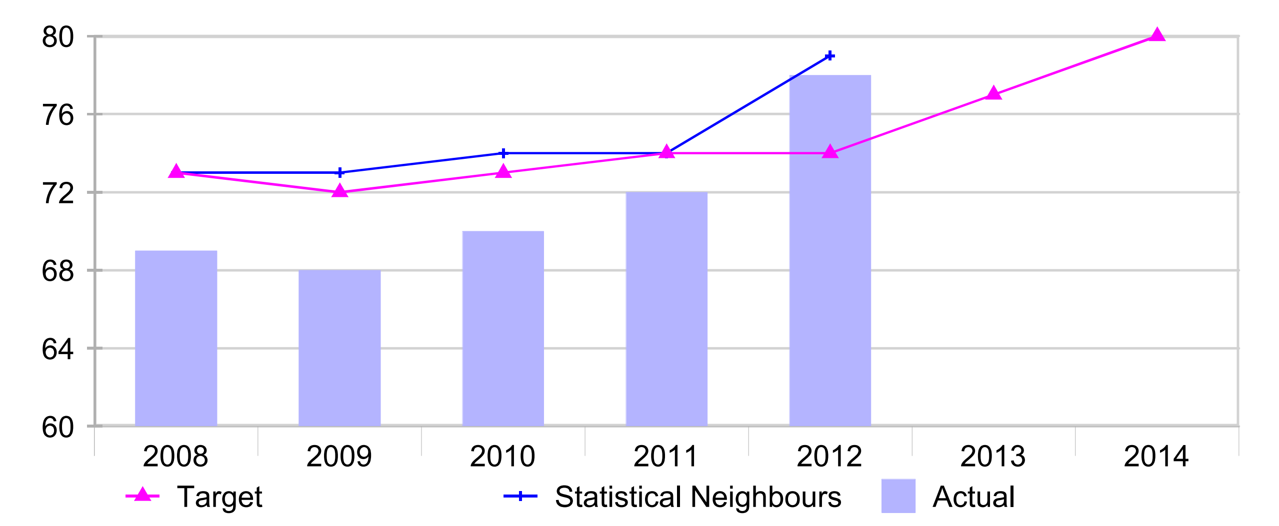
The DfE published result for 2012 is 61.2%, an increase on last year's result with 58 schools showing an improvement in results. Kent has improved on 2011 performance by 2%. The national figure (not shown) was 58.6%, a drop of 0.3% from last year. The statistical neighbour average has risen very slightly to 58.1%. Only one of Kent's statistical neighbours is performing higher than Kent, so Kent is performing well against both national and statistical neighbour benchmarks. The School Improvement Team is very clear about the appropriate criteria for deciding the level of support and challenge needed by every school within KCC. **Schools not achieving the expected levels receive an intensive programme of support**. There is a clear understanding that if schools do not make the expected progress the following actions are considered: the serving of a Warning Notice; introducing an Interim Executive Board; changes to the leadership structure; federation or amalgamation; or conversion to a sponsored academy arrangement. The intensive support programme model is rigorous. Our model has used all available resources in order to effect improvement in a cost effective and sustainable framework. The support and challenge for all schools is captured in the District Action Plans. These also contain the activity being carried out by LA personnel from the School Improvement Team over the academic year 2012-2013.

Data Notes

Tolerance: Higher values are better
Data is reported as result for each year
Data includes all pupils at state funded schools including academies.
Data Source: Department for Education (DfE)

Percentage of pupils achieving level 4 and above in both English and Maths at Key Stage 2

GREEN ⇧



Trend Data – annual	2008	2009	2010	2011	2012	2013	2014
Actual	69%	68%	70%	72%	78%		
Target	73%	72%	73%	74%	74%	77%	80%
RAG Rating	Red	Red	Red	Amber	Green		
Stat. N.	73%	73%	74%	74%	78.7%		

Commentary

Published results for 2012 show a significant increase (78%) on last year's results (72%) and against the target (74%). Final national and statistical neighbour results have now been published and also show an increase. Nationally results have risen to 79% up from 74%, and the statistical neighbour average is 78.7%. 277 schools have improved their results this year and there has been significant reduction in the Primary schools below the floor standard. Through the work of Kent Challenge and with effective school leadership and meticulous attention to improving the quality of teaching and assessment, the number of schools performing below the 60% floor for level 4 at Key Stage 2 has reduced to 20 schools compared to 70 schools in 2011. This is excellent progress.

Data Notes

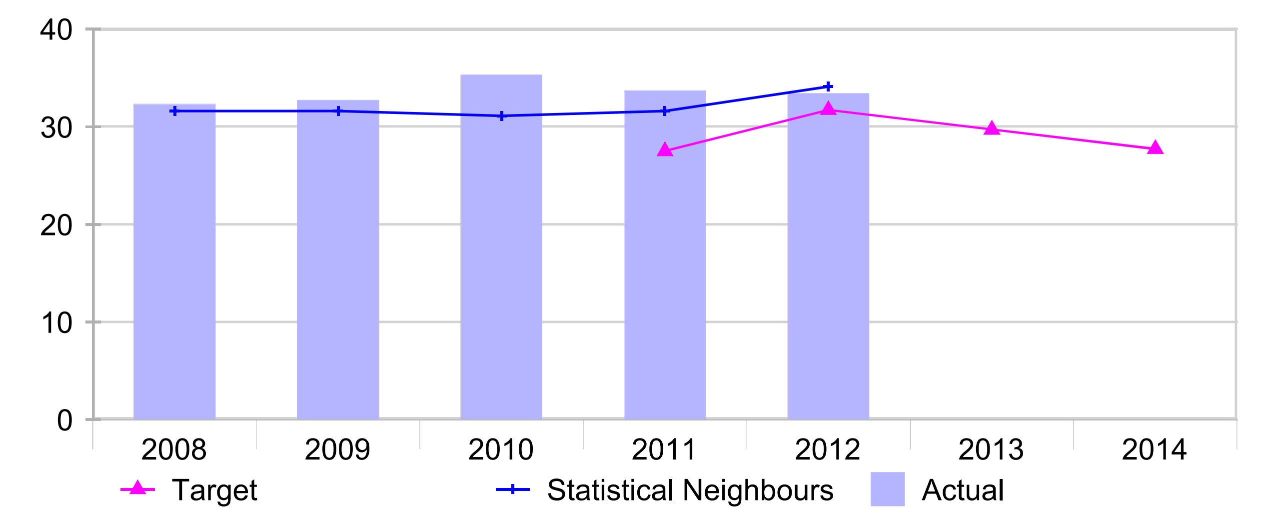
Tolerance: Higher values are better

Data is reported as result for each year. Data includes all pupils at state funded schools including academies.

It should be noted that there have been changes to KS2 assessment this year. Results for Writing are now based on teacher assessment and not on an externally marked test.

Data Source: Department for Education (DfE)

Percentage achievement gap between children with Free School Meals (FSM) and other children at GCSE	AMBER ⇧



Trend Data – annual	2008	2009	2010	2011	2012	2013	2014
Actual	32.3%	32.7%	35.3%	33.7%	33.4%		
Target				27.5%	31.7%	29.7%	27.7%
RAG Rating				Red	Amber		
Stat. N.	31.6%	31.6%	31.1%	31.6%	34.1%		

Commentary

The 2012 results show very minimal improvement in the FSM gap at Key Stage 4 (GCSE), down from 33.7% to 33.4%. The national figure for 2011 was 27.5%. Note the 2011 target was based on average National performance. The targets from 2012 onwards now represent a more realistic phased trajectory to this level over 3 years. The expectation is that KCC will be better than the national figure by 2015.

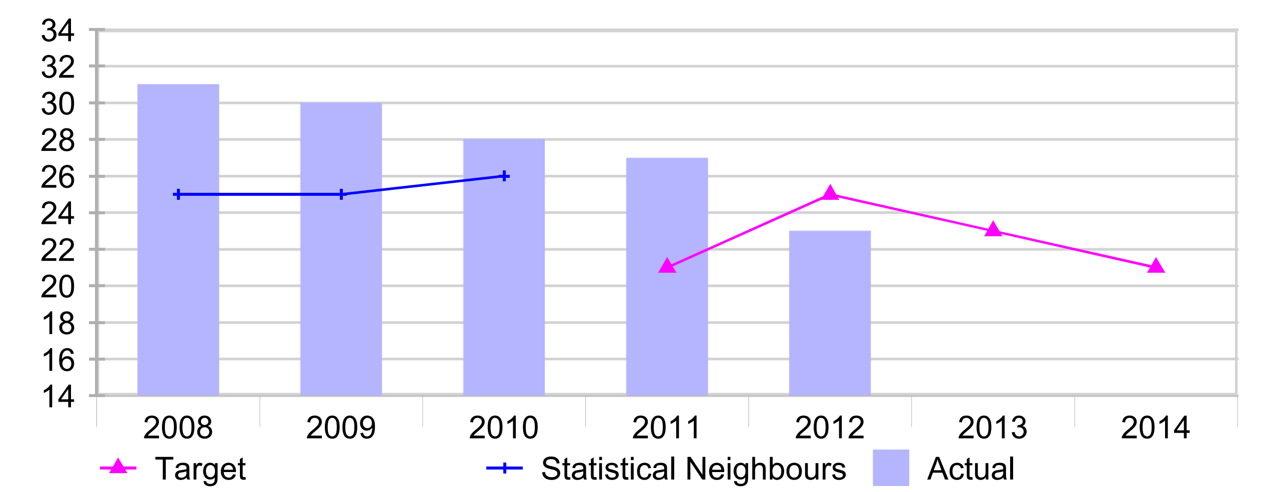
Please see comments in the earlier grids. In addition rigorous conversations are being held by the School Improvement Advisers with all schools where the gap is significant. Schools are being ambitious with their targets in closing the gap and the School Improvement team is supporting school actions using the Pupil Premium. As there is a clear connection between issues of attendance, SEN and wider social service involvement with many of these young people we are being proactive in developing services such as KIASS (Kent Integrated Adolescent Support Service) and in joining up the Education Learning and Skills and Families & Social Care involvement with schools to support the most vulnerable young people to make better progress in learning.

Data Notes

Tolerance: Lower values are better
Data is reported as result for each year. Data includes results for pupils at academies.

Data Source: Department for Education (DfE)

Percentage achievement gap between children with Free School Meals (FSM) and other children at Key Stage 2	GREEN ⇧



Trend Data – annual	2008	2009	2010	2011	2012	2013	2014
Actual	31%	30%	28%	27%	23%		
Target				21%	25%	23%	21%
RAG Rating				Red	Green		
Stat. N.	25%	25%	26%	25%	21%		

Commentary

Final 2012 results show a significant improvement in narrowing the FSM gap at Key Stage 2, with the gap having reduced by 4%. This is the first year Kent has made significant improvement to this indicator.

The national figure for 2012 is 17% so nationally there has been a reduction of 3% in the FSM gap. The expectation is that KCC will be better than the national figure by 2015.

Note the 2011 target was based on average National performance. The targets from 2012 onwards now represent a more realistic phased trajectory to this level over 3 years.

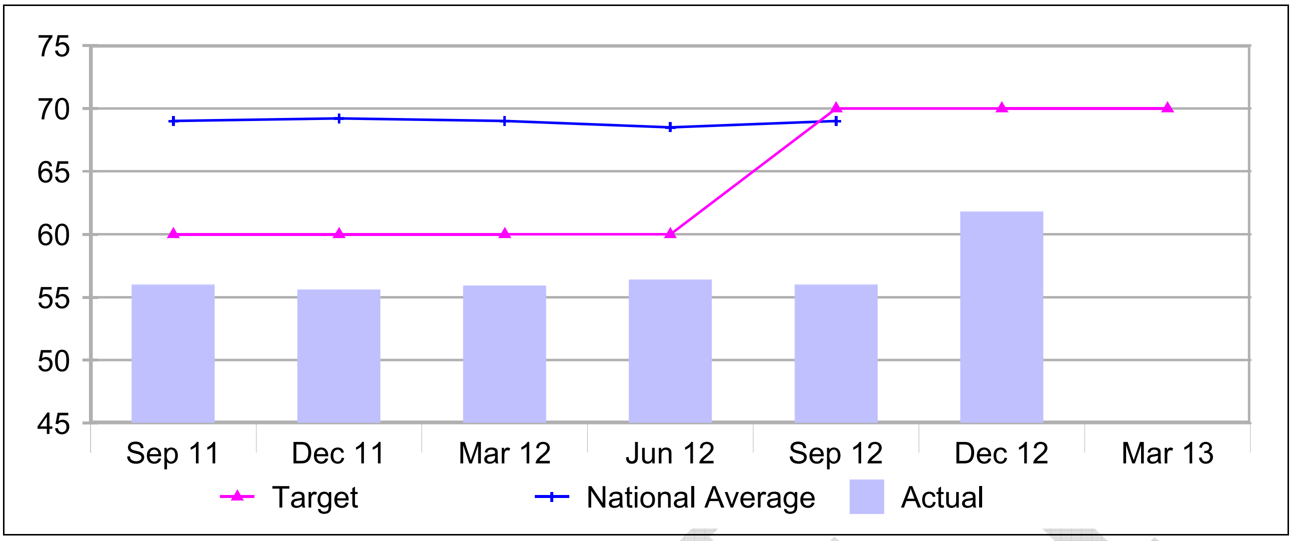
Data Notes

Tolerance: Lower values are better
Data is reported as result for each year. Data includes results for pupils at academies.

Data Source: Department for Education (DfE)

Percentage of primary schools with Good or Outstanding Ofsted inspection judgements for overall effectiveness

RED ⇧



Trend Data – quarter end	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	56.7%	55.6%	55.9%	56.4%	57.2%	61.8%	
Target	60%	60%	60%	60%	70%	70%	70%
RAG Rating	Amber	Red	Red	Amber	Red	Red	
Nat. Ave.	68.8%	69.2%	69.0%	68.5%			

Commentary

There has been an improvement in results this quarter, although performance has been quite static for the last few quarters. The percentage of primary schools with good or outstanding Ofsted judgements for overall effectiveness has risen to above 60% for the first time in recent years but is still considerably below the target. There have now been 81 inspections since the beginning of the 2012 school year, 54 schools (66.7%) were rated as good or outstanding and among these 36 schools (44.4%) improved from a previous satisfactory judgement, including 29 primary schools, 4 secondary schools, 1 special school and 2 PRUs. This is an encouraging upward trend**.** The School Improvement Team is very clear about the appropriate criteria for deciding the level of support and challenge needed by every school within KCC. **Schools not achieving the expected improvement receive an intensive programme of support**. The support and challenge for all schools is captured in the District Action Plans. These also contain the activity being carried out by LA personnel from the School Improvement Team over the academic year 2012-2013.

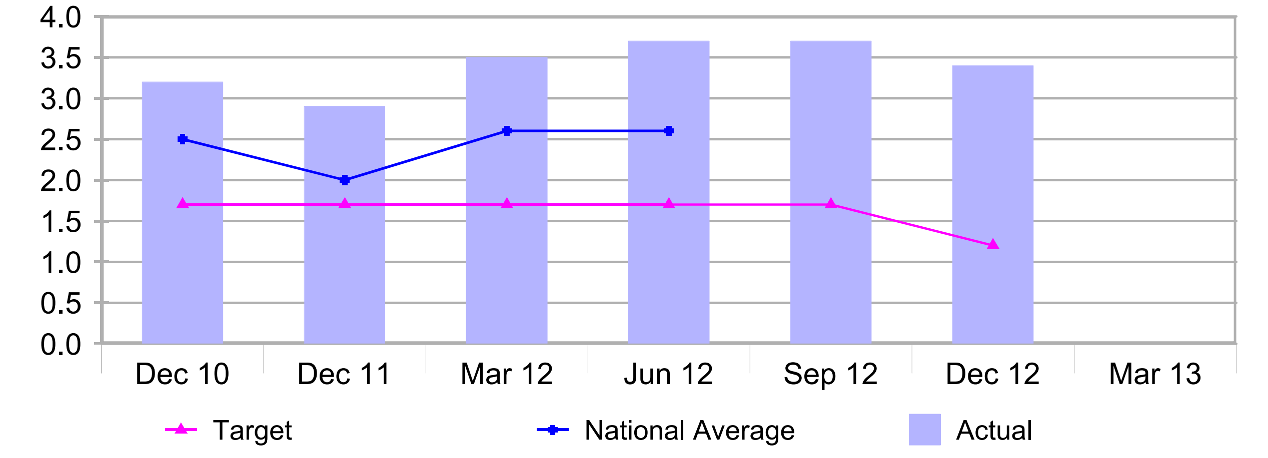
Data Notes

Tolerance: Higher values are better

Results are reported as snapshot at each quarter-end. Data is based on most recent inspection judgement. All state schools are included, except new sponsored academies which have not had an inspection since opening as academies.

