



AGENDA

CABINET

Monday, 15th July, 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 J Simmonds, Mr D Brazier, Mr G Cooke, Mr M Dance, Mr G Gibbens, Mr R Gough, Mr P M Hill OBE, Mr B J Sweetland and Mrs J Whittle

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UNRESTRICTED ITEMS

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

Introduction / Webcasting

1. Declaration of Interests by Member in Items on the Agenda for this meeting
2. Minutes of the Meeting held on 17 June 2013 (Pages 1 - 8)
3. Decisions from Cabinet Scrutiny Committee - 17 April 2013 (Pages 9 - 12)
4. Items which the Chairman decides are relevant or urgent
5. Kent County Council Sufficiency Strategy (Pages 13 - 56)
6. Draft Strategy for Special Education Needs and Disabilities (Pages 57 - 100)
7. Revenue and Capital Budget Outturn Report 2012-13 (Pages 101 - 180)

8. Revenue and Capital Budget Monitoring Exception Report 2013-14 (Pages 181 - 188)
9. The Review of the Pupil Referral Units and Alternative Curriculum Provision (Pages 189 - 196)

For information

10. Kent County Council's submission to the Airports Commission on proposals for providing additional airport capacity in the longer term in line with 'Bold Steps for Aviation' (Pages 197 - 202)

Peter Sass
Head of Democratic Services
Friday, 5 July 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, 17 June 2013.

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

ALSO PRESENT: Mr P Crick, Director of Planning and Environment, Mr R Fitzgerald, Performance Manager and Mr M Tant, Flood Risk Manager

IN ATTENDANCE: Mr M Austerberry (Corporate Director, Environment and Enterprise), Mrs A Beer (Corporate Director of Human Resources), Mr D Cockburn (Corporate Director of Business Strategy and Support), Ms A Honey (Corporate Director, Customer and Communities), Mr A Ireland (Corporate Director, Families and Social Care), Ms M Peachey (Kent Director Of Public Health), Mrs S Rogers (Director Education, Quality and Standards) (Substitute for Corporate Director of Education, Learning and Skills), Mr A Wood (Corporate Director of Finance and Procurement), Mr G Wild (Director of Governance and Law) and Mrs L Whitaker (Principal Democratic Services Officer)

UNRESTRICTED ITEMS**1. Apologies**

(Item 1)

Apologies were received from Patrick Leeson, Corporate Director of Education, Learning and Skills. Mr Leeson was substituted by Mrs Sue Rogers, Director Education, Quality and Standards.

2. Minutes of the Meeting held on 15 April 2013

(Item 3)

The minutes of the meeting held on 15 April 2013 were agreed and signed by the Chairman as a true record.

3. Local Flood Risk Management Strategy

(Item 4 – report of Mr David Brazier, Cabinet Member for Transport and Environment and Mike Austerberry, Corporate Director of Enterprise and Environment)

Cabinet received a report, the purpose of which was to present to Members for agreement the draft Local Flood Risk Management Strategy for Kent County Council.

The Cabinet Member for Transport and Environment, Mr Brazier, introduced the report, he referred in particular to the following:

- (i) That the production of a Local Flood Risk Strategy was a statutory requirement of the Flood and Water Management Act 2010. In addition the act required that KCC conduct preliminary flood risk assessments.
- (ii) That this work had been conducted and further to those requirements a standing committee had been established to monitor and report on progress, and a Flood Risk Manager for KCC, Max Tant, had been appointed.
- (iii) The report detailed more fully the work carried out to date and put forward the draft strategy for approval. He reported that the strategy included information regarding the relationship between KCC and other bodies with responsibilities in the area of Flood Management, actions to be taken in the event of an incident of serious flooding.

Director of Planning and Environment, Paul Crick and Flood Risk Manager, Max Tant were both in attendance to speak to the item.

In response to a question from the Leader, Paul Crick confirmed that the responsibilities of the Council in this area were confined to flood risk in relation to surface, ground and ordinary watercourses. The role of the Council in these areas was to co-ordinate the various agencies involved in order that statutory responsibilities were met. He reported that he was the Chairman of the Group to which Mr Brazier had previously referred and that its members had been fully involved in the creation and development of the strategy being considered.

He reminded Members that flooding continued from the sea and main rivers to be the responsibility of the Environment Agency.

He further reported:

- (i) That the proposed decision had been considered by the Environment, Highways and Waste Cabinet Committee and had been favourably received. The Committee had requested that yearly update reports be received.
- (ii) That more detailed action plans formed part of the strategy and all parties were keen to advance the work contained within them.
- (iii) That a robust strategy was crucial to the good management of water in Kent. In particular in ensuring that work in one area does not negatively impact on another area. Work to establish such risks had been identified within the strategy.

Flood Risk Manager, Max Tant, described the action plans in more detail. He described the three areas for action and these are set out below:

- (i) KCC delivered County level actions. This would involve the creation and embedding of strategies and policies by which a co-ordinated response could be adopted and maintained.
- (ii) Other responsible body actions. Identified actions for which KCC is not responsible for delivery but which it would encourage other bodies to take in order that wider goals might be achieved.

- (iii) Local actions – practical, local action to address risk already identified by investigations to date.

In response to question from the Leader regarding powers of enforcement to Landowners, Max Tant described the powers that the Council has inherited under the Flood and Water management Act 2010 and reported that these included the power to request Landowners to achieve certain standards deemed as acceptable by the councils and also powers to enforce request not actioned. However he reminded members that some areas in Kent would continue to be the responsibility of the Internal Drainage Boards, not KCC.

Leader of the Council, Mr Carter, suggested that officers consider the production, in partnership with other responsible bodies, of a guide to good land management and the prevention of flooding.

Cabinet Member for Commercial and Traded Services, Mr Sweetland congratulated officers on a well-written and comprehensive report. Following questions put by Mr Sweetland regarding likelihood and extent of risk, Max Tant responded as follows:

- (i) That flood risk was often described in terms of a return period such as the one used here. It measures risk based on the number of times it could be expected that a flood of such severity would occur. When the duties now inherited were first announced, Defra undertook some national scale mapping of surface water flood risks using the return period of 1 in 200 years. Max Tant expressed caution regarding the findings in relation to the work that KCC would try to achieve, he believed that in terms of road and surface water a return period of 1 in 30 years was more realistic and more practical.
- (ii) However it was interesting to note the results of the Defra study and it had found that in Kent 76,000 properties would be at risk in the event of a 1 in 200 year flood, placing Kent at the top of the risk list for all authorities in England, behind Essex with approximately 54,000.

The Leader, Mr Carter reminded Cabinet that Kent was likely to be higher in any flood risk table owing to its large population and requested that Max Tant conduct work to establish the risk as a percentage of the population.

In response to a question from the Deputy Leader and Cabinet Member for Finance and Procurement, Mr Simmonds, regarding river flooding, associated sewerage issues and requirements on Southern Water, Max Tant reported that the council had no specific powers over water companies but had inherited a scrutiny role under the 2010 act previously mentioned. This would allow the council to require Water companies to attend meetings to account for their actions but did not allow for any sanctions, such powers were situated with OFWAT. However he further reported that, in relation to the Nailbourne Valley to which Mr Simmonds had particularly referred, KCC was represented on a new multi agency action group established at the request of Southern Water.

In response to a question from Mr Carter seeking to establish whether additional funding had been provided to carry out the additional responsibilities Max Tant reported that monies had been distributed by Defra based on potential risk to the

authority. Kent County Council would receive £750,000 a year for two further years, including this year.

The Cabinet Member for Economic Development, Mr Dance, congratulated Max Tant on the quality of the report. He raised the issue of funding and further to the question from the Leader sought to ascertain whether the funding would be sufficient for required works to be undertaken. In particular he referred to the dredging of the River Stour which had greatly improved the ability of the river to cope with rain but had not been undertaken recently. Max Tant reported that the River Stour was a main river and remained a responsibility of the Environment Agency, other than a scrutiny role the council had no powers in this area. To address the financial element of the question, he reported that the programme was adjusted according to the funds. Investigation and understanding of risk had been the main priority as there had been little work done to date. On identifying work to be done, grants would be sought from the Defra funding pot. These may require partner funding.

The Cabinet Member for Corporate and Democratic Services, Mr Cooke, commented on the correlation between new development, particularly in rural areas and the potential for increased flash flooding. Max Tant concurred. This issue he reported was being managed by utilising sustainable drainage. Schedule 3 of the Flood and Water Management Act, when commenced, would include a duty to approve all new drainage. This responsibility may lie with the Council in the future but had not yet been agreed. The decision regarding sustainable drainage for developments would run parallel to the Planning approval system and would require a separate approval.

Mr Carter reminded Cabinet that although the winter had been wet, incidences of flooding had been minimal and congratulated those agencies involved in delivering this result. He welcomed the report and hoped that it would lead to further improvements over the coming year.

It was RESOLVED:

CABINET	
Kent and Local Flood Risk Management Strategy	
17 June 2013	
1.	That the strategy be agreed
REASON	
1	In order that the council fulfil statutory duties inherited under the Flood and Water Management Act 2010
ALTERNATIVE OPTIONS CONSIDERED	The adoption of the report is a statutory duty.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

4. Quarterly Performance report - Q4 - 2012/13

(Item 5 – report of Mr Paul Carter, Leader and Cabinet Member for Business Strategy, Audit & Transformation and David Cockburn, Corporate Director Business Strategy and Support)

Cabinet received a report which detailed the performance of the Council against key targets in the fourth quarter of the financial year and highlighted any areas of significant change or concern.

The Leader of the County Council, Mr Carter introduced the item as performance management now lay within the responsibilities of his portfolio. He was pleased that the report was largely positive, and reminded colleagues of the importance of robust quality assurance statistics, particularly in relation to Looked after and vulnerable children in Kent. He requested that the Quarter one paper for 2013-14 include how those services would be quality assured.

He also referred to the Health and Wellbeing Board and the debate which had occurred. It had been identified that in this area appropriate performance criteria would also be needed, once developed there some of that data would be shared within the regular performance report.

Richard Fitzgerald, Performance Manager, spoke to the item. In particular he referred to the following:

- That detailed dashboard reports were currently being received at meetings of the relevant Cabinet Committees.

The Cabinet Member for Adult Social Care and Public Health, Mr Gibbens reported from the perspective of his portfolio, he made the following comments:

- That he agreed with the need for public health performance to be reported.
- Enablement would be a key part of the transformation process and although currently at amber improvements were being sought as the target affected the most vulnerable residents in Kent

The Cabinet Member for Education and Health Reform, Mr Gough, spoke to the item. He reported that:

- Standards and improvement indicators had showed improvement and that the direction of travel was good, However schools in category was proving intractable and work would be undertaken to improve this indicator.
- That the overall account was positive and the work towards school improvement would continue
- That the Health and Wellbeing Board was working with CCG's currently to determine the indicators that would be used to measure performance in that area.

The Cabinet member for Communities, Mr Hill, reported that the Communities directorate was pleased with the improvements shown in particular in relation to the increased number of website visits.

The Cabinet Member for Economic Development, Mr Dance, spoke to the item. He reported that where his directorate had shown amber returns direction of travel was positive and referred to funding secured to entice companies to expand within Kent.

The Cabinet Member for Commercial and Traded Services, Mr Sweetland, asked cabinet to consider a further stretch target be introduced when a target reached green in order to encourage continuous improvement. The Leader asked that Richard Fitzgerald to consider and pursue this suggestion.

The Cabinet Member for Transport and Environment, Mr Brazier, reported that the results for his portfolio were satisfactory in most cases and above target in others. He expressed concern that customer satisfaction remained at amber and would hope to improve on this target.

In addition he commented on the increase of material being sent to landfill but assured members that this was a temporary occurrence related to changes in recycling centre services and closures for maintenance.

The Cabinet Member for Specialist Children's Services, Mrs Whittle, referred to the following information pertaining to her directorate.

- That a number of indicators remained red
- That a recent think tank report had inaccurately claimed that front line

Social Worker posts occupied by temporary staff at Kent were five times higher than is accurate. Action had been taken to address the inaccuracy.

- That the social worker recruitment website had been relaunched and it was hoped that the information on it, regarding life in Kent and working for Kent County Council, would help to encourage more social workers to apply.
- Despite there being some posts filled by temporary workers, case loads for Social Workers in Kent were lower than in many areas of the country. However the council continued to strive to improve the increase the number of permanent social workers.
- That the percentage of children being adopted in the last year had increased.

The Leader commented on the issue raised by Mr Sweetland regarding stretch targets and added to that a request that longer term targets be added to the report where appropriate.

CABINET

Quarterly Performance Report – Q4 – 2012-13
17 June 2013

1.	That the report be noted
REASON	
1	In order that Cabinet properly conduct its monitoring duties.
ALTERNATIVE OPTIONS CONSIDERED	N/a
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

5. Items which the Chairman decides are relevant or urgent
(Item 6)

None

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By: Gary Cooke – Cabinet Member for Corporate and Democratic Services

Peter Sass - Head of Democratic Services

To: Cabinet – 15 July 2013

Subject: Decisions from Scrutiny Committee – 17 April 2013

Classification: Unrestricted

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

Scrutiny Committee

1. Attached as Appendix 1 is a schedule that contains the decisions from the most recent meeting of the Scrutiny Committee on 17 April 2013, together with the response of the relevant Cabinet Member.

Recommendation:

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

Contact: Peter Sass
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01622 694002

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Call-in of Decision No: 13/0001

Appointment of Efficiency Partner for Delivery of Transformation Programme (Scrutiny Committee - 17 April 2013)

Cabinet Portfolio: Cabinet Member for Adult Social Care and Public Health – the Leader, Mr P Carter also attended for this item.

Synopsis: The report sets out the reasons behind the call-in, the background to the decision and the options for the Scrutiny Committee.

Recommendations and responses:

RESOLVED that the Scrutiny Committee express comments but not require re-consideration of the decision.

1. The Scrutiny Committee thank Mr P Carter, Mr J Simmonds, Mr G Gibbens, Mr A Ireland, Mr M Lobban, Mrs J Doswell, Mr P McCallum and Mr K Bratley for attending the meeting and answering Members' questions
2. The Scrutiny Committee express the following comments:
 - a. The Scrutiny Committee welcomes the undertaking of the Cabinet Member for Adult Social Care and Public Health that there will be improved Member involvement in the monitoring of the efficiency partner contract with Newton Europe and asks for a report to go to the Social Care and Public Health Cabinet Committee every 6 months on progress in addition to the joint group mentioned below.
 - b. However, the Committee believes it is important for ordinary Members to be made aware of problems and issues at an early stage and feels a small group of officers and Members should meet with the performance partners on a regular basis to monitor performance in an ongoing and proactive manner.
 - c. The Committee feels that information had been provided to them which had not been made available to the Cabinet Committee and that if this information had been forthcoming earlier and the Cabinet Committee been more involved in the decision, it may not have been called in.

Response of the Cabinet Member

The Leader and Cabinet Member for Adult Social Care and Public Health agree that a progress report will be submitted to the Social Care and Public Health Cabinet Committee every 6 months.

Date of response: 4 June 2013

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By: **Jenny Whittle, Cabinet Member for Specialist Children’s Services**
Andrew Ireland, Corporate Director, Families and Social Care

To: **Cabinet – 15 July 2013**

Decision No: **13/00045**

Subject: **Kent County Council Sufficiency Strategy**

Classification: **Unrestricted**

Electoral Division: All

Summary: The Sufficiency Duty came into force in April 2011. It requires Local Authorities to secure, as far as reasonably practicable, sufficient accommodation for Children in Care and those children in need who are at risk of care or custody. The guidance states that Local Authorities should be able to evidence that they are taking steps to meet the sufficiency duty as far “as reasonably practicable”.

Recommendations: Cabinet are asked to:

- 1) NOTE the comments on and endorsement of the strategy by the 12 June Social Care and Public Health Cabinet Committee.
- 2) NOTE that annual updates will be taken to the Social Care & Public Health Cabinet Committee.
- 3) APPROVE the attached Sufficiency Strategy and its publication on the Kent.gov website.

1. Introduction

- 1.1. Section 22G of the Children Act 1989 (‘the 1989 Act’) requires Local Authorities to take steps that secure, so far as reasonably practicable, sufficient accommodation within the authority’s area which meets the needs of children that the Local Authority is looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the Local Authority’s area (‘the sufficiency duty’).
- 1.2. The sufficiency duty applies in respect of all children who are defined as ‘looked after’ under the 1989 Act. However, an important mechanism, both in improving outcomes for children and in having sufficient accommodation to meet their needs, is to take earlier, preventative action to support children and families so that fewer children become looked after. This means that this duty also applies to children in need who are at risk of care or custody (sometimes referred to as children ‘on the edge of care’).

- 1.3. Families and Social Care, in line with 'Sufficiency: Statutory Guidance on Securing Sufficient Accommodation for Looked After Children' (March 2010), has developed a KCC Sufficiency Strategy 2013-15.

2. Financial Implications

- 2.1 The Sufficiency Strategy makes reference to the reduction in the level of funding for Local Authorities over the next four years and that the focus on efficiency and value for money will be stronger than before.

3. Bold Steps for Kent and Policy Framework

- 3.1 The Sufficiency Strategy links with the Bold Steps for Kent Priority 1: Improve how we procure and commission services, Priority 15: Improve services for the most vulnerable people in Kent, and Priority 16: Support families with complex needs and increase the use of community budgets.
- 3.2 The Sufficiency Strategy is also set within the context of national policy, legislation and guidance. It is linked to key local planning documents, in particular to Every Day Matters, the Multi-Agency Looked after Children Strategy, and Phase 3 of the Kent Safeguarding and Looked after Children Improvement Plan "Putting Children First", and is consistent with KCC's pledge to Children in Care.

4. Detail

- 4.1 The Sufficiency Statutory Guidance states that Local Authority provision should enable children:
 - a) To live near their family home;
 - b) To remain in their current education or training setting;
 - c) Where appropriate, to be placed with siblings;
 - d) With a disability to have their needs met; and
 - e) Wherever it is safe to do so, to remain in their own Local Authority area.
- 4.2 Where it is at all possible, this provision should be provided within the Local Authority area and should be accompanied by a commissioning strategy that outlines the authority's commissioning intentions and approach to meeting local need.
- 4.3 The guidance also states that local authorities should be able to evidence that they are taking steps to meet the sufficiency duty as far "as reasonably practicable". In assessing whether the steps they are taking are reasonably practical, it is recommended that Local Authorities may wish to consider:
 - a) Progress towards commissioning intentions to meet the sufficiency duty;
 - b) The number of children for whom a placement is not consistent with their needs and welfare;
 - c) The extent to which local universal services meet needs;
 - d) The state of the market (locally by district) and the supply that exists;
 - e) The degree to which the market is being managed;
 - f) The resourcefulness of local providers to meet needs of children; and
 - g) The overall effectiveness of local and regional partnerships.

- 4.4 The appropriate areas have been considered in Kent's Sufficiency Strategy which can be seen in Appendix 1. The appendices attached to the Sufficiency Strategy provide the data which has been collated and analysed to develop the strategy.
- 4.5 A robust Placement Action Plan and commissioning strategy is being developed to address the needs and gaps identified within the Sufficiency Strategy.
- 4.6 The Sufficiency Strategy and Placement Action Plan will be reviewed regularly to ensure that Kent is still fulfilling the requirements of the Sufficiency Duty. Key impact measures will be closely monitored and reported on formally every six months to the Specialist Children's Services Divisional Management Team for the duration of the strategy. The strategy will be updated on an annual basis to reflect any changes to the numbers of Children in Care or the Council's accommodation.

5. Social Care & Public Health Cabinet Committee discussion

- 5.1 The Sufficiency Strategy was discussed at the Social Care & Public Health Cabinet Committee on the 12 June, with Helen Jones, Head of Strategic Commissioning, and Sue Brunton-Reed, Interim Manager, Access to Resource Team attending. The minutes show that:

10.1. Ms Jones introduced the report and explained that the Sufficiency Strategy brought together for the first time a number of duties which the KCC already had in other forms. Ms Jones and Ms Brunton-Reed responded to comments and questions from Members and the following points were highlighted:-

- a) special guardianship orders are an alternative form of accommodation for a child who does not wish or is unable to live with their own family;
- b) the Sufficiency Strategy is a helpful tool that KCC can use in helping to enforce a reduction in the number of children in care placed in Kent by other local authorities; and
- c) the final bullet point of key objective 4 should read 'to *eliminate* the use of bed and breakfast accommodation ... '.

10.2. RESOLVED that:-

- a) the decision proposed to be taken by the Cabinet, to adopt and publish the County Council's Sufficiency Strategy, be endorsed, and Members' comments on the Strategy, set out above, be noted; and
- b) annual update reports on the Strategy be made to the Cabinet Committee.

6. Conclusions

- 6.1 To ensure compliance with Section 22G of the Children Act 1989 ('the 1989 Act'), Kent County Council must have in place, and make public, a Sufficiency Strategy for its Children in Care.
- 6.2 Families and Social Care has developed the Sufficiency Strategy in line with the statutory requirements, and this strategy will inform the development of a robust placement action plan to address the needs and gaps identified in the Sufficiency Strategy.
- 6.3 The Sufficiency Strategy will be updated on an annual basis to reflect any changes to the numbers of Children in Care or the Council's accommodation.

7. Recommendation(s)

Recommendations: Cabinet are asked to:

- 1) NOTE the comments on and endorsement of the strategy by the 12 June Social Care and Public Health Cabinet Committee.
- 2) NOTE that annual updates will be taken to the Social Care & Public Health Cabinet Committee.
- 3) APPROVE the attached Sufficiency Strategy and its publication on the Kent.gov website.

8. Background document(s)

none

9. Contact details

Report Author

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Relevant Director:

- Mark Lobban, Director of Strategic Commissioning
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Kent County Council

**Sufficiency Strategy
2013-2015**

Executive Summary



Executive Summary

Local Authorities are required to take steps to secure, so far as is reasonably practicable, sufficient accommodation for children in care within their local area. In 2010, the Statutory Guidance for the Sufficiency Duty was issued. This guidance is explicit in placing a duty on Local Authorities to act strategically to address gaps in provision by ensuring that they include, in relevant commissioning strategies, their plans for meeting the sufficiency duty.

The Children Act 2008 defines Sufficiency as “a whole system approach which delivers early intervention and preventative work to help support children and their families where possible, as well as providing better services for children if they do become looked after. For those who are looked after, Local Authorities and their Children’s Trust partners should seek to secure a number of providers and a range of services, with the aim of meeting the wide-ranging needs of looked after children and young people within their local area.”

The strategy addresses the needs of children and young people from birth to the age of 21(or 25 where children’s services continue to have statutory responsibility) including children and young people with disabilities who are, or who may be, accommodated by KCC. It meets the requirements of the sufficiency strategy by collating needs and resource information and market analysis but also describes what needs to happen in relation to work with children in care or children at risk of coming into care.

It is consistent with our pledge to Children in Care (CIC) which is based around six themes:

- A sense of belonging
- An adult who is there for each child in care
- A good education
- Good memories for the future
- Getting ready for being an adult
- Championing each child’s needs and interests

The strategy identifies **four** key strategic objectives, all of which focus on reducing the numbers of children in our care where safe to do so, and using our resources in the most efficient and cost effective way. The document also includes some impact measures which will be monitored to evidence progress on delivery. These are:

Key Objective 1: To intervene early and support children to remain safely within their family

Children’s needs are best served in their own families if this can be safely supported. Helping families stay together must therefore be a key focus for all Children’s Services. Early identification of need and effective early intervention is essential. Early intervention and prevention services can reduce the number of children and young people reaching the threshold for care and needing to become CIC, avoid repeat entry into care or support them to return safely to their families in a timely manner.

Key Objective 2: To manage risk within the family/community

We must manage risk effectively with families that are approaching the threshold for care, and work to ensure the right children come into care at the right times, and are supported to leave at the right time. We will provide a range of effective interventions which support families to make changes whilst always ensuring that children and young people are kept safe.

Key Objective 3: Provide and commission placements to meet identified needs

We need to be sure that we have the right range of placements to meet the assessed needs of CIC. As a result of rising numbers of CIC, we need to focus on increasing capacity in our in-house fostering service in Kent, and develop strong partnerships with our Independent Fostering and Residential Providers to promote choice stability and value for money.

Key Objective 4: Good Care Planning

Having a clear Care Plan in place is essential for children and young people in care, not only to ensure that they come into and exit care at the right times, but to meet our statutory obligations under the Care Planning Regulations. We need to ensure that children do not 'drift' through care, but have clearly-planned processes which allow them to be reunited with family and friends where possible, have stable, supported and well matched placements with alternative carers and exit the care system in a timely and positive way at whatever age this happens.

A detailed Action Plan has been developed to support implementation of the strategy, which will be supported over the next two years.

The following impact measures have been identified as the key indicators of the success of the strategy and will be closely monitored and reported on formally every six months for the duration of the strategy:

- Overall Number of CIC
- Current and Projected Spend on placements with independent providers
- Number of Children beginning/ceasing to be CIC per month, by area and age band
- Proportion of Residential, In house Fostering, IFA fostering and supported living placements
- Numbers of CIC placed for adoption and made subject of SGO
- Level of capacity, referrals to and actual placements made in in-house foster service
- Net gain of in-house foster placements by locality and placement type
- Eliminate the use of Bed and Breakfast accommodation for 16/17 year olds presenting as homeless.

The strategy contains supporting background data in relation to the needs of Kent's CIC, and the current provision accessed by those CIC. This meets our responsibilities to undertake a review of sufficiency, and sets the context for the development of a detailed commissioning strategy.

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Kent County Council

Sufficiency Strategy 2013-2015



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1. Introduction

The purpose of this document is to set out how Kent County Council will meet the placement needs of current and future children in care and care leavers, and improve their outcomes, in light of our understanding of their needs and current provision.

This strategy is set within the context of national policy, legislation and guidance. It is linked to key local planning documents, in particular to Every Day Matters and the Multi Agency Looked After Children Strategy, submitted to Cabinet in December 2011 and updated in February 2013.

Local Authorities are required to take steps to secure, so far as is reasonably practicable, sufficient accommodation for children in care within their local area. In 2010, the Statutory Guidance for the Sufficiency Duty was issued. This guidance is explicit in placing a duty on Local Authorities to act strategically to address gaps in provision by ensuring that they include, in relevant commissioning strategies, their plans for meeting the sufficiency duty.

The Children Act 2008 defines Sufficiency as “a whole system approach which delivers early intervention and preventative work to help support children and their families where possible, as well as providing better services for children if they do become looked after. For those who are looked after, Local Authorities and their Children’s Trust partners should seek to secure a number of providers and a range of services, with the aim of meeting the wide-ranging needs of looked after children and young people within their local area.”

However, the scope is not restricted to just making good quality placements; the intention is to co-ordinate the range of activity across Children’s Services, including a clear focus on supporting families to stay together, wherever it is safe to do so, thus minimising the need for children to come into care, or supporting their timely return to their families.

This approach is consistent with Phase 3 of the Kent Safeguarding and Looked After Children Improvement Plan “Putting Children First” which is centred on improving the quality of services provided to children in need, those in need of safeguarding and those in care. The objectives outlined in the Improvement Plan are in-line with the County Council’s vision and the ambitions as set out in Bold Steps for Kent.

The reduction in the level of funding for Local Authorities over the next four years means that the focus on efficiency and value for money will be stronger than before. The challenge for Local Authority Children’s Services will be to sustain or improve on service quality and good outcomes for service users.

This strategy addresses the needs of children and young people from birth to the age of 21, (or 25 where children’s services continue to have statutory responsibility) including children and young people with disabilities who are, or who may be, accommodated by KCC. It meets the requirements of the sufficiency strategy by collating needs and resource information and market analysis but also describes what needs to happen in relation to work with children in care or children at risk of coming into care.

It is consistent with our pledge to Children in Care (CIC) which is based around six themes:

- A sense of belonging
- An adult who is there for each child in care

- A good education
- Good memories for the future
- Getting ready for being an adult
- Championing each child's needs and interests

The priorities of Kent County Council's Placement Strategy are as follows:

- Safely achieve a reduction in the number of children coming into care, ensuring that the needs of children and young people are met.
- Ensure that CIC are progressed through the system without unnecessary delay and can achieve timely and appropriate reunification with their families, or permanent alternative placements, thus reducing the length of time spent in care.
- Ensure timely achievement of permanent placements through dual assessment of fostering and adoption and twin track planning.
- Secure placement stability through placement choice, good matching, and support for foster carers.
- Reduce placement costs through better sufficiency, improved commissioning arrangements and contract monitoring.
- Involve children and young people, families, carers and professionals in the design, delivery and evaluation of services.
- Improve outcomes through provision of stable placements which support continuity of relationships, community links, education and health provision and promote the right conditions for maximising the child's potential.
- Increase the proportion of CIC in placements local to their family, learning and social networks where it is safe to do so.
- Support children and young people in care to make a successful transition into adulthood through the provision of good quality leaving care services which promote stability of relationships, education, training and employment, suitable accommodation and support.
- Work with Adult Services to ensure clear pathways are in place for young people requiring services as adults.

The placement strategy action plan covers **four** key strategic objectives, all of which focus on reducing the numbers of children in our care where safe to do so, and using our resources in the most efficient and cost effective way. The document also includes some impact measures which will be monitored to evidence progress on delivery.

These are:

1. To support children to remain safely within their family

2. To manage risk within the family/community, provide support to children who are on the edge of care, and support CIC to return to live with their families as soon as possible and where it is safe to do so
3. To provide and commission the right mix of placements within the county to meet identified needs of children who are or may become CIC as cost effectively as possible; the services provided should contribute positively to improving outcomes for children placed within them
4. To plan effectively for CIC to ensure they have stability and permanence, do not remain in care longer than is necessary and leave care positively

The supporting background data outlined below in relation to needs and current market analysis is summarised from Appendix 1 and Appendix 2 which provide more detail in relation to our responsibilities to undertake a review of sufficiency, and sets the context for the development of a detailed commissioning strategy.

The rest of the document is structured around delivering these four objectives with each section describing what we will do in that area.

2. Demographics of Kent

Since 2010, there has been a growth in the county's population for children and young people under 19 years, from 350,500 in 2010 to 360,400 in 2012. This number is projected to grow to 366,300 by 2015. A corresponding 4.5% growth in our CIC population would mean an extra 82 CIC by 2015.

Kent is made up of 12 districts, organised into four areas for delivery of Children's Services. The three districts projecting the highest 0-19 population growth are Ashford (12%), Dartford (12%) and Maidstone (7%).

According to the 2010 Index of Deprivation, the three districts with the highest scores are Thanet, Shepway and Swale. The three districts with lowest scores are Tunbridge Wells, Tonbridge and Malling and Sevenoaks. There is a correlation between child poverty and poor outcomes for children, and there is a need to monitor and assess the impact of the forthcoming welfare reforms. For detail see Appendix 1 Table 1.3.

3. Children in Care population

Since March 2010 the total number of CIC in Kent has increased from 1469 by 25% to 1831 children in March 2013, which equates to 56.7 per 10,000. This rate is above the average for our regional comparator authorities, which is 52.2. However we have a fluctuating number of Unaccompanied Asylum Seeking Children (190 in March 2013, down from 236 in March 2010), and if we do not include this number, our rate per 10,000 is 50.8 and below our comparator authorities and the national average of 59.

Analysis of entrants and care leavers shows that year on year, there has been a slight reduction of admissions and fewer exits. There is greater disparity between admissions and exits in the 0-10 year age group. For details of placement requests received from January to March 2013 see Appendix 1 Table 2.7.

In March 2013, 82 of our CIC had a disability, compared with 61 in March 2010.

Our aim is to ensure that we are looking after the right children at the right time and in the right place, and we will closely monitor our figures in relation to all children in our care.

The current breakdown by district and more detail about trends across the county can be found in Appendix 1 Tables 2.1 to 2.4.

3.1 Diversity of our Children in Care

As would be expected in an area with Kent's demographic profile, the largest ethnic group in our CIC is white British (1530, representing 83.6% of the CIC population).

The table below demonstrates the range of diversity of CIC compared to the under 18 population as a whole.

Ethnicity	Kent Under 18 population	Children in care (March 2013)
White	90.7%	83.6%
Asian	3.2%	0.4%
Mixed	3.3%	5.3%
Black	2.0%	2.9%
Other	0.8%	7.8%

This illustrates that Asian children are under-represented in the CIC population, and mixed and other ethnic groups over-represented.

The above figures reflect our number of asylum seeking children and young people, which includes 79 Afghanistani, 31 African, 23 Arab and 18 Vietnamese young people as at March 2013. There is currently 1 Roma/Roma gypsy child, down from 6 in March 2011. The percentages of other ethnic groups have remained stable over the last two years.

3.2 Age range of CIC

Total CIC	March 2010	March 2011	March 2012	March 2013
0 – 4 years	270	369	450	440
5 – 10 years	278	358	390	406
11 – 15 years	505	522	535	568
16+ years	416	450	429	417
Total	1469	1699	1804	1831

The largest cohort is the 11-15 age group but it can be seen that whilst numbers of 11 to 16+ young people have remained relatively static, since March 2010 to March 2013 there has been a notable growth in the number of 0-4 year olds (63%), and 5-10 year olds (46%), which will impact on our need to provide permanent placement options for those children who cannot return safely to their families.

3.3 Legal Status of CIC – March 2013

Age	EPO / Police protection	ICO / Care order	S20 accommodation	Placement Orders	On remand and accommodated	Total
0-4 years	4	178	78	180	0	440
5-10 years	0	256	50	100	0	410
11-15 years	0	336	225	7	0	550
16+ years	0	101	310	1	5	426
Total	4	871	663	288	5	1831
% of total	0.2%	47.6%	36.2%	15.7%	0.3%	

63% of all children are subject to Interim or Care Orders, or to Placement Orders (84% of all 0-10 year olds) so will require long term, permanent alternative family placements, including fostering, adoption or Special Guardianship.

However, in the 11-16+ age groups, 55% are in S20 accommodation so maintaining contact with their birth families, who retain parental responsibility, will be important in their placement choice.

3.4 Disabled Children and Young People

82 children have a disability representing 4.5% of CIC. The most significant needs groups are children with a learning disability (2.2%), diagnosed with autism or Asperger's (1.6%), mobility (0.7%) and behaviour (0.6%).

Numbers of disabled CIC are increasing, as a result of demographics, reducing infant mortality due to medical advances and association between disability and poverty. Placements are needed for children with challenging behaviour associated with autistic spectrum disorders which lead to family breakdown, as well as for younger disabled children who have experienced neglect, and foster carers who can care for deaf children and young people.

279 disabled children use residential short break provision on a regular basis.

3.5 Children Subject to Court Proceedings

KCC is working closely with legal services to meet the requirements of the Family Justice Review and achieve more speedy resolution of court proceedings, aiming for 26 weeks.

3.6 Adoption and SGO

An increasing number of children are exiting the care system as a result of adoption or SGO. The numbers of SGOs granted have increased from 25 in 2010-11 to 71 in 2012-13.

Kent has an Adoption Sub-Group of the Improvement Board in place which has set targets to increase the number of children adopted, adoptive parents recruited and speed up the adoption process. 105 children were adopted in 2012-13, an increase of 50% from the 70 adoptions in 2011-12. This is slightly lower than the target of 109 but the numbers of children placed are increasing. Between the period 1 April 2012 and 31 March 2013 a total of 143 children were placed with an adoptive family. Compared to the previous year 2011/12 where 68 children were placed, this performance represents an increase of 110.3%.

The number of children granted Placement Orders is also increasing –190 in 2012-13, up from 124 in 2011-12.

In 2012/13, 87 adoptive parents were approved compared with 67 for the previous 12 months.

Given the number of young children coming into care on statutory orders, the focus on adoption as a means to meet children's need for permanency must be sustained, and a marketing and recruitment strategy 'Changing Futures' is in place to support this.

3.7 Siblings

From April 2012 to March 2013, there were 115 referrals for external placements for sibling groups.

There are currently (March 2013) 17 sibling groups placed with Independent Fostering Agency foster carers, comprising 10 groups of 2 children, 4 groups of 3 children, 1 group of 4 children and 2 sibling groups of 4 who are placed together in pairs.

Young People Known to Youth Offending Service

The '*Legal Aid, Sentencing & Punishment of Offenders Act (LASPO) 2012*' introduces changes to the remand powers of Courts with a view to achieving a reduction in the numbers of children and young people who are remanded into custody. It also brings about the change of Children in Care (CIC) status for all remanded young people and leaving care status for those who remain in custody for 13 weeks or more as well as the transfer of financial responsibility to local authorities. The policy direction is to manage all young people on remand in the community unless there is a serious concern for public safety.

From April 2012 to March 2013 there were 43 custodial remands, compared to 68 in 2011-12 and 71 in 2010-11. 28 of these episodes have had placements in Youth Offender Institutions (784 placement days), 13 were in Secure Training centres (322 placement days), and 2 were a Psychiatric Institution placements (233 days placement).

In response to the changes resulting from the LASPO Act 2012, KCC is in the process of commissioning a pilot 'Retained Remand Foster Care Scheme' through Independent

Fostering Providers. KCC is seeking to secure 1 Remand Carer in the Maidstone area and another in Canterbury. The objective for KCC is to provide a stable family environment where young people will have the time and support to comply with the requirements of the Courts. Foster Carers would be required to manage adolescent behaviours and set firm boundaries, encourage and support young people and their family. The most likely age group who will be referred is young people aged 15 – 17 years. As part of this service, KCC is seeking Retained Foster Carers to contribute to Bail Support activities when they do not have a young person in placement as well as the provision of beds for the purpose of transfers of young people under the age of 17 years from Police custody (Police and Criminal Evidence Act 1984 S38 [6]) when Bail has been refused post charge. The placement will only be required until the young person appears at the next available Court although they may return as a result of a remand to local authority accommodation.

3.8 Unaccompanied Asylum Seeking children

Due to its location and the presence of the Port of Dover, Kent supports a high number of unaccompanied asylum seeking children and young people (UASC). UASC are accommodated under Section 20 of the Children Act 1989.

When the young person leaves care they are entitled to the same leaving care provisions as any other CIC under Section 23 of the Children (Leaving Care) Act 2000.

There are currently 649 asylum seeking children or young people supported by the Unaccompanied Asylum Seeking Young People’s Service of whom 190 are in care, 3 cases have no status and the remainder are care leavers (March 2013). The priority of the service is to ensure this group of young people have placements which meet their assessed needs and offer stability. Placements are as follows:

Placement type	KCC foster care	Specialist IFA	KCC residential	Leaving Care service	Other	Total
Number in placement	3	106	16	38	27	190

3.9 Young People leaving care - 16+

Catch 22 offer a supported lodgings scheme for up to 120 young people at any one time, of which 25% is allocated to supporting Children In Care and Leaving Care.

53 places of the remaining 90 places available are commissioned by Supporting People to accommodate former relevant young people aged 18 – 21 years. A further 24 places are also commissioned by Supporting People to house young people who are at risk; this is on an open access basis and does accept former relevant young people.

This accommodation plays a critical part in the housing and support options available to young people in transition from foster and residential care to greater independence. Supporting People are undertaking a needs assessment of the whole Supporting People housing related services over the next few months and this assessment will inform the future Supporting People commissioning strategy. The outcome of this needs assessment and the decisions taken may have an impact on the accommodation and funding that is presently supporting former relevant young people post March 2014.

Work is presently being undertaken to map what additional accommodation and support can be delivered at what cost by Supporting People's current providers. This provision would be over and above what Supporting People have contracted with them to deliver. There may be the potential for economies of scale to be achieved if Supporting People, Integrated Youth Services and Specialist Children's Services jointly procured provision.

There are currently 417 young people aged 16+ who are in care. Of these, 218 are worked with in the leaving care services (provided by Catch 22), 140 are asylum seeking young people, and 17 are disabled. The remaining 44 have a social worker in the district teams.

Of this group, 226 are in long term stable placements with foster carers or connected person placements, and 116 are living in supported accommodation, or independent living arrangements. For further placement data see Appendix 2 Table 7 and 8.

22 are in long term residential accommodation and will need support to move on to adult services or supported accommodation.

Kent County Council also supports over 100 Unaccompanied Asylum Seeking Young People who are care leavers, and who, according to the UK Border Agency and immigration legislation, are Appeals Rights Exhausted (ARE).

These young people are currently supported 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.

3.10 Young People Aged 16+ who are Vulnerable and at Risk of Coming into Care

The Southwark Judgement 2009 clarified the responsibility of Local Authorities to assess the needs of a young person who presents as homeless and to provide accommodation under Section 20 of the Children Act 1989 if that young person is assessed as a 'child in need'. In all but the most exceptional cases, 16 and 17 year olds who present as homeless are, by nature of their homeless status, children in need. An assessment must determine whether they need to be accommodated under S20 of the Children Act 1989. Where this is not appropriate or the young person refuses, they will be considered a child in need and offered services and support as required.

Table 2.11 in Appendix 1 demonstrates that around 87% of referrals of homeless young people do not subsequently come into care. However, further work is needed to determine both the needs of those young people who are diverted elsewhere and what housing solution is found for them to ensure we are meeting needs appropriately.

4. Views of Children and Young People about Choice and Sufficiency of Placement

There are a range of processes in place to consult with children and young people and fulfil our commitment to engage and consult with them and involve them in the design and delivery of services.

The table below summarises views of young people which should impact on decisions about securing placements and how we meet their needs in a holistic way.

Source/process in place	Key messages from young people
<ul style="list-style-type: none"> • Independent Reviewing Officers carry out regular interviews and have facility for an on-line exit interview at the point at which young people leave care • Virtual School Kent (VSK) facilitates participation activity days • Family Group Conferencing Service collates views of young people with whom they have contact • Catch 22 regularly surveys the views of care leavers • The UASC service has a focus group of young people • Young people were involved in the recent procurement of the IFA Framework and participated in the evaluation of this tender • Some young people have had the chance to chair their own reviews although not everyone chooses to participate in their review 	<ul style="list-style-type: none"> • Placement stability and security is crucial • Matching of children with foster carers is very important • Changes of social worker pose a problem for children – lack of consistency can be perceived as lack of care • More should be done to keep siblings together, or when this is not possible to promote positive contact • Stability of placement and social worker when young people approach 16 is important – this is a critical time in their education and other life experiences • Young people want to be consulted, to have a voice in planning and reviews; they would like to influence what we do and how we do it

5. Current Placement Provision

5.1 Placement Mix and Cost

Whilst 75% of our children are in In-house foster care (1124 as at March 2013), we currently have 332 children placed in Independent Foster Agency placements. This figure is up from 259 in December 2011 (including 104 asylum seeking young people) – an increase of 28%.

Of the 332 children there are 104 asylum seeking young people placed with a specialist agency, and 72 out of county placements (please note this includes 47 placements in Medway). The biggest percentage increase has been in the number of placements for disabled children, up from 6 to 13 placements.

The percentage of children placed with a connected person remains static at 6%.

A recent review of children in high cost placement demonstrated that 44% of children in IFAs and 78% of children in residential placements have challenging or risk taking behaviour as their primary need.

The mix of placement is shown below:

Placement type	December 2011	March 2013	Direction of travel
KCC foster carer	1092	1124	↑
IFA carer	259	332	↑
Friends, family, connected person	109	115	↑
Placed with parents	63	26	↓
Adoption	55	95	↑
In-house Residential	13	16	↑
Private and voluntary sector residential	57	64	↑
Leaving Care	103	116	↑
Other	24	40	↑

Placement Cost

The weekly unit cost of an in-house fostering placement is £544.79¹. IFA placements range from £679 per week to £1,881 per week for very specialist needs. The establishment of the IFA framework and competitive tendering will offer an 11% reduction in placement costs from June 2013. In-house fostering continues to be the most cost effective provision, although the In-house specialist placement schemes are more costly than specialist IFA provision. We will work with the independent providers on the framework to develop innovative and cost effective provision to meet identified needs within our budgetary constraints.

The average weekly unit cost for P & V residential provision is £2,965 per week. These placements are for children with the most complex needs that require specialist provision, including those with disabilities. Where health and education services are provided in the placement, contributions are received from these agencies.

5.2 In-House Fostering

Kent has its own in-house fostering service organised on an area basis. As of March 2013, there were a total of 820 fostering households approved for 1712 placements (based on full occupancy) with 1124 children in placement.

Each area supports the following:

Area	No of carer households	Number of placements
North Kent	122	260

¹ Report to Procurement Board

(Dartford, Gravesham and Sevenoaks)		
East Kent (Thanet, Canterbury and Swale)	341	764
South Kent (Ashford, Dover and Shepway)	185	403
West Kent (Maidstone, Tunbridge Wells, Tonbridge and Malling)	103	180
Disability	37	19
Short break carers – disabled children	22	78
Treatment foster care	10	8
Total	820	1712

Specialist in-house fostering

Kent currently operates two specialist fostering programmes providing placements for some of the most troubled CIC:

- Therapeutic Re-parenting Programme (TRP)
- Multidimensional Treatment Foster Care (MTFC).

TRP is aimed at children aged 4-11 years who have significant attachment disorders, and currently has 15 carers working with 13 children.

MTFC is an evidence based programme which works with children aged between 11 and 17 years, and currently has 6 carers working with 4 children.

Both schemes have recently been reviewed, resulting in a clear recommendation to continue the TRP programme and redirect MTFC resources into extending the scope of TRP by increasing the number of children who could benefit from the scheme, and by rolling out elements of the training and support to other foster carers to support them in their task.

The fostering service has been restructured and there is now a county recruitment team responsible for all recruitment and assessment of new foster carers. The recruitment strategy will respond to the needs identified in this document and target recruitment at known gaps in localities and needs groups.

5.3 External Fostering – IFA framework

Kent has established a framework for the purchase of independent placements.

There are 34 providers on the framework, providing for a range of high priority needs including:

- Complex and Challenging Needs
- Young People on remand
- UASC
- Children with disabilities
- Rehabilitation

- Short term/bridging
- Parent and Child
- Residential migration

5.4 Residential Provision

Kent has local residential provision for 16 asylum seeking young people and a residential special school with children's home (Stonebay).

There are currently 64 children who are in external residential care placements. For details of placement in use see Appendix 2 Table 4.

There are a total of 279 disabled children who use overnight short break care, provided in one of KCC's five residential units (see Appendix 2 Table 6).

5.5 16+ Accommodation Provision

Catch 22 currently provide a leaving care service and work with young people aged 16 to 25. They do not work with disabled young people or UASC.

Of the 16 – 18 year olds worked with by Catch 22 who are in care, the range of accommodation provision is as follows:

- 226 are in stable long term foster placements, 22 are in long term residential provision, 116 in independent or supported accommodation. For further placement data see Appendix 2 Table 7 and 8.

Providing a choice of accommodation to support young people in their transition from foster care or residential care to greater independence is a challenge and work is ongoing with housing authorities and Supporting People to extend this range of provision.

5.6 Other Support Services

Kent Specialist Children's Services have invested in a range of services to support children, and these services will be available to all CIC in order to support placements and improve placement stability.

These services include:

- Community CAMHS which are contractually required to prioritise CIC
- Virtual School Kent – a service to work with CIC and support them to achieve the best possible educational outcomes
- KLIASS – Kent Integrated Adolescent Support Service which will work with all adolescents including young people in care and leaving care
- Therapeutic service for children who have been sexually abused – currently available in the east of the county but soon to be commissioned as a countywide service which will include sexually harmful behaviour

The Kent 2011 Joint Strategic Needs Assessment (JSNA) for Children identifies health inequalities with regard to CIC. Building on this, work is underway on the following:

- Develop a greater understanding of health inequalities for CIC in Kent

- Understand the relationship between CAMHS services and the needs of CIC
- Review the quality of health assessments for CIC
- Explore the relationship between health inequalities and education outcomes for CIC
- Review evidence regarding youth homelessness and health inequalities
- The impact of other Local Authority CIC placed in Kent

6. Key Strategic Objectives which will inform commissioning

Key Objective 1: To intervene early and support children to remain safely within their family

Children's needs are best served in their own families if this can be safely supported. Helping families stay together must therefore be a key focus for all Children's Services. Early identification of need and effective early intervention is essential. Early intervention and prevention services can reduce the number of children and young people reaching the threshold for care and needing to become CIC, avoid repeat entry into care or support them to return safely to their families in a timely manner.

In order to support this we will:

- Access early intervention and prevention services commissioned through the EI&P framework contract across the county in line with our Early Intervention and Prevention strategy
- Ensure our Children's Centre's target services at our most vulnerable families and extend the functional role and brief to support siblings of Under 5s up to age 11, whilst retaining their core offer and focus on universal provision
- Support young people to access KIASS (Kent Integrated Adolescent Support Service)
- Support all professionals to use the Common Assessment Framework effectively, to assess needs with the full participation of the child and family, and provide an integrated and holistic service to families, through a 'Team around the Family' approach
- Align our work with the Troubled Families programme across the county aimed at supporting families with multiple needs

Key Objective 2: To manage risk within the family/community

We must manage risk effectively with families that are approaching the threshold for care, and work to ensure the right children come into care at the right times, and are supported to leave at the right time. We will provide a range of effective interventions which support families to make changes whilst always ensuring that children and young people are kept safe.

In order to support this we will:

- Further develop the use of Family Group Conferencing to engage the family in finding solutions, and identify members of the extended family or kinship network who have capacity to provide care.
- Work to an agreed protocol with adult services to establish need and commission services through the Early Intervention and Prevention Provider Framework to

- support parents with drug/alcohol, mental health problems, learning disability, or domestic abuse and monitor performance and impact on outcomes.
- Work closely with Safer, Stronger Families, a crisis intervention service commissioned to provide a countywide service for children and young people aged 11-15, with the aim of preventing these young people coming into care, and monitor the impact of this service in delivering improved outcomes.
 - Work with our Adolescent Support teams, and colleagues in housing, Supporting People and Kent Integrated Adolescent Support Services (KIASS) to provide support services to prevent 16-17 year olds coming into care or to support their speedy return to their families. This service will help to meet our responsibilities to provide homeless 16-17 year olds with accommodation under S20 of the Children Act 1989 as a result of the Southwark Judgement.
 - Build on and develop our housing strategy in partnership with district housing authorities, to ensure that suitable provision is developed for 16 to 17 year old young people who become homeless.
 - Continue to work with the courts to promote the use of community based remand options for young people to reduce the numbers remanded to the care of the Local Authority or to secure settings. Work in partnership with the Youth Offending Service to recruit or commission more remand and alternative to custody foster care placements (specified in our IFA framework contract) in order to manage the impact of legal changes as a result of implementation of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 whereby all children remanded to custody or in the secure estate will become CIC.

Key Objective 3: Provide and commission placements to meet identified needs

We need to be sure that we have the right range of placements to meet the assessed needs of CIC. As a result of rising numbers of CIC, we do not currently have enough capacity in our in-house fostering service to meet the statutory requirements of placing CIC within 20 miles of their homes. This means we have increased our use of Independent Fostering Placements to provide placements within the radius of 20 miles of their homes. This has increased from 189 in 2010 to 332 in March 2013.

We want to ensure that our range of placements provide good value for money.

In order to support this we will:

- Recruit more in-house foster carers with the right combination of skills to meet the needs of children and young people in our care. We particularly need foster carers who can manage challenging and risk taking behaviour, provide care for sibling groups and disabled children, and placements of parents and child. A recent review of children in IFA placements showed that young children (under 5 years) are being placed because of no capacity in the in-house service, so we must target recruitment at this group.

We also need more placements in the north and west of the county.

Carers must be supported to develop their capacity to equip them to meet the specific needs, which will include supporting contact arrangements, providing transport and contributing to assessments of need to support legal action.

The fostering service has been restructured, and a countywide recruitment team established. They will work to implement the recruitment strategy which will increase the number of new foster care placements by 149 by March 2014, targeted on the known needs and localities.

- Further develop the Therapeutic Re-parenting Programme, re-investing resources from the Multidimensional Treatment Foster Care programme which will be phased out as placements end.
- Work in partnership with Independent Fostering Agencies, to negotiate the best possible price with them for existing placements, and commission future placements through the Preferred Provider Framework which will achieve efficiencies through reduced unit costs and inclusion of support services. The framework arrangements specify types of placements for groups of children with identified needs, at an agreed price. The Framework is operational from June 2013.
- Establish an Access to Resources Team to streamline placement commissioning (in-house and external), monitor placements and outcomes for children, and collate needs data to inform future commissioning and fostering recruitment arrangements.
- Monitor requests for and use of placements and outcomes achieved through the establishment of the four Access to Resources Panels.
- Put contracts in place with all placement providers and monitor these to ensure compliance
- Promote joint agency approaches to provision of services for children with the most complex needs through the JRAP(Joint Resources Allocation Panel).
- Develop a strategy with partners to meet the accommodation needs for 16-18 year olds who are CIC
- Put in place a performance monitoring process to establish a better understanding of the needs of children coming in and out of care on a monthly basis, and to monitor the use of in-house and external placements.

Key Objective 4: Good Care Planning

Having a clear Care Plan in place is essential for children and young people in care, not only to ensure that they come into and exit care at the right times, but to meet our statutory obligations under the Care Planning Regulations. We need to ensure that children do not 'drift' through care, but have clearly-planned processes which allow them to be reunited with family and friends where possible, have stable, supported and well matched placements with alternative carers and exit the care system in a timely and positive way at whatever age this happens.

In order to support this we will:

- Focus on improving social work practice in relation to assessment and outcome based Care Planning, direct work with children, and management oversight of this work.
- Continue to operate Access to Resources Panels as a system to find the right placement to meet assessed needs. The four Panels are chaired by the Assistant Area Directors and attended by social workers, and aim to ensure that a rigorous assessment of need has been undertaken and detailed information is available to support finding the right placement in a planned way.
- Work closely with our partners to ensure the right support services from education, CAMHS, health and other universal and early intervention services are available to CIC, in order to prevent unnecessary placement breakdown, and meet identified needs. Support the newly commissioned community CAMHS service to prioritise CIC in line with the service specification.
- Commission a post sexual abuse/sexually harmful behaviour support service for CIC.

- Give children stability and permanence as quickly as possible, through developing a timely permanence plan for every child by their second CIC review and continuing to support the plan for permanence through the court process and beyond.

Permanence can be achieved through:

- Reunification with the birth family
- Living with other family, friends or connected persons
- Matched with permanent foster care until adulthood
- Adoption
- Special Guardianship Order
- Moving safely on to independent living

The Access to Resources Panels will monitor any drift in the planning process and check that actions are being taken appropriately to implement agreed plans.

- Work with legal service to manage cases in a timely way and reduce delay in court processes.
- Continue to implement a recruitment strategy for adoption, which targets adopters to meet the known needs in the right location in the county.
- Monitor progress of the fostering recruitment strategy which includes targets for needs groups and localities.
- Monitor placements and reduce drift through rigorous challenge by Independent Reviewing Officers, good quality supervision practice, use of performance management information, rigorous legal planning and ongoing monitoring of resource use by the Access to Resources Panels and Team. Monitor the time spent in care by different specified cohorts of children e.g. children under 5 years, or children for whom reunification is the care plan objective.
- Help young people prepare for adulthood and move positively to independence, through provision of a Leaving Care Service for all young people aged 16 and over. Make a decision about re-commissioning the service when the current contract ends or bringing the service in-house (currently under review).
- Work with Adult Services to ensure clear pathways are in place for young people requiring service as adults.

Monitoring progress on the strategy

A detailed Action Plan has been developed to support implementation of the strategy, which will be supported over the next two years.

The strategy will be updated on an annual basis to reflect changes in needs or supply information, and respond to emerging policy initiatives.

The county CIC wider group will review progress on a six monthly basis and report to SCS DivMT.

All partners should be supported to recognise their role in implementation, through leadership, communication, supervision to promote good care planning practice, and clear accountability frameworks.

Key Impact Measures for Placements Strategy Action Plan

The following impact measures have been identified as the key indicators of the success of the strategy and will be closely monitored and reported on formally every six months for the duration of the strategy.

- Overall Number of CIC
- Current and Projected Spend on placements with independent providers
- Number of Children beginning/ceasing to be CIC per month, by area and age band
- Proportion of Residential, In house Fostering, IFA fostering and supported living placements
- Reduce the number of CIC placed outside of Kent
- Numbers of CIC placed for adoption and made subject of SGO
- Level of capacity, referrals to and actual placements made in in-house foster service
- Net gain of in-house foster placements by locality and placement type
- Eliminate the use of Bed and Breakfast accommodation for 16/17 year olds presenting as homeless.

Appendix 1 – Needs Data

1. Demographics

Table 1.1: Growth in 0-19 population from 2010 with projections through to 2015

Existing data (National Statistics)	Projection data				
2010	2011	2012	2013	2014	2015
350,500	360,900	360,400	362,400	364,000	366,300

Table 1.2: Population projections children and young people age 0 – 19 years by districts

Existing data (National Statistics)		Projection data				
Area	2010	2011	2012	2013	2014	2015
Ashford	29,800	30,700	30,900	31,700	32,600	33,400
Canterbury	36,100	35,900	36,200	36,400	36,500	36,800
Dartford	23,400	24,700	24,800	25,300	25,800	26,300
Dover	25,400	25,800	25,500	25,700	26,000	26,300
Gravesham	24,900	26,200	26,100	26,100	26,100	26,200
Maidstone	34,900	37,300	37,400	37,500	37,400	37,400
Sevenoaks	28,000	28,000	27,900	27,800	27,700	27,700
Shepway	23,000	24,500	24,300	24,300	24,200	24,300
Swale	33,800	34,400	34,400	34,500	34,600	34,800
Thanet	32,100	32,600	32,500	32,600	32,700	32,900
Tonbridge & Malling	30,800	31,500	31,300	31,300	31,200	31,200
Tunbridge Wells	28,400	29,300	29,200	29,200	29,200	29,100
Total	350,600	360,900	360,500	362,400	364,000	366,400

Data from KCC Business Intelligence; any difference is due to district numbers being rounded individually.

Table 1.3: 2010 Indices of Deprivation Scores and Ranks

Area	ID 2010 Score	National Rank (out of 326)	SE Rank (out of 67)	Kent Rank (out of 12)
Ashford	15.31	198	27	8
Canterbury	17.12	166	22	6
Dartford	16.71	175	24	7
Dover	20.69	127	13	4
Gravesham	19.46	142	17	5
Maidstone	13.85	217	28	9
Sevenoaks	10.49	276	40	12

Shepway	23.53	97	8	2
Swale	23.48	99	9	3
Thanet	28.47	49	2	1
Tonbridge & Malling	10.76	268	37	11
Tunbridge Wells	11.99	249	32	10

The Indices of Deprivation 2010 (ID2010) is released by Communities and Local Government (CLG).

2. Children in Care

Table 2.1: Children in Care by district (excludes 16+, UASC and CWD)

Total CIC	March 2010	March 2011	March 2012	March 2013
Ashford	72	94	104	96
Canterbury	89	104	115	130
Dartford	50	68	66	68
Dover	86	103	93	108
Gravesham	67	83	128	93
Maidstone	67	90	128	130
Sevenoaks	38	40	41	60
Shepway	88	101	123	128
Swale	113	117	121	131
Thanet	208	240	230	233
Tonbridge & Malling	46	55	82	88
Tunbridge Wells	58	53	58	73
Adoptions team	0	0	5	3
Total	982	1148	1294	1341

Table 2.2: Children in care by district per 10,000 child population

Total CIC	March 2010	March 2011	March 2012	March 2013
Ashford	26.8	34.7	38.4	34.6
Canterbury	30.8	36.0	39.8	45.1
Dartford	23.8	32.4	31.4	30.2
Dover	37.7	45.6	41.2	46.4
Gravesham	30.2	37.2	57.4	39.2
Maidstone	21.4	28.5	40.5	38.6
Sevenoaks	15.0	15.6	16.0	23.4
Shepway	42.7	49.0	59.7	58.2
Swale	37.3	38.4	39.7	42.3
Thanet	72.7	83.9	80.4	80.1
Tonbridge & Malling	16.6	19.6	29.3	30.7
Tunbridge Wells	22.6	20.5	22.4	27.2
Total	377.6	441.4	496.2	496

Table 2.3: CIC per 10,000 child population in comparison with Kent's Statistical Neighbour

Total CIC	March 2010	March 2011	March 2012	March 2013*
England	59	59	59	59
Kent	47	54	56	56
Average of Statistical Neighbour	48.5	50.9	52.2	52.2

*The national and average data for March 2013 will not be released until autumn 2013 so figures used are for March 2012.

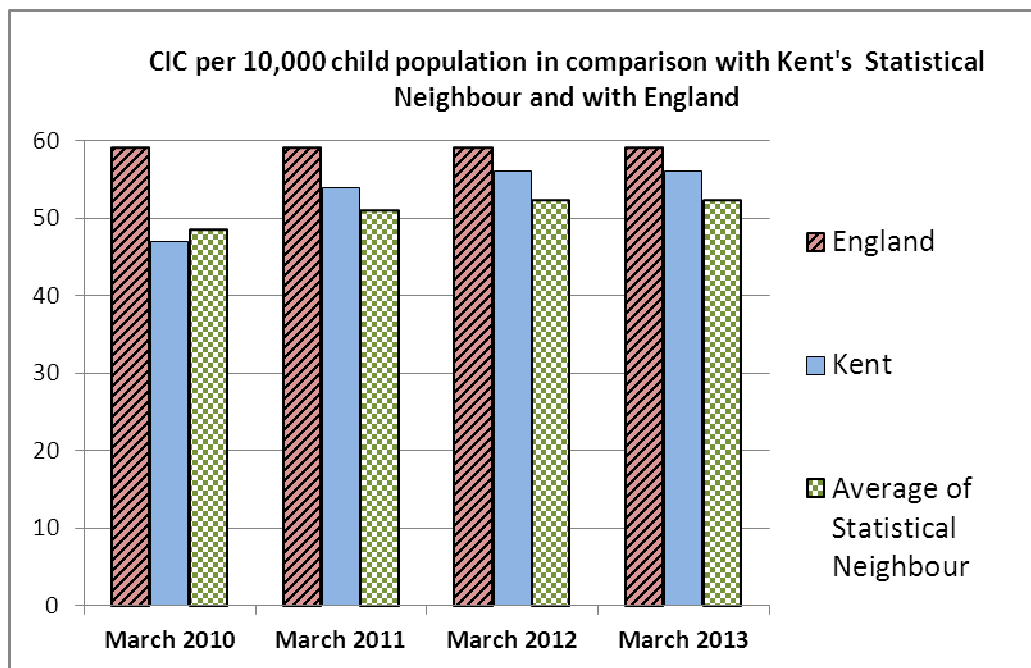


Table 2.4: CIC by 16+, UASC and CWD

Total CIC in Kent	March 2010	March 2011	March 2012	March 2013
16+ (Catch 22)	190	230	245	218
UASC	236	238	186	190
Children With Disability	61	83	79	82

Table 2.5: CIC with disability – breakdown of disabilities as at March 2013

Type	Total number of cases
Diagnosed with Asperger’s syndrome or autism	30
Behaviour	11
Consciousness	1
Epileptic	2
Hearing	5
Learning	40
Mobility	12
Vision	3
Other DDA	4

Please note that some children have more than one type of disability.

Table 2.6: CIC admissions and discharges by age band

CIC Admissions	2010-11	2011-12	2012-13
0-4 years	338	369	328
5-10 years	189	172	170
11-15 years	272	291	274
16+ years	264	192	231
Total	1063	1024	1003
CIC Discharges	2010-11	2011-12	2012-13
0-4 years	221	263	298
5-10 years	119	147	147
11-15 years	238	289	227
16+ years	257	200	202
Total	835	899	874

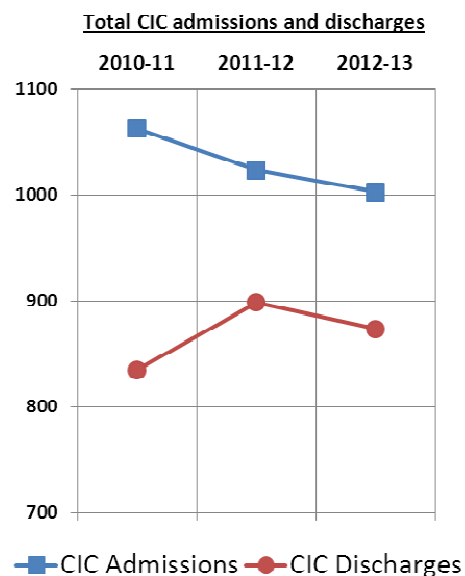


Table 2.7: Placement request activity (January – March 2013)

Placement request activity	West	North	South	East	Short Breaks & Disability	Treatment	Total
Number of placement requests	42	40	83	98	15	8	286
Number of children placed with in-house carers	21	20	42	66	4	4	157
Number of children placed in emergency bed (scheme)		1	4	19			24
Number of children using disability short breaks					78		78
Number of parent/baby placements	2	1	3	3			9
Number of children using respite placement (from home)	1	5	6	3			15
Number of children using day care			1	1	8		10
Number of children ceasing to be looked after in a KCC foster home	8	11	10	17			46
Number of placement disruptions	1	3	9	5			18
Number of unable to place resulting in an IFA or P&V	10	16	9	2	5		42
Number of children placed in-house from IFA/P&V			5	5		2	12
Number of children placed for Adoption , SGO or Residence order with existing Foster carers	8	7		1			16
Number of Short Break nights provided					485		485

Table 2.8: CIC by age range and Legal Status

Age (Years)	Legal Status	March 2010	March 2011	March 2012	March 2013
0-4	Accommodated Sect 20 CA1989	90	107	99	78
	Care Order	14	18	11	9
	Emergency Protection Order	2			
	Interim Care Order	115	189	232	169
	Placement Order Granted	45	55	108	180
	Police Protection	4			4
5-10	Accommodated Sect 20 CA1989	87	118	95	50
	Care Order	74	80	122	161
	Emergency Protection Order				
	Interim Care Order	77	119	102	95
	Placement Order Granted	39	41	71	100
	Police Protection	1			
11-15	Accommodated Sect 20 CA1989	247	259	235	225
	Care Order	208	200	239	299
	CYPA 1969 Supervision Order	1			
	Emergency Protection Order	1			
	Freeing Order Granted	2	2	2	
	Interim Care Order	40	56	48	37
	On Remand and Accommodated	1		2	
	Placement Order Granted	5	4	9	7
	Police Protection		1		
16+	Accommodated Sect 20 CA1989	287	304	301	310
	Care Order	122	134	121	98
	Interim Care Order	6	11	3	3
	On Remand and Accommodated	1	1	4	5
	Placement Order Granted				1
Total		1469	1699	1804	1831

Table 2.9: Children who live near their family home (within 10 miles* of their home)

	Placement type	IFA	KCC in-house foster care	Relatives & Friends	Total
March 2012	total	264	1087	123	1474
	within 10 miles	67 (25.4%)	685 (63%)	83 (67.5%)	835 (56.6%)
May 2012	total	273	1045	127	1445
	within 10 miles	74 (27.1%)	670 (64.1%)	87 (68.5%)	831 (57.5%)
August 2012	total	293	1016	131	1440
	within 10 miles	78 (26.6%)	655 (64.5%)	83 (63.4%)	816 (56.7%)
October 2012	total	312	1015	119	1446
	within 10 miles	90 (28.8%)	652 (64.2%)	79 (66.4%)	821 (56.8%)
December 2012	total	326	1020	115	1461
	within 10 miles	95 (29.1%)	649 (63.6%)	83 (72.2%)	827 (56.6%)
March 2013	total	332	1028	115	1475
	within 10 miles	100 (30.1%)	669 (65.1%)	83 (72.2%)	852 (57.8%)

*Please note that although the national standard for reporting is 20 miles, Kent reports on children placed within 10 miles of their home.