Data Source: Ofsted

Percentage of schools in Ofsted category (special measures or with notice to improve)	RED ⇧



Trend Data – quarter-end	Previous Years			Current Financial Year			
	Dec 10	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	3.2	2.9	3.5	3.7	3.7	3.4	
Target	1.7	1.7	1.7	1.7	1.7	1.2	1.2
RAG Rating	Red	Red	Red	Red	Red	Red	
Nat Ave	2.5	2.0	2.6	2.6			

Commentary

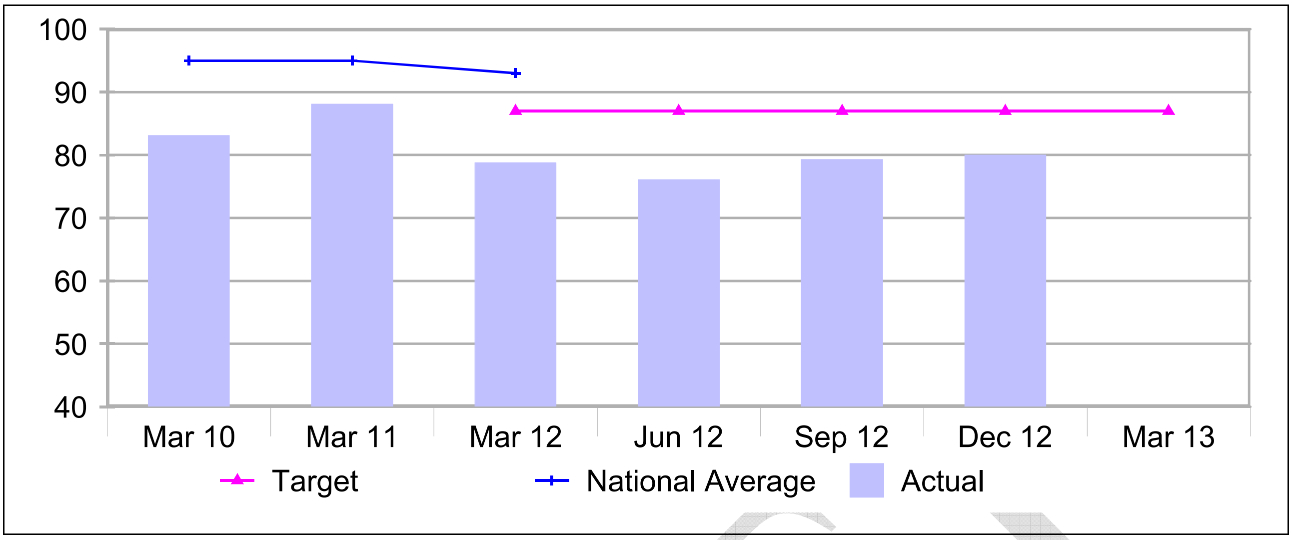
The figures for this indicator have been amended this quarter to include academies in order to be in line with our other Ofsted indicators and to allow the inclusion of national comparative information (which also includes academies). The number of schools deemed inadequate by Ofsted is lower than last quarter. At the end of December there were 20 schools in category, of which 13 were in Special Measures. Of the 20, 14 are primary schools, 4 are secondary schools, 1 is a special school and 1 is a Pupil Referral Unit.

Of these schools only 5 schools in category remain from the previous Ofsted inspection framework, which came to an end in September 2011. Most of these are expected to be out of category by Spring 2013. For schools in a category there is a clear statement of action by the LA, approved by Ofsted, and close working with the school and its governors to secure rapid improvement. In a number of schools there is a change of leadership as a necessary pre-requisite to its improvement. In a number of these schools there is also an expectation by DfE that they become sponsored academies. We play a pro-active role in this process to secure the best arrangements for improvement.

Data Notes

Tolerance: Lower values are better. Data is reported as a snapshot position at each quarter-end. Data includes all state-funded schools (nursery, primary, secondary, special schools and pupil referral units) but excludes independent schools.
Data Source: Ofsted

Percentage of SEN statements issued within 26 weeks (excluding exceptions to the rule)	**RED** ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	83.1%	88.1%	78.8%	76.1%	79.3%	80.0%	
Target			87%	87%	87%	87%	87%
RAG Rating	Amber	Green	Red	Red	Red	Red	
Nat. Ave.	95%	95%	93%				

Commentary

Performance has improved slightly from the figure reported in September but remains well below the target. We have reviewed SEN systems, staff deployment and training across area teams and have identified variations between area and district performance, particularly Ashford, Dover and Sevenoaks. We have recognised the need to strengthen Finance and Data functions across all 3 areas as well as ensuring CPD targeting improvements is contained within the Business Plan 2013 priorities.

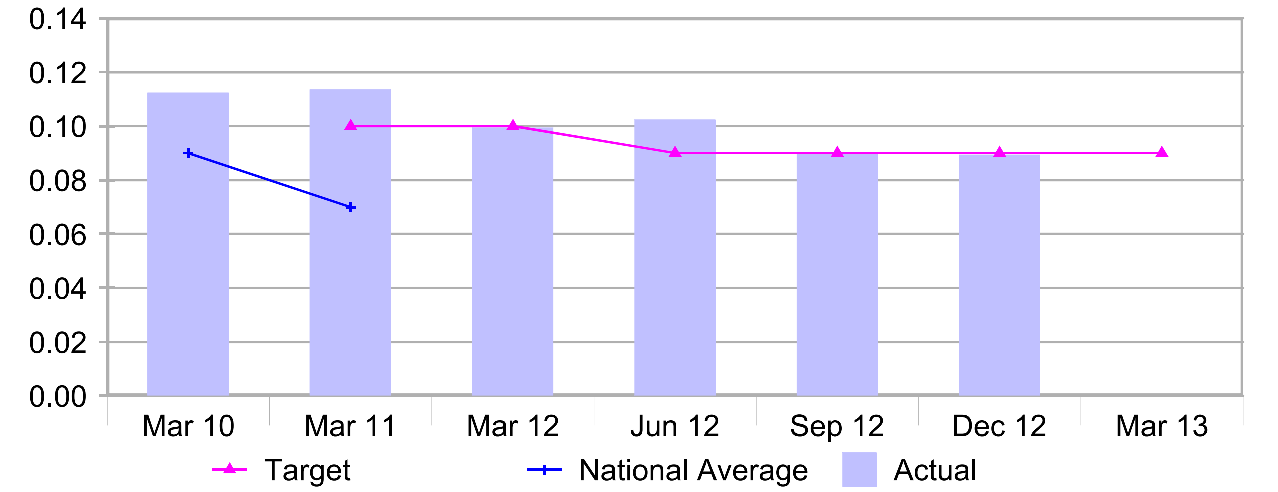
Analysis at draft Statement stage pinpoints the late receipt of medical advice as a root cause. Medical advice is provided through 9 Consultant Community Paediatricians (4 Provider Trusts) undertaking the Designated Medical Officer (DMO) role. East Kent Hospital Trust (EKHT) responded that they have been reviewing child health pathways and plan to introduce a booking system. The DMO for Kent Community Health Trust (KCHT) reported ‘severe medical staff shortage’ as the cause of their delay. EKHT advised that Speech & Language Therapy advice for their area is provided by Kent Community Trust (KCT), not through the DMO. We have raised our concerns about access to speech & language therapy with KCHT. Their Assistant Director advised that they are operating with 2 FTE vacancies and this had been drawn to the attention of 2 GP led West Kent Clinical Commissioning Groups in an attempt to influence their commissioning plans.

From April 2013, the Health & Well Being Board, which is currently operating in a shadow format will have a robust position with regard to influencing commissioning plans as it accepts the responsibilities of the Health & Social Care Act 2012. (Childrens’ Trust Board statutory requirements will be repealed).

Some delay relates to the pressure on school places. We are moving forward with plans to increase the capacity of our mainstream and special schools to reduce delay arising from placement pressure.
Data Notes
Tolerance: Higher values are better Results are reported as rolling 12 month Definition is as per previous National Indicator NI103a. Exception to the rules are circumstances set out in the appropriate legislation where specific timescales within the SEN assessment process need not be followed. Data Source: KCC Impulse database

Percentage of pupils permanently excluded from maintained schools and academies

GREEN ⇔



Trend Data – quarter end	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	0.11%	0.11%	0.10%	0.10%	0.09%	0.09%	
Target		0.10%	0.10%	0.09%	0.09%	0.09%	0.09%
RAG Rating	Green	Amber	Green	Amber	Green	Green	
Nat. Ave.	0.09%	0.07%					
Number of children	238	240	213	219	193	191	

Commentary

The latest figure for the rate of permanent exclusions is 0.09%, the same as the previous quarter, but an actual reduction in numbers. This meets the target of 0.09%. This equates to 191 permanent exclusions in the last 12 months, the second quarter in a row that this figure has been below 200.

The national data for exclusions is collected in January following an academic year and published in July. Data for academic year 2011/12 will therefore not be available until July 2013.

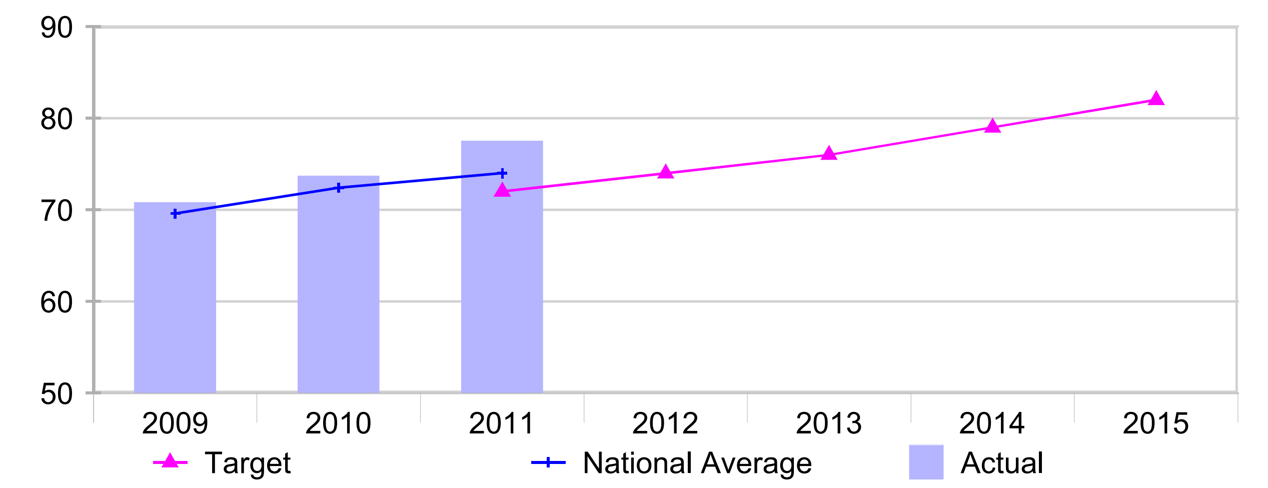
Data Notes

Tolerance: Lower values are better
Data is reported as rolling 12 month total. Data includes pupils in maintained schools and academies.National averages are based on full academic year result and not financial year.

Data Source: Impulse database

Success rates for apprenticeships for 18-24 year olds

GREEN ⇧



Trend Data – annual	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Actual	70.8%	73.7%	77.5%				
Target			72%	74%	76%	79%	82%
RAG Rating		GREEN	GREEN				
National	69.6%	72.4%	74.0%	73.1%			

Commentary

Apprenticeships are paid jobs that incorporate on and off-the-job training leading to nationally recognised qualifications. As an employee, apprentices earn as they learn and gain practical skills in the workplace.

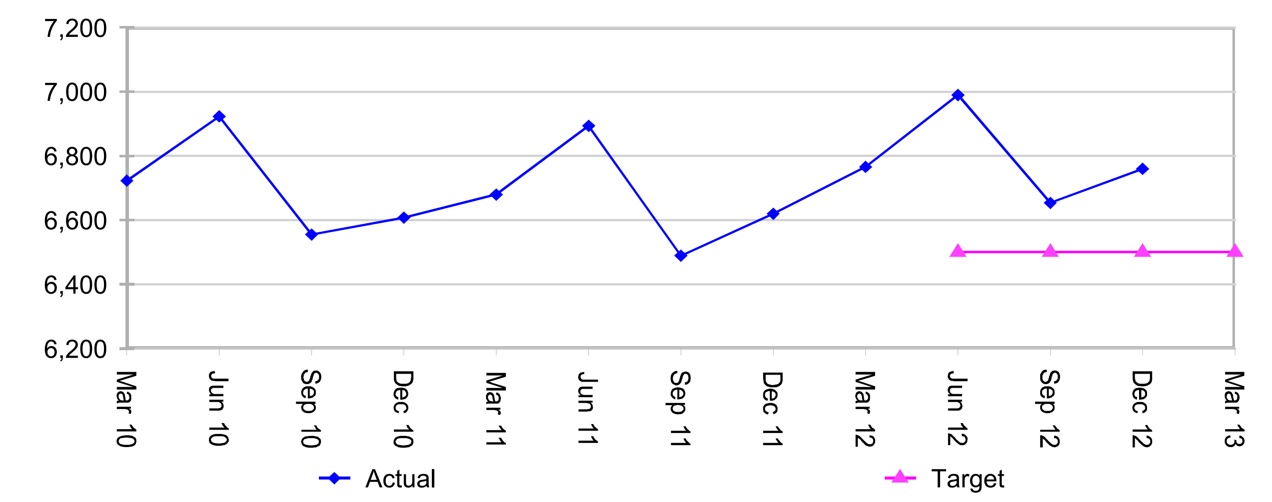
An Apprenticeship framework contains the following separately certified elements.
• A knowledge-based element (the theoretical knowledge underpinning a job in a certain occupation and industry, typically certified via a Technical Certificate).
• A competence-based element (the ability to discharge the functions of a certain occupation, typically certified via work-based assessed national vocational qualifications - NVQs).
• Transferable skills (literacy and numeracy) - key skills / functional skills.
• A module on employment rights and responsibilities.

Data Notes

Tolerance: Higher values are better
Data Source: National Apprenticeship Service

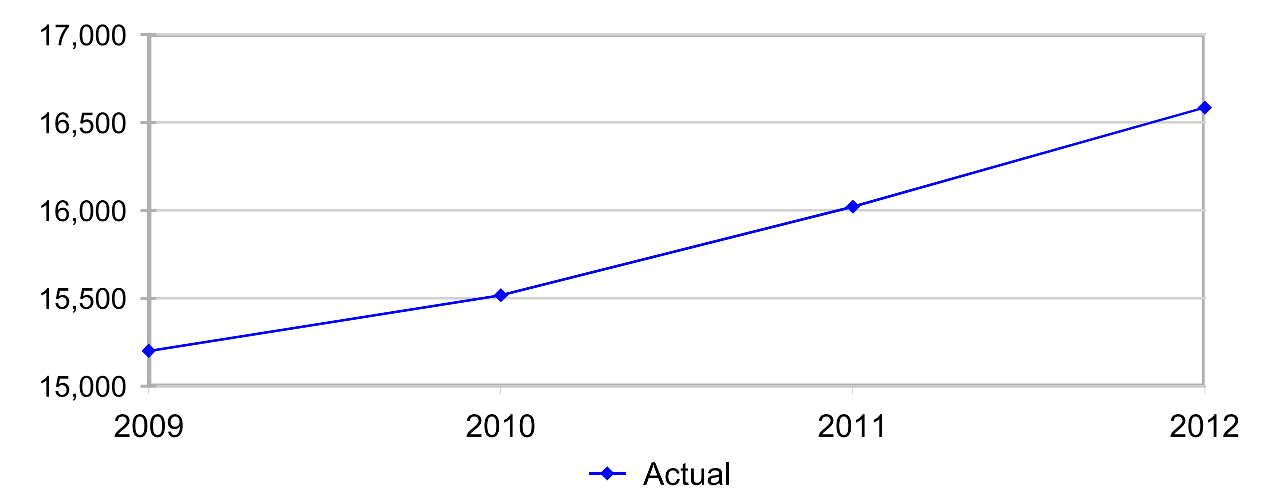
Education, Learning and Skills - Lead indicators

Number of children in Kent with SEN Statements



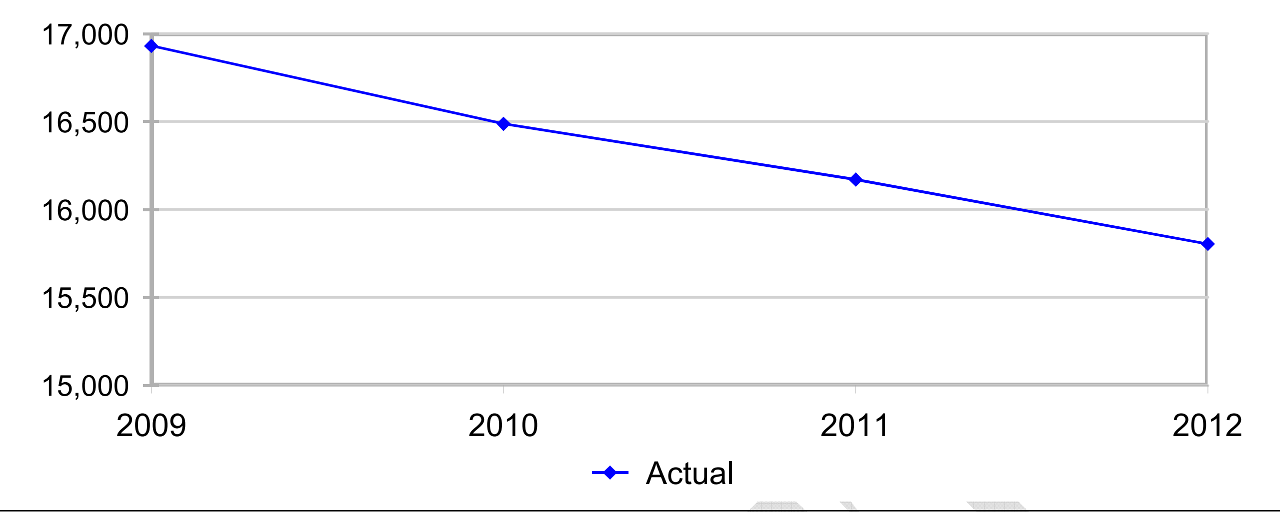
The number of children with **statements of SEN** in Kent schools shows a seasonal pattern over the academic year. At the end of December there were 6,760 pupils with statements, which is a 2% increase on the same time last year.

Number of pupils in Reception year (Kent state funded schools)



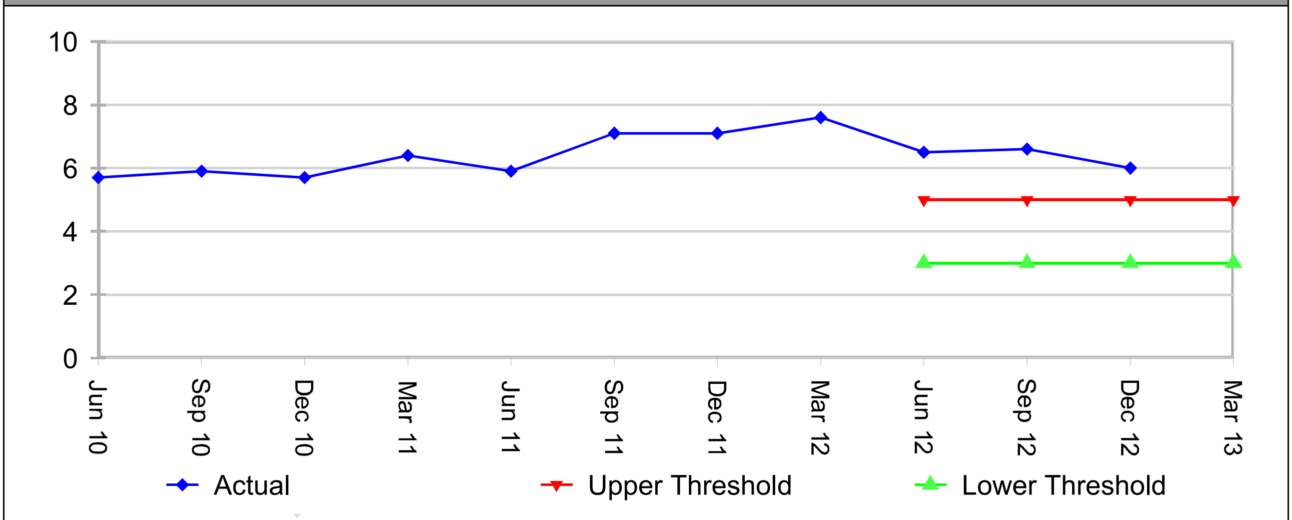
The **number of Reception Year pupils** starting their primary education within Kent schools has been on a steady increase over the last five years, with the January 2012 pupil census count being 16,585, which is a 9% increase on the count of 3 years ago. Overall primary school pupil numbers have increased 2.4% over the same time period.