Sibling placements

From April 2012 until March 2013 there were 115 referrals for sibling groups made with Independent Fostering Agencies as no suitable in-house resource was available.

There are currently (March 2013) 17 sibling groups placed with Independent Fostering Agency foster carers, comprising 10 groups of 2 children, 4 groups of 3 children, 1 group of 4 children and 2 sibling groups of 4 who are placed together in pairs.

Table 2.10: Number of remands between April 2012 – March 2013

Number of YP remanded in Custody / Remanded to LA Accommodation with a secure requirement	
Youth Offender Institutions	28 (784 days)
Secure Training Centres	13 (322 days)
Psychiatric Institution	2 (233 days)
Total	43

Table 2.11: Number of children referred to SCS with the primary stated issue of "Homeless Young Person – Southwark Judgement"

	2010-11	2011-12	2012-13
Number referred	477	569	331

Number becoming Looked after	38	61	43
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Appendix 2 - Market Analysis

Fostering provision: Sufficiency of Provision to Meet Needs Locally.

In-House foster carers

Kent County Council runs a large in-house fostering service. In March 2013, KCC had a total of 820 Foster Carer households offering 1712 approved Foster Carer places, with 1124 children in placement.

Table 1: In-house foster carers by type and locality

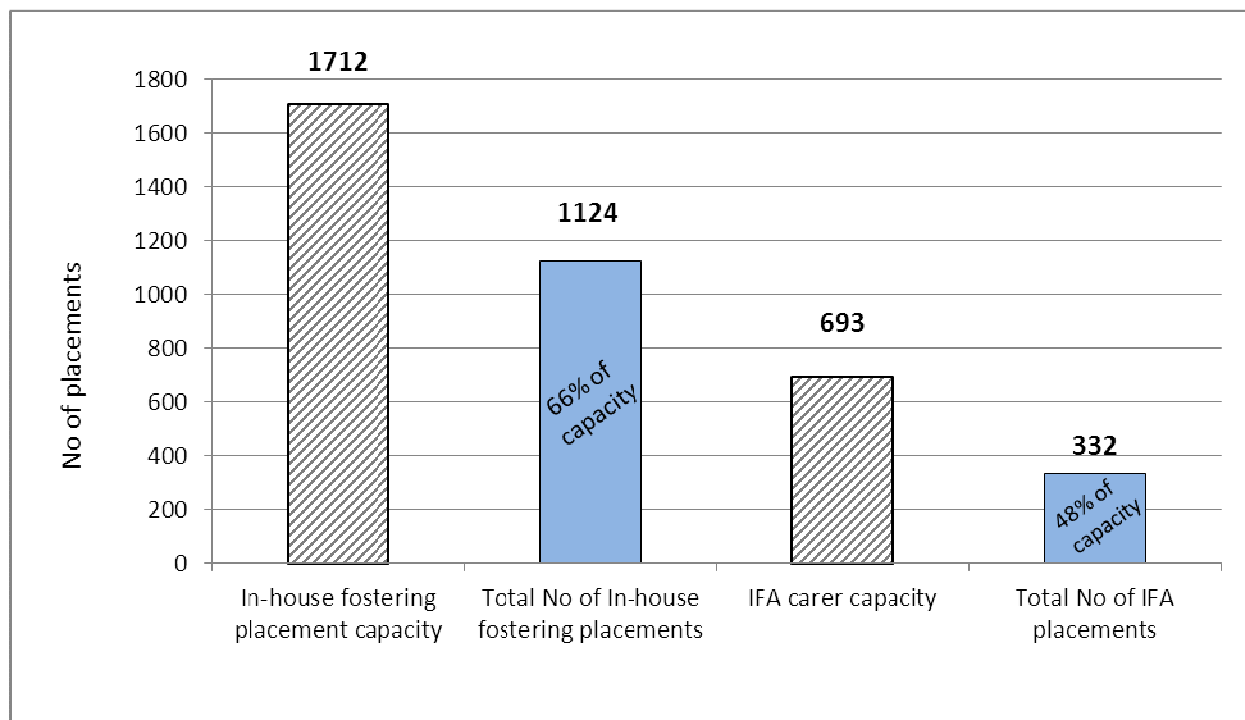
FOSTER CARERS AT QUARTER END Jan – Mar 2013	West (Maidstone Tun.Wells, Tonbridge &Malling)	North (Dartford, Gravesham, Sevenoaks)	South (Dover Shepway Ashford)	East (Thanet, CanterburySwale)	Disabled Children	Treatment	Total
Total number of registered KCC carers	103	122	185	341	59	10	820
Total number of approved placements	180	260	403	764	97	8	1712
Total number of children in placement	118	180	270	512	36	8	1124
Number of connected foster carers with a child in placement	23	12	14	10	1		60
Number of approved short break carers					22		22
No of carers who can care for a disabled child					37		37
Number of carers approved to provide parent/child	6	5	13	15			39

Independent Fostering Agency Provision (IFA)

There are 34 Independent Fostering Agencies (IFAs) that have registered foster carers in Kent.

As at March 2013, KCC had a total of 332 children placed with IFAs; this included 72 children placed out of county (47 placements in Medway) and 104 Unaccompanied Asylum Seeking Children.

Table 2: Fostering Provision in Kent as at March 2013



The striped columns in Table 2 demonstrate the current supply of both In-house fostering and Independent foster carers in Kent. The solid filled columns represent the number of children placed in in-house fostering and with IFAs. There is sufficient supply of Fostering Provision in Kent and the supply exceeds the demand for provision, but the challenge is finding appropriate placements that match the needs of the child, in the right locality in the county.

KCC contacts IFAs with requests to care for children when there is no appropriate match available in-house or when specialist needs cannot be met. Kent also requires additional independent fostering provision to support Unaccompanied Asylum Seeking Children, children with complex and challenging behaviours and sibling groups as well as non-specialist/standard foster care.

Despite the large concentration of IFAs in Kent, KCC still struggles to find appropriate foster placements to meet specific need groups, foster carers in close proximity to certain schools and foster carers in specific geographical area such as Tunbridge Wells, Tonbridge and Maidstone.

This challenge is compounded by the large number of children (over 1000) who are placed in Kent by other Local Authorities.

To ensure sufficiency in local independent fostering provision that can meet specific needs groups of children/young people and offer cost effective placements, KCC has recently set up an Independent Fostering Preferred Provider Framework. A competitive tender process was undertaken and the Framework went live on the 1st June 2013. Table 3 below outlines (per category of need and by district area in Kent) the total number of foster carers in independent fostering provision who are able to support children and young people.

Table 3: Number of Independent Foster Carers by Category of Need¹

Total number of current IFA Carers: 693	District												
	Ashford	Canterbury	Dartford	Dover	Gravesham	Maidstone	Sevenoaks	Shepway	Swale	Thanet	Ton. and Malling	Tunbridge Wells	Total Number
Complex and Challenging Needs	31	74	39	21	32	26	18	28	106	58	26	10	469
Young People on Remand	6	26	6	2	5	3	4	9	21	19	4	2	107
Unaccompanied Asylum Seeking Children	13	45	30	12	23	14	16	21	61	42	22	8	307
Children with Disabilities	12	53	28	14	26	15	12	21	75	44	15	5	320
Rehabilitation placements	23	74	49	24	31	33	16	28	103	57	24	6	468
Short Term/Bridging placements	31	76	52	25	38	33	20	31	107	64	28	7	512
Short Break placements	15	47	29	7	28	14	10	16	60	35	19	6	286
Parent and Child placements	9	21	13	8	11	13	7	8	47	29	8	5	179
Residential Migration placements	23	50	17	17	18	17	3	19	86	42	11	2	305

Please note that the table above includes some double counting as some carers are able to offer a range of placement needs.

¹Please note that this number is based on tender submission data submitted by Independent Fostering Agencies for specific categories of need, who bid to be on KCC's Preferred Provider Framework.

KCC's longer term objective is to monitor placement demand through the IFA Preferred Provider Framework over a two year period and then to develop more partnership focused approaches with IFAs on the framework in order to best meet KCC's requirements.

There has been a reduction in the unit costs of Independent Fostering Provision following the competitive tender process. Weekly prices will range from £679 to £1,881 (for very specialist provision). Although Kent's In-House Fostering Service is still delivering the most cost effective fostering provision, we are working closely with our Independent Fostering Providers to identify ways in which we continue to develop specialist and innovative provision to meet identified needs within our budgetary constraints.

Residential provision: Sufficiency of Provision to Meet Needs Locally

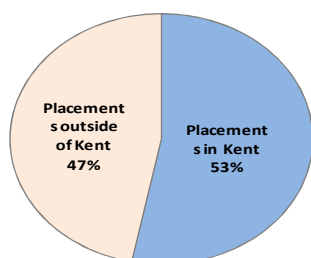
Private and Voluntary Residential Children's Homes

There are currently 74 registered Private and Voluntary (P & V) residential children's homes in Kent (up from 62 in 2009).

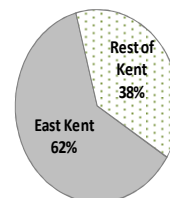
Table 4: KCC's usage of Private and Voluntary Residential Children's Homes

Placement location	Number of P&V residential homes used	Number of placements
Placements in Kent	19	34
Placements outside of Kent	26	30
Total	45	64

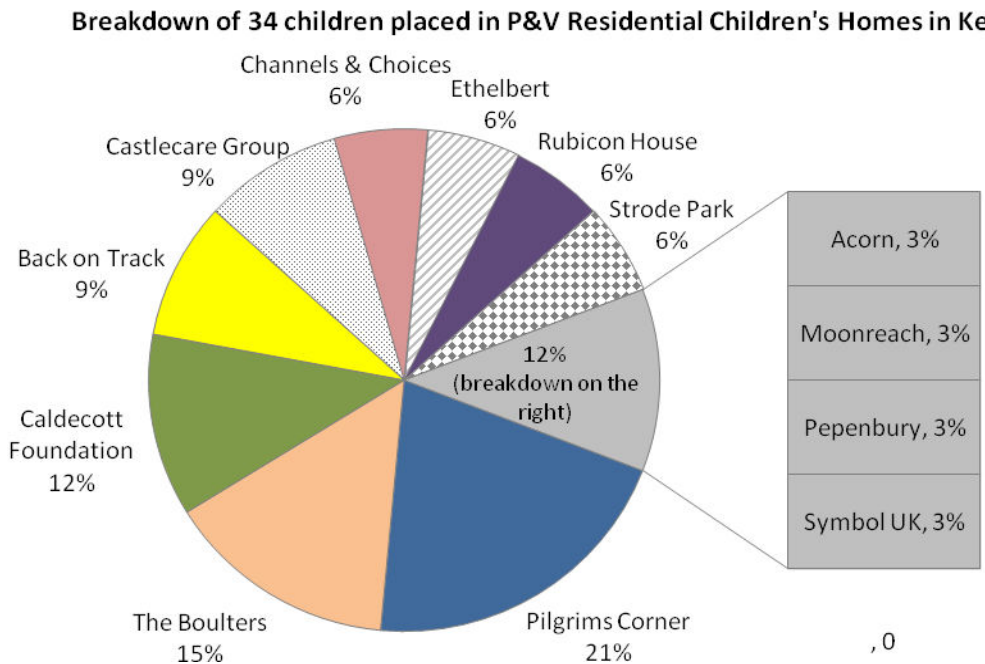
In/out of county placement breakdown



Breakdown of 34 Kent placements



The percentage of placements per provider in Kent is detailed in the chart below.



47% of the total 64 children in Residential Homes are placed outside of Kent. As at March 2013, 26 different providers are used to care for 30 children, most of whom have highly specialised needs which cannot be met locally.

Kent County Council struggles to find local residential placements to meet specific need groups. Although there are 74 registered P&V Residential Children's homes in Kent offering a total of 369 bed spaces, there are a significant number of children in care placed in these resources by other Local Authorities, which compounds the problem.

From April 2012 to March 2013, a total of 75 placement requests for Residential provision were made to KCC's Placement Support Service.

Table 5: The total number of referrals received by need group

Standard	Complex needs & Challenging behaviours	Highly specialist, requiring intensive intervention	Remand	Other/not recorded
10	29	2	1	33

Kent's is currently paying an average unit cost of £2,965 per week per child in Residential provision, amounting to £154,204 per annum.

KCC Residential Provision

Residential Provision for UASC: As of March 2013 there were no UASC placed in P&V Residential Children's Homes. 16 UASC were placed in KCC's Millbank Reception and Assessment Centre.

Special School with Children's Home on Site: As of March 2013 there were 4 CWD placed in KCC's Stonebay Children's Home. 2 of the CWD are aged 16.

Short Break Provision for Children with Disabilities:

Kent County Council owns and runs five Short Break Units in Kent. The table below outlines the location, number of beds in each unit, average annual occupancy for the year and number of children supported.

Table 6: KCC's Residential Short Break Units

KCC's Residential Short Break Units	Location	Number of bed places	Average Bed usage	No. of children supported & total no. of nights per year
Bluebells	Detling	4	81%	36 children, 1084 nights
Fairlawn	Ashford	7	77%	65 children, 1954 nights
The Den (Sunrise Centre)	Tunbridge Wells	6	84%	62 children, 1839 nights
Treetops	Dartford	6	88%	47 children, 1906 nights
Windchimes	Herne Bay	6	79%	69 children, 1724 nights

KCC was a pathfinder for short break provision. KCC commissions a range of other short break provision services across Kent, and has a Framework Agreement in place for short break services.

Future commissioning intentions

KCC recognises that there is a current gap in provision for appropriate step down placements for both young male and females but mainly females with serious self harming behaviours. We also have a shortage of intermediate placements needed for 6-9 months after children have been discharged from psychiatric units. These young people need intensive placement support that will facilitate their integration back into the community and therefore this provision needs to be locally based, so that a support package can be maintained. There is also the need for residential provision that can support young men with harmful sexualised behaviours.

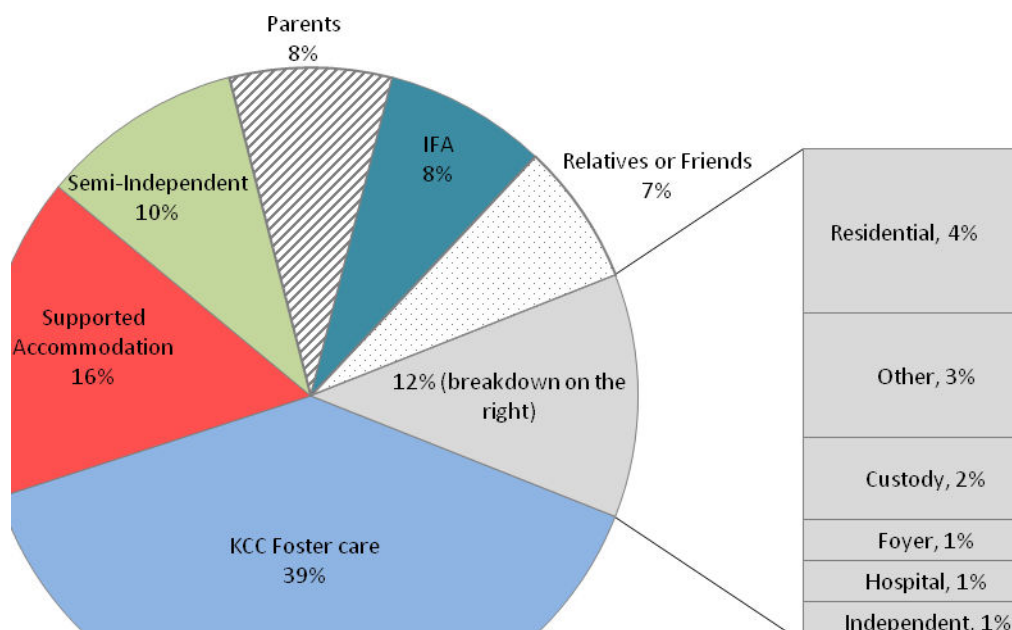
In June 2013, KCC will commence piloting the use of Residential Migration Placements, procured through the Independent Fostering Preferred Provider Framework that will support young children who are presently placed in residential provision outside of Kent to be supported, through a phased programme of care, to return to Kent and be placed with a Foster Carer family. Depending on the success of this pilot, this may be rolled out across Kent.

Kent County Council is part of the South East Region Commissioning and Contracting Group, involving around 19 other LAs in the South East of England. The regional group is presently working on developing a regional Framework, led by Southampton City Council, to commission and procure residential services from the independent sector for both Children in Care/LAC and SEN children (to be in place by 2014).

16+ Leaving Care Sufficiency of provision

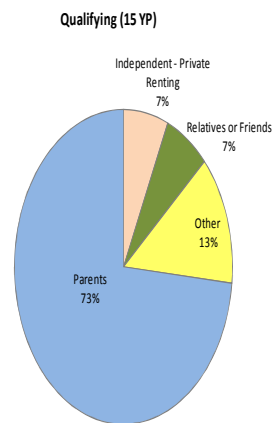
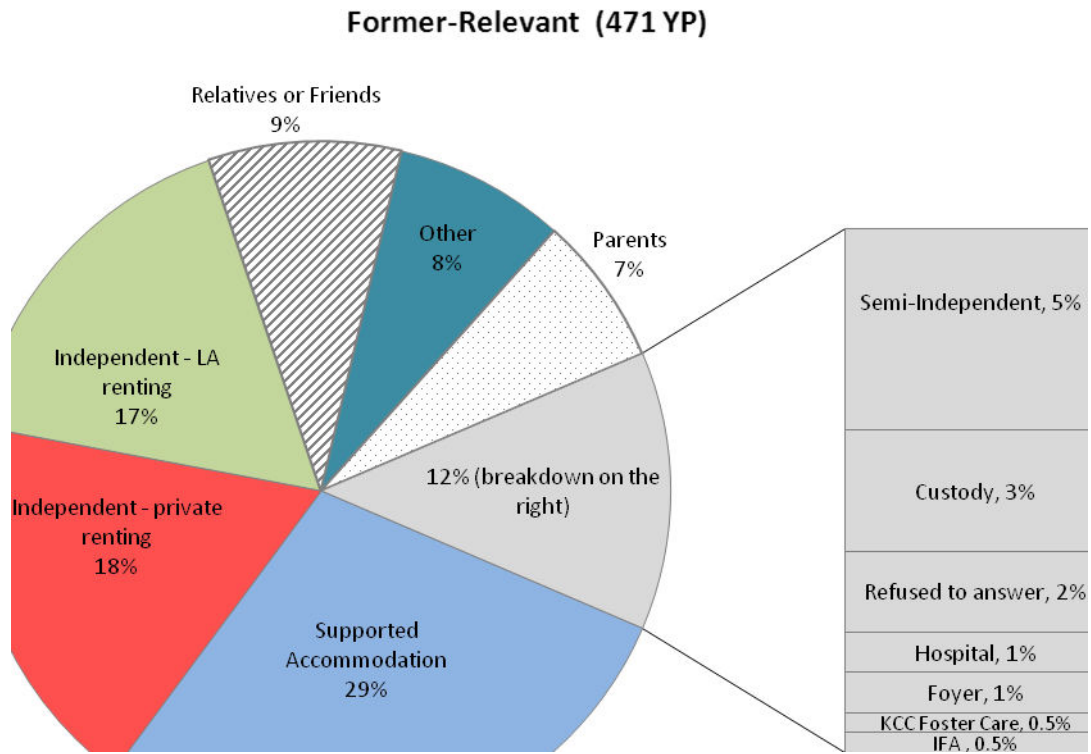
Catch 22 are currently contracted to deliver a Leaving Care Service for all eligible, relevant, former relevant and qualifying young people with the exception of UASC and Disabled children as this remains the responsibility of Kent County Council. In accordance with the agreed eligibility criteria, young people 16+ who present as homeless under Southward Judgement who remain in the care of the Local Authority for a period of 13 weeks are referred to Catch 22.

Table 7: Placement type for 252 Young People (16-18 year olds) accessing a Leaving Care Service from Catch 22 (as of March 2013)



39% of KCC's 16-18 year olds are placed with KCC's In-house Foster Carers at an average cost of £406.49 per week. 16% are placed in Supported Accommodation at an average cost of £166.60 per week. 3% 'Other' refers to 9 Eligible and 1 Relevant YP (of those 3 YP are placed in B&B accommodation with enhanced support, 6 are in standard B&B accommodation and 1 YP is homeless and currently sofa surfing).

Table 8: Placement type for 486 Young People over 18 years accessing a Leaving Care Service from Catch 22 (as of March 2013)



Current placements for UASC 16+ Care Leavers

As at March 2013, there were a total of 456 UASC Care Leavers.

Table 9: Placement type of UASC Care Leavers

Placement type	Number
Independent Placements (Private Housing)	422
Independent Fostering Agencies	2
With Friends/Relatives	7
Custody	4
Hospital	1
Milbank Assessment centre	1
Dover Detention centre	1
Recorded Missing	18
Total	456

Kent County Council has commissioned private rental/housing to accommodate majority of 16+ UASC Care Leavers. Of the 456, 15 young people receive floating support through Asphaleia Care. According to UASC monthly performance report, as at March 2013, there was only one child in IFA who was placed outside of Kent.

At present the UASC Service reports difficulties sourcing sufficient accommodation in the districts of Tunbridge Wells and Maidstone due to the higher cost of rentals in these areas. The UASC service is presently engaging with District Councils to address this issue and improve arrangements for young people who have been classified as UK citizens and therefore eligible for social housing.

Current placements for Disabled young people 16+

Table 10: Placements for Disabled YP 16+ as at March 2013

	West Kent	East Kent
P & V Residential provision	2	4
KCC - Stonebay	1	1
Foster care	2	4
Living with parents		1
Other		1
Total	5	11

From: Roger Gough, Cabinet Member for Education and Health Reform

Patrick Leeson, Corporate Director, Education, Learning and Skills

To: Cabinet – 15 July 2013

Decision No: 13/00033

Subject: Draft Strategy for Special Education Needs and Disabilities

Classification: Unrestricted

Past Pathway of Paper: Education Cabinet Committee 21 June 2013

Future Pathway of Paper: Cabinet – 15 July 2013

Electoral Division: All

Summary: This report provides Cabinet with a summary of the consultation responses received on the Strategy for children and young people with Special Educational Needs and Disabilities (SEND) in Kent and feedback from Education Cabinet Committee on 21 June 2013. Consultation respondents overwhelmingly supported the aims, priorities and proposals. The Children and Young People's Joint Commissioning Board also fully endorsed the draft strategy at its meeting on 26 March 2013.

Recommendations:

Cabinet is asked to approve the SEND Strategy as the County Council's policy and strategy for special educational needs and disability, and as one of the key strategic plans supported by multi-agency partners who sit on the Children and Young People's Joint Commissioning Board.

1. Introduction

1.1 The draft SEND Strategy (appendix 1) identifies key priorities to improve and expand our provision and close the attainment gap for disabled children and those with special educational needs (SEN). It builds on previous work in Kent to invest in Special Schools and keep in step with the demand for specialist school places, but recognises that more now needs to be done to provide additional capacity in Special Schools and mainstream schools with SEN resourced units. It also enables Kent to implement statutory changes proposed in the Children and Families Bill which we believe will be enacted from September 2014 and changes to national funding arrangements which came into force in April 2013. The strategy is designed to:

- Deliver greater local integration and co-ordination of services for disabled children and families in Kent, across education, health and social care;

- Successfully deliver the Kent approach to new statutory integrated education, health and care planning by September 2014.
- Improve access to local education, by developing the quality and capacity of early years providers, schools and colleges to meet the needs of local children with SEN and disability;
- Improve progress rates and have good outcomes for all children and young people with SEN and disabilities so that we close the gap between those with SEN and those without, and achieve aspirational targets for improved educational outcomes for these children in Kent;
- Build parents' confidence in Kent's SEND provision and the support services provided by education, health and social care, and improve the engagement of parents by providing timely information, advice and support for them as part of the local offer;
- Develop and improve services for children and young people by working closely with them and their families, through co-production and meaningful participation.
- Improve early intervention and ensure preventative support is more targeted to reduce poorer outcomes and prevent escalation and rising levels of need and cost;
- Develop a more systematic and joint strategic commissioning approach to improve the quality and availability of provision from birth to age 25, with good transition to adult life and support services;
- Ensure the provision of high quality specialist services as appropriate and necessary;
- Ensure we are making the most effective and efficient use of our resources to meet increasing demand;
- Ensure disabled children and families have timely access to appropriate community equipment and wheelchair services to meet their current and future needs.

1.2 Nearly 20% (£200m) of the Dedicated Schools Grant (DSG) is invested in meeting the additional and special educational needs of pupils in Kent. The proposals in the Strategy will ensure resources, including those delegated to schools are spent in a more appropriate and effective way to secure better outcomes. It will be necessary to prepare a fully costed delivery plan to implement the Strategy.

1.3 A programme is in place to improve the quality of Special School accommodation through rebuilding, refurbishment and remodelling of the ten remaining schools to benefit from the Special School Review that has taken place over the past few years. The programme is not only providing accommodation which is fit for purpose but also an increased number of Special School places, enabling more SEND pupils to have their needs met in Kent schools. The SEND Strategy and the Special School building programme will enable more places to be created in Kent Special Schools. In 2012 the designated number of places totalled 3076. This has been increased to 3385 from September 2013 pending completion of building work at some schools. It is intended that up to 3700 places could eventually be provided through implementing the SEND strategy.

1.4 £41.25m is currently committed to investing in the Special School building programme. One school is in the Priority Schools Building Programme and five schools require a complete rebuild, which has a disproportionate impact on the available funding. A capital funding pressure remains therefore and a further capital allocation has been sought from the DfE through Targeted

Basic Need Capital Funding bids. Two schools have an agreed project timeline through to the opening of their new school and the remaining projects are being prioritised to ensure that timed and costed project plans are in place to deliver new accommodation and additional places by 2015.

- 1.5 As part of the work to develop the draft strategy, mainstream schools were invited to express interest in hosting specialist resourced provision. 40 positive responses from Kent schools were received reflecting the breadth of expertise and range of SEN. Data reviewed by the working group highlighted gaps in provision for pupils with autism (ASD), speech and language difficulties (S&L) and emotional, social and behavioural needs (BESN). Kent has no unit provision for BESN and currently places more than 250 in out county provision for ASD and BESN. Detailed discussions have taken place with individual schools that are well placed to contribute to the delivery of the strategy and are able to demonstrate effective practice. Where we have matched expressions of interest to gaps in provision, we are developing costed proposals setting out the number of places and resourcing needed. The next steps will be formal consultation with relevant governing bodies and public consultation which addresses the SEN Improvement Test (a DFE requirement on LAs making changes to their SEN provision). This is expected to provide at least 100 additional specialist places in mainstream schools.
- 1.6 The working group supported the development of a formal Service Level Agreement setting out commissioning arrangements with host schools, building in mechanisms to support good schools to continue to be good and ensure the 'specialist' nature of provision is safeguarded. A draft SLA has been developed and is being reviewed in light of high needs formula funding for 2014.

2. Financial Implications

- 2.1 Not all of the Strategy proposals will require funding. Many are reliant on changing culture and attitude, new integrated ways of working and using resources differently. Where there are resource implications we will aim to use our existing resources differently and maximise the opportunities that come from joint working. We will identify where further investment is needed to overcome any deep-rooted barriers.

3. Bold Steps for Kent and Policy Framework

- 3.1 The over-arching aim of this strategy is to improve educational, health and emotional wellbeing outcomes for all of Kent's children and young people with SEN and who are disabled. They do significantly less well in comparison to other children and young people.
- 3.2 The second key aim is to ensure Kent effectively delivers the necessary changes to the assessment of needs and joint commissioning of provision by 2014, as set out in the Children and Families Bill. This requires our services to be more integrated, professionals to have good up to date knowledge of each others' practice and children and young people to have better coordinated support across education, health and social care.

- 3.3 Our third key aim is to address the gaps in provision, and improve the quality of provision, for children and young people with special educational needs and who are disabled. This will mean challenging universal services to be more inclusive of children and young people with special educational needs or who are disabled, developing the range of social care, health and education providers and encouraging a mixed economy of provision across the maintained Special Schools and mainstream schools in Kent, as well as the highest quality and cost effective independent and non maintained Special Schools where some children and young people are placed.

4. Consultation process

- 4.1 In March 2013, the Education Cabinet Committee discussed the proposed Strategy and endorsed plans for stakeholder consultation. The draft Strategy was amended in the light of comments by Committee Members and consultation ran from 27 March to 3 June 2013. Key stakeholders (listed at appendix 1) were identified and invited to comment.
- 4.2 The full draft strategy document and an executive summary were published for consultation on the Council's website on 27 March 2013. The online format invited respondents to submit an e-response form or to send submissions to a specifically established email address. To raise general awareness of the consultation, advertisements were placed in the local press on two dates during the consultation period and flyers were sent to Special Schools for distribution to their pupils and their families. E-bulletins to schools were used to alert and remind schools prior to the closing date. Further versions including a young persons' version were available as download and alternative formats were available although not requested.
- 4.3 The Corporate Director held two consultation events to discuss the draft strategy with Headteachers (7 and 20 May 2013) at which Headteacher representatives from Kent Special Schools gave presentations on the joint working that underpinned the draft strategy.
- 4.4 Consultation discussions also took place at meetings of the Tonbridge and Malling Local Children's Trust Board, the Kent Association of Special School Headteachers, District Briefings for SEN Co-ordinators and a meeting for Thanet Schools engaged in the SEN Pathfinder. By invitation, consultation also took place at a conference for parents and carers hosted by Kent Parents as Equal Partners (KPEPS).
- 4.5 The Education Cabinet Committee at its meeting on 21 June 2013, considered the draft SEND strategy, noted the feedback from the stakeholder consultation which informed revisions to the draft strategy and recommended that the Cabinet Member for Education and Health Reform take the draft strategy to Cabinet for final approval.

5. Equalities Implications

- 5.1 The key purpose of the Strategy is to support children who have been identified because they are vulnerable. Almost all of them will fall within the Equality Act definition of disability. It is anticipated that the Strategy will have a positive impact on these children and their families. It has not been

possible to use consultation responses to inform equalities analysis due to 77.4% of online responses having been completed on behalf of organisations.

6. Conclusion

- 6.1 The consultation responses were overwhelmingly in support of the strategy. Many respondents commented that its success depends on there being a clear multi-agency training programme and workforce strategy underpinning it, a commitment to fund the capital costs of increased school provision and early progress on integration and joint commissioning that is actively supported by the health service.
- 6.2 When the strategy is published it will be supported by a clear action plan setting out targets, milestones and performance measures to drive its implementation.
- 6.3 The strategy's implementation will also be considered at the next meeting of the Children and Young People's Joint Commissioning Board on 1 August.

7. Recommendation(s)

Recommendation(s): Cabinet are asked to approve the SEND Strategy as the County Council's policy and strategy for special educational needs and disability, and as one of the key strategic plans supported by multi-agency partners who sit on the Children and Young People's Joint Commissioning Board.