Number of pupils in Year 7 (Kent state funded schools)



The **number of Year 7 pupils** starting their secondary education within Kent schools has been showing a steady decrease over the last few years, with the January 2012 pupil census count being 15,804, which is a 7% decrease on the count of 3 years ago. Overall secondary school pupil numbers have decreased by 1.9% over the same time period.
The trend for decreasing numbers entering secondary education is likely to come to a halt after next year, as the Year 6 year-group is currently the smallest cohort at a count of 15,006. After next year the trend in pupil numbers entering secondary education will follow the increasing trend currently being seen in Reception year.

Percentage of young people aged 18 to 24 claiming JSA



The percentage **of young people aged 18 to 24 claiming Job Seekers Allowance** is lower this quarter (at 6.5%), compared to the recent high peaks seen in previous quarters (7.4% to 7.9%). However the rate remains significantly above pre-recession levels, and we wish to see youth unemployment levels return to historic levels of around 4%.

Integrated Youth Service

Bold Steps Priority/Core Service Area	Better target youth service provision at those most at risk of falling into offending behaviour
Cabinet Member	Mike Hill
Portfolio	Customer and Communities
Director	Angela Slaven
Directorate	Customer and Communities

Key Activity and Risks

The actions being taken to reduce the number of young people turning to crime include:

- the integration of the Youth Inclusion Support Panel (YISP) staff into the three locality based teams of the Youth Offending Service (YOS) – this step enables the targeting of siblings of known offenders whose risk of offending is exacerbated as a result of having someone older than themselves in their families involved in offending / anti social behaviour
- the YISP staff are maintaining joint working arrangements with Kent Police to offer support to their Restorative Justice initiatives. These are now available countywide and are designed to divert children and young people from the youth justice system, while enabling access to services appropriate to their needs
- the triage process being provided by YISP staff in support of Kent Police when diverting children and young people who have come to attention from formal youth justice disposals. The process enables YISP staff, in consultation with partners, to identify those most at risk and to access and provide the services relevant to their needs
- plans for Youth Workers and the network of services being co-ordinated by the Kent Integrated Adolescent Support Service (KIASS) to work alongside the YISP staff to strengthen the preventative arm of the Service by increasing and co-ordinating the available resources – a pilot has been initiated in Ashford
- restorative justice processes which bring together those harmed by crime or conflict, and those responsible for the harm, to enable everyone affected by a particular incident to play a part in a healing and a reparative process. Research on adult offenders is indicating the effectiveness of these approaches to reducing the likelihood of further offending
- the intention to work with the recently elected Police and Crime Commissioner and the planned Youth Commissioner to meet the objective included in “The Kent Police & Crime Plan (April 2013 - March 2017):

  “Tackle youth crime and youth victimisation - introduce a Youth Commissioner to provide a greater voice for the concerns of young people. They will work with the police and partners to implement better strategies for addressing crimes committed by, and against young people”.

A key risk is concerned with young people’s engagement in education, training and employment. It is a significant factor in reducing the risk of offending. However the current economic climate and higher levels of youth unemployment in the county brings a risk that some of the 16-17 age groups could become demoralised and as a result more vulnerable to offending if other risk factors are also in place (e.g. poor family support).

Performance Indicators

The numbers of first time youth offenders in Kent continues to reduce. In recent years this has been both a local and a national trend.

Data for the current year is provisional and the quarter 3 figure is known to be understated due to some data transfer issues between the Police and the Youth Offending Service. This problem recurs each Quarter as there are late notifications from the Police due to cases being processed at the end of each reporting period.

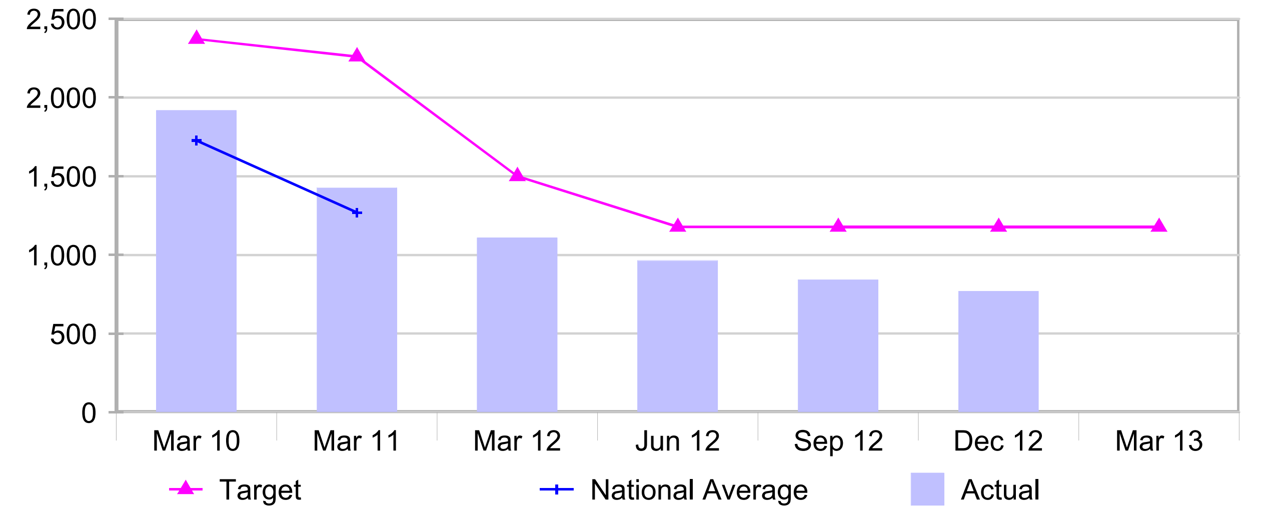
The interventions provided by the YISP staff are proving effective in diverting those known to them from offending. Of the 200 who received a service from YISP between July 2010 and June 2011 only 21.5% offended in the twelve months following the close of their intervention. It is expected that with the greater involvement of youth work staff in the delivery of interventions their impact will increase in effectiveness. The roles of the District based centres of excellence and the detached projects, coupled with the services which have been commissioned will, if targeted effectively, have a positive effect on the life opportunities

The restorative justice clinics, which are now managed countywide by Kent Police, provide a process for holding children and young people accountable for their behaviour while enabling them not to acquire a criminal record and to move on in a positive way from the experience.

The establishing of the Kent Integrated Adolescent Support Service (KIASS), which shares with IYS the target to reduce the numbers entering the youth justice system for the first time, is a positive development. KIASS will be targeting a similar population to the YISPs and should enhance the likelihood of services being matched accurately to the needs of children and young people at risk of offending, so reducing that risk.

Number of first time entrants to the youth justice system – rolling 12 month totals

GREEN ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	1,918	1,428	1,108	965	842	770	
Target	2,372	2,325	1,500	1,178	1,178	1,178	1,178
RAG Rating	Green	Green	Green	Green	Green	Green	
Nat Ave	1,727	1,269					

Commentary

The downward trend in the numbers of children and young people entering the youth justice system has been sustained.

The rolling twelve month figure (provisional for Quarter 3), when compared with the figure for the year ending March 2012, showed a percentage fall of 30.5%.

Data Notes

Tolerance: Lower values are better
Data is reported as rolling 12 month total. The national average shown is a pro-rata conversion of a per 100,000 population rate

Data Source: Careworks case management system for local data. Ministry of Justice for national average.

Adult Social Care

Bold Steps Priority/Core Service Area	Empower social service users through increased use of personal budgets
Cabinet Member	Graham Gibbens
Portfolio	Adult Social Care and Public Health
Corporate Director	Andrew Ireland
Divisions	Older People and Physical Disability Learning Disability and Mental Health

Performance Indicator Summary

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of clients who receive a personal budget and/or a direct payment	GREEN	GREEN	⇧
Number of clients receiving a telecare service	GREEN	GREEN	⇧
Number of clients provided with an enablement service	RED	RED	⇧
Percentage of assessments completed within six weeks	GREEN	GREEN	⇩
Percentage of clients satisfied that desired outcomes have been achieved	AMBER	AMBER	⇔

Adult Social Care Transformation Programme Update

Since the adult social care transformation blueprint and plan was agreed by Kent County Council in May 2012, a significant amount of work has been completed to fully understand the many elements of Kent adult social care business and how transforming one element could impact others.

During October 2012, Newton Europe (efficiency specialists) carried out a diagnostic on Kent adult social care. The two main aims of the diagnostic were:

1) to identify how Kent adult social care can provide better outcomes for the people of Kent through the transformation of services;

2) to identify areas where improved efficiency can provide even better value for money in adult social care spend.

Newton Europe worked closely with staff across the whole County and social care system to evaluate the way we assess, commission, procure and deliver care and support.

Some of the findings of the diagnostic are:

- A greater number of people could be supported to be more independent through short term, intensive services such as the Kent Enablement Service and a broader range of telecare equipment. These services support people to increase their ability to self care and reduce the amount of on-going support they require. Benefits include: the individual having a better quality of life; family members feeling more assured about their family member's safety; being able to reduce financial contributions towards the costs of on-going care and support for both KCC and the individual (where they contribute).

- Whilst our Kent adult social care workforce works very hard, some of our working time is not as productive as it could be. This is due to complex processes, excessive paperwork and burdensome systems. We will review all these issues to enable us to complete work more efficiently, reduce frustrations felt by staff and clients, improve our speed of response and ultimately reduce costs.

- The very large number of providers we have contracts with in Kent makes it difficult for us to communicate with and work closely with all our providers. We will seek ways to work more efficiently, react more responsively to the changing needs of our clients and be able to commission and procure key services more effectively.

During October and November 2012, Commissioning Managers in the newly formed Strategic Commissioning Unit developed proposals for social care activities which assist prompt hospital discharge and avoid unnecessary hospital admission. These projects will be funded from time limited funding given to all adult social care departments in England, via the NHS. These proposals have been discussed with Clinical Commissioning Groups.

Projects include homecare providers being able to flex support packages quickly if an individual's care needs increase; employing more staff to provide enablement; additional support for carers; support to community groups to develop community based activities which prevent social isolation; support to help people with a learning disability become more independent; a fast response falls service and targeted services to prevent those most at risk of falling.

Adult Social Care

Performance Indicators

The percentage of clients with a **personal budget and/or a direct payment** has improved this quarter and is rated Green. Local targets for this year have been revised downwards since the last report following the recent announcement that the national target for the year has been revised from 100% to 70%. It is now accepted that personal budgets are not appropriate for all people in receipt of short term community based social care support or provision of fast-track equipment.

The number of clients with **telecare** continues to increase and is ahead of target. However, the Directorate will monitor the types of equipment being provided to ensure that people are benefiting from the more sophisticated equipment, as well as the basic types, such as smoke alarms.

The number of clients receiving an **enablement service** has increased this quarter although performance is behind target. Work is being undertaken to identify the causes for this. Impacting factors include an increase in other types of service provision such as telecare and intermediate care, which are enabling services themselves and may be reducing the need for a formal enablement service. In the short term, actions to improve the use of enablement include:

- Work is underway to increase the capacity of the enablement service.
- There is more work underway in hospitals to help support people return home through enablement.

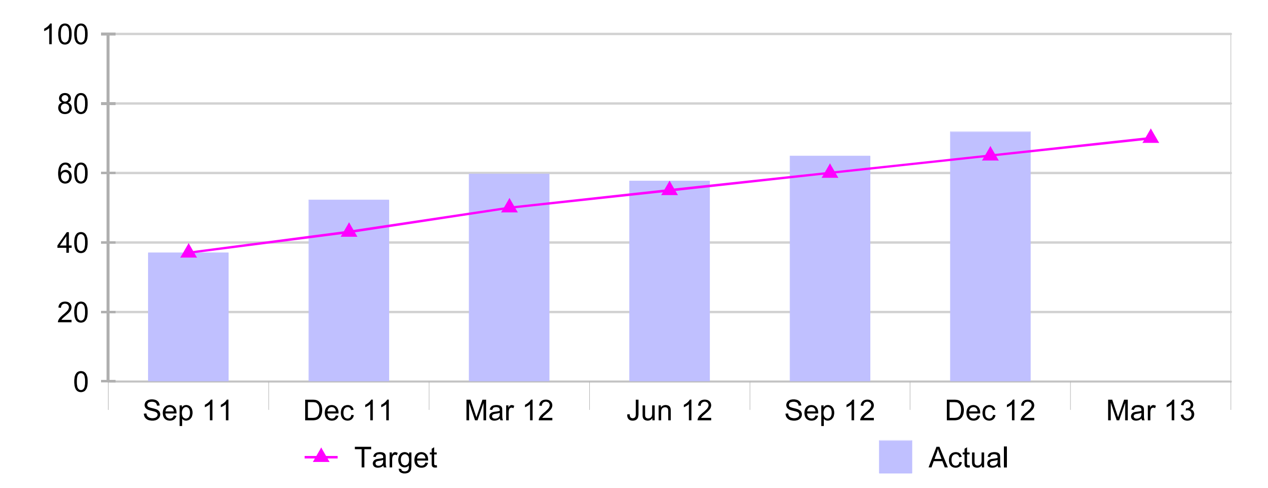
It may be beneficial to widen this indicator to include all enabling based services.

The percentage of **assessments completed within six weeks** continues to be ahead of target.

The percentage of **clients satisfied** that desired outcomes have been achieved at their first review was slightly behind target for the quarter but only by a very small margin.

Percentage of clients with community based services who receive a personal budget and/or a direct payment

GREEN ⇧



Trend Data – quarter end	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	37.0%	52.2%	59.7%	57.7%	64.9%	71.9%	
Target	37%	43%	50%	55%	60%	65%	70%
RAG Rating	Green	Green	Green	Green	Green	Green	
Clients	8,892	10,079	11,416	10,253	10,612	11,732	

Commentary

Performance for the quarter is ahead of target and shows an improvement on last quarter.

Since the last report, local targets have been revised in line with the revision to the national target. The year-end target has reduced from 100% to 70%. The revision to the national target was based on feedback from councils which highlighted that not all people are eligible or suitable for receiving a personal budget. For example, people who receive enablement services and return home with no further on-going support will not require a personal budget.

The approach to increasing personal budgets continues to focus on ensuring that all new clients are allocated a personal budget, that existing clients are allocated a personal budget at review and that the allocation of a personal budget ensures the individual has choice and control over their support.

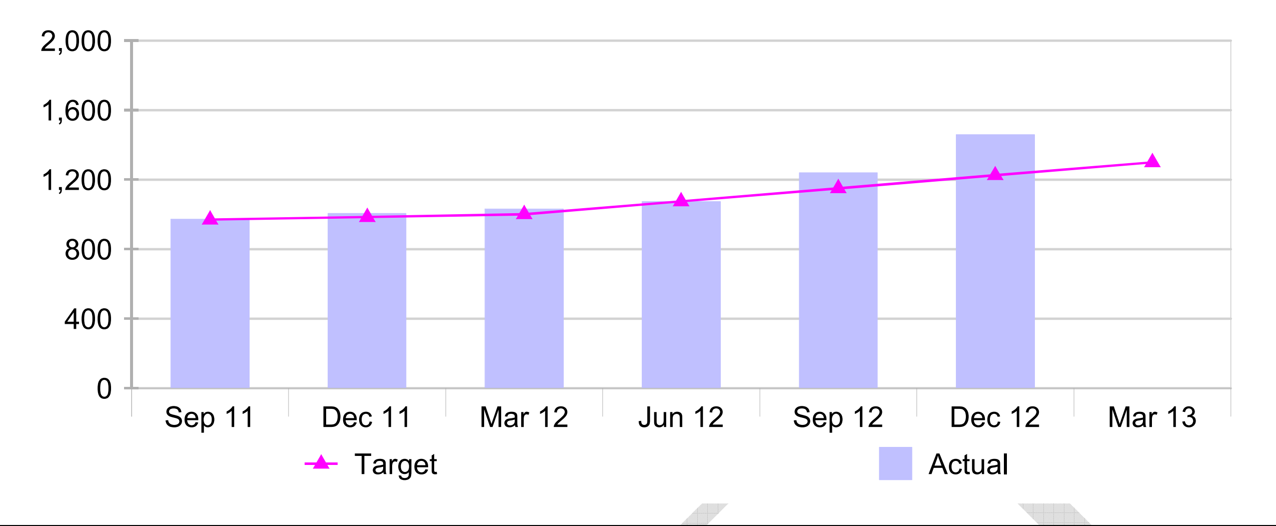
Data Notes

Tolerance: Higher values are better.
Data is reported as the snapshot position of current clients at the quarter end.
This indicator uses a different definition from the national indicator, which is measured for all clients with a service during the year, including carers.

Data Source: Adult Social Care Swift client system

Number of clients receiving a telecare service

GREEN ⇧



Trend Data –quarter end	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	973	1,006	1,032	1,074	1,240	1,460	
Target	970	985	1,000	1,075	1,150	1,225	1,300
RAG Rating	Green	Green	Green	Amber	Green	Green	

Commentary

The number of people in receipt of a telecare service has exceeded the quarter 3 target.

Telecare is now a mainstream service and is being promoted as a key mechanism for supporting people to live independently at home. This includes promoting telecare through the hospitals and also to support people after a period of enablement.

The availability of new monitoring devices (for dementia for instance) is expected to increase the usage and benefits of Telecare. In addition, the provision of Telecare can now be included within Personal Budgets, where appropriate. It is critical that awareness training continues to be delivered to staff to ensure we optimise the opportunities for supporting people with more complex and enabling teletechnology solutions.

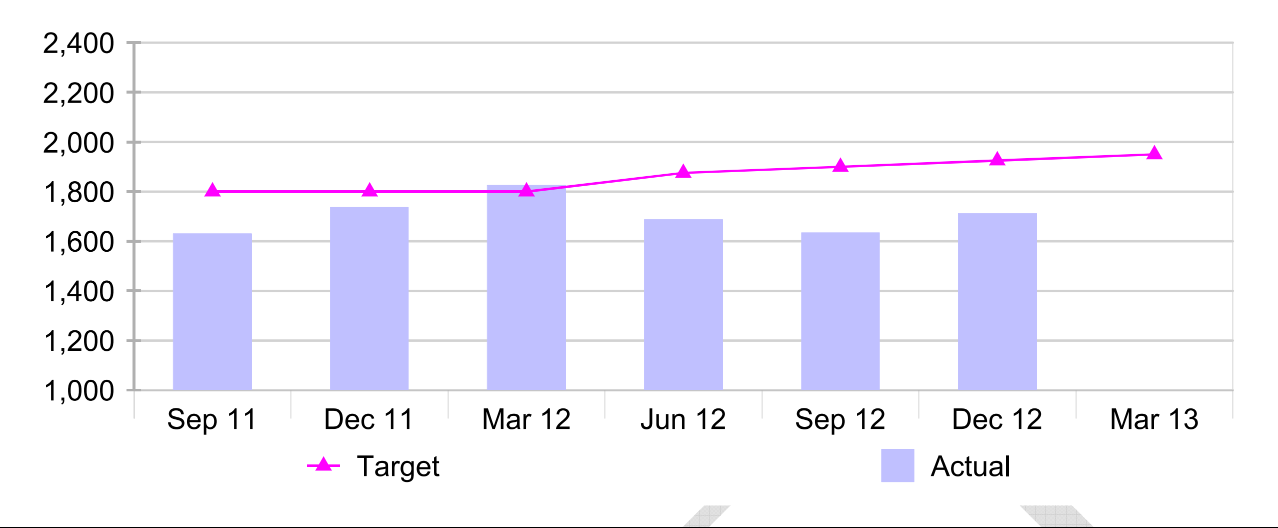
Data Notes

Tolerance: Higher values are better.
Data is reported as the position at the end of the quarter.
No comparative data from other local authorities is currently available for this indicator.

Data Source: Adult Social Care Swift client system

Number of clients provided with an enablement service

RED ⇧



Trend Data – by quarter	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	1,631	1,736	1,826	1,687	1,634	1,712	
Target	1,800	1,800	1,800	1,875	1,900	1,925	1,950
RAG Rating	Amber	Amber	Green	Amber	Red	Red	

Commentary

The number of clients receiving an enablement service increased this quarter but performance remains significantly behind target.

In the short term, actions to improve the use of enablement include:

- Work is underway to increase the capacity of the enablement service.
- There is more work underway in hospitals to help support people return home through enablement.
- Research into the availability of enablement places is being undertaken, together, with an analysis of reasons for placements being refused, so that appropriate actions can be put in place.

It is also apparent that other enabling type services such as intermediate care, telecare and the short term beds strategy may be reducing the need for standard enablement services. A mapping of all of these services will be undertaken to determine the impact of these interdependencies and the findings of this work will be reported in due course.
It may be beneficial to widen this indicator to include all enabling based services

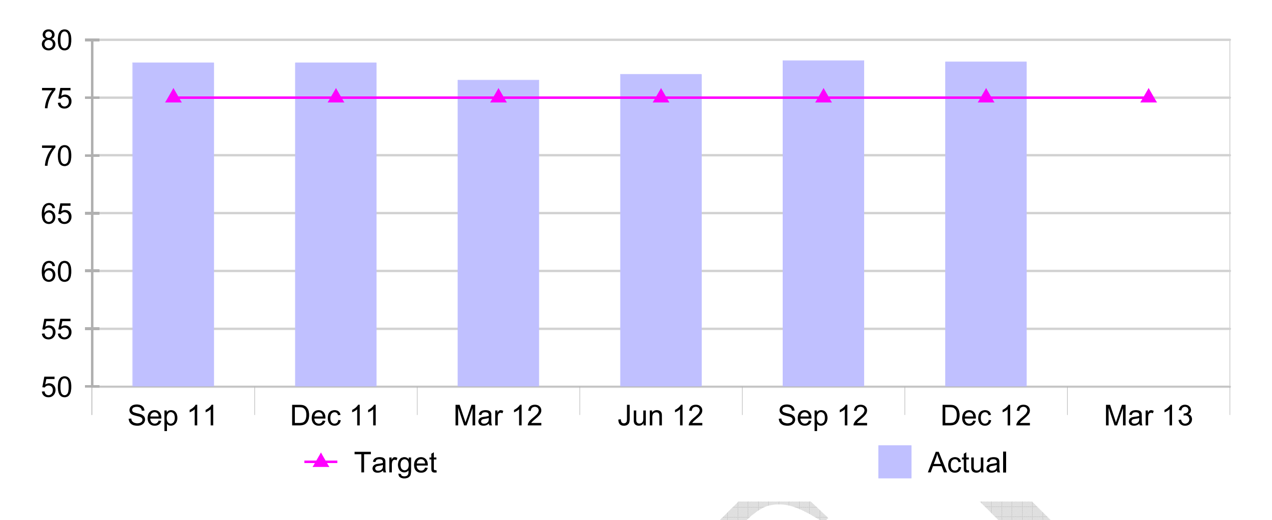
Data Notes

Tolerance: Higher values are better
Data is reported as the number of new clients accessing the service during the quarter.

Data Source: Adult Social Care Swift client system

Percentage of assessments completed within six weeks

GREEN ⇩



Trend Data – by quarter	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	78%	78%	76.5%	77%	78.2%	78.1%	
Target	75%	75%	75%	75%	75%	75%	75%
RAG Rating	Green	Green	Green	Green	Green	Green	

Commentary

Performance for the most recent quarter was ahead of target.

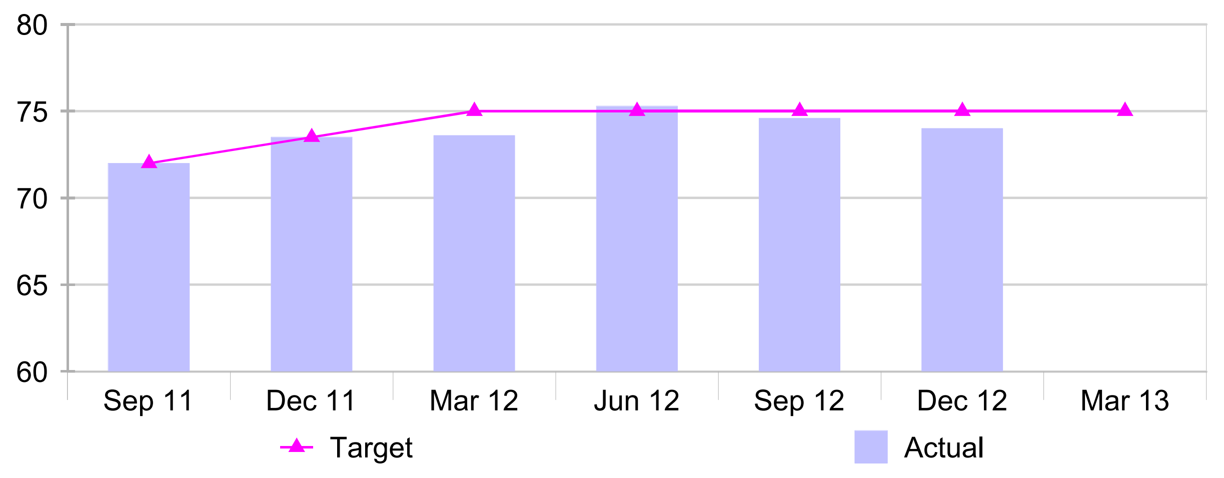
This indicator serves to ensure that we have the right balance between ensuring enablement is delivered effectively and ensuring the whole assessment process is timely. Therefore 75% of assessments are expected to be within 6 weeks, helping to ensure people do not spend too much time in an enablement service, or are not pushed through the assessment process too quickly.

Data Notes

Tolerance: Higher values are better
Data is reported as the number of new clients accessing the service during the quarter.

Data Source: Adult Social Care Swift client system

Percentage of clients who are satisfied that desired outcomes have been achieved at their first review	AMBER ⇔



Trend Data – by quarter	Previous Year			Current Financial Year			
	Sep 11	Dec 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	72%	73.5%	73.6%	75.3%	74 %	74%	
Target	72%	73.5%	75%	75%	75%	75%	75%
RAG Rating	Green	Green	Amber	Green	Amber	Amber	

Commentary

The percentage of outcomes achieved was slightly behind target for the most recent quarter. The reasons for this are being investigated.

People's needs and outcomes are identified at assessment and then updated at review, in terms of achievement and satisfaction.

The information collected through this indicator is being used to support the development and commissioning of services to ensure they meet the needs of individuals.

Data Notes

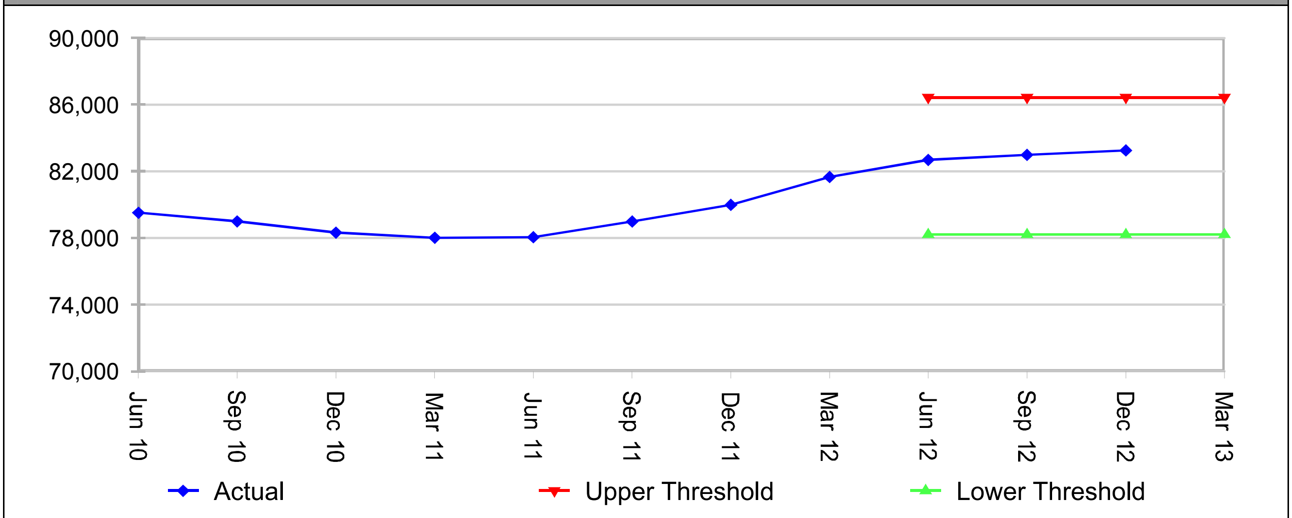
Tolerance: Higher values are better
Data is reported as percentage for each quarter.

Data Source: Adult Social Care Swift client system

Adult Social Care – Lead Indicators

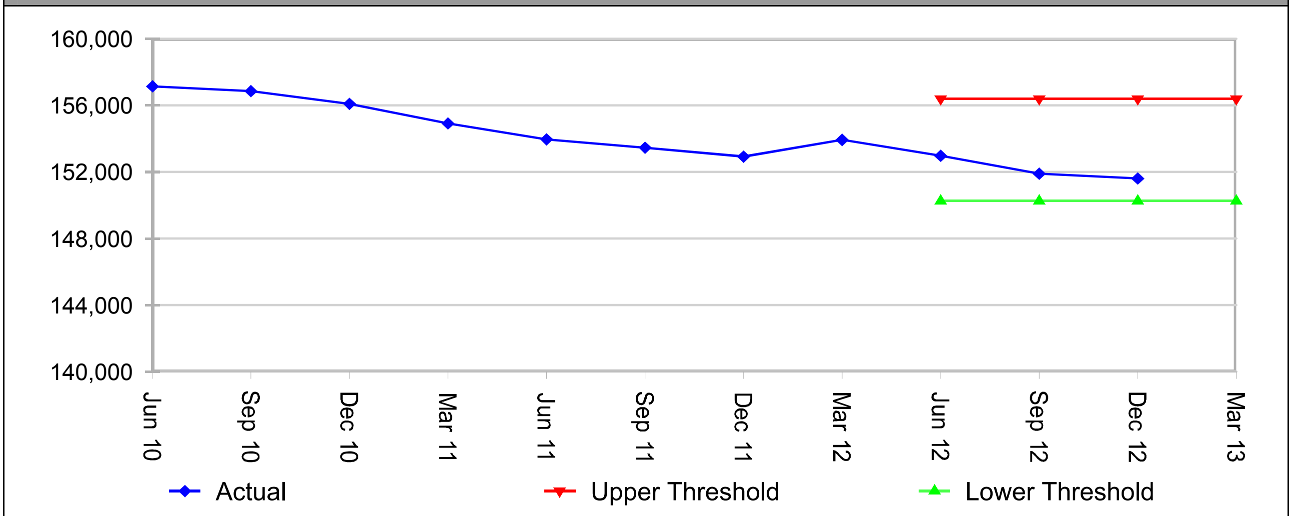
All Lead Indicators for Adult Social Care are currently within the expected ranges. The expected range is based on the affordable level set in the financial budget. More detail on these indicators can be found within the Council's financial monitoring reports.

Weeks of nursing care for older people (rolling 12 month)



The number of **weeks of nursing care for older people** has been increasing in recent quarters and is now just over 83,000 for the last 12 month period. The forecast for the current financial year remains at 84,000.

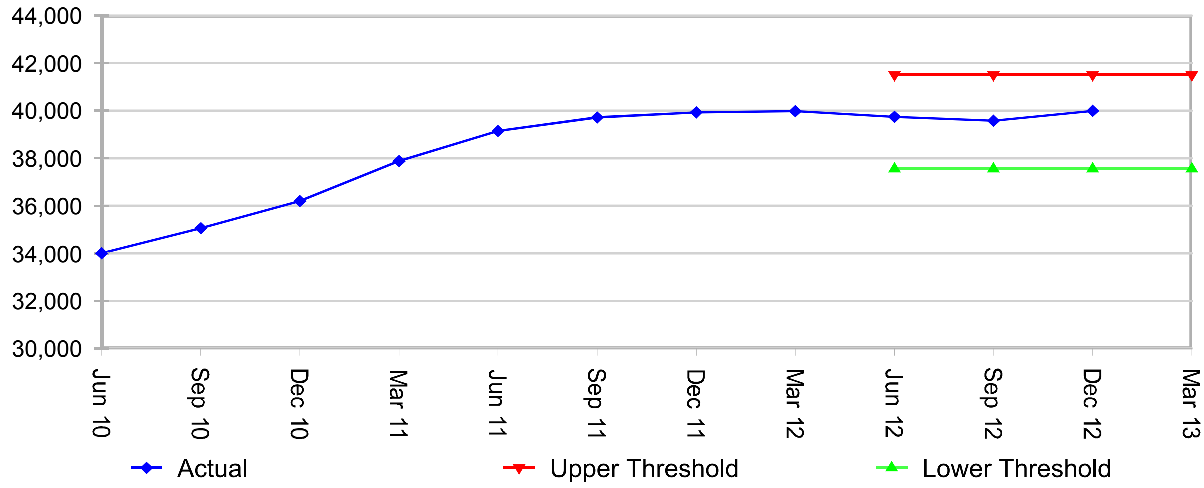
Weeks of residential care for older people (rolling 12 month)



The number of **weeks of residential care for older people** purchased externally has been reducing over time and was just over 151,500 in the last 12 months. The forecast for the full financial year is that this will reduce to about 150,000.