8. Background Documents

8.1 Education Cabinet Committee report – 21 June 2013
<https://democracy.kent.gov.uk/documents/s40880/Item%20B2b%20Decision%20number%201300033%20-%20Consultation%20Report%20on%20the%20draft%20Strategy%20for%20Special%20Education.pdf>

8.2 The public consultation document is available via the following link:
<http://consultations.kent.gov.uk/consult.ti/SENstrategy/consultationHome>

8. Contact details

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Key stakeholders invited to comment

All Schools via E- bulletin sent 26 March and resent in May
All Headteachers
Kent Assoc. Special Schools
All SEN Co-ordinators via SENCO meetings (23/4 Shepway, Thanet 24/4 Canterbury, Maidstone, 25/4 Tonbridge & Malling, 30/4 Swale, Tun Wells, 1/5 Ashford, Dartford, 2/5 Sevenoaks, 7/5 Dover, 8/5 Gravesham
Kent Parents as Equal Partners
Parent Partnership Service
All parents of children with SEN via school SENCOs
Pupils via School Councils
All PRUs /Alternative Curriculum providers
Kent Governors Association & SEN Governors via e-bulletin
Kent Association of FE Colleges
Early Years SEN Co-ordinators (Dartford 08/05, Tunbridge Wells/Sevenoaks 16/05, Maidstone 8/5, Tonbridge & Malling 9/5, Ashford 13/5, Dover 24/4, Thanet 15/5, Canterbury 23/4
Portage
Children's Centres
Childminders
Out of School childcare providers
Children's Trust Board
Joint Commissioning Board
Virtual School Kent
Social care provider forums including Early Intervention Forum
Youth service, Youth Parliament
Clinical Commissioning Groups
School Nursing
Community Paediatricians
Wheelchair Service
Early Support Key workers
Therapy Services
Short break services
Community Children's Nursing Services
SE7 Heads of SEN
Bexley Council, Bromley Council, Medway Council: Heads of SEN
All Elected Members
Kent Members of Parliament
District Councils
Children & Families
ELS staff via Directors,
Heads of Services,
SEN Area staff teams,
Education Psychology,
Specialist Teaching & Learning Service District Co-ordinators

Consultation respondents

51 Schools (of whom 33 submitted e-forms):

Aldington Primary School
 Barham
 Barton Junior School
 Broomhill Bank Special School
 Chilham CEP
 Clementina Free School
 Dartford Bridge Primary School
 Eastry Church of England Primary
 East Stour Primary
 Foreland Special School
 Garlinge Primary School and Nursery
 Greenfield Community Primary
 Harrietsham CEP School
 Hollingbourne Primary School
 Holy Family
 Ifield School
 Kings Farm Primary School
 Leigh Primary School
 Longfield Academy
 Madginford Park Infant School
 Malling/Homesdale Federation
 Mayfield Grammar School
 McGinty Speech & Language Centre
 Milestone Academy
 Molehill Copse Academy
 NLL Academy
 Nonington Church of England Primary School
 Park Way Primary School
 Playbox Day Nursery , Folkestone, Kent
 River Primary School Dover
 Rosherville Primary
 Sandling Primary School
 Shatterlock Infants
 Shoreham Village School
 St Augustine's Academy
 St Ethelberts, Ramsgate
 St Francis Catholic Primary School
 St Gregory's catholic school
 St Martin's Dover
 St Simon Stock Catholic School, Maidstone
 St Stephen's Primary School, Tonbridge
 St. Nicholas Special School
 Swadelands School
 Swale Academy Trust
 The North School
 Valence School, Westerham
 Westcourt Primary & Nursery School
 Westlands Primary School
 Whitfield Aspen and Dover Christ Church Academy
 Woodlands Junior School
 Wrotham School

6 Governor representatives from Kent Schools

- Brook Community School,
- Foreland Special School
- Four Elms Primary,
- Harcourt Primary School,
- Holywell Primary,
- Wentworth Primary,

6 Other representing organisations

- KAFEC Colleges
- Kent PEPS
- M4S
- County Sensory Services (part of Specialist Teaching Service)
- STLS
- Playbox Day Nursery, Folkestone

5 Health respondents

- Ashford Clinical Commissioning Group,
- Canterbury and Coastal Clinical Commissioning Group,
- Consultant Community Paediatrician at Darent Valley Hospital,
- East Kent Hospitals: Paediatric Physiotherapy, Occupational & Speech and Language Therapies,
- Kent & Medway NHS Commissioning Support unit

4 Social Care respondents

- Learning Disability Services (FSC)
- Specialist Children's Service,
- Transition worker
- VSK; Virtual School Kent

21 Individual responses

9 x Parent/guardian who completed eforms

4 x Educational Psychologists

3 x Local Government Officers

5 x Teachers

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Kent Children and Young People’s Joint Commissioning Board
Strategy for Children and Young People with Special Educational
Needs and Disabilities

(post consultation version June 2013)

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Introduction

Kent is ambitious for all children and young people and has set out a challenging agenda for improvement firstly in Every Day Matters, its Children and Young People's Plan, and in Bold Steps for Education. Children and young people (CYP) with the most complex special educational needs and disabilities (SEND) deserve the best provision and every opportunity to achieve well. While Kent has many reasons to be proud of its existing services and the quality of provision, especially in Special Schools, specialist provision in some mainstream schools and its Disabled Children service, there is more we need to do to improve outcomes for these children and young people. This is an ambitious strategy that will call for greater integration of services, particularly with health and with adult services.

There has been significant investment in Kent Special schools in recent years and most of the provision is good or outstanding. This is an enormous strength. Special schools are developing their outreach work to support other mainstream schools and lead schools in each district have taken on the management of the Specialist Teaching and Learning Service to improve progress and support for pupils with special educational needs in all schools. This is a very positive development. The specialist resourced provision in mainstream schools also provides much needed support for many SEN pupils to be educated in a local school.

There has been significant improvement in the support available for parents of disabled children through the short breaks programme and the development of the Multi-Agency Specialist Hubs and the Early Support Programme has improved the coordination of services for many families and provided them with more effective support. There has also been a welcome improvement in palliative care for children and young people.

There is much to be celebrated but we also know that our provision has not kept pace with changing needs, for example in relation to developing our capacity to meet the increasing autistic spectrum disorder needs, speech and language needs and emotional, social and behavioural needs of young people or in relation to the support services their families rightly expect.

In spite of significant financial resources across health, education and social care and good capital investment in Special schools and other specialist hubs, we do not have enough local specialist provision in mainstream schools and too many children and young people have to go to a Special School too far from home, and sometimes out of the County, to have their education, health and care needs met. Consequently we are spending too much money on transport that should be invested in education and care services that directly benefit children and young people. Families tell us that they have to struggle to access the right services in a well coordinated way. Many children are unable to access social activities in their local community because some universal services feel unable to include them. Too many children have to go to a Special School because the right provision and skills are not available in local mainstream schools. And in many schools pupils with special educational needs do not make good enough progress and there are wide achievement gaps between them and other learners. At age 16 many young people with special educational needs and who are disabled do not have the same opportunities as other young people to progress to further learning and training, and to access employment and independent living as they move into early adulthood.

While much progress has been achieved in recent years we are aware that a more integrated strategy is needed to ensure we achieve further improvements, and that

education, health and social care must work more closely together and with the voluntary sector to address the challenges we face. This strategy is designed to address these issues and to bring about the necessary improvements in the quality of provision and outcomes for these children and young people, from the early years of childhood to early adulthood.

We are publishing this strategy at a time of very significant change, with some of the biggest shifts in national policy for health, special educational needs and disability in over 30 years. The strategy is also intended, therefore, to ensure that Kent is well positioned to implement these changes for the benefit of children, young people and families.

The Aiming High for Disabled Children programme and more recently the Government's proposed reforms to improve outcomes for disabled children and those with SEN, as set out in the Children and Families Bill, make it more important than ever that Kent County Council, schools, colleges, the NHS and other partners work closely with parents, carers, children and young people to improve services.

There is a requirement within the Children and Families Bill, Mandate for the NHS and the Health and Social Care Act for the Local Authority, Clinical Commissioning Groups and NHS England to jointly commission services and promote integrated working based on shared outcomes and shared approaches.

The Health and Wellbeing Board under the Health and Social Care Act is the main statutory body for promoting integrated working and joint commissioning between children's and adults' health and social services. This is reflected in the Kent Joint Health and Wellbeing Strategy *Outcomes for Kent*. This SEND Strategy has strong links to the Kent Joint Health and Wellbeing Strategy.

Kent's Health and Wellbeing Board will provide leadership and oversight of how children's and adult services can both become more integrated and work with GP Clinical Commissioning Groups to effectively jointly commission health and social care services.

This strategy has been produced in response to the significant government reforms to education, health and social care in working with disabled children and young people and those with SEN, aged between 0-25, and their families and carers.

The national reforms require:

- The local authority to develop and publish a local offer, and to work closely with the NHS and schools to use resources through joint commissioning to improve the range of support available in a local area.
- The local authority to provide a range of short breaks to carers of disabled children and to publish a statement as to how they will be provided.
- A more flexible model of joint commissioning that promotes access to personal budgets, focuses on specific groups of children or areas within the county and ensures that children and young people's needs are met wherever they live in Kent.
- A cultural change in the way in which we listen to and engage with children, young people and their parents and carers.
- A new integrated assessment model leading to a single Education, Health and Care Plan.

- Better commissioning of new provision to ensure needs are met in local schools and by local community services
- A skilled workforce that is able to meet the needs of children and young people with SEN and those who are disabled.
- Services that support families to meet their children's needs and help children to remain in their local community.
- Positive transitions at all key stages within a 0-25 age range, especially a more successful transition to adult life
- Improved quality and range of information available for children, young people and their parents and carers enabling them to make informed choices.

What young people and their parents have told us

Children, young people, parents and carers have told us that they want children and young people's needs and outcomes to be at the heart of the system, and to be treated with respect and valued as individuals who have a valuable contribution to make to their school, their community and wider society. They want:

- to be listened to and supported to use the appropriate communication method
- services that are more responsive and pro-active, rather than reactive and waiting for a crisis to happen, and that are close to home and co-located where possible
- one key contact person to support the family and professionals that talk to one another so that they do not have to tell their story over and over again.
- to be actively involved in the assessment process and the implementation of any single multi-agency plan, as well as involvement in the development and evaluation of the services that they receive.
- to be able to go to a local school and to have a workforce in schools and in other services that is trained to meet their needs.
- services that work together to promote independence and access to leisure, training and employment
- information that is easy to access and understand and more information about wheelchairs and equipment availability
- to wait less time for equipment assessment, delivery and review
- wheelchair clinics to be more child friendly environments
- to have access to support at school when needed but to be able to retain as much independence as possible
- protection from bullying and abuse and somewhere safe to go to ask for help and advice
- to be consulted when services and provisions for children and young people are being developed
- to have opportunities to participate in the everyday activities that all children and young people have access to in their local community.

Parents and carers have told us that this strategy is focussing on the right outcomes for their children and they want the opportunity to be involved as full and equal partners in the decisions regarding their children's future. Parents told us that providing them with support and integrating our services across agencies are their most important priorities.

The strategy is focused, therefore, on developing a new approach to the engagement of parents, carers, children and young people with SEN or disabilities. Involving them in developing an integrated approach to assessment will mean that there is a robust discussion about what works and where we can achieve the best outcomes for Kent's

children and young people. Better outcomes are achieved when partnership is strong and parents, carers, children and young people work closely with front line professionals to find and implement solutions. This will be a key driver in ensuring this strategy is a success.

Parents have asked us to ensure that the Strategy increases support in mainstream schools and specialist provision to ensure children can be educated nearer to home.

Some children with physical disabilities who are academically able and do not have learning difficulties and others with lower levels of special educational needs will not meet the criteria for an integrated Education, Health and Care Plan. Parents have asked us to tell them where they can get help if their child does not meet the criteria.

We also recognise that in order for this strategy to be successful, the key agencies and services must work in a more integrated way and take shared responsibility for improving the provision in Kent. Under the existing legislation we have an education driven assessment and funding system which has served its purpose well for many years but which has recognised shortcomings in securing the necessary health and care services that schools, children, young people and families need to achieve the best outcomes. The strategy is designed to deliver a more effective joint commissioning process that delivers investment in high impact low cost solutions, pools the available resources in education, health and care and which promotes a continuum of provision from birth to early adulthood.

The strategy is also dependent on good SEN practice in every school, a stronger commitment to inclusion, closer partnership between Special Schools and mainstream schools, investment in more mainstream schools becoming centres of specialist expertise and more effective commissioning of placements procured outside of the maintained sector. One of our biggest challenges is to ensure that all children and young people with special educational needs and who are disabled receive good teaching at all times so that they make good progress, and the adults supporting them have the right levels of skill to promote good learning and achievement.

The strategy meets our legal requirement to set out our SEN policy. We are required by the Education (Special Educational Needs) (Provision of Information by local authorities) (England) Regulations 2001 to publish the aims of our policy for special educational needs, as well as specific action we are taking to address SEN issues.

The strategy also reflects our commitment to, and responsibility for, safeguarding and protecting children and young people with SEN and who are disabled. The Children Acts 1989 and 2004 emphasise the shared responsibility we all have for protecting them.

In this strategy we use the definition of SEN that is within the current Code of Practice and we use the definition of disability used within the Equality Act 2010. (See appendix 1) The Equality Act definition is broad enough to include those children and young people described as being disabled in the SEN Code of Practice, as well as those receiving health and social care services.

Our Vision

Our vision is for a well planned continuum of provision from birth to age 25 in Kent that meets the needs of children and young people with SEND, and their families. This means integrated services across education, health and social care which work closely

with parents and carers and where individual needs are met without unnecessary bureaucracy or delay. It also means a strong commitment to early intervention and prevention so that children's and young people's needs do not increase because early help is provided in a timely way.

We believe that every Kent child and young person should have their needs met, as far as possible, in their local community, in local Early Years settings and schools, in Further Education colleges and work places and that they should be offered high quality provision which ensures good health and care and good educational progress and achievement.

We expect every early years provider, mainstream school and post 16 setting to make effective provision for disabled children and those with SEN so that they make good progress in their learning and can move on easily to the next stage of their education and later into employment and adult life.

We also expect education, care and health services to be delivered in an integrated way so that the experience of families' accessing services is positive and children's and young people's safety, well being and health outcomes are well promoted alongside their educational progress and achievement.

Our vision is to have effective services in place for young people with additional needs up to age 25. They should be recognised as full citizens with their own contributions to make to their local communities and society. This means we will extend the age range of our current services to ensure we are supporting their transition to adulthood. We want transition to be a good experience for every young person. We want them to be talking to the right people in the right places at the right time. The consultation has highlighted successful transition support in practice between some schools and FE Colleges, and the adult ASD service which could become involved at an earlier point in the lives of young people.

We believe every Kent child and young person who is disabled has the right to live as ordinary a life as possible in the local community, with easy access to local schools and leisure facilities, and to the support services they and their families need. Some young people with the most complex needs require significant levels of help and we aim to ensure they and their families can work with us to shape the services that will best ensure good outcomes for them and their inclusion in society.

Our vision is for all early years settings, schools, colleges and health and care support services to have the capacity and confidence to deliver high quality provision for children and young people with special educational needs and who are disabled (SEND), to improve their educational and health outcomes, and their access to social opportunities. We want to improve our provision and parental choice by working in partnership with providers in the voluntary and independent sectors who share our vision and values. We will achieve this by using the best expertise and knowledge in schools and other services, to increase capacity throughout the county by sharing best practice and by promoting a model of collaborative working and shared responsibility. We recognise the importance of providing good training for all schools and Early Years and FE sector partners. We are using Service Level Agreements to clarify the role of Special schools providing outreach support for others to ensure individual schools do not become overburdened by playing a leading and supporting role for others and there is a more comprehensive network of support across all schools.

The vision of the Health and Wellbeing Board is to deliver better quality care, improve health outcomes, and improve the public's experience of health and social care services.

The Kent Children and Young People's Joint Commissioning Board vision is for every child and young person in Kent to achieve their full potential in life, whatever their background.

The Aims of the Strategy

The over-arching aim of this strategy is to improve educational, health and emotional wellbeing outcomes for all of Kent's children and young people with SEN and who are disabled. They do significantly less well in comparison to other children and young people.

The second key aim is to ensure Kent effectively delivers the necessary changes to the assessment of needs and joint commissioning of provision by 2014, as set out in the Children and Families Bill, so that our services are joined up, professionals have good up to date knowledge of each others' practice and children and young people have better integrated support across education, health and social care.

Our third key aim is to address the gaps in provision, and improve the quality of provision, for children and young people with special educational needs and who are disabled. This will mean challenging universal services to be more inclusive of children and young people with special educational needs or who are disabled, developing the range of social care, health and education providers and encouraging a mixed economy of provision across the maintained Special schools and mainstream schools in Kent, as well as the highest quality and cost effective independent and non maintained Special schools where some children and young people are placed.

There is considerable good practice in Kent across all agencies but there are also significant gaps in what we provide. This strategy aims to address those gaps, specifically:

- Insufficient specialist provision and skills in local mainstream schools
- The lack of enough specialist provision and school places for children and young people with autistic spectrum disorder needs and behavioural, emotional and social needs
- Our increasing need to transport children and young people considerable distances from home in order to go to a school that can meet their needs
- Delays in medical and educational assessments which mean it takes longer for children and young people to receive the help they need
- Gaps in educational achievement and progress for children and young people with special educational needs and who are disabled
- The lack of appropriate provision post 16 for young people with learning difficulties and disabilities

- Insufficient provision for speech and language therapy, physiotherapy and occupational therapy in schools and Further Education Colleges
- Insufficient provision of child and adolescent mental health services, especially for children and young people with a learning difficulty, autism and those with challenging behaviour
- Gaps in community nursing support for pupils with complex health needs in schools
- Insufficient joint working between agencies
- A workforce that does not always include children in community activities and services
- A lack of equity in provision of short break opportunities across the county

In aiming to ensure that all children continue to get a good start in life, it is important to ensure that their needs can be identified and met in the early years. We aim to ensure there is more joined up work by professionals who work with very young children and their families, particularly Early Years education and childcare providers across all sectors, health practitioners and those providing services through our Children's Centres, so that we achieve the highest quality support for children with special educational needs and disabilities aged 0 to 5.

We aim to ensure the excellent expertise in some schools is used for the benefit of other schools, so that there is capacity in every school or setting to intervene earlier and provide the most effective support to children and young people. Key to this is ensuring that every school can deliver the SEN core standards and that by 2014 there are staff in all schools with training and expertise in ASD, BESN and speech and language needs.

We aim to ensure all specialist SEN provision accessed by Kent children and young people is good or better and all Kent Special schools can be effective centres of excellence, providing models of best practice and high quality training and support for other schools. We aim to build on the existing vocational skills provision in FE Colleges.

We aim to have in place provision which offers a flexible match to the needs of our children and young people. We aim to develop our partnership with providers in the independent and non-maintained sector, who share our values and ambition for Kent's children, to help manage demand and drive down the overall cost of placements and transport. We recognise that we cannot achieve our ambitions without working in partnership with all providers.

We aim to ensure that transitions from one stage of education to the next are well managed, so that there is continuity of support for children and young people with special educational needs and who are disabled. A key transition is into post 16 education or training, and at age 19 into employment and early adulthood. These transitions are challenging and our aim is to ensure young people with learning difficulties and those with disabilities up to age 25 are engaged in purposeful education and training, they are well prepared for skilled employment and independent or supported adult living and for those who need it, there is good support from adult social

care services. We aim to improve access to physiotherapy and occupational therapy for young people progressing to further education.

We recognise that services need to be more flexible if they are to meet individual needs. We aim to provide better personalisation and to develop services with the active involvement of young people and their families, as well as provide personal budgets where that will support greater independence and choice. We believe that developing a mixed economy with the broadest range of providers will increase parental choice.

Lastly a key aim of the strategy is to provide a 'tell us once' approach to sharing information and delivering services, so families and young people do not have to repeat their story to different agencies. This will be achieved by developing an integrated service for disabled children and young people and a key worker model for all families.

What are we aiming to do?

1. Improve provision for, and access to, local services in education, care and health, which means families can access appropriate health, care and social opportunities locally, and fewer children will need to be educated out of their local area and out of the county.
2. Develop the quality and capacity of early years providers, schools and colleges, in order to meet the needs of local families and their children with SEN and disability. We want to provide the training and support they need.
3. Develop the broadest range of providers to increase parental choice and offer provision which offers a flexible match to the needs of children and young people. We want a continuum of provision across mainstream and special education so that providers can develop and maintain specialist skills.
4. Improve progress rates and outcomes for all children and young people with SEN and those who are disabled so that we close the achievement gap between them and other children and achieve outcomes which are above national expectations.
5. Build parents' confidence in the support provided and improve the engagement of parents by providing them with timely information, advice and support.
6. Develop and improve services for children, young people and families with their active participation, and make available personal budgets where it will improve independence and choice.
7. Deliver greater local integration and co-ordination of education, health and care services and plans for children and families in Kent ensuring this is extended to young people aged 25 and promote positive transitions at all stages between the ages of 0-25.
8. Develop new outcome focused approaches to joint commissioning and integrated working that promote early intervention and prevention whilst also ensuring that KCC and NHS CCGs meet their new statutory duties linked to the provision of services within the Education Health and Care Plan
9. Develop innovative approaches to addressing gaps in services through joint commissioning and using evidence based practice and research to improve the quality and availability of provision 0-25, with good transition to adult services.

10. Ensure the provision of high quality specialist services as appropriate and necessary, such as educational psychology, speech and language therapy and child and adolescent mental health support.
11. Ensure we improve the effective and efficient use of our resources to meet increasing demand and remove perverse incentives, so that costs do not escalate.
12. Ensure disabled children and families have timely access to appropriate community equipment and wheelchair services to meet their current and future needs.
13. Work with partners in health to ensure more effective commissioning and adequate provision for speech and language therapy, child and adolescent mental health services and school and community nursing for children with complex health needs.

Where are we now?

Kent has a school population of 233,000, of whom around 2.8% (more than 6,500) are children and young people subject to a Statement of Special Educational Needs. Less than half (around 2,500) of Kent's children and young people with statements attend a mainstream school. This is less than the national average and we would expect more children to be in a local mainstream school.

Around 4% of Kent's children and young people with a statement are placed in independent and non-maintained Special schools (with a further 2% looked-after children and young people from other local authorities). Where Kent makes this type of placement it usually reflects a good use of resources for low incidence disabilities or where Kent's own maintained provision is at capacity; which is largely ASD and BESD. However it means over 400 children and young people currently attend schools in the independent and non maintained sector because their special educational needs cannot be met in a local Kent school. In recent months we placed 40 pupils in out-of-county placements who could have been educated in Kent if the places had been available. The largest numbers of pupils have autism spectrum disorder needs or emotional, social and behavioural needs. We aim to increase the provision for these kinds of needs in Kent Special and mainstream schools.

Less than the equivalent of 1% of young people with a statement will need to transfer into similar independent specialist colleges post 16 because the range of courses and access levels available in further education mean that most young people can be supported to continue learning in a local college. Most local FE colleges are committed to developing their provision for students with learning difficulties and disabilities.

There are 22,961 disabled children and young people aged between 0-18 in Kent, of whom 3,804 have been identified with an autism spectrum disorder, compared to 2,157 pupils identified by schools as pupils with ASD. This means that not all of those with a medical diagnosis are identified as SEN. Swale and Thanet, the two most deprived districts in Kent, have the two largest concentrations of disabled children and young people who are in receipt of Disability Living Allowance.

Statutory Assessment

The number of children subject to a statutory assessment and statement has remained stable over the past 4 years. Whilst the number identified with an Autistic Spectrum Disorder (ASD) has significantly increased, it has been offset by a significant reduction in the proportion identified with Moderate Learning Difficulties (MLD) and Specific Learning Difficulties (SLD).

Of the children with statements in mainstream schools, 53% attract further per-pupil funding known as Individually Assigned Resources (IAR) with 29% as part of a placement in one of Kent's 47 schools with specialist provisions (previously referred to as units) and 24% receiving IAR funding to enhance their inclusion in a local mainstream school.

SEN Regulations which accompany the Code of Practice prescribe that the statutory assessment process should not normally exceed 26 weeks. However our 2010-11 performance was 88% completed in time, when the national average was 95% and our statistical neighbours were achieving 98%. Performance in August 2012 fell to 70%, which is poor. We have published, in *Bold Steps for Education*, an ambitious target to ensure by 2015 we are completing 95% of all statutory assessments within 26 weeks. In order to achieve this target we must be securely at 90% by March 2013. Reducing protracted resourcing negotiations with schools, increasing placement capacity and ensuring we have more timely speech and language therapy assessments are critical to improving our performance.

There were 181 appeals against Kent registered by the SEN and Disability Tribunal in 2011-12. This represents an increase of 35% over the previous year, with the most significant increases experienced in East Kent. 40% of appeals were against a refusal to carry out a statutory assessment and 36% related to the level of support and school placement. 57% of the appeals against Kent were in relation to children with autism or speech and language difficulties. The number of appeals found in favour of the authority increased to 72% from 50% the previous year. This level of contention and lack of parental confidence highlights the need for this strategy to give special priority to working more closely with parents. The appeals also highlight the need to improve our provision for speech and language needs and autism.

Commissioning Provision

Local authorities have significant core responsibilities as strategic commissioners of education and other provision, operating in an increasingly diverse educational environment to secure sufficient, high quality provision in the right locations. Kent has a long history of working with private and voluntary education providers in the pre-school and school sector. This collaboration offers parents greater choice and a best value approach to low incidence high cost needs. Greater diversity in the market is also likely to give the most cost effective response to managing fluctuating pressure in capacity.

The Education Commissioning Plan will focus on a more systematic approach to the forward planning of SEND provision in schools, to increase capacity in Special schools and resourced provision in mainstream schools. This strategy has a priority to create at least 275 additional places for ASD and BESN.

Families and Social Care services commission over 80 providers of short breaks. These, include after school clubs, youth groups, holiday play schemes, weekend activities, family days and overnight short breaks for the children and young people with the most complex needs. We have successfully commissioned some of these short breaks with health.

While there have been some notable successes in relation to jointly commissioning services between education, health and social care, there is more work to do and joint commissioning across education, health and social care is a priority for improvement. The current Joint Resources and Assessment Panel, which agrees joint funding for complex needs placements requires improvement and better decision making, with pooled funding, to ensure we address delays and secure the most appropriate and cost effective placements for children and young people with complex needs.

Pupil Progress and Attainment

The attainment of pupils with special educational needs shows wide gaps compared to other learners. In 2012 the percentage of pupils with SEN (statemented and non statemented pupils) that achieved Level 4 in English and mathematics at Key Stage 2 was 43%. There was a 48% gap between SEN pupils and other pupils. This is similar to the national gap of 49%. The percentages who made 2 levels of progress between Key Stage 1 and Key Stage 2 were 76% in English and 69% in Maths. The progress gap between SEN pupils and other pupils was 16% in English and 23% in mathematics.

These are wider than the national progress gaps which are 14% in English and 21% in mathematics.

Similarly in 2102 the percentage of pupils with SEN (statemented and non statemented pupils) that achieved 5 GCSE grades at A*-C with English and mathematics was 26%. There was a 47% gap between SEN pupils and other pupils, which is the same as the national gap. The percentages who made 3 levels of progress between Key Stage 2 and Key Stage 3 were 42% in English and 40% in mathematics. The progress gap between SEN pupils and other pupils was 34% in English and 39% in mathematics. These are wider than the national progress gaps which are 30% in English and 37% in mathematics.

In addition, 31% of young people aged 16 to 24 who are NEET are those with learning difficulties and disabilities. This is unacceptably high.

Exclusions

During the 2011-12 school year permanent exclusions in Kent reduced by 16%, to 211 from 252 the previous year. There has been further reduction since September 2012, to below 200 permanent exclusions. While this downward trend is encouraging too many excluded children and young people have special educational needs. (More than two thirds of all those permanently excluded in the past year have SEN). Exclusion is an inappropriate response to addressing the learning needs of children and young people with SEN and those who are disabled.

The target by 2016 is to reduce the number of permanent exclusions to no more than 40 in an academic year, and at the same time dramatically reduce exclusions for pupils with SEN statements. The strategy to reduce exclusions includes the review of the Pupil Referral Units and Alternative Provision, designed to improve more inclusive and collaborative work between schools in each District. This approach will ensure the

needs of children and young people with special educational needs and disabilities are better met

School Quality

There are 23 local authority maintained Special schools and one Special Academy in Kent educating and supporting over 3,000 pupils with Statements of SEN. The overall effectiveness of Special schools (all Kent and all Special in England) is set out in appendix 5. This shows that 80% of Kent Special schools are good or better, compared to 81% nationally.

Eleven Special schools are designated as District Special Schools for children aged 3-19 with Profound, Severe and Complex Needs (PSCN). Two of these schools are federated. Dover and Deal are served by units attached to Whitfield (Aspen I) Primary School and Dover Christchurch Academy (Aspen II). We believe that some of the children who are currently supported in our PSCN schools should be supported in their local mainstream schools and it is a priority to address this and offer parents a choice of mainstream and Special school in future. We need to do this by creating an appropriate educational offer in mainstream schools.

The overall effectiveness of Primary schools with SEN units shows that only 43% of Primary schools with SEN Units are good or better, compared to 69% nationally and 61% of all Primary schools in Kent. We aim to improve this as part of implementing the strategy.

The overall effectiveness of Secondary schools with SEN units shows that only 54% of Secondary schools with SEN Units are good or better, compared to 72% nationally and 70% of all Secondary schools in Kent. This also is a focus for improvement as part of implementing this strategy.

We recognise that there is much expertise and good practice in schools. We know from parents and governors that committed staff in many schools are doing a good job in supporting children and young people with complex needs.

A key priority for this strategy is for all schools that host specialist SEN provision to be good or better schools. We recognise that children and young people with SEN are in every local early years setting and school and we want every setting and school to be good or better. Bold Steps for Education already sets out ambitious targets and activities to improve the quality of provision in all schools and early years provision.

Short Breaks

The Aiming High for Disabled Children programme has enabled Kent to do well in transforming services for disabled children and young people, and their families. The parent led charities including the Parents' Consortium and Kent Parents as Equal Partners (KPEPs) have contributed strongly to this. Over 700 families receive direct payments to meet the cost of short break support for their children. There has also been a strong emphasis on promoting the participation of children and young people in transforming services, for example being involved in developing new service specifications, using them as Young Inspectors for the short break programme and introducing person centred planning into the 14+ transition review process in Special

schools. Parent led groups have been successful in reaching families who previously did not access support from services.

The number of short breaks for disabled children has trebled since 2007. There is now a wide variety of short breaks which are becoming more evenly distributed across the county.

Providers of services have come together in 5 localities across the county to plan together and identify local needs.

Palliative Care

The Kent and Medway Children and Young People's Palliative Care Network has made significant progress in ensuring there is a consistent, joined up approach to implementing the national care pathway for children and young people with palliative care needs and their families. Over the last 2 years the Kent and Medway Children and Young People's Palliative Care Network has been able to use a £750,000 grant from the Department of Health to increase the awareness of the palliative care needs of children and young people amongst a broad range of professionals including teachers, social workers, nurses, and therapists. It has developed a new Advance Care Plan for children and their families to provide a joined up multi-agency approach to meeting the child's and family's needs, and worked with parent carers, children and young people on how services can be improved. This has resulted in an increased availability of short breaks for this group of children and families and improved access seven days a week to specialist advice and support for parent and carers with children who have palliative care needs.

Early Support Programme

Another success is the Early Support Programme, which is a multi-agency approach to meeting the assessed needs of young disabled children with complex needs and their families in a person centred and co-ordinated way from birth to age 7. There are nine multi-agency Early Support points of access providing good support for families.

Multi-Agency Specialist Hubs

Significant capital investment has been made in building 3 new Multi-Agency Specialist Hubs (MASHs) in Ashford, Sittingbourne and Margate, enabling co-location of services and the delivery of short breaks. Other capital expenditure has included sports and play equipment, toy libraries, navigational aids for visually impaired children, major improvements at our 5 in-house overnight short break units, and accessible accommodation at Bewl Water, Swattenden, Allsworth Court and short break foster care homes.

SEN Transport Initiative

We currently spend £17 million transporting to schools more than 4000 children and young people with special education needs and who are disabled. The costs are increasing and reflect the fact that we are becoming less able to find places to meet some children's needs in schools closer to home. We have recently surveyed more than 30% of parent and carers accessing SEN transport to seek their views on ways in which we can improve quality, choice and flexibility whilst delivering reductions in the overall cost of providing transport assistance. We have used their suggestions to develop a new

approach which involves offering personalised transport budgets to more than 500 parents and carers in the Ashford and Shepway areas on a trial basis. We plan to use this trial to develop the approach and roll it out across the County from May 2013 onwards.

The Specialist Teaching and Learning Service

We have recently devolved the management of the Specialist Teaching and Learning Service (STLS) to 12 District Special Schools to lead improvements by supporting all schools to improve provision and outcomes for children and young people with SEN or who are disabled. Each multi skilled District team is led by a Coordinator, who also carries the County lead responsibility for a specific area of SEN, under the leadership of the Special school Headteacher. Specialist teachers within the team are qualified and experienced in at least one area of special educational need and disability and act as a County resource to support schools. In addition a County Professional Lead for Sensory Impairment and two County Coordinators, for hearing and visual impairment, provide professional leadership for sensory staff.

The Education Psychology Service

Educational Psychologists have extensive skills and knowledge in facilitating change at different levels for children and young people with Special Educational Needs and for families and groups of staff in schools.

All schools have access to the Kent Educational Psychology Service whose core offer includes psychological advice provided as part of the statutory assessment process, consultation at Local Inclusion Forum Teams for individual children and young people, crisis support for schools and team around the family interventions. The service provides an extensive range of additional work on a traded basis to schools. This includes assessment, training, courses, staff development programmes, interventions, projects, research and specialist work. This builds on good professional relationships and expert knowledge which supports the delivery of the SEN core standards, improves staff confidence, knowledge and skills and engages a wide range of multi-agency partners to improve outcomes for children and young people.

The Communication and Assistive Technology Service

The Communication and Assistive Technology (CAT) Service is a joint funded team of education professionals, NHS therapists and engineers who work in partnership with families, local therapists and professionals to undertake individual assessments of children with significant difficulties with oral and written communication. The team works alongside those already supporting children, to assess how highly specialist technology can help overcome their communication difficulties.