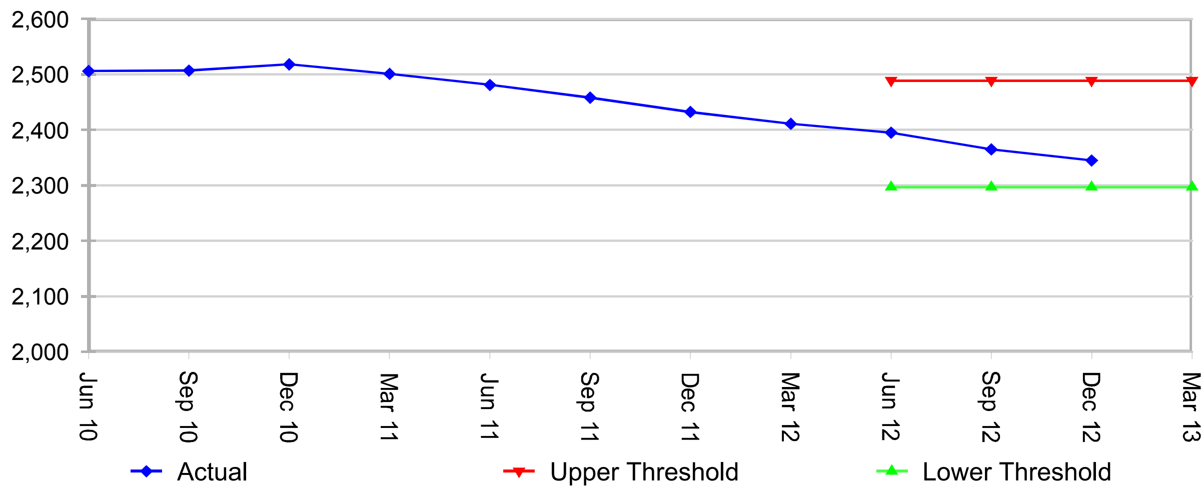
Adult Social Care – Lead Indicators

Weeks of residential care for learning disability (rolling 12 month)

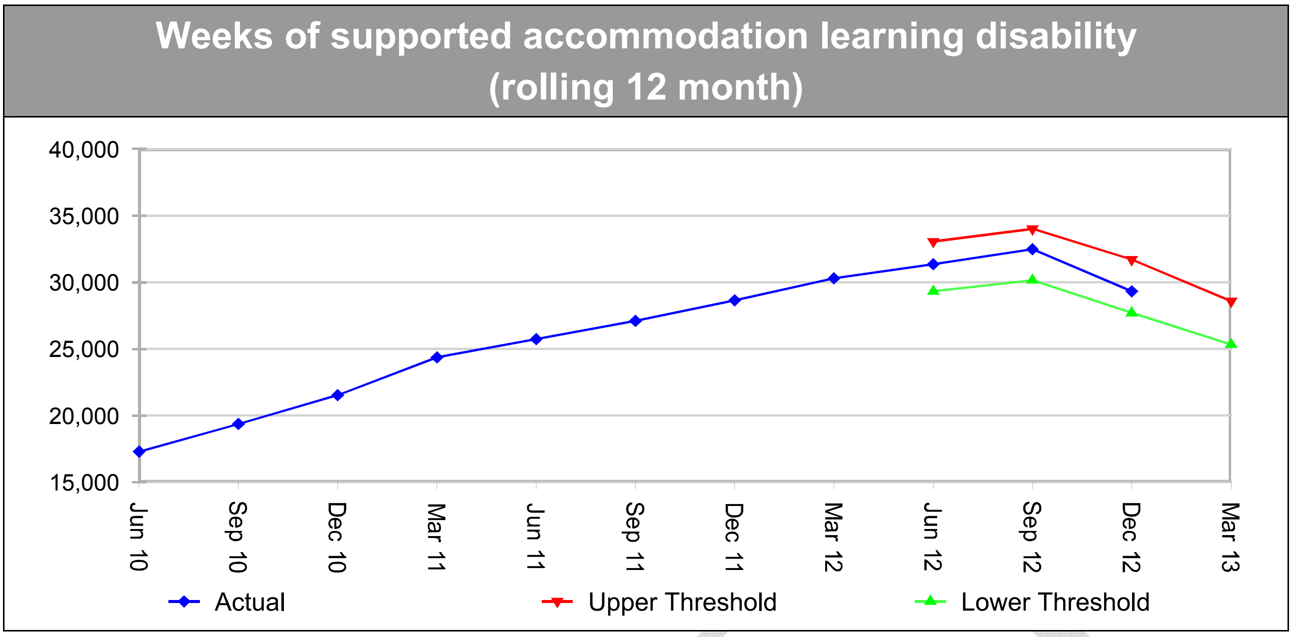


The number of weeks **of residential care for clients with learning disability** after showing an increase during 2011 has levelled out during 2012 and the number of weeks is expected to remain close to 40,000 for this financial year.

1,000's of hours domiciliary care for older people (rolling 12 month)



The number of **hours of domiciliary care** provided for older people has been reducing each quarter for the last two years. The forecast for the current financial year is that the numbers of weeks will be close to 2,324,000.



The number of weeks of **supported accommodation** provided for clients with learning disability increased rapidly up to October 2012. From October 2012 a significant number of these clients have transferred to the new Supporting Independence Service and as a result the weeks of supported accommodation have been reducing.

A new and more appropriate indicator will need to be agreed for the Council Budget Monitoring report which will then be replicated in this report.

Highways & Transportation

Bold Steps Priority/Core Service Area	Highways
Cabinet Member	Bryan Sweetland
Portfolio	Environment, Highways & Waste
Director	John Burr
Division	Highways & Transportation

Performance Indicator Summary

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of routine highway repairs completed within 28 days	GREEN	GREEN	⇩
Average number of days to repair potholes	GREEN	GREEN	⇩
Percentage of satisfied callers for Kent Highways 100 call back survey	GREEN	AMBER	⇩

Business Plan progress

The division has made good progress against all business plan objectives so far this year including the delivery in this period of:

- Approval of the soft landscape procurement policy following the make, buy, sell review and Strategic Commissioning and Procurement Board in September 2012.
- Improvements to the management of Section 106 highway contributions and scheme delivery to ensure that the contributions negotiated from Developers for highway works mitigate as much as possible the impact of private developments on the highway network.
- Improvements to the KCC website for high demand enquiry services such as Soft Landscapes, Drainage and Streetlighting to allow customers the ability to self serve and to support Contact Point in answering queries at first point. This work is on-going as H&T liaise closely with Contact Point to meet the high demand elements generated from customer enquiry requests.
- Commencing the wider communication process and planning for the streetlight energy saving projects.

Good progress is being made with the remaining projects to be delivered by the end of March 2013 including the preparation of the Kent Lane Rental Scheme and the new soft landscape contracts for grass cutting and weed treatment, ready for April 2013.

Highways & Transportation

Performance Indicators

Performance for completing **routine repairs within 28 days** was 95.7% for the third quarter of the year and remains above target.

The average number of days to complete a **pothole repair** continues to be well within standard at 12.6 days.

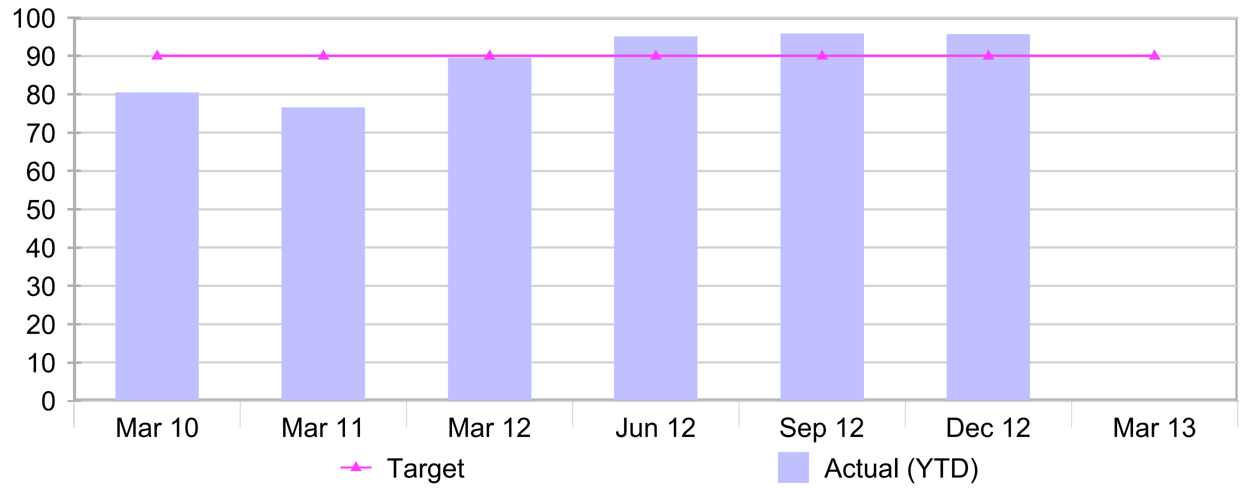
Customer satisfaction as measured through our 100 call back survey has dipped slightly below standard to 71.7% (our standard is 75%). The two key issues identified from the surveys are:

- Our change in approach to the programmed cleansing of all gullies in a road (we no longer respond to individual customer blocked gully requests unless there is a risk to property or safe highway use)
- The rise in pothole numbers and our prioritisation of high risk repairs at the expense of routine repairs that do not meet our intervention levels.

Further communication is planned to better explain our programmed cleansing approach, including a clear map of Kent to show when the gully suckers are due to arrive. We are also closely monitoring the impact of the winter weather on pothole numbers and ensuring that we put in place additional measures to fund and deliver extra works if/when necessary. This includes a new "Find and Fix" programme to tackle the increase in seasonal weather damage to Kent roads.

Percentage of routine highway repairs completed within 28 days

GREEN ⇩



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	80.5%	76.5%	89.5%	95.1%	95.8%	95.7%	
Target	90%	90%	90%	90%	90%	90%	90%
RAG Rating	Amber	Red	Amber	Green	Green	Green	
Jobs	44,065	67,012	61,248	6,486	14,632	22,396	

Commentary

As for the previous quarter, this part of the year has been dominated by more wet weather and the consequent rain and flooding related enquiries that came with it. Although lighting enquiries increased as the daylight hours reduced, we experienced slightly fewer enquiries in total than for the last quarter. Overall, the number of enquiries for each quarter this year has not varied dramatically, which has helped us to maintain consistently good service levels. We have also improved our performance compared to the same period last year, when we were achieving 90% and just meeting our target level.

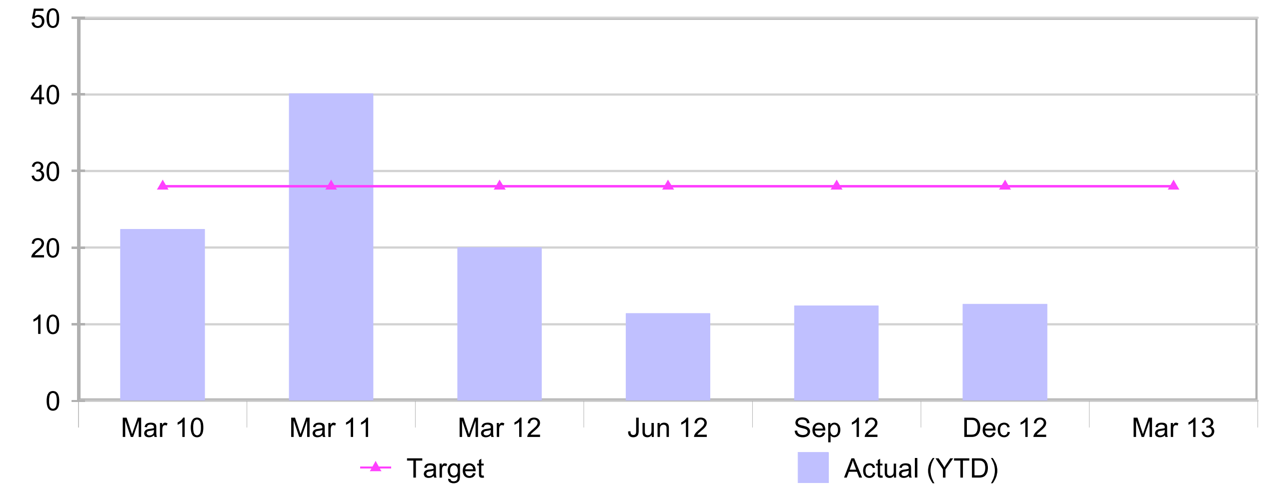
Data Notes

Tolerance: Higher values are better
Data is reported as year to date figures
The indicator includes requests for repairs made by the public but not those identified by highway inspectors.

Data Source: KCC IT system (WAMS)

Average number of days to repair potholes

GREEN ⇩



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	22.4	40.1	20.0	11.4	12.4	12.6	
Target	28	28	28	28	28	28	28
RAG Rating	Green	Red	Green	Green	Green	Green	
Jobs	17,217	25,495	11,645	2,501	4,568	7,299	

Commentary

The extremely wet weather experienced through much of the second half of 2012 has had an impact on road and footway conditions, accelerating damage to some of the older surfaces. Alongside the onset of freezing conditions, there has been an inevitable increase in pothole numbers.

Overall numbers are still significantly low compared to previous years and by increasing contractor resource to meet growing demand, we have maintained an excellent average repair time of less than 13 days.

We are also ready to implement a further "Find and Fix" programme through our term maintenance contractor to tackle the increase in weather damage to Kent roads in order to maintain our high standards of service through the final quarter of the year.

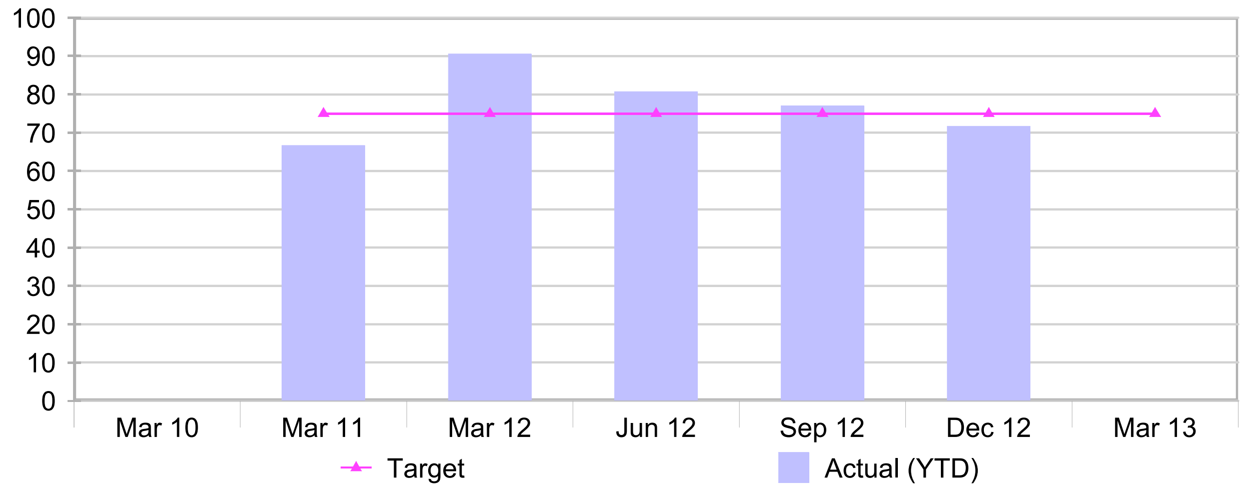
Data Notes

Tolerance: Lower values are better
Data is reported as year to date figures.
The indicator looks at both requests for pothole repairs made by the public and those identified by highway stewards and inspectors.
Year Mar 10 only includes data from Sept 09 and not April 09.

Data Source: KCC IT systems (WAMS)

Percentage of satisfied callers for Kent Highways and Transportation 100 call back survey

AMBER ⇩



Trend Data – year to date	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual		66.7%	90.6%	80.7%	77.0%	71.7%	
Target		75%	75%	75%	75%	75%	75%
RAG Rating		Amber	Green	Green	Green	Amber	

Commentary

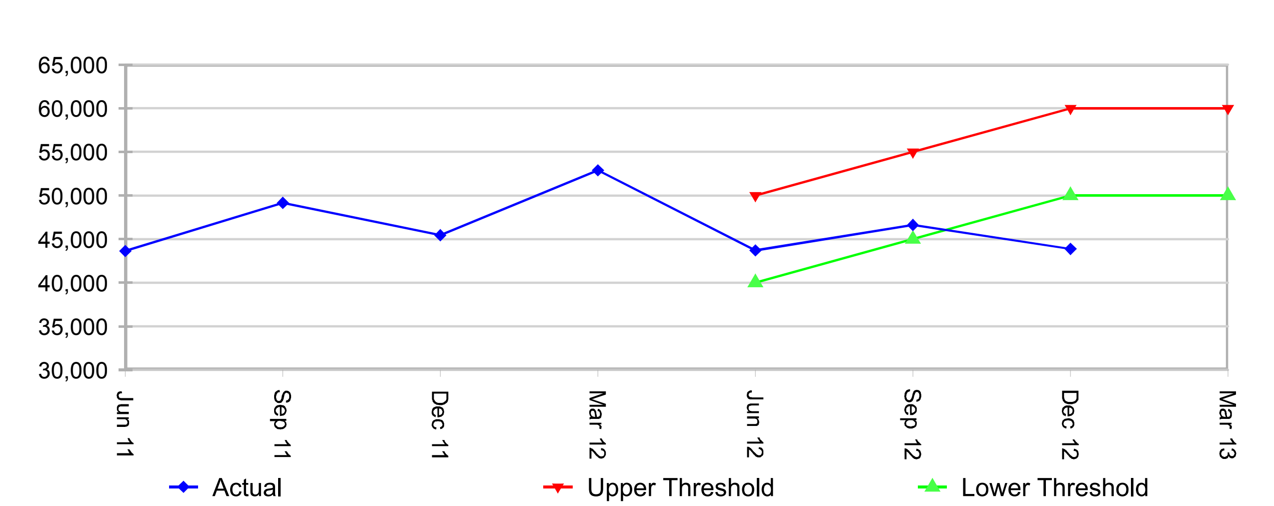
Based on our 100 call back survey, customer satisfaction has fallen below standard in this quarter. We have not met customer expectations for drainage enquires as we now focus our resources on cleaning all gullies once rather than reacting to single blocked gully requests (unless there is a property flooding or highway hazard). Due to the wet weather, customer demand has been high for drainage services and we continue to promote our approach of cleansing gullies in a planned and more productive way. We continue to review how we communicate this message to customers. Regular improvements are being made to the website and to the information shared with customers via Contact Point. We expect to complete the gully cleaning cycle by March 2013 and we will then have data on all our gullies to plan our programmed cleansing and deliver a better overall service. The results for December were just under target at 74% but hopefully show signs that we are starting to get our message across. Due to the winter weather our next key demand is likely to be potholes and we are watching volumes carefully to ensure that sufficient resource is available to complete repairs quickly and to the right quality to meet customer expectations. This will continue to be checked as a part of the monthly call back survey.

Data Notes

Tolerance: High values are better
Data is reported as year to date figures.
100 customers are asked each month: 'Overall were you satisfied with the response you received from Highways and Transportation?'
Year Mar 11 only includes data from July 10 and not April 10.
Data Source: Contact Point telephone survey

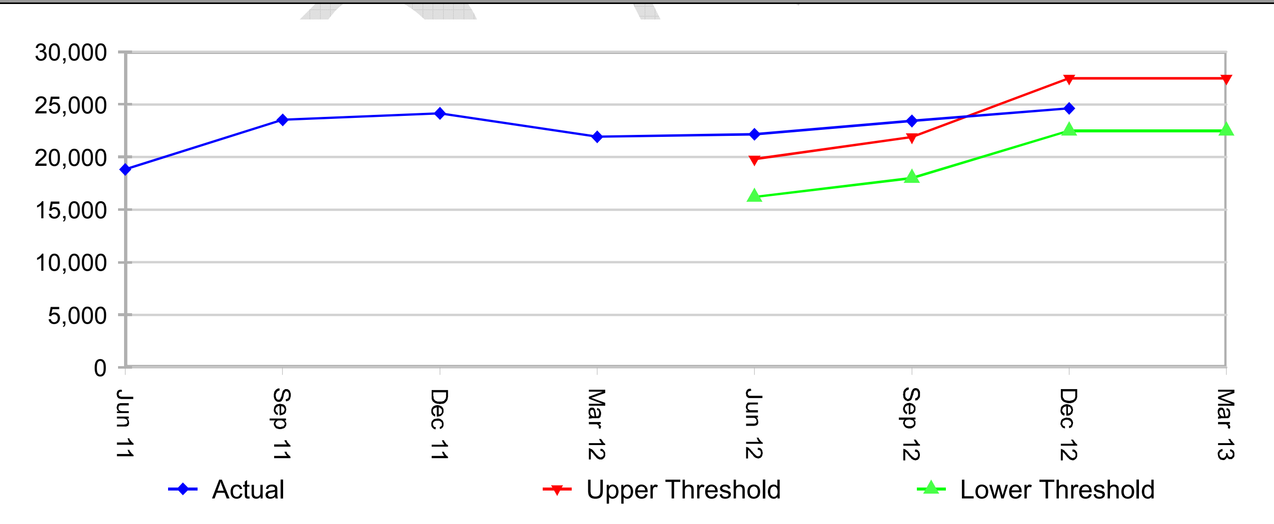
Highways & Transportation - Lead indicators

Number of contacts received (by quarter)



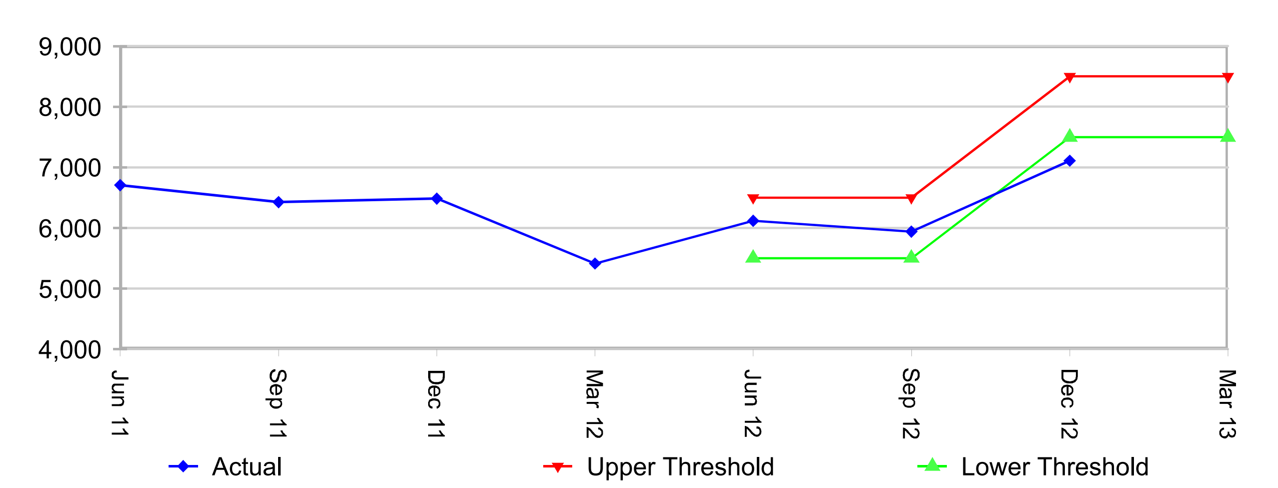
Contacts for the third quarter of the year were 43,872 which is slightly less than the same period last year (45,441) and at the lower end of expectations. Around 40% of these contacts were dealt with and resolved in Contact Point. Contacts can be received by phone call and e-mail and we have launched a new improved web-form to encourage routine faults to be reported in this way as it allows customers to see the faults that have already been logged.

Number of enquiries raised (by quarter)



The contacts received resulted in 26,630 **enquiries** in the quarter which were passed through for action by H&T staff. This is slightly less than the same time last year and within our expected call demand levels. The wet weather has had an impact on our drainage service and there continues to be a steady customer demand here. We are monitoring pothole volumes on a weekly basis to ensure that we keep on top of seasonal demand.

Work in progress (Routine and Programmed customer enquiries)



Our current total **work in progress** from customer enquiries at the end of December was 7,109 compared to 6,187 at the same time last year. This is slightly up from the last quarter but remains in line with high winter season expectations.

Waste Management

Bold Steps Priority/Core Service Area	Waste Management
Cabinet Member	Bryan Sweetland
Portfolio	Environment, Highways & Waste
Director	Caroline Arnold
Division	Waste Management

Performance Indicator Summary

Indicator Description	Previous Status	Current Status	Direction of Travel
Percentage of municipal waste recycled or converted to energy and not taken to landfill	GREEN	GREEN	⇧
Percentage of waste recycled and composted at Household Waste Recycling Centres	GREEN	GREEN	⇧

Business Plan progress

Household Waste Recycling Centre (HWRC) Policy Implementation:

Following the decision to change operating policies at the HWRCs, an implementation plan has been developed and delivered to support customer engagement and ensure smooth operation of the sites. Increased customer service capacity has been created to respond to a temporary lift in complaints, compliments and enquiries. Activity has also extended to the delivery of further fly tipping deterrent campaigning in targeted areas, to reinforce existing messages established through the Clean Kent campaign.

Waste capital programme:

Leading on from the review of HWRCs, additional investment has been provided for waste infrastructure projects through the capital programme. Several site searches have been initiated in order to identify new or replacement sites. At the same time work is underway to ensure that if compulsory purchase should become necessary, the business case can be fully demonstrated. Construction work has commenced at Herne Bay HWRC to enlarge and improve the site and is due to re-open at Easter. The redevelopment of the Ashford HWRC has commenced to provide a new waste transfer station and HWRC, and is due to open towards the end of the first quarter in 2013/14.

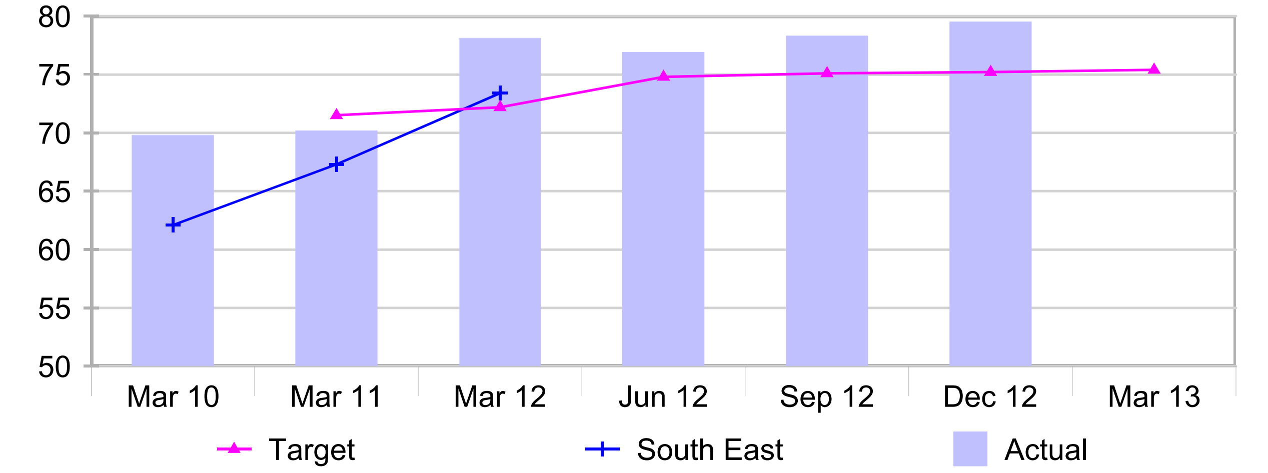
Performance Indicators

The percentage of **municipal waste not taken to landfill** has increased in the quarter and is above target.

The percentage of **waste recycled and composted at Household Waste Recycling Centres** has increased slightly this quarter and performance remains ahead of target.

Percentage of municipal waste recycled or converted to energy and not taken to landfill

GREEN ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	69.8%	70.2%	78.1%	76.9%	78.3%	79.5%	
Target		71.5%	72.2%	74.8%	75.1%	75.2%	75.4%
RAG Rating		Amber	Green	Green	Green	Green	
South East	54.4%	67.3%	73.4%				

Commentary

The percentage of Kent's waste being diverted away from landfill continues to increase annually and is on track to exceed the current year target by March 2013.

The reduced result for period ending June 2012, when compared to March 2012, is due to routine planned maintenance at the Allington Waste to Energy Plant.

A step change in performance will be delivered when residual waste from Canterbury City Council is diverted away from landfill and used to create energy at the Allington Waste to Energy Plant. This change will happen during 2013 and will result in less than 15% of Kent's municipal waste being sent to landfill.

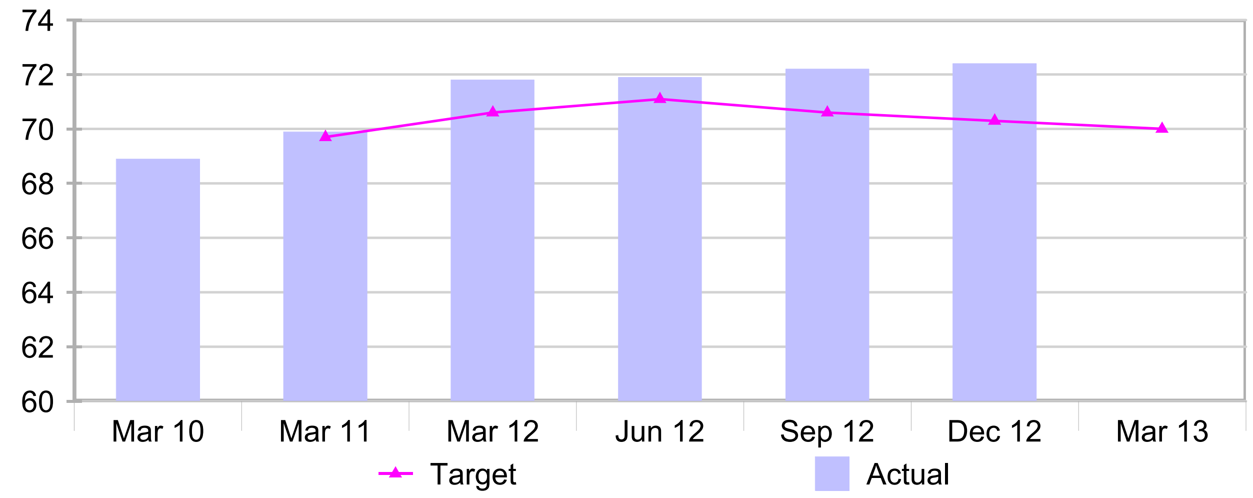
Data Notes

Tolerance: Higher values are better
Data is reported as rolling 12 month totals.
Municipal waste is the total waste collected by the local authority and includes household waste, street cleansing and beach waste.

Data Source: KCC Waste Management

Percentage of waste recycled and composted at Household Waste Recycling Centres (HWRC)

GREEN ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	68.9%	69.9%	71.8%	71.9%	72.1%	72.4%	
Target		69.7%	70.6%	71.1%	70.6%	70.3%	70.0%
RAG Rating		Green	Green	Green	Green	Green	

Commentary

Performance continues to improve each quarter and is on track to exceed the current year target by March 2013. The recycling rate for the nine months to December 2012 was 73.8% which is nearly 1% higher than the same period the previous year. However, the rolling 12 month figure provides a better guide to annual performance as performance is highly seasonal with the quarter to March always showing a low recycling rate.

The services provided by the network of household waste recycling centres have been subject to an extensive review, with the adoption of revised policies in October 2012. The changes implemented have included the exclusion of commercial vehicles entering the sites.

There was an expectation that the policy changes would impact on recycling performance and the target profile above reflects the expected impact. Results for the quarter to December 2012 however show that recycling performance has continued to improve following implementation of the new policies.

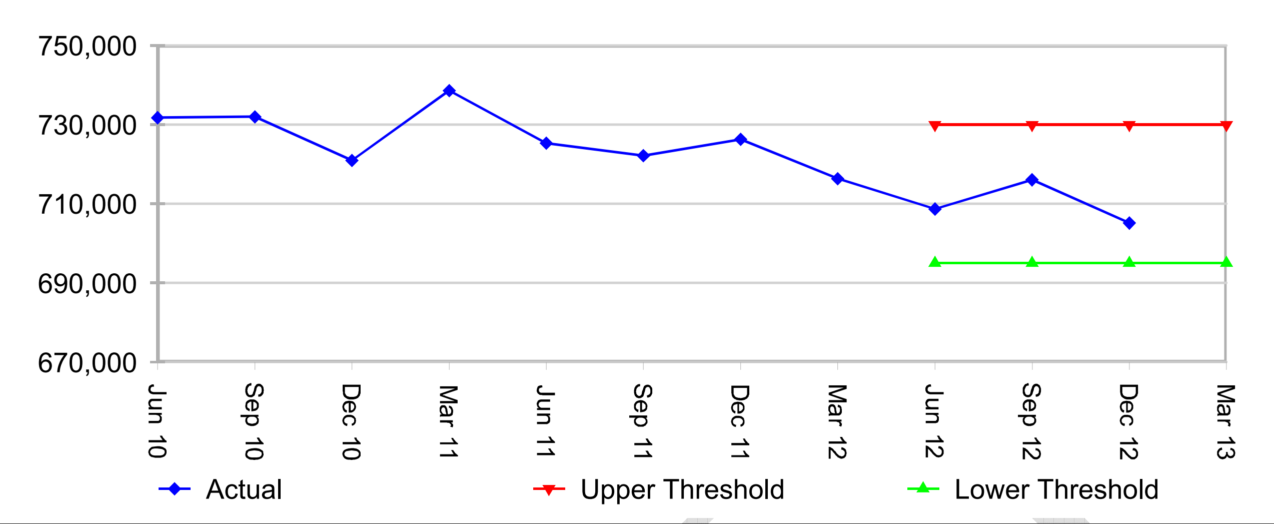
Data Notes

Tolerance: Higher values are better
Data is reported as rolling 12 month total.
No comparator data for other local authorities is currently available for this indicator.

Data Source: KCC Waste Management

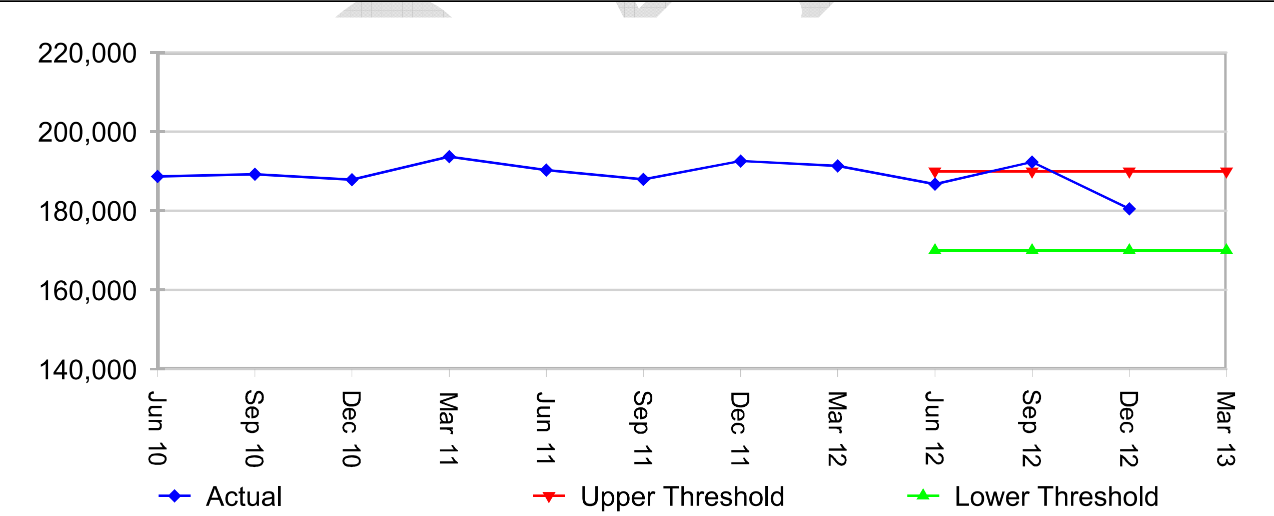
Waste Management - Lead indicators

Total Municipal Tonnage (rolling 12 month)



Municipal waste tonnage collected has shown a decrease in the last quarter following an increase in the previous quarter. The total waste forecast of 705,000 tonnes, based on the last 12 months, is well within the expected range and delivers a reduction on the amount collected last year. The reduction in total waste forecast can be attributed to the implementation of the operating policy changes at the household waste recycling centres.

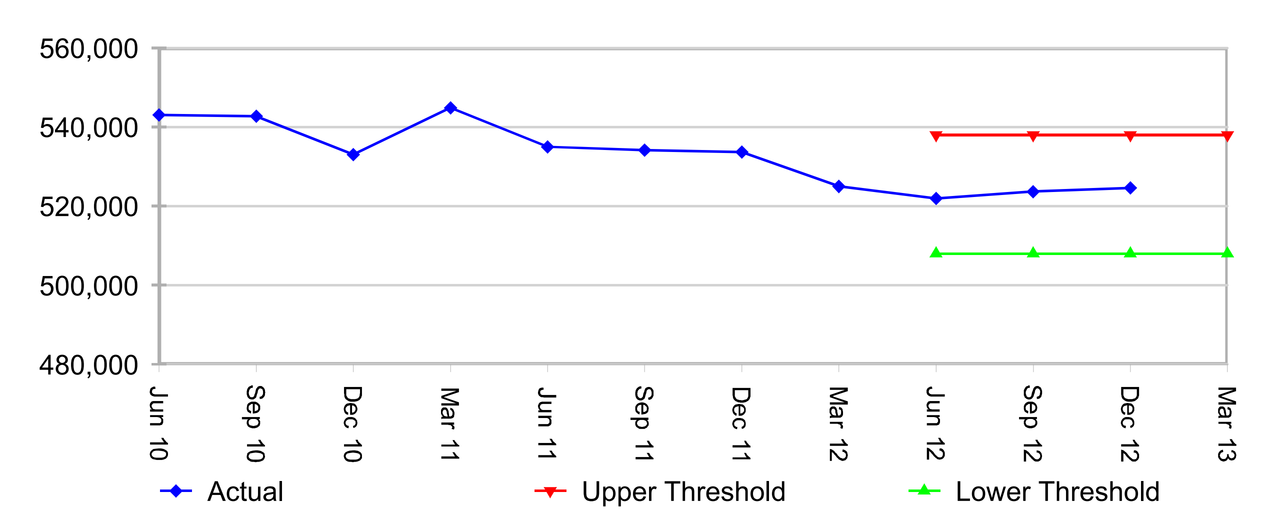
Tonnage managed through HWRC (rolling 12 month)



The amount of **waste collected at household waste recycling centres has shown a decrease** in the quarter following an increase in the previous quarter. This reduction is a result of implementing the policy changes to the household waste recycling centres starting in October 2012.