Integrated Community Equipment Service

There is joint provision of equipment between health, education and social care, recycling specialist equipment whenever possible, which is a more efficient use of resources. The right equipment provided at the right time supports greater independence and may prevent additional impairment.

Kent's Role as SEND Pathfinder

Key to transforming Kent's services is testing out the proposals in the Children and Families Bill. Twenty Pathfinders (31 local authorities) were invited to trial the SEN Green Paper proposals and Kent is a member of the SE7 Pathfinder group with Brighton and Hove, East and West Sussex, Hampshire, Surrey and Medway. The learning from the Pathfinder experiences will inform the draft regulations and the writing of a new SEN Code of Practice in 2013.

SE7 is developing a common framework for assessment and applying agreed core principles with partners. At the heart of this, is the development of a Child and Family Centred Plan bringing services together and improving outcomes. Kent's work has been focused on the development of the local offer, the use of personal budgets and the development of an integrated plan, working with a small number of families within one district initially.

The Pathfinder was initially due to finish in March 2013, but has now been extended by the Department for Education along with the majority of other Pathfinders nationally until September 2014. This provides an exciting opportunity to accelerate and expand the reach of the Kent Pathfinder beyond the initial one district approach and expand our trialling across Kent. We are well on the way to achieving a minimum of 35 families with completed plans and personal budgets by July 2013 and we are developing our plans to scale up our approach across the whole of Kent in readiness from September 2013, for full implementation from September 2014.

Recently the SE7 Pathfinder group was designated as a champion for this work, and we will be working with other local authorities to share our experience of developing this new integrated approach to meeting the needs of children and young people.

Kent's Early Intervention and Prevention Strategy

Kent's Early Intervention and Prevention Strategy has identified its priorities as:

- Safeguarding children from harm and preventing problems escalating;
- Focusing services on families with a high level of need;
- Meeting the needs of vulnerable adolescents;
- Ensuring support during the early years;
- Improving the emotional health and wellbeing of children and young people;
- Ensuring early support for disabled children, young people and their families.

This strategy reflects, therefore, these priorities and it will be a major vehicle for implementing them. It also reflects national priorities to improve provision and outcomes for vulnerable groups, especially children and young people with special educational needs and those who are disabled.

This multi-agency strategy is owned by the Children and Young People's Joint Commissioning Board and the Health and Wellbeing Board, which are responsible for commissioning the improvements needed. We will ensure these have clear oversight of improvements and joint commissioning arrangements across education, health and social care, in achieving better outcomes for children and young people with SEN and

those who are disabled. We will also ensure regular performance reports are made available to the boards to monitor progress in delivering this strategy.

What we will do next:

1. Develop the local offer

- We will improve progress rates and outcomes for all children and young people with SEN and those who are disabled, narrowing the gap between those with SEND and other children and young people to better than the national average.
- We will work with local early years providers, schools and colleges to develop and improve the quality and capacity of local SEND provision, improving Kent's capacity to educate, care for and promote the good health of children with SEN and disabilities. We will maintain resources which are working well whilst supporting centres of expertise to work with other schools.
- We will increase the proportion of Kent schools with SEN units that are good or better to 70% in line with national data by 2015, from 43% in Primary and 54% in Secondary.
- We will refocus our specialist provision in mainstream and Special schools to meet the changing needs of children and young people, including planning additional provision for post 16 students. We aim to increase the number of places in Special schools from 3491 to 3700 and expand mainstream resourced provision to create at least 100 additional resourced places.
- We will develop our partnership with providers based in the independent and non-maintained sector where this can help to drive down the overall cost of placements and transport.
- Where we procure placements from external providers, we will develop more effective joint commissioning arrangements to ensure we can take timely and cost effective decisions.
- We will ensure there is better supported and more effective transition from one educational provision to another, from early years through to post 16 and beyond. We will develop a protocol and also gather and disseminate examples of best practice.
- We will improve information management systems for SEN provision with agreed common data sets which track learner outcomes, achievement and destinations and enable the quality of provision to be evaluated.
- We will clarify and publish the local offer in Kent provided by schools, early years providers, FE colleges, health and social care services, including services that promote transition to adulthood, short break services, physiotherapy and occupational therapy for young people progressing to FE, and new services commissioned by health CCGs from April 2014.
- We will ensure the local offer is informative, helpful and easily accessible. We will make clear the routes of complaint and redress and our commitment to ensure

that services are developed through co-production with young people and their parents and carers.

- We will commission family advice and support services across the county to provide information about local short breaks and signposting to other services.
- We will use the evidence from the Kent multi-agency commissioning framework for children with speech, language and communication needs, and its strategic assessment, to develop a Kent wide approach to supporting early years settings, children's centres and schools to meet the speech, language and communication needs of children and young people.
- We will develop a new approach to enabling disabled children and young people with complex health needs to be included in early years settings and schools.
- We will develop a new approach to supporting disabled children with challenging behaviour, and their families, which provides effective strategies to minimise the impact of the behaviour on family life, education and access to community services.
- We will ensure the Kent Health Visiting Implementation Plan will roll out Actice Movement across the county.
- We will work collaboratively to develop more pooled budget arrangements between KCC and Clinical Commissioning Groups, to improve services and outcomes for children and young people.

2. Ensure young people aged 16 - 24 access an appropriate education, employment or training route

- We will ensure all young people with SEN and disabilities participate in education or employment with training until they are 18. We will develop high quality and appropriate post 16 provision and we will ensure pathways for SEND learners aged 16-24 are coherent, offer appropriate choices and are clear about intended outcomes at ages 16,19 and 24.
- We will continue to offer support to vulnerable learners to take up apprenticeships, and increase their numbers in line with targets in the 14-24 Learning, Skills and Employment strategy.
- We will ensure there is an increasing focus on developing high quality vocational programmes which lead to employment and support independent living, particularly for the post 16 offer for ASD and BESD learners through Vocational Skills Centres, FE Colleges and Special Schools.
- We will develop progression agreements with FE Colleges and Work Based Learning providers so that all young people aged 16-25 with a learning difficulty or disability can participate in learning, training and supported employment .
- We will improve the quality of information available through the assessment process to guide transition planning at age 14. We will provide support and guidance for young people 16-24 with SEN and disabilities to access education

and training. By September 2013 we will publish clear criteria for when we will carry out a learning disability assessment (LDA).

3. Develop the new single assessment process and plan in Kent

- We will develop outcome focused approaches to integrated working and joint strategic commissioning to develop and improve the quality and availability of provision 0-25, with good transition to adult services. This will mean, for example, new multi-agency commissioning frameworks for specific groups of children, with speech and language needs and disabled children with a physical impairment.
- We will deliver more integrated services for disabled children and young people, and those with more complex special educational needs and their families in Kent, to successfully deliver the Kent approach to integrated education, health and care planning by September 2014.
- We will ensure that by April 2014 clear protocols and processes are in place for health, education and social care working together to provide integrated services and deliver the strategy.
- We will ensure children, families and young people are at the centre of the assessment and planning process and are involved in making decisions throughout. We will adopt a key worker approach to support families and young people through the process by providing a single point of contact, particularly in more complex cases and during difficult transitional periods.
- By 2014 we will ensure all health professionals complete their assessments in time and delays in placement are avoided so that 95% of statutory assessments will be completed in the time allowed.
- We will develop a new multi-agency governance system for assessment and planning to ensure KCC and the NHS Clinical Commissioning Groups are able to meet their new statutory obligations to deliver integrated Education, Health and Care Plans.
- We will ensure the local Health and Wellbeing Board has clear oversight of improvements and joint commissioning arrangements across education, health and social care, in achieving better outcomes for children and young people with SEN and those who are disabled.

4. Develop the wider workforce

- We will develop a framework for continuous professional development to influence at a strategic level, the culture and practice across the whole workforce, including community providers, training and supporting staff to have the right skills to meet children's needs.
- We will ensure outreach work from Special schools has a direct and positive impact on the support for pupils with SEN and disabilities in mainstream schools.

- We will provide training to ensure by 2014 all early years providers and mainstream schools have skilled staff to support the needs of children and young people, with ASD, BESN and speech and language needs.
- We will ensure practitioners engaged in the single assessment process and carrying out a key worker function are trained in person centred approaches for assessment.

5. Support and engage parents, children and young people

- We will ensure parents are fully engaged in developing services and making decisions about their child's education and care, to ensure support is personalised.
- We will support parents by providing timely information and advice for them. We will increase parents' confidence in the services we are providing by being clear about eligibility criteria and levels of entitlement, to ensure they can have a reasonable expectation and understanding of the choices available.
- We will provide direct support to parents through evidenced based approaches e.g. Portage, EarlyBird and those for speech, language and communication needs.
- We will ensure information is available in accessible formats for children and young people and we will put in place training to support their meaningful participation whatever their method of communication. We aim to reflect the rights of the individual at 18 and as they move towards adulthood.
- We will reduce transport costs and enable parents to explore alternative travel arrangements with a personal budget and offer greater flexibility in entitlement, enabling their children to achieve independence.
- We will build on the success of the Kent and Medway Children and Young People's Palliative Care Network by creating new networks that promote the engagement of parents and carers in the development of new services.
- We will introduce personal budgets to deliver health, care and education specified in integrated plans. We will have tested and be delivering this approach by 2014.
- We will encourage schools to provide more support for parents and school based support groups and we will encourage parents to support each other, signposting where there are support groups for parents by parents.
- We aim to publish information about our criteria to access services and where help is available if children do not meet the criteria for an education, health and care plan.

6. Integrate Education, Health and Social Care services for disabled children and those with complex needs

- We will use learning from the Pathfinder and the MASHs to test out and develop integrated assessment and provision.
- We will develop a multi-agency hub model which can deliver a single point of access to advice, information and practical support within localities, building on the work of the MASH centres, and we will expand the range of professionals delivering a key worker approach.
- We will improve support for children with challenging behaviour and their families which minimises the impact and promotes resilience.
- We will develop a pooled budget to resource high-cost specialist placements for the most complex children and young people
- We will ensure there is greater integration of our equipment and occupational therapy services.
- We will ensure the delivery of high quality, fun and age appropriate short breaks.

How will we know we have succeeded?

By 2016, there will be

Better pupil outcomes

- KS1 improved attainment at level 2B to 82% for reading, writing and mathematics in 2016 from 76% Reading, 62% writing and 77% mathematics in 2012
- KS2 improved attainment at level 4 for English and Maths to 87% in 2016 from 78% in 2012
- KS4 improved attainment at 5+ GCSE A*-C including English and mathematics to 70% in 2016 from 60.6% in 2012
- Progress rates for pupils with SEN will be above the national average and statistical neighbours
- The achievement gaps at key stage 2 and 4 for pupils with SEN will be less than the national gaps and those of statistical neighbours

Improved quality of educational provision

- The percentage of Kent Special schools judged good or better in OFSTED inspection will improve from 80% in 2012 to 100% in 2016
- The percentage of mainstream schools judged good or better in OFSTED inspections will improve in Primary schools from 60% in 2012 to 90% in 2016 and in Secondary schools from 73% in 2012 to 90% in 2016, ensuring more pupils with SEND are well taught and make good progress

- The percentage of mainstream schools with specialist resourced SEN provision, judged good or better by Ofsted, will increase to 90%
- Further Education Colleges in Kent will be good or better and this will be reflected in improved outcomes for young people with learning difficulties and disabilities.

More effective early intervention and less need for more specialist intervention

- The range of support and short break services provided to families will meet their children's needs at an early stage, improving emotional wellbeing and family resilience and reducing the need for higher level intervention.
- There will be comprehensive services that meet the needs of children and young people with challenging behaviour
- There will be a reduction in the number of Statements from 6633 in October 2012, to 6500 by 2016 arising from effective earlier intervention
- There will be a reduction in the number of non maintained and out of County placements from 415 in October 2012 to less than 300 in 2016
- There will be fewer requests for statutory assessment, year on year, and a reduction in the percentage of assessments turned down
- By 2016 the number of permanent exclusions in an academic year will reduce to fewer than 40, from 200 in September 2012, and no young person with a statement will be permanently excluded.
- There will be improved attendance and reduced persistent absence for those with SEN in primary schools from 3.5% in 2012 and in secondary schools from 7.0% in 2012.
- Children and young people with SEN or who are disabled will be able to access universal services alongside their peers.
- All schools will be making good use of the educational psychology service to support the delivery of the SEN core standards, to improve early intervention and ensure targeted preventative support.

More provision and engagement in post 16 learning and training

- 95% of young people with SEN and disabilities aged 16-19 will be engaged in learning or training
- More vulnerable learners with learning difficulties or disabilities, including those at level 1, will be following and completing an apprenticeship
- All young people who need the support of adult social care will have made a successful transition to adult services

Additional Provision and Improved Services

- The local authority, Further Education Colleges and partner agencies will have a clear local offer, which sets out what is available and what parents can expect to be provided for children and young people with special educational needs and disabilities from 0-25
- Joint assessment and planning will be embedded in practice across all agencies
- There will be at least a further 275 additional specialist places in Kent Special and mainstream schools for pupils with ASD and BESN.
- All mainstream schools will have staff with specialist expertise in supporting pupils with ASD, BESN and speech and language needs.
- The balance of placements will shift so that more than 50% of pupils with statements will be educated in mainstream schools
- There will be a mixed economy of providers, increasing parental choice and a good match to the needs of our children and young people.
- More parents will be allocated a personal budget and the costs of SEN transport will be reduced by at least £1.5m.
- There will be integrated services for disabled children and their families in each local area
- Access to speech and language therapy and CAMHs will have improved and meet local needs
- All disabled children and families will have access to appropriate community equipment and wheelchair services.
- Families who need it will be able to benefit from short breaks.
- All young people with learning difficulties and disabilities will receive support into employment and independent living across the county.
- Young people with additional needs, but without SEN, e.g. those with Asperger's Syndrome, will be supported to achieve their potential

Improved parental confidence and engagement

- There will be fewer tribunals as parents become more engaged in developing integrated education, health and care plans and as confidence increases in the provision in local schools
- There will be positive feedback from parents on the usefulness of timely advice and information and the benefits of having a key worker

- Reviews of children, including the review of the Statement, will be based on the Team around the Family approach and include all those involved with the child and their family
- There will be an increase in choice and flexibility as a result of more parents having a personal budget and direct payments
- A wider group of parents will engage in shaping and developing services
- There will be clear information about what services are available, how to access them and the referral routes will be clear and simple. We will tell parents where help is available if children and young people not meet service criteria for a statutory plan.

Definition of special educational needs

Children have special educational needs if they have a learning difficulty which calls for special educational provision to be made for them.

Children have a learning difficulty if they:

- a) Have a significantly greater difficulty in learning from the majority of children of the same age; or
- b) Have a disability which prevents or hinders them from making use of educational facilities of any kind generally provided for children of the same age in schools within the area of the Local Education Authority
- c) Under compulsory school age and fall within the definition at a) or b) above or would so do if special educational provision was not made for them.

Definition of disability

1. The Equality Act 2010 states a person (P) has a disability if –
 - a) They have a physical or mental impairment and
 - b) the impairment has a substantial and long term adverse effect on their ability to carry out normal day-to-day activities
2. The Government guidance¹ states that the term *substantial* means more than minor or trivial. The term *physical and mental impairment* implies that a disability can arise from a wide range of impairments such as:
 - Long term medical conditions such as asthma and diabetes
 - Fluctuating or progressive conditions such as rheumatoid arthritis or motor neurone disease
 - Mental health conditions such as bipolar disorder or depression
 - Learning difficulties such as dyslexia
 - Learning disabilities such as Down's syndrome and autism spectrum disorders
 - Cancer
 - Multiple sclerosis
 - HIV / AIDS
3. People with severe disfigurement will be protected as disabled without needing to show that it has a substantial adverse effect in day to day activities.

¹ Equality Act 2010: What do I need to know? Disability Quick Start Guide, Government Equalities Office, 2010.

The National Context

The statutory framework for the identification and assessment of children with special educational needs is set out in the Education Act 1996, the Special Educational Needs and Disability Act 2001 and the SEN Code of Practice. SEN Regulations prescribe the time allowed for each stage in the statutory assessment process.

The Code gives guidance on the processes and procedures to be followed, describing a graduated approach offering most help for children with the greatest difficulties and less help as things improve.

Despite this statutory framework to support the most vulnerable learners and significant progress to support the inclusion of individual children and young people with SEN and those who are disabled, significant numbers of them do not do well at school.

- The achievement gaps for children and young people with special educational needs and disabilities are wide.
- At Key stage 2 for pupils with statements, the attainment gap for reaching level 4 over the last five years has remained similar and for pupils with SEN (without statements) the attainment gap for English and mathematics over last five years has narrowed by only five percentage points.
- At GCSE 5 A*- C (including English and mathematics) for pupils with statements, the attainment gap has increased by six percentage points over five years and for pupils with SEN (without statements) the attainment gap has narrowed by only one percentage point.
- Disabled children are 13 times more likely to be excluded from school and 3 times more likely to be abused than other children.
- Children with early persistent language disorders are 5 times more likely to have literacy and numeracy difficulties; only 50% remain in full-time education post-16 (ICAN 'The Cost to the Nation of Children's Poor Communication').
- Children and young people with special educational needs and disabilities are over represented in disadvantaged groups:
 - those receiving free school meals
 - looked after by the local authority
 - minority ethnic groups
 - exclusions
 - low attendance
- Nationally there are 1.7 million school-aged children identified as having special educational needs. In secondary schools SEN without a statement has increased from 13% in 2003 to 19.7% in 2011, and there is a wide range from 70% SEN in some schools to below 5% in others.

There is evidence that the families of children with disabilities also face poverty. It costs up to three times as much to raise a disabled child and only 16% of mothers

with disabled children work compared to 61% of other mothers. One study found 13% of couples caring for a disabled child identified major relationship problems and 9% actually separated.

In 2010 the Government published the results of an inquiry into parental confidence in the SEN framework which had been undertaken by Brian Lamb. He reported that he met some of the happiest parents in the country and their children were well supported and making good progress. However he also met parents for whom the education and care system represents a battle to get the needs of their child identified and for those needs to be met. Crucially both experiences stemmed from the same system because implementation too often failed to deliver.

Lamb called for major reform of the SEN system in four key areas:

1. Children's outcomes to be at the heart of the system
2. A stronger voice for parents
3. A system with a greater focus on children's needs
4. A more accountable system that delivers better services

He concluded that we need the best teachers and resources better-targeted to those most in need, but most of all we need to change the culture of low expectations for children with SEN and disabilities.

The Children and Families Bill

The Government's response to the Lamb report was to publish a Green Paper in 2011 consulting on proposals to transform the SEN statutory landscape, and outlining steps to reduce barriers, bureaucracy and delays experienced by families and goals to:

- Enable children, young people and their families to have an active role in implementing any plan designed to meet their identified needs.
- Improve the quality and range of information available to children, young people and their families to enable them to make informed choices.
- Create a Local Offer which not only describes the range of services available, but also what families can expect from each of the services listed.
- Build on the success of the Early Support programme and create a new 0-25 integrated specialist assessment and planning process for children with special educational needs or who are disabled and their families, resulting in a single Education, Health and Care Plan.
- Improve the way in which Local Authorities, NHS and schools use their resources through joint commissioning to achieve improvements in the range of support available within a local area.
- Enable young people to have the option of a personal budget.

These proposals are set out in the Children and Families Bill, published in February 2013 and expected to become law from September 2014. We will have a single and shorter assessment process leading to a combined Education, Health and Care Plan to replace both SEN Statements and Learning Difficulty Assessments for 0-25 year olds. We also expect some children and young people subject to an integrated plan to have personal budgets and to choose direct payments. This strategy will have as a key priority the development of the 'local offer' in Kent.

Health Commission Changes: New health duties, roles and responsibilities

From 1st April 2013 many statutory responsibilities for commissioning health services for children and adults will move from Primary Care Trusts to new Clinical Commissioning Groups. Clinical Commissioning Groups (CCGs) are statutory organisations within the NHS that are led by General Practitioners. CCGs will be overseen by a new NHS Commissioning Board responsible for quality and performance standards across the country as well as directly commissioning very high cost, specialist services such as specialist mental health placements.

As part of this, from the 1st April 2013 Local Authorities will be responsible for commissioning universal school nursing services, which fall within their new broader responsibilities for Public Health. Each Local Authority area will establish a Health and Wellbeing Board to provide leadership and oversight of how children's and adult services can both become more integrated and work with Clinical Commissioning Groups to effectively jointly commission health and social care services.

From 1st September 2014 there will be a new statutory duty on Local Authorities to work with CCGs to jointly commission services for disabled children and children with special educational needs. This offers new opportunities for joint commissioning to deliver greater personalisation of budgets for health care alongside social care and education, improving service delivery and achieving efficiencies.

The Department of Health has recently published the mandate for the new NHS Commissioning Board where there is a specific objective to ensure children with special educational needs and disabled children have access to the services identified in their agreed plan and that parents have the option of a personal budget based on a single assessment across health, social care and education.

Resources to help us deliver

Kent allocates more than **£200m annually** (20% of the DSG) in supporting the needs of children and young people with SEN and those who are disabled, in budgets held by schools and the County to meet the additional and special educational needs of pupils. This amount of funding is above average. (See appendix 7).

£104m is delegated to mainstream schools; £86m as notional AEN/SEN and a further £18m for high needs pupils. £63m is delegated to Special schools (appendix7). Despite this significant funding, more than 460 of Kent's pupils subject to a Statement cannot be supported in a maintained school in the County due to lack of capacity.

For pupils who cannot be supported in a maintained school, the local authority procures placement in the independent and non-maintained sector. Average day placement fees are £30,000 per pupil per annum and boarding places average £50,000. Fees for the most complex needs pupils can be significantly higher, for example an individual boarding placement can cost over £200,000 per annum. Kent placements in this sector have increased by 25% over the last year. While more than 40 pupils clearly matched Kent's existing specialist provision, the schools were at capacity.

There is a clear expectation that local authorities make best use of the funding available, especially as there is increasing demand and pressure in meeting needs. The Government's proposals to reduce annual increases are like to reduce available resources in real terms. We cannot increase the size of the budget for independent and non-maintained sector fees without an impact on the resources available for all schools.

From April 2013, changes to schools' delegated budgets will fund SEN differently. Schools will be expected to make provision of up to £10,000 per pupil with SEN, before seeking top up funding for pupils with higher level needs. There are currently 450 pupils whose mainstream schools receive individually assigned resources at a fixed rate (range from £10,600 to £19,000). We aim to develop a more sensitive cost based funding mechanism to individually assign resources for high needs pupils.

We also aim to ensure that resources are used to put in place interventions where the outcomes are evidence based. We will ensure a better match of schools' expertise and the pupils who need additional support, and our work to develop outreach relationships between Special schools and other schools will help to develop a wider range of ASD and BESN expertise in Kent mainstream schools. In doing so, we aim to reduce the number of pupils who need statutory assessment in order to access specialist intervention.

In addition to the funding for pupil support, the budget for SEN transport is £17m. We are providing transport to the nearest school with capacity, rather than the nearest suitable school. If we can increase the number of children who are supported in their local schools, we will be able to divert funding currently tied up in transport, into increasing the funding available for direct services and additional school places.

The average rate for Individually Assigned Resources in mainstream is £15,000 (the range is from £10,000 to £19,000), the average cost of a place in a Kent Special school is £20,000 and the average independent/non-maintained day place is £30,000. We aim to move provision from more expensive independent and non-maintained settings, into Kent schools to enhance the local provision in Special and mainstream schools.

We are continuing to complete the Special School review with further capital investment in the remaining nine schools that have so far not received investment. This is currently costing between £30m and £40m. As well as accommodation improvements, the changes will increase the number of pupils who can be admitted into a re-developed school.

In order to plan more effectively for future provision we are developing our commissioning and place planning model to ensure the specialist SEN places are available in the local areas where they are needed. This will involve more effective tracking of pupils in the early years and in Primary schools to inform the availability and continuity of provision as children get older and their needs change.

We recognise that a key part of our strategy must be to increase parents' confidence in the expertise in their local school and the arrangements we have in place to ensure there are sufficient places. Where it is necessary to procure placements from external providers, we want to have in place robust commissioning arrangements to ensure we can take timely and cost effective decisions.

We believe that developing a mixed economy with the broadest range of providers will increase parental choice. We want to explore where robust commissioning arrangements can drive up the quality of provision and offer a cost effective solution to placement pressure. We recognise that that we cannot achieve our ambitions for our children and young people without working in partnership with all providers.

Post 16 High Needs SEN Funding

From August 2013 local authorities will have the responsibility for the provision of all 16-24 year old High Needs SEN learners. Funding for this provision will be allocated to local authorities through the Dedicated Schools Grant (DSG).

Funding for Post 16 High Needs provision is made up from three different sources: the SEN Funding block, Independent Specialist Provision (ISP) Funding and Further Education(FE) and Alternative Learning Support (ALS) funding. The provision for ISP and FE ALS was the responsibility of the Education Funding Agency (EFA) and has now been transferred to local authorities. The SEN block historically managed by the local authority was the EFA's contribution towards Post 16 High Needs SEN funding in Special Schools, Mainstream schools and Independent Schools.

Post 16 High Needs SEN learners will from August 2013 be funded under the new universal methodology for High Needs pupils known as Place Plus. The basic principle is that each High Needs learner will have attached to them a defined cost and the cost of provision. The provision will then be broken down into three elements. Elements 1 & 2 will broadly be in the region of £10,000 and will be guaranteed place funding, Element 3 will be the difference between the total cost of provision less elements 1 & 2 and will be funded on a monthly basis in or close to the real time movement of the pupil.

In addition KCC spends £19m annually on disabled children's services which includes £2.76m on overnight residential short breaks. The health budget for supporting pupils with special educational needs and disabilities is to follow.

Special Educational Needs (SEN) Budgets

2010-11 Budget	2011-12 Budget	2012-13 Budget	2013-14 Budget	
Net Budget £000's	Net Budget £000's	Net Budget £000's	Net Budget £000's	Notes

Schools Delegated Budgets

Mainstream

Notional AEN/SEN Budget	DSG	70,005	86,058	87,693	1
High Needs SEN funding	DSG	15,327	18,143	17,536	2
High Needs SEN Post 16 FE and ISP	DSG			10,600	
Total		85,331	104,201	105,229	
Special Schools	DSG	58,027	63,183	65,752	3

Non-delegated School SEN Budgets - Education Learning Skills (ELS)

SEN Unit	ABG	610	0	0
SEN Unit	DSG	17,588	17,610	15,378
SEN Unit	EIG	103	109	109
SEN Unit	Base	2,470	2,244	1,308
SEN home to school transport	Base	18,740	17,039	17,271
Total		39,511	37,002	34,066

Advocacy and Entitlement (ELS)

Total	Base	852	862	612
Total	DSG	5,605	5,639	5,608

Specialist Children's Services (SCS)

Base	12,567	12,567	15,383
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Prior years

Capital Funding	49,394	14,635	10,027
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Key

ABG - Area Based Grant

DSG- Dedicated Schools Grant

EIG - Early Intervention Grant

Base- Council Tax and Formula Grant

Notes

1) Increase between 2010-11 and 2011-12- Mainstreaming of grants SDG, SGG & SSGP

2) Increase 2010-11 to 2011-12 - Protection Units - Increase 2011-12 to 2012-13 further delegation of maintained units

3) Increase 2010-11 and 2011-12- New Special Schools formula 7/12 2010-11 and 12/12 2011-12

From: John Simmonds, Deputy Leader & Cabinet Member – Finance & Procurement
 Andy Wood, Corporate Director of Finance & Procurement

To: CABINET – 15 July 2013

Subject:

- (1) **REVENUE AND CAPITAL BUDGET OUTTURN 2012-13**
- (2) **REVENUE BUDGET ROLL FORWARD**
- (3) **CAPITAL BUDGET ROLL FORWARD**
- (4) **2012-13 FINAL MONITORING OF KEY ACTIVITY INDICATORS**
- (5) **2012-13 FINAL FINANCIAL HEALTH INDICATORS**
- (6) **2012-13 FINAL MONITORING OF PRUDENTIAL INDICATORS**
- (7) **IMPACT OF 2012-13 REVENUE BUDGET OUTTURN ON RESERVES**

Classification: **Unrestricted**

1. **Summary**

- 1.1 This report sets out the provisional revenue and capital budget outturn for 2012-13. It details:
- where revenue projects have been rescheduled and/or are committed
 - where there is under or overspending.
- The provisional outturn on the revenue budget shows an underspend of £16.081m (excluding schools). This is a £6.827m increase in the underspend compared to the projected underspend of -£9.254m reported in April.
- 1.2 Details of the proposals for the use of the £16.081m revenue budget underspending are provided in Appendix 2. This identifies those projects where there is already a commitment to spend in 2013-14, leaving an uncommitted balance of £7.224m. However, **Cabinet is also asked to consider:**
- a bid for £0.8m of the roll forward to cover the anticipated continued pressure on the Freedom Pass budget following the changes in Education transport policy introduced during 2012-13 and the continued popularity of the scheme – this is in line with the £0.828m net pressure experienced on this budget in 2012-13; and
 - a bid for £1.5m of the roll forward to offset a continuation of the pressures experienced during 2012-13 on the Specialist Children's Services budget.
- Assuming these bids are approved, this would leave an uncommitted balance of £4.924m. It is recommended that, in consideration of the further Government funding cuts, this is set aside in the earmarked Economic Downturn reserve.
- 1.3 The provisional outturn on the capital budget for 2012-13 is £161.099m, a variance of -£41.899m against the 2012-13 revised approved budget. Details of the capital roll forwards are provided in Appendix 3.
- 1.4 Final monitoring of key activity indicators for 2012-13 is detailed in Appendix 4.
- 1.5 The report also provides the year-end financial health indicators in Appendix 5, prudential indicators in Appendix 6 and impact on reserves in section 3.6.

2. Recommendations

Cabinet is asked to:

- 2.1 **Note** the provisional outturn position for 2012-13.
- 2.2 **Agree** that £5m of the 2012-13 revenue underspending is rolled forward to support the 2013-14 budget as reflect in the 2013-14 budget approved by County Council on 14 February.
- 2.3 **Agree** that £3.857m of the 2012-13 revenue underspending is rolled forward to fund existing commitments, as detailed in section 3 of Appendix 2.
- 2.4 **Agree** that £0.8m of the 2012-13 revenue underspending is rolled forward to address the continued anticipated impact on the Freedom Pass budget of the 2012-13 changes in education transport policy and the continued popularity of the scheme.
- 2.5 **Agree** that £1.5m of the 2012-13 revenue underspending is rolled forward to address the continuing demand for Specialist Children's Services.
- 2.6 **Agree** that the £4.924m remainder of the 2012-13 revenue underspending is set aside in the Economic Downturn reserve.
- 2.7 **Note** that £43.871m of capital re-phasing from 2012-13 will be added into 2013-14 and later years, as detailed in Appendix 3 and the 2013-14 Capital Programme will also be adjusted to reflect other 2012-13 variances as reported in the outturn.
- 2.8 **Note** the final monitoring of the key activity indicators for 2012-13 as detailed in Appendix 4.
- 2.9 **Note** the final financial health indicators for 2012-13 as detailed in Appendix 5.
- 2.10 **Note** the final monitoring of the prudential indicators for 2012-13 as detailed in Appendix 6.
- 2.11 **Note** the impact of the 2012-13 provisional revenue budget outturn on reserves as detailed in section 3.6.
- 2.12 **Note** that the schools' revenue and capital reserves have reduced by some £12.264m. Details are provided in this report.

3. BUDGET OUTTURN 2012-13

3.1 INTRODUCTION

- 3.1.1 This report sets out the provisional revenue and capital budget outturn for 2012-13. There may be minor variations in figures during the final stage of the closing of accounts process and the accounts are also still subject to external audit.
- 3.1.2 For the 13th consecutive year the Council is able to demonstrate sound financial management, by containing its revenue expenditure within the budgeted level (excluding schools).

3.2 REVENUE BUDGET OUTTURN 2012-13

- 3.2.1 The provisional outturn is a net underspend of £16.081m against portfolio budgets and a £10.964m reduction in school reserves, giving a total underspend of £5.117m.
- 3.2.2 This -£16.081m provisional outturn position (excluding schools) compares with the net variance of -£9.254m last reported to Cabinet at its meeting on 15 April, which represents a movement since the last report of -£6.827m. The net provisional outturn by portfolio and the movement since the last report are shown below in table 1.

TABLE 1: PROVISIONAL FINAL REVENUE OUTTURN BY PORTFOLIO

Portfolio	Budget	Provisional Outturn	Variance	Variance per last report	Movement
	£k	£k	£k	£k	£k
Education, Learning & Skills	+48,359	+42,610	-5,749	-4,196	-1,553
Specialist Children's Services	+148,321	+154,979	+6,658	+5,950	+708
Specialist Children's Services - Asylum	+280	+3,132	+2,852	+3,082	-230
Adult Social Care & Public Health	+329,464	+326,907	-2,557	-1,596	-961
Environment, Highways & Waste	+156,630	+153,697	-2,933	-803	-2,130
Customer & Communities	+81,390	+77,350	-4,040	-2,679	-1,361
Regeneration & Economic Development	+3,654	+3,657	+3	0	+3
Finance & Business Support	+85,482	+76,101	-9,381	-8,363	-1,018
Business Strategy, Performance & Health Reform	+60,409	+60,228	-181	-283	+102
Democracy & Partnerships	+7,574	+6,821	-753	-366	-387
SUB TOTAL (excl Schools)	+921,563	+905,482	-16,081	-9,254	-6,827
<i>Schools (ELS portfolio)</i>	0	+10,964	+10,964	+5,655	+5,309
TOTAL	+921,563	+916,446	-5,117	-3,599	-1,518

Note 1: Although schools reserves have reduced by £10.964m, this is made up of a £1.095m increase in reserves by schools against the schools delegated budgets (a £1.888m drawdown as a result of 34 schools converting to academy status and taking their reserves with them offset by a £2.983m underspend for the remaining Kent schools), together with a drawdown of the unallocated schools budget of £12.059m, mainly relating to schools collaboration work, funding for transitional protection for changes in formula funding for specialist schools delegated budgets; and a revenue contribution to capital for joint funded capital projects with schools in order to keep them warm, safe and dry.