Waste Management - Lead indicators

Tonnage collected by districts (rolling 12 month)



The amount of **waste collected by district councils** continues to be in line with expectations, which is for a similar amount to be collected compared to last year**.**

The trends for waste tonnage continue to be closely monitored as it is unknown at this point whether the recent downward trend in household waste will continue during the last quarter of this year.

Environment – CO2 Emissions

Bold Steps Priority/Core Service Area	Deliver the Kent Environment Strategy
Cabinet Member	Bryan Sweetland
Portfolio	Environment, Highways & Waste
Director	Paul Crick
Directorate	Planning and Environment

Action Plan Progress Report

Our Carbon Management Plan, soon to be published, will outline how the council intends to meet its carbon dioxide emissions target and embed carbon management across the whole organisation.

A programme of energy efficiency and renewable energy investments is ongoing with over £450,000 invested in 2012/13 using our energy efficiency loan fund delivering estimated lifetime savings of over £1.8m. Further investments including boiler replacements are being made using the modernisation of assets budget.

Street lighting electricity consumption is the most significant contributor to the estate carbon footprint and this has remained static since 2010/11. £240,000 has been invested in low energy lamp upgrades in 2012/13 with expected lifetime savings of £1m. Further investment is planned and includes delivery of part night lighting and light dimming to achieve significant reductions over the next 3 years.

The long term strategy for council buildings is also being refreshed, with a future focus of investment on core offices and strategic buildings as well as engaging all staff to conserve energy and adopt smarter working practices as part of this year's Smart campaign.

A significant number of fleet vehicle leases are being renewed. Newer vehicles will have lower emissions levels and be more fuel efficient.

As investments in ICT continue, further efficiencies and carbon emissions reduction are expected to be realised through the increased use of conferencing technology and flexible and mobile working models.

Performance Indicator

Emissions for 2012/13 (to June 2012) show we are close to the year-end target. This trend has been influenced by the following factors:

- A significant reduction in heating fuel use due to comparatively milder winters
- A reduction in electricity use in our corporate buildings
- Increase in street lighting data captured as more supplies are now being counted
- A reduction in staff business miles for a fifth consecutive year
- Increase in emissions from fleet vehicles due to improved data capture and business growth
- Ongoing rationalisation of estate buildings and large LED lighting projects
- Engagement of staff to adopt Smart behaviours reducing energy consumption.

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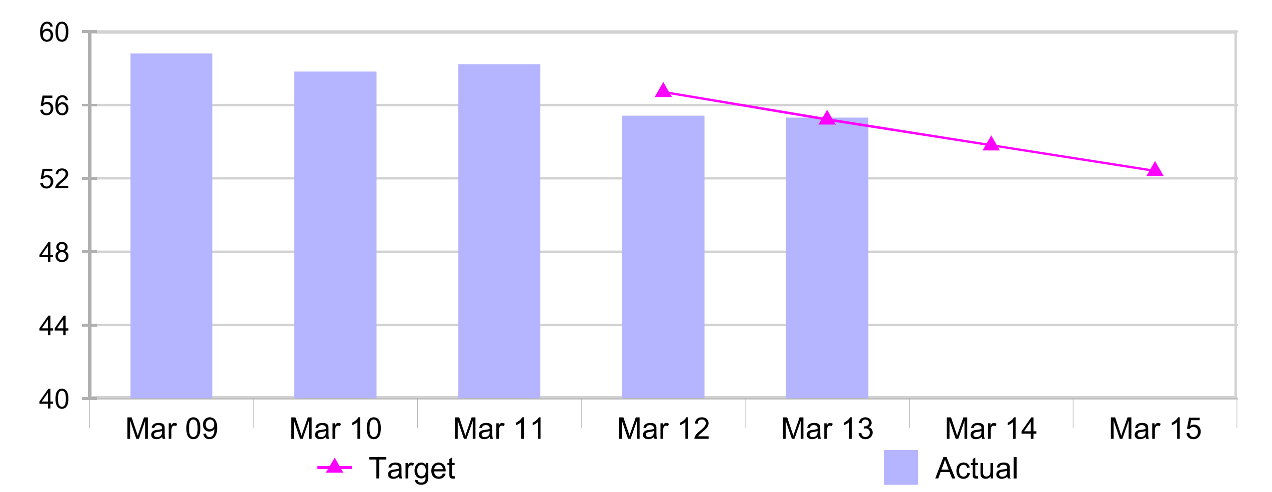
Carbon dioxide Emissions from KCC estate and operations (1,000's of tonnes CO_2)	GREEN ⇧



Trend Data – annual data	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Actual	58.8	57.8	58.2	55.4	55.2		
Target				56.7	55.2	53.8	52.4
RAG Rating				GREEN	GREEN		

Commentary

The council's current target for reductions in carbon emissions uses the financial year 2010/11 as the baseline year. The target is to see annual reductions of 2.6% in carbon emissions. This aligns with the refresh of the council's Carbon Management Plan and the baseline year for the Carbon Reduction Commitment Energy Efficiency Scheme.

The data for 2012/13 is a provisional forecast, which may be subject to change as final data is confirmed.

The data for 2010/11 and 2011/12 have been revised since the last report to ensure like for like reporting as emission sources were not previously being included consistently for both years.

This amendment to data has changed the position reported 6 months ago, of a 1.5% reduction between 2010/11 and 2011/12, to a position of a 4.9% reduction.

Data Notes

Tolerance: Lower values are better
Data is reported as financial year totals
Data includes emissions from energy and fuel consumed by estate buildings, street lighting, council owned transport and business travel using staff's own vehicles.

Data Source: KCC Sustainability & Climate Change team.

Economic Support

Bold Steps Priority/Core Service Area	Respond to key regeneration challenges working with our partners
Cabinet Member	Mark Dance
Portfolio	Regeneration and Economic Development
Director	Barbara Cooper
Directorate	Economic Development

Progress Report

Activity is focused on three key areas:

1. Building our relationship with business
   - **Sector conversations.**
     - The Advanced Manufacturing and Engineering event took place at East Malling on 4th February with 90 people attending, representing the wide variety of engineering firms in the County. The structure of the event enabled participants to take part in a series of focus groups including, Skills and Apprenticeships, Lean Manufacturing, Exporting, Finance and Keeping Pace with Technology. Three of Kent's leading manufacturers Fujifilm Sericol, Cummins and H.V Wooding led some of these groups.
     - A Digital Sector Conversation will be taking place on 21st February, and will be held as part of the Gaming Expo East Kent (GEEK), which is held in Margate. This conversation is being delivered by GEEK, in conjunction with Seven Hills, and is a part of the Grow For It series of sector focussed events.
     - A Builders' Breakfast event is planned for 13th February with Local Government Information Unit, and a Tourism Conference is being arranged for 20th March in Dover in collaboration with the Grow For It campaign
   - **Kent Developers Group** met with Paul Carter and Mark Dance on 18th October to discuss how to get development underway in the county. A further meeting is planned for 6th March.
   - KCC and Locate in Kent (LiK) have commissioned a study of **Kent's Life Sciences** cluster. The work is being undertaken by Oxford Bioscience Network. A final report is expected in March 2013.

2. Unlocking business growth
   - £1.5m Growing Places Funding secured to support the £3m KCC funding for new and enhanced high quality **flexible business space** to support SME growth in Kent. The Workspace/Incubator programme has developed a set of essential and desirable criteria against which bidders will be judged. The first round of bids will be considered by the Regeneration Sub-Group in February, with approximately 7 bidders from across Kent (including Tunbridge Wells, Sittingbourne, Margate, Canterbury, and Maidstone) applying to the fund in the first instance, with a strong pipeline of potential bids.
   - Improvements are also underway at Old Rectory, Northfleet, to create a minimum of five additional furnished offices capable of providing at least 11 workstations to support local businesses.
   - £20m secured from the Regional Growth Fund for **Thames Gateway Innovation and Enterprise (TIGER) Programme** which will offer direct financial support to

innovative businesses seeking investment leading to job creation in North Kent and Thurrock. Due diligence is now complete and it is the intention to launch the programme on 21st March and open to applicants from 8th April.

- **Expansion East Kent p**rogramme has committed £10,788,056 funding to projects which aim to create 751.06 FTE jobs, safeguard 162.26 FTE jobs and lever in £ 25,890,850 private investment. A good pipeline of projects continues to be developed.
- A three year programme to target **Foreign Direct Investment (FDI)** in the USA and northern Europe will commence in spring 2013, and will be delivered through Locate in Kent.
- **Kent and Medway Broadband Delivery UK** “Invitation to Tender” launched on 28th October formally starting the procurement stage of the project. We are in tender evaluation stage and expect to award contract in April.
- **Discovery Park** is now in new ownership and so far, approximately 950 jobs have been secured on site. International marketing of the Park to potential tenants is underway.
- Key Decision by Cabinet on 15th October confirming that KCC would act as the Accountable Body for the **Homes & Roads Programme** in Kent Thameside and take steps to establish formal Governance arrangements for the programme.
- **S.106** Agreement signed on 14th December as part of the outline planning permission for Northern Gateway East and Mill Pond Sites, Dartford (950-1050 residential units and 2,500-5,000m^2 of non-residential floorspace).
- **2 Seas Trade** project (which is delivering business support service to prepare Kent companies to access international business opportunities) has worked with partners including **Produced in Kent,** to assist several food & drink businesses in Kent to expand by exporting to Europe and the Middle East (Bahrain)

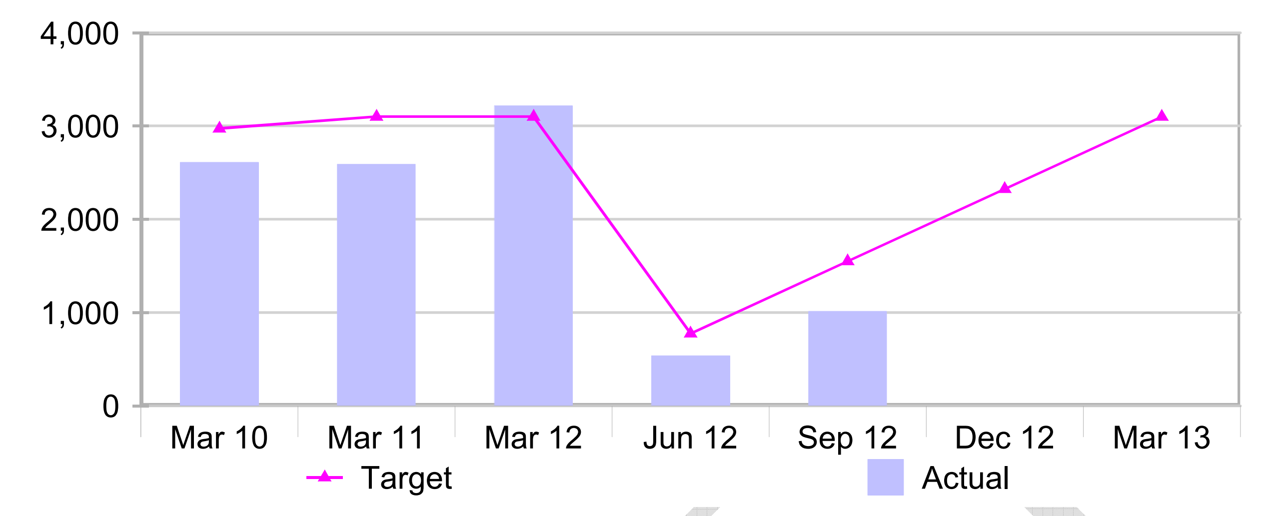
3. <u>Promoting Kent to the world</u>
   - Seven Hills Consultancy is continuing to roll out the **'Grow for It: East Kent' campaign.** A successful launch event was run on 28th November with over 400 attendees. Over 120 businesses completed pledge cards offering to support the campaign. Each of these has been followed up by Seven Hills. A number of further launches are being planned including - London launch for 26th February; a digital conversation as part of the GEEK (Gaming Expo) in Margate on 21st February; and a tourism conference on 20th March at Dover Cruise terminal. Website is being updated and further press trips are being arranged.
   - Events attended by **LiK** to promote Kent as an inward investment location included Renewable UK in Glasgow, Advamed in Boston, BIO-Europe in Hamburg, Medica in Dusseldorf and Offren (wind energy) in London
   - A Vietnam incoming **trade mission** was organised by KCC and LiK at Leeds Castle on 9th November
   - We are working with partners; Visit Kent, KCC, LiK, Manston Airport and KLM to maximise the positive impact on marketing activity of the new KLM route from **Manston.**
   - Visit Kent’s **2013 Big Weekend Out Campaign** has been launched. The event which is in its seventh year will take place 23rd / 24th March as part of Visit England's English Tourism Week.
   - **The Taste of Kent Awards** launched by Produced in Kent in September coinciding with the Canterbury Food & Drink Festival. Voting saw an increase of 26% this year. The awards dinner is due to be held in March.

- **Kent Young Chef Award 2012** live cook off with the 8 finalists was held in November for 11-16 year olds attracting over 100 entries from 23 schools across Kent.
- **Kent Breakfast** was launched in October promoting a joint food tourism project between Visit Kent and Produced in Kent
- Successful events held in October have included the 22nd **Kent Property Market Review** and the **Kent Design Awards**

Performance Indicator

Locate in Kent's job target performance is showing signs of recovery after a summer period when investor decisions were subdued due to a combination of the continuing Eurozone crisis, the Queens Jubilee and Olympic celebrations. A number of projects considering East Kent also slowed down their investment decisions whilst they explored the Expansion East Kent opportunity. Whilst investor confidence is now improving the overall end of year job target figure will remain a challenge.

Number of gross jobs created in Kent and Medway through inward investment — AMBER ⇧



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Actual	2,611	2,588	3,217	536	1,012	2,136	
Target	2,973	2,325	3,100	775	1,550	2,325	3,100
RAG Rating	Amber	Red	Green	Red	Red	Amber	

Commentary

Although there have been plenty of project successes so far this year, and the pipeline is healthy, projects are producing fewer jobs on average (as is the case globally) and consequently, jobs are currently lower than target. There are some larger projects including those being considered for Expansion East Kent projects that LiK is managing. Whilst it is hoped these may convert to successes either just before or just after the end of the financial year this can never be guaranteed and is out of LiK's control. Specific activity undertaken and planned (see above) includes:

- Visits to a series of life sciences events in US and Germany with Discovery Park
- Interrogation and active pursuit of foreign direct investment (fdi) companies on the UK Trade and Investment (UKTI) database as well as attendance at overseas trade shows and lead generation in France
- Further work on website to attract more projects
- Significant work to attract companies to Discovery Park and support new owners- Discovery Park Ltd
- Work in support of Expansion East Kent
- Work with companies who are interested in making a TIGER bid and these will proceed as soon as the scheme is launched
- Continuing to promote opportunity in 'green technology' and renewable power through UKTI's CORE initiative overseas and through Kent Wind Energy Group

Data Notes

Tolerance: Higher values are better. Data is reported as count for financial year to date (April to March) at each quarter end.
Gross jobs created include jobs safeguarded and indirect jobs.
Data Source: Locate in Kent monthly monitoring

Corporate Risk Register Update

Progress against mitigating actions due up to December 2012

There were eleven actions listed to mitigate elements of corporate risks that were due for completion during quarter three. Six have been completed; one is partially complete and four are still outstanding. Outstanding actions will routinely be assessed to gauge the level of risk that the Authority is exposed to, and may be escalated to the Performance & Evaluation Board for review.

CRR1	**Data and Information Management**		
Current Risk Rating	**AMBER (12)**[1]	**Target Risk Rating**	**AMBER (9)**

Completed Actions:
Standard terms and conditions for orders/contracts <£50k value relating to information security. (Standard terms & conditions for goods and services are published on the KCC website and on the Procurement page of our KNet intranet site. These include conditions relating to information governance).

Outstanding Actions:

Action	Update
Senior Information Risk Officer (SIRO) action plan (expected to complete December 2012, now February 2013)	All policies and protocols have been drafted and Corporate Board approval pending. The policies can then be formally launched.

CRR2	**Safeguarding**		
Current Risk Rating	**RED (16)**	**Target Risk Rating**	**AMBER (12)**

Completed Actions;

- Practice Improvement Programme to strengthen practice across Children & Families teams (Phase 1).
- (Partial completion) Draft long-term vision for Children's Services in KCC produced – now to be reported to Members.

Outstanding Actions:

Action	Update
Review of Kent Safeguarding and Children in Care Improvement Plan including the continued embedding of improved quality of practice and application of thresholds	Ongoing work – phase 3 of Improvement plan runs until August 13. Actions from recent Ofsted inspection being implemented. Phase 2 of Practice Improvement Programme to be launched soon. The recent Ofsted inspection of KCC's arrangements for the protection of children noted significant improvement .

[1] Scores shown in brackets relate to an assigned risk rating between 1 and 25; 25 being the highest.

CRR3	Economic Growth		
Current Risk Rating	**AMBER (12)**	**Target Risk Rating**	**Amber (12)**

Completed Actions;
Launch of the "Incubator" Programme to support the provision of incubator and start-up workspace in key locations

CRR4	Civil Contingencies and Resilience		
Current Risk Rating	**AMBER (12)**	**Target Risk Rating**	**AMBER (9)**

Completed Actions;
Upgrading of corporate email service to increase level of resilience

Outstanding Actions:

Action	Update
New digital telephone service to be introduced with added resiliency (originally December 2012, now May 2013)	Programme rescheduled to align with *'New Work Spaces'* objectives.