3.2.3 Detailed below are the main reasons for the movement in the portfolio forecasts since the last monitoring report to Cabinet on 15 April, as shown in Table 1:

3.2.4 Education, Learning & Skills:

The overall position for the portfolio has moved by -£1.553m since the 15 April report to Cabinet. The main movements are:

- 3.2.4.1 **-£0.670m Strategic Management & Directorate Support:** an increase in the underspend from -£1.098m to -£1.768m mainly due to further underspending on the contingency budget of £0.589m, of which £0.3m was set aside for potential issues arising from the restructure, which was not required, and -£0.214m relates to the bad debt provision, where a £0.100m increase was included in previous forecasts but the final position was a -£0.114m reduction due to settlement of some outstanding debts. In addition, there was £0.110m further underspending on the SEN budget due to vacancies and unspent non staffing budgets.
- 3.2.4.2 **+£0.168m Special School & Hospital Recoupment:** a reduction in the underspend from -£0.740m to -£0.572m following confirmation of the number of placements and conclusion of negotiations with Other Local Authorities.
- 3.2.4.3 **-£0.203m Early Years & Childcare:** an increase in the underspend from -£0.364m to -£0.567m which was mainly due to a further £0.169m underspend against the Graduate Leader Fund as a result of fewer students in nursery settings undertaking funded training.
- 3.2.4.4 **-£0.261m Home to College Transport:** an increase in the underspend from -£0.228m to -£0.489m. This was due to lower usage of the 16+ card than previously forecast (-£0.160m) and -£0.121m as a result of changes in transportation for the spring term and closures due to the snow. There was also a small reduction in income of £0.020m.

3.2.4.5 -£0.371m Mainstream Home to School Transport: an increase in the underspend from -£0.865m to -£1.236m. The main reason for this movement was that renegotiations of transport contracts were only concluded in February but were backdated to the start of the academic year. There were also smaller movements as a result of closures due to snow and changes to transport arrangements.

3.2.4.6 -£0.181m SEN Home to School Transport: a reduction in the pressure from +£1.616m to +£1.435m as a result savings on transportation changes for the spring term and school closures due to the snow.

3.2.5 **Specialist Children's Services Portfolio:**

The overall position for the portfolio (excluding Asylum) has moved by +£0.708m to an overspend of £6.658m since the 15 April report to Cabinet. The main movements are:

3.2.5.1 +£0.932m Children's Social Care Staffing – an increase in the pressure to +£2.014m mainly due to additional staffing costs of £0.810m compared to previous forecasts and an overspend of £0.174m against the Improvement budget due to higher than anticipated IT costs, offset by additional income of -£0.052m.

3.2.5.2 +£0.795m increase in the pressure on Fostering to +£3.865m, mainly due to increased demand for both in house and Independent Sector fostering placements (+£0.426m), together with additional staff costs (+£0.381m) partially offset by additional Intensive Intervention Grant (-£0.157m), and +£0.156m additional spend on Related Fostering due to the impact of enhanced payments to Connected Persons (i.e an immediate relative, spouse, civil partner or immediate relation by marriage or civil partnership).

3.2.5.3 +£0.520m increase in the pressure on Legal Charges to +£1.530m mainly due to increased demand and late notification of charges.

3.2.5.4 +£0.284m increase in the pressure on the Adoption Service to +£0.919m mainly as a result of higher than expected costs of the CORAM management fee, (CORAM is a leading children's charity who we have commissioned to provide our adoption services); increased charges from other local authorities and voluntary organisations for increased adoption placements and a further increase in Special Guardianship payments, reflecting continued movement away from Fostering Kinship.

3.2.5.5 +£0.260m Residential Children's Services – an increase in the pressure to +£2.844m mainly as a result of increased demand for non disabled independent sector residential placements, together with an increase in the weekly unit cost, partially offset by additional income for placements from health.

3.2.5.6 -£0.633m Children's Centres – an increase in the underspend from -£0.850m to -£1.483m due to various further small underspends across the 97 centres and holding back of uncommitted centralised budgets in order to offset pressures elsewhere within Specialist Children's Services.

3.2.5.7 -£0.472m underspend on Safeguarding of which -£0.272m relates to the Kent Safeguarding Children Board. This represents KCC's share of the underspend of the KSCB Board and the underspending related to partners contributions is held in a Fund. Under the terms of the inter-agency agreement, KCC has an obligation to provide this funding to the Board and therefore this is included in the roll forward proposals detailed in appendix 2. In addition there is an underspend on staffing of -£0.109m and increased income of -£0.091m

3.2.5.8 -£0.325m increase in the underspend on Preventative Children's Services to -£1.677m mainly due to underspending on commissioned services and a reduction in assumed spend on Multi Agency Specialist Hubs which is partially offset by additional spending on Direct Payments and Independent sector day care and short breaks for disabled children.

3.2.5.9 -£0.279m increase in the underspend on Leaving Care (formerly 16+) to -£0.308m mainly due to the reclaim of surplus funds from Catch 22 relating to prior years partially offset by increased costs of running the 16+ contract.

3.2.5.10 -£0.248m increase in the underspend on Strategic Management & Support mainly due to lower than anticipated staffing costs and additional income.

3.2.5.11 There were a number of smaller movements across the other budgets within Specialist Children's Services which account for the remaining movement of -£0.126m.

Specialist Children's Services Portfolio - Asylum:

3.2.5.12 The pressure on the Asylum Service has reduced by -£0.230m to an overspend of £2.852m since the 15 April report to Cabinet. This movement is mainly due to changes in clients and client turnover, lower than anticipated costs of Appledore and Millbank units and reduced central costs.

3.2.6 Adult Social Care & Public Health Portfolio:

The overall position for the portfolio has moved by -£0.961m to an underspend of -£2.557m since the 15 April report to Cabinet. This is mainly due to a reduction in the bad debt provision (-£0.564m), including two specific provisions that are no longer required following receipt of outstanding funds, and underspending on Public Health (-£0.368m), which includes an underspend against the transition funding. These are funds provided by government for set up costs incurred prior to the transfer of responsibility for Public Health services from PCTs with effect from 1 April 2013. There are many other movements across A-Z service lines, but these offset to have only a marginal impact on the overall portfolio position.

3.2.7 Environment, Highways & Waste Portfolio:

The overall underspend for the portfolio has increased by a further -£2.130m, to -£2.933m since the 15 April report to Cabinet. The main movements are:

3.2.7.1 -£1.393m Waste Management – an increase in the underspend to -£4.012m as a result of a further reduction in waste volumes of 14,055 tonnes to a total of 687,945 tonnes, together with a reduction in costs at Materials Recycling Facilities following a further price reduction and a change in destination of materials.

3.2.7.2 -£0.086m on Highways Services – although this is only a small movement, there are a number of larger compensating movements across all of the A-Z budgets within this service grouping. The main changes relate to:

- +£0.636m increase in the pressure on the adverse weather budget, mainly due to increased costs of the snow emergency and additional salting runs as a result of the exceptional cold winter extending throughout March;
- +£0.168m increase in the pressure on highway drainage due to the exceptional wet weather during the year;
- +£0.122m increase in the pressure on general maintenance and emergency response, where increased spend on reactive maintenance, inspector vehicles (fuel and lease costs), additional staff costs to cover the snow and ice emergency have been largely offset by reduced spend on dual carriageway maintenance and insurance recoveries for repairs required following road traffic accidents;
- -£0.156m underspending on streetlight maintenance largely due to redirecting staffing resources to deal with winter weather, which will require roll forward to 2013-14 in order to complete these works;
- -£0.239m on road safety largely due to additional income from speed awareness courses and reduced costs due to fewer courses being run;
- -£0.375m increase in the underspend on traffic management largely due to additional income from the Permit Scheme and increased income from license fees (for digging up or placing equipment on the highway/footpaths such as signs/skips/scaffolding), inspection fees and road closures;
- -£0.102m as a result of a reduction in the pressure on tree maintenance, grass cutting and weed control.

3.2.7.3 -£0.604m Directorate Management & Support - an increase in the underspend from -£0.611m to -£1.215m predominately reflecting lower than anticipated costs of legal services, premises costs, equipment and transport, together with additional income mainly from developers towards legal costs and from Medway Council towards pensions costs for pre 1998 staff that transferred under Local Government Reorganisation.

3.2.7.4 -£0.259m Environment Management – an increase in the underspend from -£0.054m to -£0.313m. This reflects the re-phasing of Flood Project Work including the completion of Surface Water Management Plans and drainage surveys, which requires roll forward to 2013-14 and various other small movements.

- 3.2.7.5 +£0.088m on Transport Services – this is due to a continued increase in the pressure on the Freedom Pass budget of +£515k to +£828k due to the continued popularity of the scheme and the impact of Education policy changes. Renegotiation of contracts with a major supplier of transport has resulted in savings on the home to school transport budget but increased costs to the Freedom Pass budget, as the contract costs with this supplier are allocated based on numbers of season tickets/passes in issue and there has been a reduction in the number Home to School Transport season tickets but an increase in the number of Freedom Passes. However, in order to offset these increased costs on the Freedom Pass budget, an invest to save project within the Subsidised Bus Routes budget has been postponed until 2013-14.
- 3.2.7.6 +£0.259m Commercial Services – Savings were expected to be generated during 12-13 as a result of the re-procurement of the blackberry & mobile phones contracts. Due to delays in the start of the new contracts, these did not begin until part way through the year, August for blackberries and February for mobile phones, meaning that the savings will not be realised until the 2013-14 financial year. These contracts are now managed by ICT within BSS directorate and these savings are reflected within the ICT budget from 1 April 2013.
- 3.2.8 **Customer & Communities Portfolio:**
The underspend for this portfolio has increased by -£1.361m to -£4.040m since the 15 April report to Cabinet. This consists of several relatively small movements across many A-Z budget lines. The main movements are:
- 3.2.8.1 -£0.468m Gateways – an increase in the underspend to -£0.561m which is primarily due to a re-phasing of spend into 2013-14 on the Ghurkha integration project for which roll forward is required (details are provided in appendix 2), together with a reduction in staffing costs and anticipated recharges.
- 3.2.8.2 -£0.283m Library Service – a movement from +£0.034m to -£0.249m, which is due to a reduction in the forecasts for furniture and equipment, IT costs and further staff vacancy savings, as well as an anticipated revenue contribution to capital not being required, together with a small increase in income.
- 3.2.8.3 -£0.226m Registration Service – an increase in the underspend from -£0.644m to -£0.870m, which is mainly due to additional income from citizenship ceremonies and the nationality checking service, together with further staffing savings as a result of a restructure of service.
- 3.2.8.4 -£0.166m Contact Centre & Consumer Direct Service – an increase in the underspend from -£0.028m to -£0.194m due to further staffing vacancies/staff turnover, lower than previously forecast costs of the new consumer direct contract with Citizen Advice Bureau, together with an increase in income.
- 3.2.8.5 -£0.121m Strategic Management & Directorate Support – an increase in the underspend from -£0.605m to -£0.726m which consists of a number of small movements, including a reduction due to corporate funding for salary protection not being taken into account in previous forecasts; further staffing and staff related underspends; a reduction in both the bad debt provision and legal costs, together with a small increase in income.
- 3.2.8.6 -£0.116m Community Learning & Skills Service - a reduction in income, mainly due to lower income from course fees, has been more than offset by management action including reductions in specialist fees/consultants costs (e.g. tutor fees), IT expenditure, external venue hire, training, printing and stationery costs.
- 3.2.8.7 -£0.110m Coroners Service – an increase in the underspend from -£0.025m to -£0.135m due to lower than anticipated claims from coroners and a resulting reduction in consultants fees, mainly due to the continuing backlog of long inquests (requiring roll forward – see appendix 2).
- 3.2.8.8 +£0.273m Youth Service – an increase in the pressure from +£0.147m to +£0.420m as a result of additional specialist fees; a revenue contribution to capital; purchase of award packs for Duke of Edinburgh scheme; additional equipment for Outdoor Education plus some other small variances, partially offset by staff vacancy savings.
- 3.2.8.9 The balance of the movement is due to smaller, often compensating, movements on many other budgets including Sports Development, Community Engagement, Local Boards & Member Grants and Trading Standards.

3.2.9 **Finance & Business Support Portfolio:**

The underspend on this portfolio has increased by -£1.018m to -£9.381m since the 15 April report to Cabinet, which is due to:

3.2.9.1 A -£1.082m increase in the underspend on the Financing Items budgets, which is predominately due to the impact on the net debt charges and investment income budget of our recovery of Icelandic monies and re-phasing of the capital programme; further underspending against the Carbon Reduction Commitment, corporate subscriptions and initiatives to boost the economy budgets; together with additional unringfenced grant income.

3.2.9.2 This position also reflects:

- an underspend on the Insurance Fund of £1.494m which has been transferred to the Insurance Reserve, in line with usual practice. This underspend, which is mainly due to a reduction in the provision for liability claims and claims paid, is £0.244m higher than previously forecast.
- an underspend against the Modernisation of the Council budget of £2.330m which has been transferred to the Workforce Reduction reserve, in line with usual practice, in order to offset future costs of staffing reductions required to achieve budget savings.

3.2.10 **Business Strategy, Performance & Health Reform Portfolio:**

The position for the portfolio has increased by +£0.102m from an underspend of -£0.283m to an underspend of -£0.181m since the 15 April report to Cabinet. The main movements are:

3.2.10.1 +£1.006m within Property & Infrastructure which is mainly due to lower recharge income and increased spend in relation to the Corporate Landlord estate than previously forecast (£0.8m), together with increased revenue costs as a result of a reduction in expenditure that was eligible to be capitalised (£0.1m).

3.2.10.2 -£0.607m within HR which is mainly due to the re-phasing of training programmes into 2013-14, for which roll forward is requested as detailed in Appendix 2, together with various other smaller movements.

3.2.10.3 -£0.171m against the Public Health (LINK, Local Healthwatch & Health Reform) budget, of which £0.128m relates to unspent Health Reform funds which are requested to roll forward to fund commitments arising from the need to support the development of seven new Health and Wellbeing Boards, to be aligned with the NHS Clinical Commissioning Groups. The remainder relates to various small variances within the unit.

3.2.10.4 The remaining movement of -£0.126m is mainly due to improvements in the outturn for Governance & Law and BSS Strategic Management & Directorate Support.

3.2.11 **Democracy & Partnerships Portfolio:**

The underspend for the portfolio has increased by -£0.387m to -£0.753m since the 15 April report to Cabinet. This is mainly due to a lower than anticipated external audit fee; reduced staffing costs within the International & Partnerships team, mainly due to vacancies, together with many other small variances particularly within Internal Audit and Democratic & Member Services. These savings were partially offset by increased costs of bi-elections.

3.3 A reconciliation of the revenue gross and income cash limits to the last full monitoring report, as reported to Cabinet on 18 March, is provided in Appendix 1.

3.4 **REVENUE BUDGET ROLL FORWARD PROPOSALS**

3.4.1 Of the £16.081m provisional underspend, £5m is required to roll forward to support the 2013-14 budget as assumed in the 2013-14 approved budget; £3.857m is required to roll forward to fund the completion of a number of projects within directorates, which have been rescheduled and/or are committed. Details of these commitments are provided in Appendix 2. **Cabinet is asked to approve these roll forward proposals.** This leaves a residual uncommitted balance of £7.224m. It is recommended that this be used as follows:

- £0.8m to address the continued anticipated impact on the Freedom Pass budget of the 2012-13 changes in education transport policy and the popularity of the scheme. **Cabinet is asked to approve this roll forward proposal.**

- £1.5m to address the continued demand for Specialist Children's Services. **Cabinet is asked to approve this roll forward proposal.**
- in consideration of the further Government funding cuts, the balance of £4.924m is set aside in the earmarked Economic Downturn reserve. **Cabinet is asked to approve this contribution of the remaining 2012-13 underspend to reserves.**

3.5 DELEGATED SCHOOLS BUDGET

3.5.1 The previously forecast draw down from reserves of £5.655m, which was made up of a drawdown of £1.955m as a result of 35 schools converting to academies together with a reduction of £3.7m in reserves for the remaining Kent schools, was based on the schools nine month monitoring returns. The actual movement in schools reserves in 2012-13 was a reduction of £10.964m, a movement of +£5.309m from the forecast position, which is due to previously unforecast drawdown against the schools unallocated budget of £12.059m, a reduction in the estimated drawdown as a result of schools converting to academies of -£0.067m as one school which was included in the previous forecast did not convert by the end of March and a shift of -£6.683m in the remaining Kent schools position.

3.5.2 The £10.964m reduction in schools reserves in 2012-13 is made up of:

- a £1.888m drawdown of reserves as a result of 34 schools converting to new style academy status and taking their reserves with them,
- an underspend of £2.983m for the remaining Kent schools,
- in addition, there is a drawdown on the unallocated schools budget of £12.059m, which is mainly due to £5.200m for schools collaboration work; £2.420m to fund transitional protection for changes in formula funding for specialist schools delegated budgets; £2.951m revenue contribution to capital for joint funded capital projects with schools in order to keep them warm, safe and dry; £0.411m for schools broadband; £0.300m for schools finance training; and an overspend on early years placements of £1.135m, offset by -£0.358m of other minor variances. This has reduced total school revenue reserves to £48.124m of which £9.931m relates to unallocated schools budget. Of the remaining £38.193m, the schools returns show that of this balance, £9.182m is committed for specific revenue projects and contributing towards larger capital projects.

3.6 IMPACT ON RESERVES

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

Account	Balance at 31/3/12 £m	Balance at 31/3/13 £m	Movement £m
Earmarked Reserves	141.3	163.7	+22.4
General Fund balance	31.7	31.7	-
Schools Reserves	59.1	48.1	-11.0

3.6.1 The general reserves position at 31 March 2013 remains unchanged from the position as at 31 March 2012, at £31.7m. £31.7m amounts to 3.3% of the 2013-14 net revenue budget, and 2.2% of the 2013-14 gross revenue budget (excluding schools). This is reviewed formally as part of the annual budget process – see Appendix F of the 2013-15 Medium Term Financial Plan for further details.

3.6.2 The provisional movement of +£22.4m in earmarked reserves since 31 March 2012 is mainly due to:

• New Council Tax Equalisation reserve	+£7.5m	Reflects approval given in the 2012-13 budget
• New Drug & Alcohol treatment reserve	+£5.3m	Reflects change in accounting treatment of the balance of external funding to be spent on treatment of substance misuse previously treated as a receipt in advance
• New Commuted Sums reserve	+£4.6m	Reflects change in accounting treatment, previously treated as a receipt in advance
• Increase in the Economic Downturn Reserve	+£4.5m	reflects decisions taken during 2012-13, including transfer of the residual 2011-12 uncommitted underspend
• Restructure/Invest to Save reserve	+£4.2m	Reflects agreed contributions
• Increase in the Workforce Reduction reserve	+£2.7m	Reflects the underspending against the 2012-13 Modernisation of the Council budget
• Increase in IT Asset Maintenance Reserve	+£2.4m	Reflects the budgeted contribution
• Increase in Prudential Equalisation reserve	+£2.1m	
• Increase in Insurance reserve	+£2.0m	Mainly the 2012-13 underspend against the Insurance Fund
• Increase in DSG reserve	+£1.7m	
• Increase in Commercial Services earmarked reserves	+£0.5m	
• Reduction in the reserve to support next year's budget	-£3.5m	
• Reduction in the Kingshill development smoothing reserve	-£2.0m	Reflecting budgeted drawdown
• Reduction in Rolling Budget Reserve	-£1.9m	
• Reduction in Libraries/IT PFI grant settlement reserve	-£1.7m	Reflecting budgeted drawdown
• Reduction in Social Care – Supported Living Costs reserve	-£1.6m	
• Reduction in NHS Support for Social Care reserve	-£1.5m	Reflecting the balance of monies passported from PCTs to be spent on jointly agreed plans with Health
• Reduction in the reserve for projects previously classified as capital but now considered revenue	-£1.1m	includes Member Highway Fund
• Reduction in School Maintenance Indemnity Scheme	-£0.8m	Reflects change in accounting treatment
• Reduction in Special Funds	-£0.7m	Reflecting spend against the Regeneration Fund and Economic Development Fund
	+£22.7m	

3.7 CAPITAL BUDGET OUTTURN 2012-13

3.7.1 The following changes have been made to the 2012-15 capital programme since the last report to Cabinet:

TABLE 1: PROVISIONAL FINAL CAPITAL BUDGET BY PORTFOLIO FOR 12-15

	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	668.565	26.509	59.676	15.679	301.474	182.535	80.909	1.783
Approvals made since last Cabinet meeting	-0.810	-0.650	-0.160			0.000		
Revised approved budget	667.755	25.859	59.516	15.679	301.474	182.535	80.909	1.783
Revised approved budget broken down by year:								
2012-13	202.998	3.697	23.943	6.621	99.201	58.791	10.036	0.709
2013-14	277.455	11.090	20.193	4.805	136.247	70.070	33.976	1.074
2014-15	187.302	11.072	15.380	4.253	66.026	53.674	36.897	0.000

3.7.2 The provisional outturn for 2012-13 is £161.099m, a variance of -£41.899m against the 2012-13 revised approved budget. This is shown in Table 2.

TABLE 2: PROVISIONAL FINAL CAPITAL OUTTURN BY PORTFOLIO FOR 12-13 ONLY

	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 2012-13	202.998	3.697	23.943	6.621	99.201	58.791	10.036	0.709
Provisional outturn	161.099	2.335	8.963	4.606	83.720	57.453	2.693	1.329
Provisional variance	-41.899	-1.362	-14.980	-2.015	-15.481	-1.338	-7.343	0.620
Variance due to:								
Rephasing	-43.871	-1.353	-13.241	-2.211	-15.617	-3.853	-7.345	-0.251
Funded variances	4.388	0.000	-0.231	0.196	0.151	3.399	0.002	0.871
Project underspends	-2.416	-0.009	-1.508	0.000	-0.015	-0.884	0.000	0.000

3.7.3 The main reasons for the final provisional variances (>£0.100m) are listed below within their respective portfolios.

3.7.4 Adult Social Care & Public Health Portfolio:

Project	Funded Variance		Under spend	Rephase to/ beyond 12-13	Total Variance
	Other	Revenue			
Older Persons Strategy Wyllie Court				-0.500	-0.500
Learning Disabled Strategy				-0.308	-0.308
Home Support Fund				-0.274	-0.274
Public Access Strategy				-0.131	-0.131
IT Strategy				-0.075	-0.075
Older Persons Gravesham Place Terrace				-0.055	-0.055
Older Persons Folkestone Activities and Respite & Rehab.				-0.007	-0.007
Bower Mount (LD Strategy)			-0.007		-0.007
Learning Disabled Strategy Tunbridge Wells respite				-0.003	-0.003
Older Persons Strategy			-0.002		-0.002
TOTAL	0.000	0.000	-0.009	-1.353	-1.362

Taken from the above Table 2, the provisional variance is -£1.362m and is as a result of:

Re-phasing (total -£1.353m – from table 2 above)

- **Older Persons Strategy Wyllie Court:** mainly due to re-phasing of -£0.500m from 2012-13 to 2013-14 for Wyllie Court. Revised procurement guidance received from Legal now allows 25 days Expression of Interest, therefore spend has been delayed to early 2013-14.
- **Learning Disability Strategy:** Re-phasing of -£0.308m from 12-13 to 13-14 covering both various community hub related projects involving partnership negotiations, coupled with the delayed completion of building works at The Bridge (Hythe).
- **Home Support Fund:** Re-phasing of -£0.274m from 12-13 to 13-14 to reflect projects approved by KCC, supported by district councils but district council funding only available in 13-14.
- **Public Access:** £0.131m re-phasing to 13-14 to reflect continuing negotiations with various interested partners in delivering the New Ways of Working Strategy (NWW).

The remaining £0.140m of re-phasing is made up of minor variances (<£0.100m) on a number of projects.

Project underspends (total £0.009m – from table 2 above)

Underspends are on projects which are individually less than £0.100m therefore no narrative is provided.

- **Public Access:** There is an overall underspend of £0.453m forecast over the three year period which is being used to fund the overspend on MASH.

3.7.5 Business Strategy, Performance & Health Reform Portfolio:

Project	Funded Variance		Under spend	Rephase to/ beyond 12-13	Total Variance
	Other	Revenue			
New Work Spaces				-8.334	-8.334
Modernisation of Assets	-0.203			-0.953	-1.156
Sustaining Kent				-1.647	-1.647
Corporate Property Strategic Capital			-1.357		-1.357
Integrated Childrens Systems				-0.748	-0.748
Enterprise Resource Programme - Phase 2				-0.500	-0.500
Enterprise Resource Programme - Phase 1				-0.377	-0.377
Property Asset Management System				-0.297	-0.297
Oracle Release 12				-0.230	-0.230
Disposal Costs			-0.149		-0.149
Connecting with Kent				-0.111	-0.111
Oracle Self Service Development				-0.044	-0.044
Modernisation of Assets	-0.028				-0.028
Modernisation of Assets	-0.007				-0.007
Faversham Family Centre			-0.002		-0.002
Energy Efficiency & Renewable Energy	0.007				0.007
					0.000
TOTAL	-0.231	0.000	-1.508	-13.241	-14.980

Taken from the above Table 2, the provisional variance is -£14.980m and is as a result of:

Re-phasing (total -£13.241m – from table 2 above)

- **New Ways of Working (NWW):** Re-phasing of -£8.334m from 12-13 to 13-14. The NWW programme is currently finalising proposals for three office hubs and localised hubs. Although negotiations were nearing finalisation at year end, the capital spend will now be incurred during the first quarter of 2013-14.
- **Modernisation of Assets:** Re-phasing of -£0.953m from 12-13 to 13-14. This is the result of the following issues that have arisen through the year:
 - Aligning Modernisation of Asset spend against the New Ways of Working Programme.
 - Retendering of contracts due to either receiving a higher tender price than originally planned or retendering due to poor returns from contractors.
 - Legal Issues for example: awaiting planning consent or the restrictions from the Conservation Office owing to the historical nature of a building have resulted in delays to certain projects.
- **Sustaining Kent:** Re-phasing of -£1.647m from 12-13 to 13-14. We have encountered a number of technical difficulties during the unified communications implementation, which has resulted in significant delays. In view of the pressing need to replace existing obsolete systems, we continue to work with the contractor to deliver this project.

- **Integrated Childrens Systems:** Re-phasing of -£0.748m from 12-13 to 13-14. 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 with a revised go live date towards the latter part of 2013-14. This will also allow a more recent version of the software to be used.
- **Enterprise Resource Programme – phase 1 & 2:** Re-phasing on phase 1 of -£0.377m from 12-13 to 13-14. Synchronised sign on and (elements of) remote access work streams cannot be delivered until server refresh has completed. Re-phasing on phase 2 of -£0.500m from 12-13 to 13-14. Sufficient funding remaining from phase 1 to cover initial stages of phase 2.
- **Property Asset Management System:** re-phasing of -£0.297m from 12-13 to 13-14. The system is being procured through the SE7. There has been a delay whilst the initial framework is established.
- **Oracle Release 12:** rephasing of -£0.230m from 12-13 to 13-14. As a result of the delay in the Server refresh project the purchase of the Oracle Licences originally planned for R12 has also been delayed.
- **Connecting with Kent:** re-phasing of -£0.111m from 12-13 to 13-14. This project has linked functionality with the Sustaining Kent project streams and the delays to Unified Comms has caused an underspend on licences on this project, which have now been re-phased to 13-14.

The remaining -£0.044m of re-phasing is made up of minor variances (<£0.100m) on a number of projects.

Project Underspends (total £1.508m – from table 2 above)

- **Corporate Property Strategic Capital:** Underspend of £1.357m:
 - In accordance with accounting requirements many items of expenditure which have traditionally been capitalised now must be charged to and funded through revenue. As a result, £0.700m of the DFE local authority capital maintenance grant currently shown here has been used to cover revenue expenditure as the grant rules allow us to do this. £0.580m of this has been used within Property Group and £0.120m has been used to fund work undertaken by the Development Investment Team within Regeneration, in respect of development contributions for schools.
 - £0.210m of the total underspend is due to reduced activity in Academies costs.
 - £0.447m of the total underspend is a result of costs that have previously been allocated to this code, now being processed to individual project codes. This is being analysed to ascertain the correct level of budget required and where it should be allocated.
- **Disposal costs:** Underspend of -£0.149m. Unit costs were less than anticipated in delivering the disposal programme.

Funded variances: -£0.231m

- Modernisation of Assets: -£0.028m allocated to fund the overspend on Ramsgate Library (C&C).
- Modernisation of Assets: -£0.007m to fund overspend on Energy Efficiency & Renewable Energy (BSHPR)
- Energy Efficiency & Renewable Energy: +£0.007m funded from underspend on Modernisation of Assets
- Modernisation of Assets: -£0.203m allocated to other capital projects.

3.7.6 **Customer & Communities Portfolio:**

Project	Funded Variance		Under spend	Rephase to/ beyond 12-13	Total Variance
	Other	Revenue			
The Beaney	0.052	0.121			0.173
Small Community projects	0.063				0.063
Ramsgate Library	0.028				0.028
Library Modernisation				-0.536	-0.536
Web Platform				-0.266	-0.266
Tunbridge Wells Library		0.025		-0.288	-0.263
Kent History & Library Centre				-0.188	-0.188
Country Parks		0.025		-0.176	-0.151
PROW	0.020	0.003		-0.151	-0.128
Dartford & gravesham NHS Trust Capital contribution				-0.128	-0.128
Village Halls & Community Centres				-0.121	-0.121
Gateways	-0.056			-0.058	-0.114
Youth Service Reconfiguration				-0.083	-0.083
Gravesend Library	-0.068			-0.005	-0.073
Grant to Cobtree Trust				-0.057	-0.057
Community Facilities at Edenbridge	0.013			-0.069	-0.056
Ashford Gateway Plus	-0.040			-0.001	-0.041
MOA - Vehicles and equip		0.022		-0.054	-0.032
CLS Service Reprovision				-0.025	-0.025
Libraries Invest to Save	-0.012			-0.005	-0.017
					0.000
					0.000
TOTAL	-0.000	0.196	0.000	-2.211	-2.015

Taken from the above Table 2, the provisional variance is -£2.015m and is as a result of:

Re-phasing (total -£2.211m – from table 2 above)

- **Library Modernisation:** Re-phasing of -£0.536m from 12-13 to 13-14 to part fund the Swanley and Herne Bay Gateways library elements, along with modernisation at Tunbridge Wells library, which are now due to proceed in the current year. Business cases for both Swanley and Herne Bay gateways have been redeveloped to incorporate specification changes and revised funding models. Broadstairs Library modernisation is complete apart from payment of retentions.
- **Web Platform:** -£0.266m re-phased from 12-13 to 13-14 in order for the replacement of KCC's core website/digital platform to be aligned with updating the digital content and therefore improving the experience of the customer.
- **Tunbridge Wells Library:** -£0.288m re-phased from 12-13 to 13-14 reflecting a revised completion date of June 2013.
- **Kent History and Library Centre:** Rephasing of -£0.188m from 12-13 to 13-14 due to external rendering and public realm/highway works being delayed as a result of late frosts.
- **Country Parks:** Re-phasing of -£0.176m from 12-13 to 13-14 due to various schemes that were initiated in 2012-13 but could not be completed for varying reasons such as awaiting the outcome of a final Archaeology report for works at Lullingstone Car Park and minimising disruption to the public during the peak summer months.

- **Public Rights of Way:** Re-phasing of -£0.151m from 12-13 to 13-14 due to various scheduled works that were initiated in 2012-13 but could not be completed. This is a rolling programme of major and improvement works, with the main elements of rephasing due to technical delays and funding has been deferred accordingly, with the agreement from the Department of Transport.
- **Dartford and Gravesham NHS Trust capital contribution:** Re-phasing of -£0.128m from 12-13 to 13-14 due to works being delayed until May 2013. The KCC element of the project is minor in comparison to the build extension that the Trust are undertaking and therefore the KCC element has fallen in line with a slightly revised timetable for completion.
- **Village Halls and Community Centres:** Re-phasing of -£0.121m from 12-13 to 13-14 to align the funding for three delayed external projects and where funding is only released once expenditure has been incurred and match funding obtained.
- **Gateways:** Re-phasing of -£0.058m from 12-13 to 13-14 as an element of the ICT Multi-Channel project is now to be completed in the following year..
- The remaining -£0.299m of re-phasing is made up of minor variances (<£0.100m) on a number of projects.

Funded variances (total £0.196m– from table 2 above)

- **The Beaney:** Variance of +£0.173m due to changes in specification, leading to increased build costs, and a loss of external funding. The project is jointly managed by KCC and Canterbury City Council. The variance is funded primarily by a £0.121m revenue contribution, developer contributions and re-allocating other underspends from completed projects within the directorate.
- **Small Community Projects:** Variance of +£0.063m funded by additional external funding from the districts.
- **Ramsgate Library:** Variance of +£0.028m funded from re-allocating other budgets across the authority.
- **Public Rights of Way (PROW):** Variance of £0.023m, £0.012m funded by a contribution from the Member Highway Fund, £0.003m revenue contribution and £0.008m additional external funding.
- **Country Parks:** Variance of +£0.025m funded from revenue.
- **Tunbridge Wells Library:** Variance of +£0.025m funded by revenue.
- **Modernisation of Assets:** Variance of +£0.022m funded from revenue.
- **Gateways:** Underspend of -£0.056m, which have been use to fund additional costs/reduced income on both the Beaney and Edenbridge (see last bullet point).
- **Gravesend Library:** Underspend of -£0.068m used to part fund Edenbridge variance.
- **Libraries Invest to Save:** Underspend of -£0.012m used to part fund Edenbridge variance.
- **Ashford Gateway Plus:** Underspend of -£0.040m used to part fund Edenbridge variance.
- **Community Facilities at Edenbridge:** Variance of +£0.013m funded by additional external funding. In addition, part of the secured funding for the project is now to be received over the period of the lease, rather than as a lump sum as initially expected, which means that underspends from other projects within the C&C portfolio have been used to fund the current year's obligations.

3.7.7 Education, Learning & Skills Portfolio:

Project	Funded Variance		Under spend	Rephase to/ beyond 12-13	Total Variance
	Other	Revenue			
Sheppey Academy				2.498	2.498
BSF Wave 3		0.082		1.199	1.281
The Wyvern School	0.029				0.029
Annual Planned Enhancement Programme				-4.463	-4.463
Duke of York Academy				-2.424	-2.424
Astor of Hever Academy				-2.309	-2.309
The Knole Academy				-1.686	-1.686
Basic Need - Other				-1.213	-1.213
Skidders Academy				-1.122	-1.122
Development Opps - St Johns Primary/Kingsmead				-0.861	-0.861
Goat Lees Primary				-0.770	-0.770
BSF Unit Costs				-0.669	-0.669
Special Schools Review 11/12 Phase 1				-0.639	-0.639
Basic Need - Modulars				-0.596	-0.596
Academy Unit Costs				-0.405	-0.405
Longfield Academy				-0.358	-0.358
Specialist Schools Programme 09/10				-0.325	-0.325
Templar Barracks (Repton Park)				-0.191	-0.191
Unit Review				-0.155	-0.155
Vocational Education Programme				-0.148	-0.148
Archbishop Courtenay Primary				-0.147	-0.147
£5m DSG Revenue Grant				-0.118	-0.118
Primary Improvement Programme	0.040			-0.150	-0.110
Swadelands School			-0.015		-0.015
The Community College, Whitstable			-0.000		-0.000
					0.000
Other rephased projects <£0.100m				-0.565	-0.565
					0.000
TOTAL	0.069	0.082	-0.015	-15.617	-15.481

Taken from the above Table 2, the provisional variance is £15.481m and is as a result of:

Re-phasing (total £15.617m – from table 2 above)

- **Sheppey Academy** £2.498m, this build is currently ahead of schedule.
- **BSF Wave 3** £1.199m – spend against this budget has been brought forward due to agreement to amendments to the contracts which gave rise to payments in 12-13 rather than 13-14. In addition to this, £0.082m has been funded from revenue.
- **Annual Planned Enhancement Programme** -£4.463m – Underspends have occurred across the annual planned enhancement programme for a number of reasons:
 - Retendering of contracts due to either receiving a higher tender price than originally planned or retendering due to poor returns from contractors.
 - Legal Issues sometimes arise on projects which can cause delays.
 - Schools refusing access to sites.

- **Duke of York Academy** re-phasing of -£2.424m from 12-13 to 13-14. There was a delay in signing contracts.
- **Astor of Hever** re-phasing of -£2.309m from 12-13 to 13-14. There has been a delay in signing contracts due to additional searches for site areas not previously highlighted.
- **The Knole Academy** re-phasing of -£1.686m from 12-13 to 13-14. , there has been a delay in signing contracts, caused through final negotiation with the Contractor to ensure the contract terms were correct.
- **Basic Need Other** re-phasing of -£1.213m from 12-13 to 13-14. This has been rephased as the programme has been finalised.
- **Skidders Academy** re-phasing of -£1.122m from 12-13 to 13-14. There have been delays on site due to bad weather and the unexpected discovery of asbestos which has delayed completion of the new building. The project was due to be handed over to the school in February but was actually handed over in April.
- **St Johns Primary/Kingsmead** re-phasing of -£0.861m from 12-13 to 13-14. Planning permission has been refused. The scheme is being re-evaluated with a view to re-submitting plans in 2013-14.
- **Goat Lees Primary** re-phasing of -£0.770m from 12-13 to 13-14. This project has slipped by 3 weeks due to bad weather but measures have been put in place to ensure the project is still completed in August 2013.
- **BSF Unit Costs** re-phasing of -£0.669m from 12-13 to 13-14. Works at Community College Whitstable have been rephased to ensure minimal disruption to the school.
- **Special Schools Review 11/12 Phase 1** re-phasing of -£0.639m from 12-13 to 13-14. This programme of works is largely complete. The remaining balance is to be re-phased to cover any possible future payments.
- **Basic Need – Modulars** re-phasing of -£0.596m from 12-13 to 13-14. The basic need programme of works is subject to change as a predicted modular project may develop into a larger basic need scheme. For example: Ethelbert Road Primary was originally included in the Modular programme at £0.400m but now forms part of the larger basic need programme.
- **Academy Unit Costs** re-phasing of -£0.405m from 12-13 to 13-14. A delay in signing contracts has led to this budget rephasing. The delays were caused through final negotiation with the Contractor to ensure the contract terms were correct.
- **Longfield Academy** re-phasing of -£0.358m from 12-13 to 13-14. The final retention payment is being withheld awaiting the completion of defects.
- **Specialist Schools Programme 09/10** re-phasing of -£0.325m from 12-13 to 13-14. This rephasing relates to an all weather sports pitch at Ursuline College. There has been a delay in agreeing the lease arrangements with King Ethelbert School and subsequently the Secretary of State. The school have now agreed to proceed and work will commence in 13-14.
- **Templar Barracks (Repton Park)** re-phasing of -£0.191m from 12-13 to 13-14. The final account isn't yet agreed and therefore the re-phasing is to accommodate any increase on costs.
- **Unit Review** re-phasing of -£0.155m from 12-13 to 13-14. Two project contractors have gone into administration. Remedial works and final costs are not yet agreed.
- **Vocational Education Programme** re-phasing of -£0.148m from 12-13 to 13-14. Work is still to proceed at Swan Valley. The internal building work and fitting of equipment was delayed due to the withdrawal of the original provider and a new partner has not yet been confirmed. There has been some interest from Paramount who are keen to use the building as their visitor centre, if this proceeds, the requirements for the centre may change.
- **Archbishop Courtenay Primary** re-phasing of -£0.147m from 12-13 to 13-14. This scheme is complete but the remaining balance is to be rephased to cover any possible future payments.

- **£5m DSG Revenue Grant** re-phasing of -£0.118m from 12-13 to 13-14. Not all of the balance of the £5m has been allocated to schools. The Schools Forum has agreed that the completion date for this programme of works can be extended to 31 March 2014.
- **Primary Improvement Programme** re-phasing of -£0.150m from 12-13 to 13-14. The main contractor on the Beaver Green project is in administration, retention monies are being negotiated due to incomplete defects. There is currently a dispute with the consultant and contractor at The Manor Primary, future commitments are subject to the outcome of an extension of time claim.

This leaves a further re-phasing of -£0.565m on a number of projects made up of minor variances of less than £0.100m.

Project underspends (total -£0.015m – from table 2 above)

The -£0.015m is on 2 projects, the amounts for which are both less than £0.100m, therefore no narrative is provided.

Funded variances – (Total £0.151m - from table 2 above)

- This is made up of minor variances (less than £0.100m) on a number of projects therefore no narrative is provided.

3.7.8 Environment, Highways and Waste Portfolio:

Project	Funded Variance		Under spend	Rephase to/ beyond 12-13	Total Variance
	Other	Revenue			
Old Scheme residual	1.177				1.177
Ashford Drovers Roundabout/J9	0.034	0.986			1.020
Coldharbour Gypsy site		0.125		0.233	0.358
A2 Cyclopark		0.528	-0.027	-0.176	0.325
Herne Bay Site Improvements	0.206				0.206
Plant and Equipment		0.091			0.091
Member Highway Fund	-0.038	0.369		-0.272	0.059
Reshaping Highways Accommodation				0.011	0.011
East Kent Facilities-Transfer Station	-0.206			-1.215	-1.421
Highways Major Maintenance	0.287	0.168		-1.301	-0.846
Victoria Way, Ashford	-0.210			-0.246	-0.456
Integrated Transport scheme		0.016	-0.647	0.193	-0.438
Commercial Services			-0.210		-0.210
East Kent Access Phase 2				-0.182	-0.182
A228 Leybourne West Malling Bypass	-0.154			-0.019	-0.173
Energy Water Efficiency Schemes				-0.170	-0.170
Rushenden Relief Road				-0.168	-0.168
Non TSG Land Part 1				-0.104	-0.104
Major scheme Preliminary Design				-0.100	-0.100
Sittingbourne Northern Relief Road				-0.100	-0.100
Swale Transfer Station				-0.100	-0.100
Kent Thameside		0.020		-0.091	-0.071
A2 Slip Road				-0.027	-0.027
East Kent Facilities-Containers				-0.017	-0.017
Ashford Ring Road				-0.002	-0.002
					0.000
TOTAL	1.096	2.303	-0.884	-3.853	-1.338

Taken from the above Table 2, the provisional variance is -£1.338m and is as a result of:

Rephasing (total -£3.853m – from table 2 above)

- **A2 Cyclopark:** re-phasing -£0.176m from 12-13 to 13-14. Poor weather since the opening has delayed elements of landscaping and area of building works.
- **Member Highway Fund:** re-phasing of -£0.272m from 12-13 to 13-14. A number of schemes had to be re-programmed due to both adverse weather in January to March and on-going consultations.
- **East Kent Facilities-Transfer Station:** re-phasing of -£1.215m to 13-14. Construction work is due for completion towards the end of May 2013, with the site fully operational from the beginning of July. The construction work was originally expected to commence in September 2012, however due to modifications in the planning consent the starting of the work was delayed by two months.

- **Highways Major Maintenance:** re-phasing of -£1.301m on drainage and street lighting works from 12-13 to 13-14. Unseasonable cold weather in February and March prevented ecology works needed prior to the delivery of a major drainage scheme and this has also delayed the programme of some smaller drainage improvement works.
An additional sum of £0.600m was approved on 21st December 2012 for the replacement of street lights that had failed structural testing. The timing of this approval gave the street lighting team insufficient time to acquire the additional resources necessary to deliver the full programme by the year end. It was anticipated that Independent Connection Providers would be available from January to work with Enterprise, however, they were unable to commence work until mid-February.
- **Victoria way:** re-phasing -£0.246m from 12-13 to 13-14. This is mainly due to difficulty in profiling Land Compensation Act (LCA) Part 1 as progress of claims highly dependent on the action of claimants and their agents.
- **Integrated Transport Schemes (IT):** re-phasing of +£0.193m from 13-14 to 12-13. Some of the earlier re-phased works (Advance design and delivery of some of the IT schemes) were managed to deliver within the financial year.
- **East Kent Access Phase 2:** re-phasing of -£0.182m from 12-13 to 13-14. Additional works associated with traffic calming measures and residual works related primarily to land acquisition have been moved in to 2013-14.
- **Energy Water Efficiency Schemes:** re-phasing of -£0.170m to future years.
During 12-13 two large LED lighting upgrade projects were completed. The repayment was made in a lump sum rather than in instalments over several years as is the usual loan repayment method. As this money has been received early we will aim to re-invest it in the future in more energy efficiency projects.
- **Rushenden Relief Road:** re-phasing of -£0.168m from 12-13 to 13-14. The final settlements for Network Rail fees have been less than anticipated. However, it remains difficult to estimate the potential LCA Part 1 liability and this money is advised to be rolled forward in case of further claims.
- **Non TSG Land and Part 1 (LCA):** re-phasing of -£0.104m from 12-13 to 13-14. Annual spend and profiling is particularly difficult for LCA Part 1 expenditure which is often an aggregate of many small claims where progress is highly dependent on the action of claimants, their agents and responses to legal check.
- **Major Scheme Preliminary Design Fees:** re-phasing of -£0.100m to 15-16 due to initial Local Transport Board priorities only just established. The Councils major Capital Planning Manager is now in post and will consider future priorities for this programme.
- **Sittingbourne Northern Relief Road:** re-phasing of -£0.100m from 12-13 to 13-14. Residual minor works primarily related to the Road Safety Audit has been re-phased to 13-14 because of other major scheme priorities and resource availability.
- **Swale Transfer Station:** re-phasing -£0.100m from 12-13 to 13-14. Work on finding a replacement site to relocate the waste transfer station was progressed during 2012-13, but to date a suitable alternative site has yet to be secured. Further work since has concluded there may be benefit to KCC in redeveloping the waste transfer station on an enlarged footprint at the existing location, on land that we own. The £0.100m is required to work up and implement the scheme to take this forward.
- **Coldharbour:** includes rephasing of +£0.233m. An explanation of the variance on Coldharbour is included under the Funded Variances section below.

This leaves further re-phasing of -£0.145m on a number of projects made up of minor variances of less than £0.100m.

Project underspends (total -£0.884m – from table 2 above)

- **Integrated Transport Schemes: -£0.647m**
 - The Sustrans initial funding agreement being reduced as a result of the revised scheme specification. We are only able to claim the revised funding, therefore there will be no surplus funding as a result of this “underspend”.
 - Some developer contribution resurfacing budgeted works had been carried out under Highways Major maintenance and the spend is reflected in Highways Major Maintenance rather than Integrated Transport.
 - One of the s.106 funding schemes has been reviewed in light of potential pinchpoint funding implications. The pinchpoint funding was successful and the s.106 funds will be added to this to deliver a larger scheme.
- **Commercial Services Vehicles & plants: -£0.210m**

The under spend is due partly to a delayed move into Abbey Wood Road, coupled with some of the costs being now met by a third party.
- The remaining underspend of £0.027m is less than £0.100m therefore no narrative is provided.

Funded variances – (total £3.632m – from table 2 above)

- **Old Schemes-Residual: + £1.177m** over spend due to two major land acquisitions for Fastrack Phase 1 Major Scheme that had been referred to the Land Tribunals have been completed by voluntary agreement giving cost certainty and avoiding on-going cost of Lands Tribunal proceedings and associated outturn risk. Primary reason for increased outturn cost is that some land was deemed by local planning authority to have been acceptable for development in a “no scheme” situation that had not been anticipated when the scheme was implemented. The additional expenditure was funded from the under spend of **-£0.154m** on surplus land creditor provision on **A228 Leybourne West Malling Bypass** and the rest from the capital receipts.
- **Drovers Roundabout, J9 and Footbridge: +£1.020m** The main contract final account has been agreed after extensive assessment of major complex claims, by negotiation. The overspend was funded from revenue, external other and the grant under spend (**-£0.210m**) on **Victoria Way**.
- **Coldharbour Lane Gypsy & Travellers site: +£0.358m** in 12-13. The total overspend on the project is now forecast to be £0.574m and will be funded from additional Homes & Communities Agency (HCA) grant and a revenue contribution. The scheme costs have increased due to delays caused by both adverse weather and utility supply problems found during construction. A £0.200m contribution has been sought from Tonbridge & Malling Borough Council and a decision is expected at the end of June 2013.
- **A2 Cyclopark: +£0.528m** Whilst opened on target in May 2012 elements of the build were still being completed following delays to the initial start date and minor variations as work commenced. This resulted in increased contractor and consultants costs. Contractor and consultant final accounts were agreed providing cost certainty.
- **Herne Bay Site Improvements: +£0.206m** the extra spend was due to a delay in the commencement of the construction work on site as a result of the diversions for various utility works and other compensating events during the construction phase of the project. The over spend was funded from the surplus funding (**-£0.206m**) identified from the **East Kent Facilities Transfer Station scheme**.
- **Highways Major Maintenance: + £0.455m** a major part of the funded variance is to deal with replacing high risk street lighting columns that had failed structural testing. Also, there were additional resurfacing works carried out as part of the major maintenance enhancement programme in 12-13. All of these works were funded from revenue, developer and external other contributions.
- **Member Highway Funds: +£0.331m** a number of back log schemes originally thought to be revenue were implemented as capital schemes and were funded from revenue.

3.7.9 Regeneration & Enterprise Portfolio:

Project	Funded Variance		Under spend	Rephase to/ beyond 12-13	Total Variance
	Other	Revenue			
LIVE Margate				-2.958	-2.958
Regional Growth Fund				-1.684	-1.684
Empty Property Initiative				-1.210	-1.210
Capital Regeneration Fund				-1.045	-1.045
No Use Empty - Rented Affordable Homes Project				-0.250	-0.250
Tram Road/Tontine Street Road works				-0.074	-0.074
Swale Parklands				-0.065	-0.065
Euro Kent				-0.020	-0.020
Folkestone Heritage Quarter (HLF)				-0.020	-0.020
Dover Priory Approach Road				-0.014	-0.014
Managed Work Space - The Old Rectory				-0.014	-0.014
Rural Broadband				-0.002	-0.002
Old Town Hall				0.011	0.011
Rendezvous site - Margate		0.002			0.002
					0.000
TOTAL	0.000	0.002	0.000	-7.345	-7.343

Taken from the above Table 2, the provisional variance is -£7.343m and is as a result of:

Re-phasing (total -£7.345m – from table 2 above)

- **LIVE Margate:** re-phasing of -£2.958m from 12-13 to 13-14. This is due to not buying as many properties late in the year as planned.
- **Regional Growth Fund:** re-phasing of -£1.684m from 12-13 to 13-14. The in year spend has now been realigned to show actual payments to be made rather than committed funds.
- **Empty Property Initiative:** re-phasing of -£1.210m from 12-13 to 13-14 due to a lower than anticipated level of loans being distributed in the current year.
- **Capital Regeneration Fund:** re-phasing of -£1.045m from 12-13 to 13-14. This re-phasing reflects the latest bids received.
- **No Use Empty – Rented Affordable Homes Project:** re-phasing of -£0.250m from 12-13 to 13-14. Spend has been delayed whilst KCC and HCA agree the wording within the contract document as well as the granting of Investment Partner status by the HCA. Whilst KCC await confirmation of this, several projects have been identified as eligible for support, with one project conditionally approved in readiness to progress.

The remaining £0.198m of re-phasing is made up of minor variances (<£0.100m) on a number of projects.

Project underspends (total -£0.002m – from table 2 above)

No narrative as under £0.100m.

3.7.10 Specialist Children's Services Portfolio:

Project	Funded Variance		Under spend	Rephase to/ beyond 12-13	Total Variance
	Other	Revenue			
MASH	1.282				1.282
TSB 2 Short Breaks Programme	-0.391				-0.391
Service Redesign				-0.251	-0.251
Children's Centres	-0.020				-0.020
					0.000
TOTAL	0.871	0.000	0.000	-0.251	0.620

Taken from the above Table 2 above, the provisional variance is +£0.620m and is as a result of:

Re-phasing (total -£0.251m – from table 2 above)

- **Service Redesign:** Re-phasing of -£0.251m from 12-13 to 13-14 due to site allocation issues that were not resolved in time for progress in 12-13. These issues are now resolved and spend is expected to proceed early 13-14.

Funded variances – (total +£0.871m – from table 2 above).

- **Multi Agency Specialist Hubs:** Variance of +£1.282m in 2012-13, funded by £0.212m prudential borrowing, £0.570m Transforming Short Breaks 3 (TSB) grant, and £0.500m contribution from NHS. This variance arose from claims for additional costs originating in December 2011. There was also an overspend of £0.718m on this project in 2011-12. This was funded in the interim by slippage on borrowing from other schemes within the Capital programme. Alternative funding has now been found to re-imburse the borrowing. This is to be funded from the underspend on Transforming Short Breaks 2 in 2012-13 and a forecast underspend on Public Access in the Adults portfolio in 2013-14.
- **TSB2 Short Breaks Programme:** Underspend of -£0.391m to fund the 2011-12 overspend on MASH.
- **Childrens Centres:** Underspend of -£0.020m to fund the 2011-12 overspend on MASH.

3.8 GOOD NEWS STORIES

C&C - Broadstairs Library project: A full refurbishment of 846 sqm of Broadstairs Library as part of Library Modernisation Programme which was completed on time and within budget. The refurbishment has opened up a larger proportion of the facility to the local community, Adult Education are now delivering services from the facility with students and staff very complimentary of the modern facilities and the old Adult Education building has now been rationalised.

R&ED – Empty Property Initiative: Kent County Council launched its 'No Use Empty' (NUE) campaign in 2005 as part of its Public Sector Service Agreement (PSA2) targets, to examine better ways of delivering services, and particularly at working more effectively with district councils. The primary aim of the Initiative is to improve the physical urban environment in Kent by bringing empty properties back into use as quality housing accommodation. It is now the longest empty homes initiative and seen as the most successful of its kind across the UK. The initiative was originally focused on the towns of the four districts of Thanet, Dover, Shepway and Swale, as research has found that the majority of empty properties (over 3,000) are located within these four districts. In January 2008, due to the success of the scheme Kent County Council expanded the initiative to include all 12 district councils in the county.

The success of the project has been measured by the tangible results achieved through the number of empty homes brought back into use, which amounts to 2,709 properties (up to March 2013).

The scheme has approved over £7.5m of interest free loans. This has leveraged in excess of £12.8m of private sector funding (owner's contribution), giving a total investment through the loan scheme of £20.3m (up to June 2013).

ELS - The Duke of York Academy and St Augustine Academy projects have started on site in the last quarter.

3.9 CAPITAL PROJECT ROLL FORWARDS:

The 2013-14 Capital Programme will now be revised to reflect the re-phasing and other variations of the 2012-13 Capital Programme that resulted in the £41.899m variance in 2012-13. The re-phasing details are included in appendix 3 and will be adjusted in the first full monitoring report in 2013-14.

3.10 CAPITAL RECEIPTS and PEF:

Details of capital receipts and the PEF funds are shown in Appendix 4.

3.11 SCHOOLS DEVOLVED CAPITAL

3.11.1 Capital expenditure incurred directly by schools in 2012-13 was £17.481m. Schools have in hand some £0.676m of capital funding which will be carried forward as part of the overall schools reserves position. This represents a decrease in schools capital reserves of £1.3m.

4. STAFFING LEVELS

4.1 The following table provides a snapshot of the staffing levels by directorate as at 31 March 2013 compared to the numbers as at 31 December, 30 September, 30 June and 31 March 2012, based on active assignments. Between 31 March 2012 and 31 March 2013 there has been a reduction of 1,541.38 FTEs, of which -1,229.40 were in schools and -311.98 were non-schools. The reduction in schools based staff is largely as a result of schools converting to academies; hence the staff are no longer employed by KCC.

		Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Difference	
							Number	%
KCC	Assignment count	44,226	42,875	41,586	41,636	41,201	-3,025	-6.84%
	Headcount (inc. CRSS)	37,399	36,226	35,216	35,264	34,952	-2,447	-6.54%
	Headcount (exc. CRSS)	33,274	32,061	31,201	31,219	30,993	-2,281	-6.86%
	FTE	24,389.61	23,514.33	22,978.31	22,971.61	22,848.23	-1,541.38	-6.32%
KCC - Non Schools	Assignment count	13,901	13,671	13,440	13,333	13,172	-729	-5.24%
	Headcount (inc. CRSS)	12,652	12,430	12,237	12,203	12,114	-538	-4.25%
	Headcount (exc. CRSS)	10,865	10,613	10,447	10,407	10,360	-505	-4.65%
	FTE	9,186.64	8,971.02	8,863.43	8,853.31	8,874.66	-311.98	-3.40%
BSS	Assignment count	1,673	1,559	1,574	1,573	1,554	-119	-7.11%
	Headcount (inc. CRSS)	1,665	1,555	1,569	1,569	1,548	-117	-7.03%
	Headcount (exc. CRSS)	1,646	1,540	1,552	1,553	1,534	-112	-6.80%
	FTE	1,523.86	1,427.96	1,443.80	1,445.31	1,430.83	-93.03	-6.10%
ELS	Assignment count	1,646	1,589	1,527	1,556	1,569	-77	-4.68%
	Headcount (inc. CRSS)	1,585	1,526	1,470	1,498	1,514	-71	-4.48%
	Headcount (exc. CRSS)	1,295	1,237	1,187	1,214	1,224	-71	-5.48%
	FTE	990.93	947.65	917.46	943.11	947.37	-43.56	-4.40%
C&C	Assignment count	3,971	3,941	3,832	3,823	3,660	-311	-7.83%
	Headcount (inc. CRSS)	3,415	3,398	3,319	3,321	3,193	-222	-6.50%
	Headcount (exc. CRSS)	2,274	2,239	2,166	2,144	2,047	-227	-9.98%
	FTE	1,730.35	1,706.67	1,657.95	1,646.10	1,630.64	-99.71	-5.76%
E&E	Assignment count	1,205	1,198	1,174	1,162	1,164	-41	-3.40%
	Headcount (inc. CRSS)	1,190	1,184	1,160	1,153	1,154	-36	-3.03%
	Headcount (exc. CRSS)	1,079	1,072	1,046	1,042	1,048	-31	-2.87%
	FTE	1,028.29	1,026.00	999.94	994.41	997.75	-30.54	-2.97%
FSC	Assignment count	5,406	5,384	5,333	5,219	5,225	-181	-3.35%
	Headcount (inc. CRSS)	4,897	4,865	4,819	4,763	4,794	-103	-2.10%
	Headcount (exc. CRSS)	4,611	4,560	4,532	4,488	4,533	-78	-1.69%
	FTE	3,913.21	3,862.74	3,844.28	3,824.38	3,868.07	-45.14	-1.15%
Schools	Assignment count	30,325	29,204	28,146	28,303	28,029	-2,296	-7.57%
	Headcount (inc. CRSS)	24,932	23,960	23,125	23,198	22,966	-1,966	-7.89%
	Headcount (exc. CRSS)	22,487	21,517	20,815	20,870	20,688	-1,799	-8.00%
	FTE	15,202.97	14,543.31	14,114.88	14,118.30	13,973.57	-1,229.40	-8.09%

CRSS = Staff on Casual Relief, Sessional or Supply contracts

Notes:

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

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

5. 2012-13 FINAL MONITORING OF KEY ACTIVITY INDICATORS

5.1 Details of the final monitoring of key activity indicators for 2012-13 are detailed in Appendix 4.

6. FINANCIAL HEALTH INDICATORS

6.1 The final financial health indicators for 2012-13 are detailed in Appendix 5.

7. PRUDENTIAL INDICATORS

7.1 The final monitoring of the 2012-13 prudential indicators is detailed in Appendix 6.

8. CONCLUSIONS

8.1 For the 13th consecutive year the Council is able to demonstrate sound financial management, by containing its revenue expenditure within the budgeted level (excluding schools). In the context of a savings requirement of around £80m and on the back of delivering a £95m saving target in 2011-12, together with continued high demand for Specialist Children's Services, this is a considerable achievement. However, with further savings of £95m required in 2013-14 and the likelihood of further significant government cuts over the medium term, we must not be complacent, hence the recommendation to put the uncommitted underspend from 2012-13 into reserves pending future budget decisions.

9. RECOMMENDATIONS

Cabinet is asked to:

9.1 **Note** the provisional outturn position for 2012-13.

9.2 **Agree** that £5m of the 2012-13 revenue underspending is rolled forward to support the 2013-14 budget as reflected in the 2013-14 budget approved by County Council on 14 February.

9.3 **Agree** that £3.857m of the 2012-13 revenue underspending is rolled forward to fund existing commitments, as detailed in section 3 of Appendix 2.

9.4 **Agree** that £0.8m of the 2012-13 revenue underspending is rolled forward to address the continued anticipated impact on the Freedom Pass budget of the 2012-13 changes in education transport policy and the continued popularity of the scheme.

9.5 **Agree** that £1.5m of the 2012-13 revenue underspending is rolled forward to address the continued demand for Specialist Children's Services since the 2013-14 budget was set.

9.6 **Agree** that the £4.924m remainder of the 2012-13 revenue underspending is set aside in the Economic Downturn reserve.

9.7 **Note** that £43.871m of capital re-phasing from 2012-13 will be added into 2013-14 and later years, as detailed in Appendix 3 and the 2013-14 Capital Programme will also be adjusted to reflect other 2012-13 variances as reported in the outturn.

9.8 **Note** the final monitoring of the key activity indicators for 2012-13 as detailed in Appendix 4.

9.9 **Note** the final financial health indicators for 2012-13 as detailed in Appendix 5.

9.10 **Note** the final monitoring of the prudential indicators for 2012-13 as detailed in Appendix 6.

9.11 **Note** the impact of the 2012-13 provisional revenue budget outturn on reserves as detailed in section 3.6.

9.12 **Note** that the schools' revenue and capital reserves have reduced by some £12.264m.