CRR10	Management of Social Care Demand		
Current Risk Rating	**RED (25)**	**Target Risk Rating**	**RED (16)**

Completed Actions;
Adult Social Care Transformation Programme – delivery of outputs from planning phase

Outstanding Actions:

Action	Update
Evaluation of Central Referral Unit, which has been introduced to help with the effective management of safeguarding cases (originally Dec 12, now May 13)	Multi-agency review now to be led nationally and is due to take place in April or May 2013.

CRR12	Welfare Reform Act		
Current Risk Rating	**RED (16)**	**Target Risk Rating**	**AMBER (9)**

Completed Actions;
Mechanism to track benefit cap migration developed (now liaising with Districts to ensure consensus)

Progress Against Mitigating Actions due by March 2013

There are 36 mitigating actions due for completion or review by end of March 2013. Five have already been completed, seven have slipped and one has been closed. Intelligence gained on one action, that is due for completion beyond the Quarter 4 period, is reporting a slippage. The rest are pieces of work of a more 'ongoing' nature and will be reviewed at end of year.

CRR1	**Data and Information Management**		
Current Risk Rating	**AMBER (12)**	**Target Risk Rating**	**AMBER (9)**

<u>Completed Actions:</u>
Introduction of Information Governance e-learning package that is available for all staff

<u>Outstanding Actions:</u>

Action	Update
Instigation of information asset register and identification of information asset owners. (Originally March 2013, now July 2013) Information Security and Information Risk Management improvements (Info Gov. Toolkit) (originally Feb 2013, now March 2013) Implementation of recommendations from Data Quality Audits (originally Feb 2013)	Work stream amended to take account of work on Information Governance toolkit to gain N3 connection with Health. Information Asset Owners identified and report developed for Corporate Management Team. Top level Information Asset Register being completed based on information risk assessments. Inventory being compiled by KCC Records Manager. Audit work still to conclude, therefore recommendations will be completed during 2013/14.

CRR4	**Civil Contingencies and Resilience**		
Current Risk Rating	**AMBER (12)**	**Target Risk Rating**	**AMBER (9)**

<u>Completed Actions:</u>
Review Business Impact Analysis data to reflect new organisational structures and all interdependencies.

<u>Outstanding Actions:</u>

Action	Update
Implementation of business continuity recommendations contained in PWC audit (originally Jan 2013, now March 2013)	Further work planned on a previous recommendation relating to testing of plans. Next audit to take place in March 13.

Action	Update
Upgrading / enhancement to Automated call distribution system. Customer Relationship Management System and services that utilise MS SharePoint (e.g. Kent.gov and KNet) and underlying software, including training provision to ensure KCC has a sustainable support capability for these services. (Originally March 13, now Sept 13).	Now aligned with digital services timeline for redevelopment of website (Sept 2013) and implementation plan for Customer Services Strategy. Interim solution for web platform devised.
Finalisation of Business Continuity Management Plan for the Contact Centre to improve overall resilience. (originally March 2013, now September 2013)	Contact made with Medway to start discussions. Also meeting with Surrey mid January 2013.

CRR6	**Localism**		
Current Risk Rating	**AMBER (9)**	**Target Risk Rating**	**AMBER (9)**

Action Closed:

Action	Update
Phase 2 of 'Make Buy Sell' reviews to be agreed by Corporate Board in 2013/14	Member decision taken in Dec 2012 not to pursue Phase 2 on Make Buy Sell programme. Phase 1 reviews complete with some legacy actions being taken forward accordingly.

CRR12	**Welfare Reform Act**		
Current Risk Rating	**RED (16)**	**Target Risk Rating**	**AMBER (9)**

Completed Actions:

- Council Tax benefit localisation – finalise details of scheme in conjunction with Districts and feed any necessary changes into MTFP and budget (also listed as an action for CRR 13 – Delivery of Savings).
- Localism of Social Fund – firm proposals for local scheme produced for decision. Kent Support and Assistance Service pilot goes live from 1st April. Demand and performance will be monitored through the pilot to inform the planning of the 2014/15 programme. Some DWP data sharing issues still to be resolved.

Outstanding Actions:

Action	Update
• Reach agreement with District Councils on mechanism to track benefit migration into Kent (originally Jan 13, now March 13)	Agreement in principle from Districts but not all are agreeing to track migration using own data sources.

CRR14	Procurement		
Current Risk Rating	**AMBER (9)**	**Target Risk Rating**	**GREEN (6)**

Completed Actions:
Procurement and Legal Services joint protocol with Legal Services to clarify the respective responsibilities of these two functions and service managers

Intelligence Gained on Initiatives Post Quarter 4

CRR3	Economic Growth		
Current Risk Rating	**AMBER (12)**	**Target Risk Rating**	**AMBER (12)**

Intelligence gained on 1 action, that is due for completion beyond the Quarter 4 period, is reporting a slippage.

Action	Update
• Working with Network Rail, ensure delivery of phase 1 journey time improvement scheme to East Kent.	Currently challenging the Department for Business, Innovation and Skills' decision to withdraw the £5m Regional Growth Fund offer. Awaiting outcome of this challenge.

Organisational Development

Bold Steps Priority/ Core Service Area	Change to Keep Succeeding
Cabinet Member	Roger Gough
Portfolio	Business Strategy, Performance and Health Reform
Director	Amanda Beer
Division	Human Resources

Organisation Development and People Plan

Directorate Organisation Development Groups have identified the priorities for their services and are developing action plans. Training plans are well established and training is being commissioned centrally as part of an overall development plan for the council. The focus of the Groups includes workforce planning, cross-service priorities and monitoring and evaluation work.

Heads of Service and Divisional Management Teams are starting to identify future workforce needs to deliver services using a consistent workforce planning questionnaire framework. Plans will be put in place to ensure that there are the right people with the right skills to deliver and support services.

The 'Because of You' engagement campaign will be launched in January 2013. This is to ensure that managers give due recognition to staff who are continuing to deliver service standards in a tough financial climate. Employees are also being recognised through the re-launched Staff Awards and judging for the first round has commenced. We will be using a variety of methods at a local level to recognise and reward staff who have made exceptional contributions.

Following the Reward Survey the findings are being used to inform the review of staff Terms and Conditions. After consultation with staff, trade unions and business units' proposals were presented to Personnel Committee in January 2013.

Following an update of The Kent Manager Standard to differentiate management accountability levels and organisational priorities, there has been an increase in engagement levels and overall effectiveness.

The New Work Spaces programme, initiated by an ambitious review of the Council's property portfolio, has commenced and will ensure that services are delivered in ways that meet the needs of our customers in the 21st century. The review will deliver further efficiencies and savings in response to the severe financial climate. Work culture and practices will reflect a modern workforce, enabling staff to work flexibly with technology that supports new ways of working.

Restructures

There continues to be a significant level of restructuring in divisions and business units. During quarter 3 the HR Advisory Team completed 12 projects and is still supporting 143 other projects of varying size and complexity.

Significant HR change activity during quarter 3 included Strategic Commissioning, Education, Learning & Skills, Integration of Libraries and Registration and Archives, Youth Service Transformation, Regulatory Services, Learning Disability Day Services and Public Health. Major ongoing activity includes the Adult Transformation programme, various transfers of services both in and out of KCC and Pupil Referral Units.

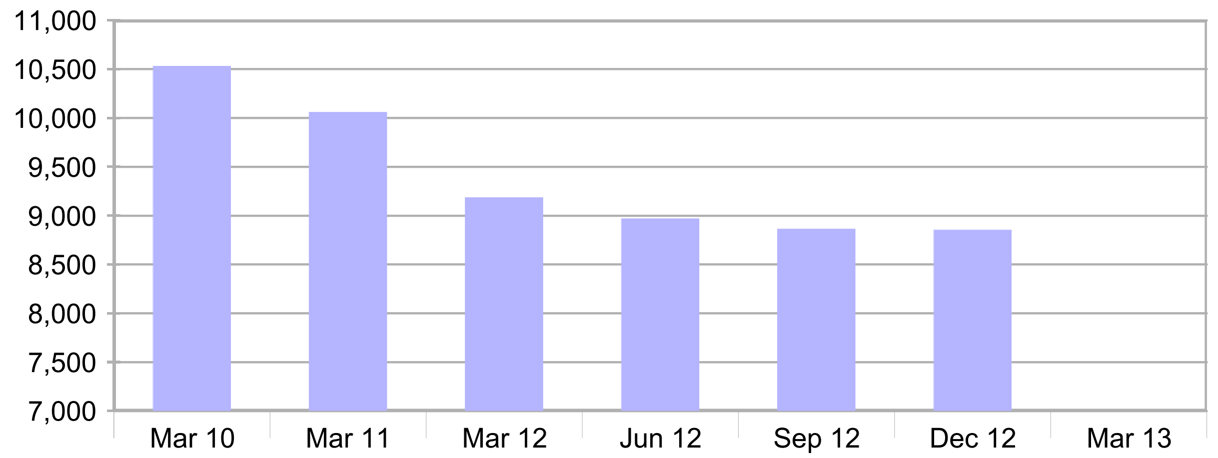
KCC Organisational Design Principles (6 x 7 structures and no 1:1 reporting) continue to be applied to restructures to ensure decision making is as close to the customer as possible.

Staffing Numbers and Reductions

Part of the Authority's response to the very significant financial pressures it is facing is to reduce spending on staffing budgets. It is expected that a total of 1,500 posts will be lost over the four financial years from April 2011.

The figures attached show a reduction in FTE (excluding casual, relief, Sessional and supply staff) of 874.3 in the 12 months to March 2012 and a further reduction of 333.3 so far this year. This reduction includes both redundancies and 'natural wastage' where staff have left KCC and not been replaced. 605 staff were made redundant between 1 April 2011 and 31 March 2012 and there were 326 redundancies in the first nine months of 2012/13.

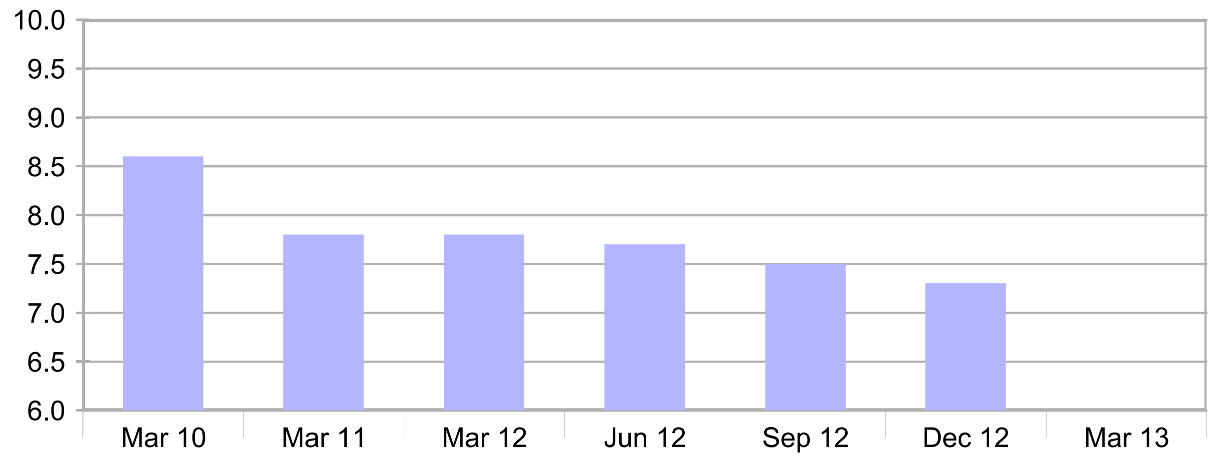
Number of full time equivalent (FTE) staff employed



Trend Data-snapshot	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
FTE	10,530.9	10,060.9	9,186.6	8,971.0	8,863.4	8,853.3	

Data Notes
Data is reported as count at each quarter end
Casual Relief, Sessional and Supply (CRSS) staff are not included
Schools staff are not included

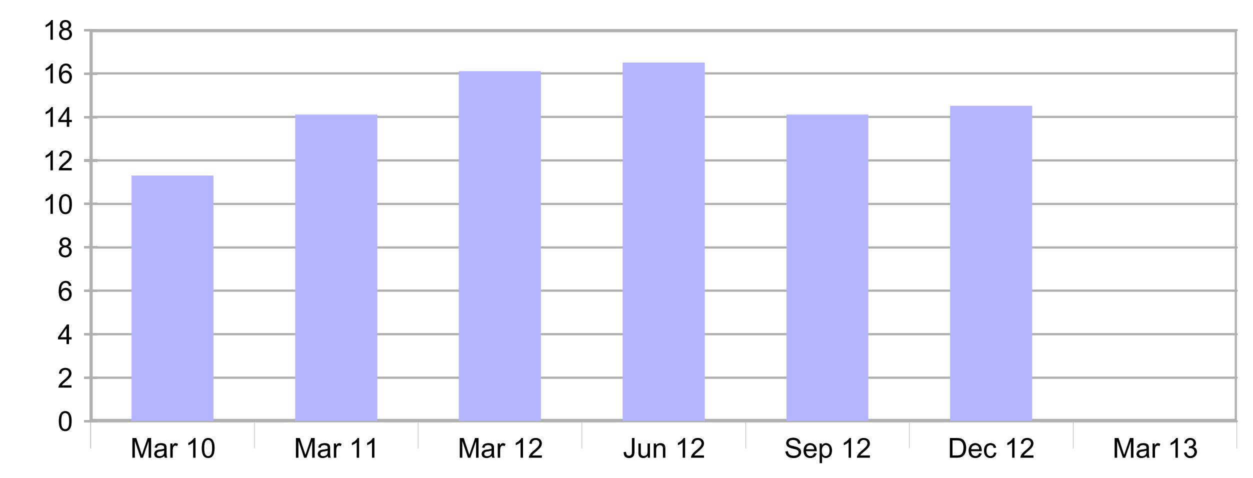
Average number of days of sickness per FTE



Trend Data - rolling 12 months	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Sickness	8.6	7.8	7.8	7.7	7.5	7.3	

Data Notes
Data is reported as average days sick per FTE for the past 12 months
Sickness relating to CRSS staff is included in the count of days lost

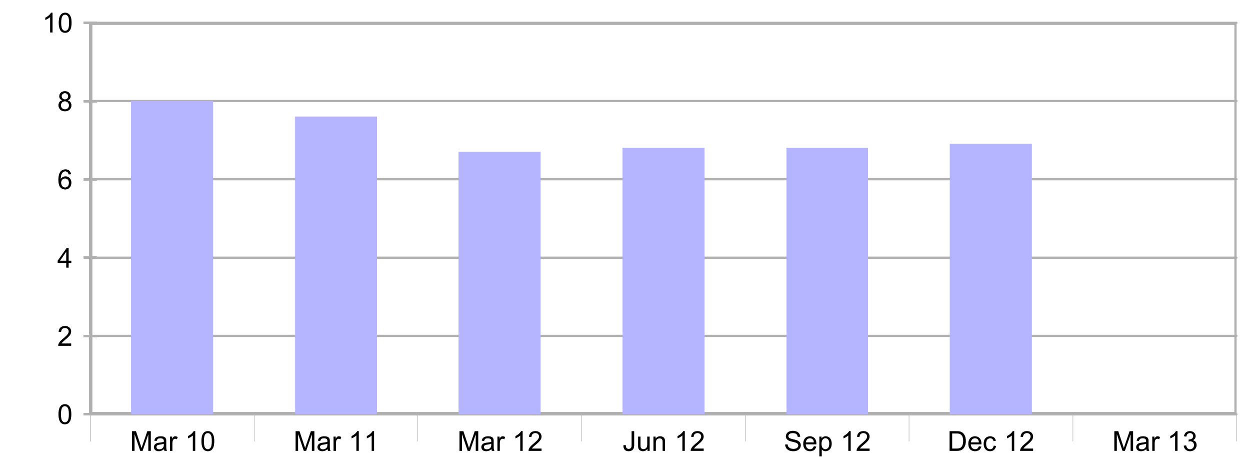
Turnover - percentage of staff leaving as a percentage of headcount



Trend Data – rolling 12 month	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Turnover	11.3%	14.1%	16.1%	16.5%	14.1%	14.5%	

Data Notes
Data is reported as a rolling 12 month rate
Casual Relief, Sessional and Supply (CRSS) staff are not included
Schools staff are not included

Percentage of staff (headcount basis) aged 25 or under



Trend Data - snapshot	Previous Years			Current Financial Year			
	Mar 10	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Aged 25	8.0%	7.6%	6.7%	6.8%	6.8%	6.9%	

Data Notes
Data is reported as snapshot position at each quarter end
Casual Relief, Sessional and Supply (CRSS) staff are not included
Schools staff are not included

Disciplinaries, Grievances and Employment Tribunals

Trend Data – snapshot	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Disciplinaries	46	39	61	43	
Grievances	4	9	10	5	
Harassment	7	3	5	3	
Performance & Capability - Performance - Ill Health	 20 124	 27 100	 27 104	 27 88	
Employment Tribunals	0	4	3	1	
TOTAL CASES	**203**	**182**	**210**	**167**	

Data Notes
Data is reported as the number of cases open and being dealt with at quarter end.

Health and Safety Incidents

Trend Data – rolling 12 months	Previous Years		Current Financial Year			
	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Incidents reported	1,823	1,350	1,340	1,153	1,137	
Days lost	1,472	1,027	1,050	821	855	

Data Notes
Data is reported as 12 month rolling totals
Schools staff are included

RIDDOR

Trend Data	Previous Years		Current Financial Year			
	Mar 11	Mar 12	Jun 12	Sept 12	Dec 12	Mar 13
Major injury incidents	12	6	1	2	1	
Over 3 day injuries	54	42	N/A	N/A	N/A	
Over 7 day injuries	N/A	N/A	7	3	11	

Data Notes
Data is reported as quarter totals for current year and full year counts for previous year
Reporting of this data is a legal requirement under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR 1995).
The requirement to report to the Health & Safety Executive major injury incidents resulting in over 3 days lost time has changed to over 7 days.

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