10. **BACKGROUND DOCUMENTS**

None

11. **CONTACT DETAILS**

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Reconciliation of Gross and Income Cash Limits to the 18 March 2013 Cabinet Report

Portfolio	CASH LIMIT			VARIANCE		
	Gross £k	Income £k	Net £k	Gross £k	Income £k	Net £k
Education, Learning & Skills	212,385	-164,026	48,359	-5,346	-403	-5,749
Specialist Children's Services	158,379	-10,058	148,321	8,661	-2,003	6,658
Specialist Children's Services - Asylum	14,901	-14,621	280	1,346	1,506	2,852
Adult Social Care & Public Health	447,407	-117,246	330,161	-6,508	3,951	-2,557
Environment, Highways & Waste	180,388	-23,758	156,630	4,794	-7,727	-2,933
Customer & Communities	136,938	-55,548	81,390	-3,376	-664	-4,040
Regeneration & Economic Development	5,807	-2,153	3,654	514	-511	3
Finance & Business Support	191,744	-106,976	84,768	-10,342	961	-9,381
Business Strategy, Performance & Health Reform	100,856	-40,430	60,426	5,126	-5,307	-181
Democracy & Partnerships	7,834	-260	7,574	-561	-192	-753
SUB TOTAL (excl Schools)	1,456,639	-535,076	921,563	-5,692	-10,389	-16,081
<i>Schools (ELS portfolio)</i>	<i>742,128</i>	<i>-742,128</i>	<i>0</i>	<i>-13,754</i>	<i>24,718</i>	<i>10,964</i>
TOTAL	2,198,767	-1,277,204	921,563	-19,446	14,329	-5,117
	Gross	Income	Net			
	£k	£k	£k			
Reconciliation:						
Cash Limits per Q3 report to Cabinet on 18 March 2013	2,193,305	-1,271,742	921,563			
Subsequent changes:						
				Changes to grant/income allocations:		
ELS	-134	134	0	final adjustments to DfE Pupil Premium Grant		
ELS	17	-17	0	Additional Bursary Grant from Education Funding Agency		
ELS	-56	56	0	reduction in 6th form funding from EFA following conversion of Meopham to an academy wef 1-2-13		
ELS	165	-165	0	SEND Green paper pathfinder pilot grant from DfE		
ELS	-1,732	1,732	0	reduction in DSG for academy converters in final quarter of 2012-13		
ELS	710	-710	0	additional Year 7 catch up premium allocation for schools and PRUs from DfE		
ELS	353	-353	0	increase in DfE grant for Golden Hellos		
ELS	1,416	-1,416	0	additional contributions from schools towards PFI schemes		
ASC&PH	562	-562	0	Public Health Winter Warmth grant		
ASC&PH	304	-304	0	Public Health Transition grant		
C&C	29	-29	0	DWP funding for set up costs related to taking over responsibility for the Social Fund from 1-4-13		
C&C	46	-46	0	additional DCLG Gurkha Settlement Funding for improving english language skills		
				Technical Adjustments:		
ELS	1,178	-1,178	0	Revenue Expenditure Funded from Capital under Statute (REFCUS) - tfr of capital grant to fund spend that is deemed as revenue		

	Gross	Income	Net	
	£k	£k	£k	
SCS	63	-63	0	distribution of Health monies from Adults to SCS for County Referral Team
ASC&PH	-63	63	0	
ASC&PH	28	-28	0	realignment of Integrated Community Equipment Store (ICES) budget to reflect Adults & PCT contributions
ASC&PH	-250	250	0	realignment to remove historic income cash limit for Excellent Homes for All project
ASC&PH	-32	32	0	remove historic income target within divisional assessment budget
ASCPH/F&BS	76	-76	0	set up gross and income cash limit to reflect change in Social Care charging policy requiring more finance assessment staff
EHW	202	-202	0	gross and income realignment following transfer of Transport Integration from Commercial Services
EHW	-157	157	0	removal of recharging between Transport Integration & Freedom Pass
C&C	-70	70	0	Contact Centre: realign gross and income budgets as a result of lost contract (public health)
C&C	-150	150	0	removal of recharging for staff between Contact Centre & Gateways
C&C	2,749	-2,749	0	Realignment of KDAAT budgets to remove incorrect historic grant & income budgets
C&C	3,957	-3,957	0	roll forward of KDAAT receipts in advance from 2011-12 from National Treatment Agency, PCTs, Home Office for Drug & Alcohol prevention projects
C&C	-28	28	0	removal of internal recharging between Libraries & Gateway for rent at Thanet Gateway
C&C	-2,930	2,930	0	tfr of unspent Tackling Troubled Families grant into 13-14 as a receipt in advance
C&C	-313	313	0	transfer unspent funding from Improvement & Efficiency South East for Multi Channel project into 13-14 as a Receipt in Advance
C&C	247	-247	0	Gross and income realignment for Bexley Registration office as no budget set for this contract
C&C	-362	362	0	tfr of unspent Sports Development external funding into 13-14 as a receipt in advance
BSP&HR	-58	58	0	realignment of Business Strategy budget - removal of historic income target
BSP&HR	-177	177	0	removal of recharging for Dover Discovery Centre following centralisation of budgets to Property
BSP&HR	-39	39	0	removal of recharging following centralisation of room hire budgets
BSP&HR	-64	64	0	removal of recharging following centralisation of ICT annual support charges

	Gross	Income	Net	
	£k	£k	£k	
BSP&HR	-25	25	0	Remove recharging from Business Strategy for Research & Evaluation data support role provided to Supporting Independence following centralisation of budget
Revised Budget	2,198,767	-1,277,204	921,563	

2012-13 REVENUE BUDGET ROLL FORWARD PROPOSALS

		£000s	£000s
1	2012-13 provisional underspend		-16,081
2	2012-13 underspending to support the 2013-14 budget approved by County Council in February		5,000
3	Rescheduled/committed projects:		
a	<p><i>ELS portfolio - 14 -19 Year Olds - Kent Youth Employment Programme</i> This represents the re-phasing of Kent Youth Employment Programme, which is funded from the Big Society Fund. This scheme was launched at the end of the 2011-12 financial year and its purpose is to encourage Kent businesses to recruit unemployed young people who have been unemployed for a significant period. The scheme involves the payment of grants to employers, but as the payments are only made following completion of 6 months and 12 months in placements, a significant amount of the budget has re-phased into 2013-14 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.</p>	1,854	
b	<p><i>SCS portfolio - Kent Safeguarding Children Board</i> This represents KCC's share of the underspend of the KSCB Board. Under the terms of the inter-agency agreement, KCC has an obligation to provide this funding to the Board. The underspending relating to partners contributions is held in a Fund.</p>	272	
c	<p><i>ASC&PH portfolio - Kent & Medway Safeguarding Vulnerable Adults Committee</i> This represents KCC's share of the underspend of the Committee. Under the terms of the multi-agency agreement, KCC has an obligation to provide this funding to the Committee. The underspending relating to partners contributions has been rolled forward as a receipt in advance.</p>	28	
d	<p><i>ASC&PH portfolio - Adults externally funded CASA project (Consortium for Assistive Solutions Adoption)</i> This represents funds required to provide match funding to fulfil our obligation to the partnership agreement in relation to re-phasing of the CASA (Consortium for Assistive Solutions Adoption) project.</p>	19	
e	<p><i>EH&W portfolio - Streetlight Maintenance</i> Re-phasing of planned works into 2013-14 as the highways contractor was required to redirect resources to deal with the prolonged period of snow and freezing conditions.</p>	155	
f	<p><i>EH&W portfolio - Environment Management - Flood Project Work</i> Re-phasing of work to complete Surface Water Management Plans - these have been delayed because of changes to, and issues with, the consultancy framework operated by the Environment Agency.</p>	137	
g	<p><i>EH&W portfolio - Planning & Transport Policy - Externally funded ROCK Project</i> This represents funds required to provide match funding to fulfil our obligation to the partnership agreement in relation to re-phasing of the ROCK (Regions of Connecting Knowledge) transport links project to enhance rail services to Europe.</p>	99	
h	<p><i>EH&W portfolio - Environment Management - Drainage Surveys</i> Re-phasing of drainage surveys - the highways contractors were due to complete this work by 31 March 2013 but were required to redirect resources to deal with the prolonged period of snow and freezing conditions.</p>	30	

		£000s	£000s
i	<i>Customer & Communities portfolio - Gateways - Ghurkha project</i> This represents re-phasing of the Government funded project to integrate Ghurkhas and their dependents into the community and to improve their English language skills.	243	
j	<i>Customer & Communities portfolio - Coroners Service</i> A backlog of long inquests will fall into 2013-14 and so as not to place undue pressure on the 2013-14 budget, roll forward is required to fund this re-phasing.	60	
k	<i>Customer & Communities portfolio - Member Grants</i> Grants which have been committed in 2012-13 for projects internal to KCC, but where the work was not completed by 31 March 2013. This relates to both the Member Community Grants Scheme and the Local Scheme Grants.	16	
l	<i>Customer & Communities portfolio - Arts Development Externally funded Recreate project</i> This represents funds required to provide match funding for the EU project - Recreate, as required and committed to via the partnership agreement.	5	
m	<i>BSP&HR portfolio - Human Resources - Re-phasing of Training Programmes</i> This represents re-phasing of the following training programmes.	549	
	- <i>Independent Sector funding</i>	219	
	- <i>Children's Supervision (Ofsted Improvement Plan Year 2)</i>	132	
	- <i>Integrated Children's System Training</i>	124	
	- <i>Coaching courses</i>	39	
	- <i>Skills for Care Milestones</i>	19	
	- <i>Chartered Management Institute</i>	9	
	- <i>Practice Placements</i>	7	
n	<i>BSP&HR portfolio - Property & Infrastructure - New Ways of Working</i> Roll forward is required to fund the re-phasing of the one-off costs of office moves into 2013-14	217	
o	<i>BSP&HR portfolio - Public Health - Health Reform</i> This relates to the remaining Health Reform monies, which is required to fund commitments arising from the need to support the development of seven new Health & Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups. KCC has been tasked with supporting these new arrangements and the funding will be used to ensure sufficient resources are available within the Policy & Strategic Relationships team to fulfil this role.	128	
p	<i>Democracy & Partnerships portfolio - Internal Audit</i> To fund remainder of contract with external consultants (Deloitte & Touche Public Sector) to deliver the work in the 2012-13 audit plan, which has re-phased to 2013-14.	27	
q	<i>Democracy & Partnerships portfolio - Internal Audit</i> This represents re-phasing of TRP (laptop changes) and a necessary upgrade to the Teammate audit software	18	
			3,857
4	Uncommitted balance of underspending		-7,224

5	Cabinet is asked to consider:		
a	<i>Environment Highways & Waste portfolio – Freedom Pass</i> The Freedom Pass budget overspent by a net £828k in 2012-13, in part due to the popularity of the scheme and partly due to the impact of the implementation of Education transport policy changes. It is anticipated that a similar pressure will be experienced in 2013-14.	800	
b	<i>Specialist Children’s Services portfolio</i> Demand for specialist children’s services continued to increase in the final quarter of 2012-13, after the 2013-14 budget was calculated, so it is proposed that in order to address the shortfall in the 2013-14 budget compared to outturn activity levels, £1.5m of the rolled forward underspend from 2012-13 is provided to the service.	1,500	
			2,300
6	Uncommitted balance of underspending if items 5a & 5b are approved		-4,924

CAPITAL RE-PHASING

The 2013-14 and future years capital programme will be adjusted to reflect the total re-phasing of £43.871m as follows:-

Adult Social Care & Public Health	2012-13 £m	2013-14 £m	2014-15 £m	Future years £m	Total £m
Older Persons - Wyllie Court	-0.500	0.500			0.000
Learning Disabled Strategy	-0.308	0.308			0.000
IT Strategy	-0.075	0.075			0.000
Public Access Strategy	-0.131	0.131			0.000
Home Support Fund	-0.274	0.274			0.000
Total re-phasing >£0.100m	-1.288	1.288	0.000	0.000	0.000
Other re-phased projects <£0.100m	-0.065	0.065			0.000
TOTAL RE-PHASING	-1.353	1.353	0.000	0.000	0.000

Business Strategy, Performance & Health Reform	2012-13 £m	2013-14 £m	2014-15 £m	Future years £m	Total £m
Modernisation of Assets	-0.953	0.953			0.000
Oracle Release 12	-0.230	0.230			0.000
Property Asset Management System	-0.297	0.297			0.000
Sustaining Kent	-1.647	1.647			0.000
Enterprise Resource Programme - Phase 1	-0.377	0.377			0.000
Integrated Childrens Systems	-0.748	0.748			0.000
Enterprise Resource Programme - Phase 2	-0.500	0.500			0.000
New Work Spaces	-8.334	8.334			0.000
Connecting with Kent	-0.111	0.111			0.000
Total rephasing >£0.100m	-13.197	13.197	0.000	0.000	0.000
Other rephased projects <£0.100m	-0.044	0.044			0.000
TOTAL REPHASING	-13.241	13.241	0.000	0.000	0.000

Customer & Communities	2012-13 £m	2013-14 £m	2014-15 £m	Future years £m	Total £m
Public Rights Of Way	-0.151	0.151			0.000
Country Parks	-0.176	0.176			0.000
Library Modernisation	-0.536	0.536			0.000
Village Halls & Community Centres	-0.121	0.121			0.000
Tunbridge Wells Library	-0.288	0.288			0.000
Kent History & Library Centre	-0.188	0.188			0.000
Community Facilities at Edenbridge	-0.069	0.069			0.000
Web Platform	-0.266	0.266			0.000
Dartford & Gravesham NHS Trust Capital contribution	-0.128	0.128			0.000
Scheme name (rephasing >£0.100m)					0.000
Total re-phasing >£0.100m	-1.923	1.923	0.000	0.000	0.000
Other re-phased projects <£0.100m	-0.288	0.288			0.000
TOTAL RE-PHASING	-2.211	2.211	0.000	0.000	0.000

Education, Learning & Skills	2012-13 £m	2013-14 £m	2014-15 £m	Future years £m	Total £m
Annual Planned Enhancement Programme	-4.463	4.463			0.000
Goat Lees Primary	-0.770	0.770			0.000
Archbishop Courtenay Primary	-0.147	0.147			0.000
Basic Need - Modulars	-0.596	0.596			0.000
Specialist Schools Programme 09/10	-0.325	0.325			0.000
Special Schools Review 11/12 Phase 1	-0.639	0.639			0.000
Vocational Education Programme	-0.148	0.148			0.000
Primary Improvement Programme	-0.150	0.150			0.000
Unit Review	-0.155	0.155			0.000
BSF Wave 3	1.199	-1.199			0.000
BSF Unit Costs	-0.669	0.669			0.000
Academy Unit Costs	-0.405	0.405			0.000
The Knole Academy	-1.686	1.686			0.000
Longfield Academy	-0.358	0.358			0.000
Sheppey Academy	2.498	-2.498			0.000
Skinner's Academy	-1.122	1.122			0.000
Templar Barracks (Repton Park)	-0.191	0.191			0.000
Basic Need - Other	-1.213	1.213			0.000
Development Opps - St Johns Primary/Kingsmead	-0.861	0.861			0.000
Astor of Hever Academy	-2.309	2.309			0.000
Duke of York Academy	-2.424	2.424			0.000
£5m DSG Revenue Grant	-0.118	0.118			0.000
Other rephased projects					
Total re-phasing >£0.100m	-15.052	15.052	0.000	0.000	0.000
Other re-phased projects <£0.100m	-0.565	0.565			0.000
TOTAL RE-PHASING	-15.617	15.617	0.000	0.000	0.000

Environment, Highways & Waste	2012-13 £m	2013-14 £m	2014-15 £m	Future years £m	Total £m
Major Scheme Preliminary Design	-0.100	0.000	0.000	0.100	0.000
Highway Major Maintenance	-1.301	1.301			0.000
Member Highway fund	-0.272	0.272			0.000
Integrated Transport Schemes	0.193	-0.193			0.000
Non TSG Land	-0.104	0.104			0.000
Energy Water Investment Fund	-0.170	0.048	0.044	0.078	0.000
East Kent Transfer Station	-1.215	1.215			0.000
Sittingbourne NRR	-0.100	0.100			0.000
East Kent Access Road Ph2	-0.182	0.182			0.000
Rushenden Relief Road	-0.168	0.168			0.000
A2 Cyclopark	-0.176	0.176			0.000
Victoria Way Ph 1	-0.246	0.184	0.062		0.000
Swale Transfer Station	-0.100	0.100			0.000
Coldharbour Gypsy Site	0.233	-0.173	-0.060		0.000
Total re-phasing >£0.100m	-3.708	3.484	0.046	0.178	0.000
Other re-phased projects <£0.100m	-0.145	0.145			0.000
TOTAL RE-PHASING	-3.853	3.629	0.046	0.178	0.000

Regeneration & Economic Development	2012-13 £m	2013-14 £m	2014-15 £m	Future years £m	Total £m
Empty Property Initiative	-1.210	1.210			0.000
No Use Empty - Rented Affordable Homes Project	-0.250	0.250			0.000
Broadband		-3.350	-0.076	3.426	0.000
Capital Regeneration Fund	-1.045	1.045			0.000
LIVE Margate	-2.958	3.308		-0.350	0.000
Regional Growth Fund	-1.684	1.684			0.000
Total re-phasing >£0.100m	-7.147	4.147	-0.076	3.076	0.000
Other re-phased projects <£0.100m	-0.198	0.184	-0.019	0.033	0.000
TOTAL RE-PHASING	-7.345	4.331	-0.095	3.109	0.000

Specialist Childrens Services	2012-13 £m	2013-14 £m	2014-15 £m	Future years £m	Total £m
Service Redesign	-0.251	0.251			0.000
Total re-phasing >£0.100m	-0.251	0.251	0.000	0.000	0.000
Other re-phased projects <£0.100m					0.000
TOTAL RE-PHASING	-0.251	0.251	0.000	0.000	0.000

2012-13 FINAL MONITORING OF KEY ACTIVITY INDICATORS**1. EDUCATION, LEARNING & SKILLS DIRECTORATE****1.1 Number of schools with deficit budgets compared with the total number of schools:**

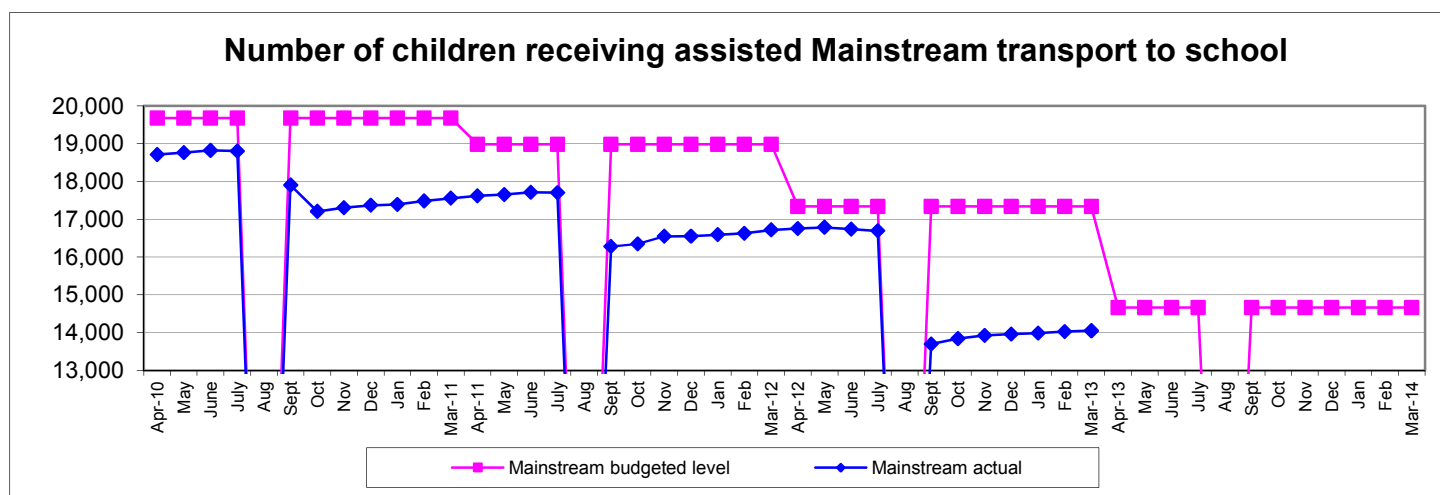
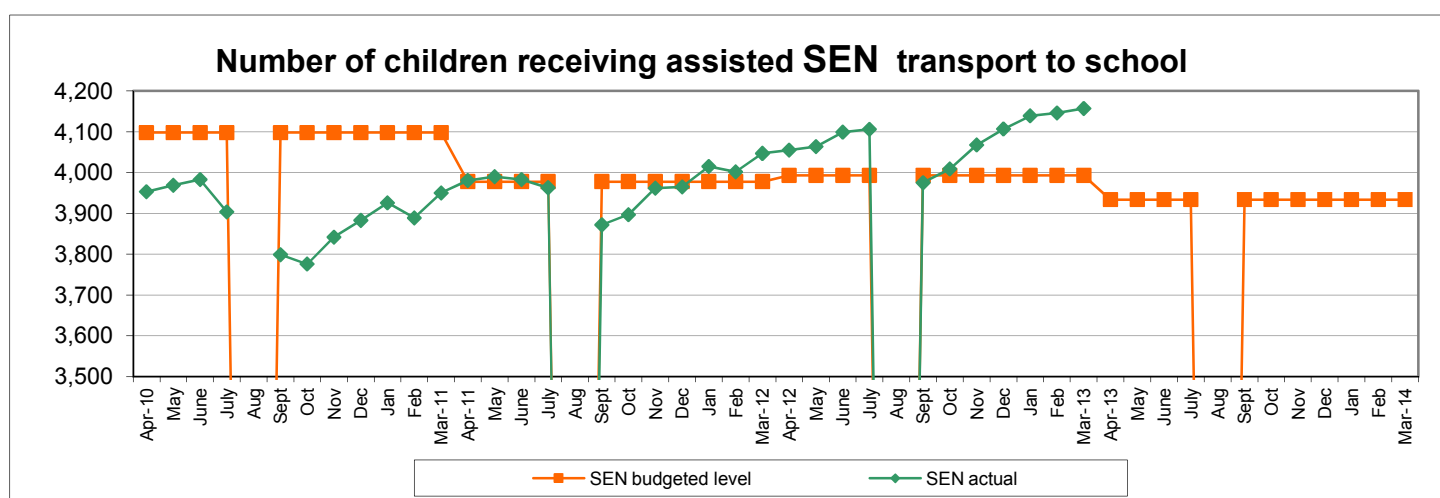
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
	as at 31-3-07	as at 31-3-08	as at 31-3-09	as at 31-3-10	as at 31-3-11	as at 31-3-12	as at 31-3-13	projection
Total number of schools	596	575	570	564	538	497	463	435
Total value of school reserves	£74,376k	£79,360k	£63,184k	£51,753k	£55,190k	£59,088k	£48,124k	£46,171k
Number of deficit schools	15	15	13	23	17	7	8	9
Total value of deficits	£1,426k	£1,068k	£1,775k	£2,409k	£2,002k	£833k	£364k	£1,449k

Comments:

- The information on deficit schools for 2013-14 has been obtained from the schools 3 year plans completed in spring/early summer 2012 and show nine schools predicting a deficit at the end of year 2. 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 but these only include information relating to the current year. School's Financial Services will already have been working with these nine schools to reduce the risk of a deficit in 2013-14. The next update on school deficits will be available for the quarter 1 report to Cabinet in September (i.e from the school 3 year plans completed in spring/early summer 2013).
- KCC now has a "no deficit" policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year's budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority. 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 has reduced due to 34 schools, including 5 secondary schools and 29 primary schools, converting to academies during the year 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 drawdown from schools reserves of £10,964k includes +£1,888k which represents the reduction in reserves resulting from 34 schools converting to academy status during the year. The remaining drawdown of £9,076k relates to an increase of £2,983k in the balances of the remaining Kent schools and a £12,059k drawdown from the schools unallocated reserve.

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

	2010-11				2011-12				2012-13				2013-14	
	SEN		Mainstream		SEN		SEN		SEN		Mainstream		SEN	Mainstream
	Budget level	actual	Budget level	Budget level	actual	Budget level	Budget level	actual	Budget level	Budget level	Budget level	actual	Budget Level	Budget Level
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	3,934	14,667
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	3,934	14,667
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	3,934	14,667
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	3,934	14,667
Aug	0	0	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	3,934	14,667
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	3,934	14,667
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	3,934	14,667
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	3,934	14,667
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	3,934	14,667
Feb	4,098	3,889	19,679	17,485	3,978	4,002	18,982	16,632	3,993	4,146	17,342	14,029	3,934	14,667
Mar	4,098	3,950	19,679	17,559	3,978	4,047	18,982	16,720	3,993	4,157	17,342	14,051	3,934	14,667

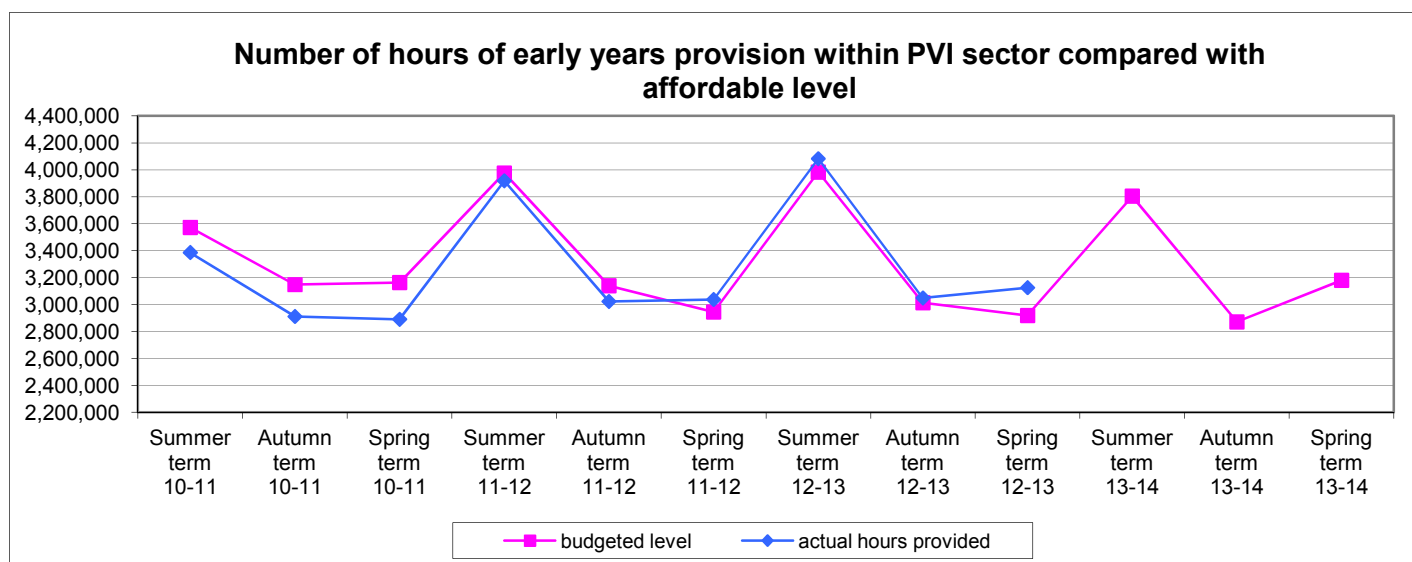


Comments:

- **SEN HTST** – The number of children travelling is higher than the budgeted level, but 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, resulting in a gross overspend against this budget of +£1,444k. The budgeted level for 2013-14 has reduced from the 2012-13 budgeted level to reflect the higher unit cost experienced in 2012-13 (as adjusted for prices increase and transformation savings).
- **Mainstream HTST** – The number of children travelling is lower than the budgeted level resulting in a corresponding gross underspend of -£1,538k.

1.3 **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		2013-14
Term	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours
Summer	3,572,444	3,385,199	3,976,344	3,917,710	3,982,605	4,082,870	3,803,791
Autumn	3,147,387	2,910,935	3,138,583	3,022,381	3,012,602	3,048,035	2,871,320
Spring	3,161,965	2,890,423	2,943,439	3,037,408	2,917,560	3,125,343	3,178,904
	9,881,796	9,186,557	10,058,366	9,977,499	9,912,767	10,256,248	9,854,015



Comments:

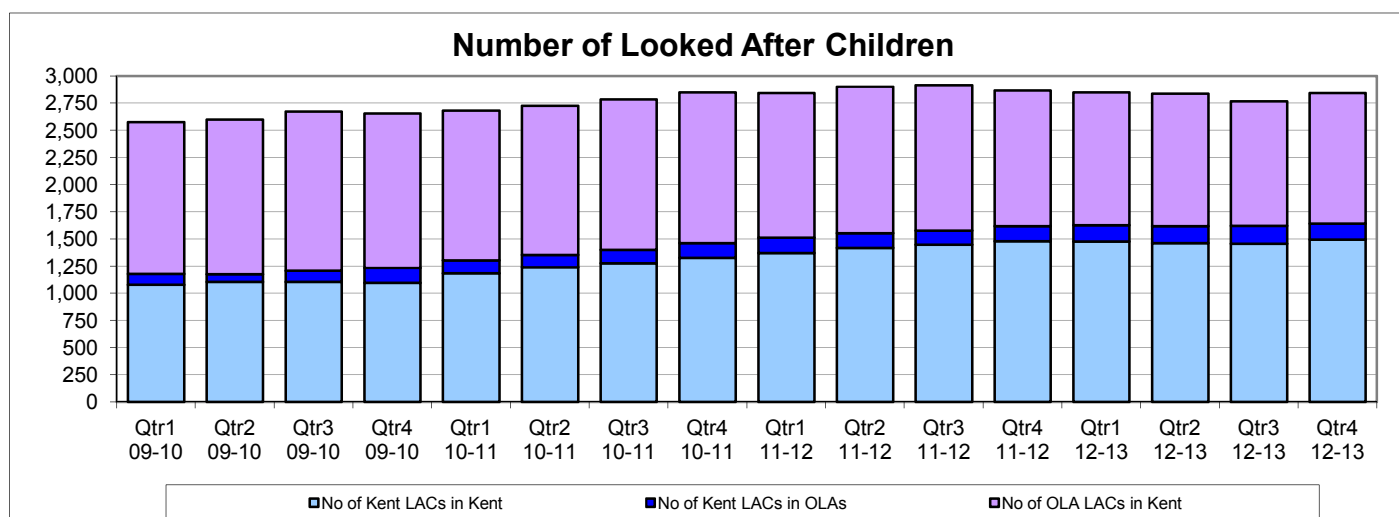
- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The 2012-13 activity has resulted in an overspend of £1.135m on this budget. 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 has been funded from a drawdown from the schools unallocated DSG reserve.
- 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.
- It is likely that a realignment of this budget will take place in the 2013-14 quarter 1 full monitoring report to reflect changes in the funding methodology as a result of the school funding reform, where the use of more up to date early years census data is likely to result in increased funding levels and as a consequence the budgeted number of hours will change.

2. FAMILIES & SOCIAL CARE DIRECTORATE

The affordable levels included for 2013-14 are based on the approved budget, however Families & Social Care will be reviewing the split of their budget across service groups in light of the outturn and revisions to the allocation of 2013-14 savings to individual budgets to reflect the latest service transformation plans within the directorate, and any changes will be requested in the first full monitoring report for 2013-14, to be reported to Cabinet in September. The affordable levels of activity will therefore change as a result of this exercise.

2.1 Numbers of Looked After Children (LAC) (Excludes 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	1,455	165	1,620	1,144	2,764
Jan – Mar	1,494	147	1,641	1,200	2,841



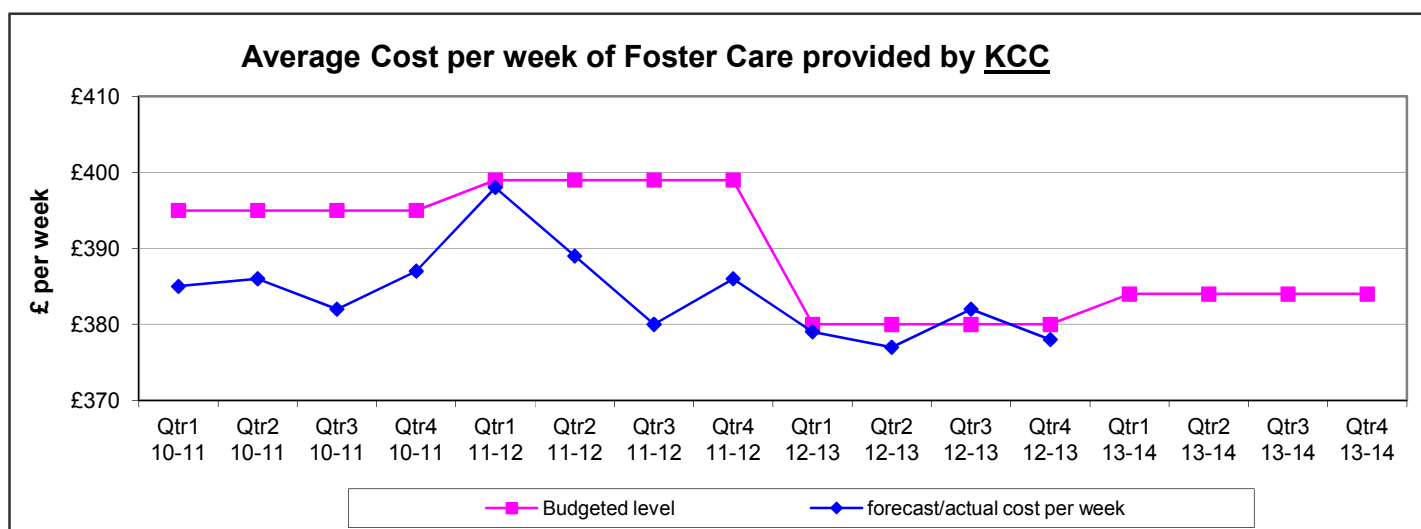
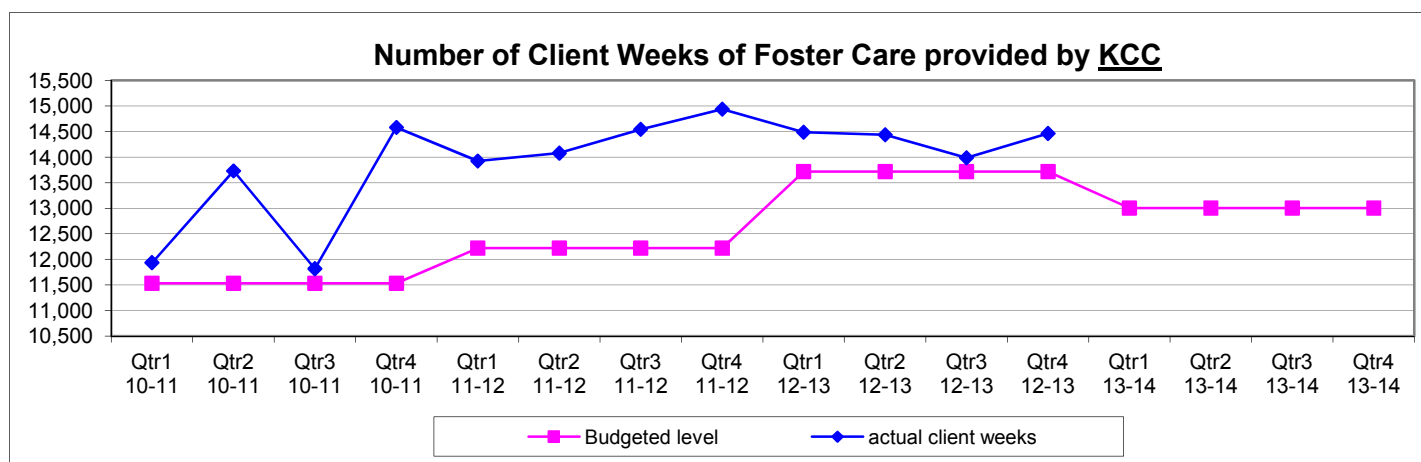
Comments:

- 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 increased by 21 this quarter and 23 over the year, there could have been more (or less) during the period.
- The increase in the number of looked after children has placed additional pressure on the services for Looked After Children, including fostering and residential care.

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

	2010-11				2011-12				2012-13				2013-14	
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks	Average cost per client week
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr-June	11,532	11,937	£395	£386	12,219	13,926	£399	£398	13,718	14,487	£380	£379	13,005	£384
July-Sep	11,532	13,732	£395	£386	12,219	14,078	£399	£389	13,718	14,440	£380	£377	13,005	£384
Oct-Dec	11,532	11,818	£395	£382	12,219	14,542	£399	£380	13,718	13,986	£380	£382	13,005	£384
Jan-Mar	11,532	14,580	£395	£387	12,219	14,938	£399	£386	13,718	14,462	£380	£378	13,005	£384
	46,128	52,067	£395	£387	48,876	57,484	£399	£386	54,872	57,375	£380	£378	52,020	£384



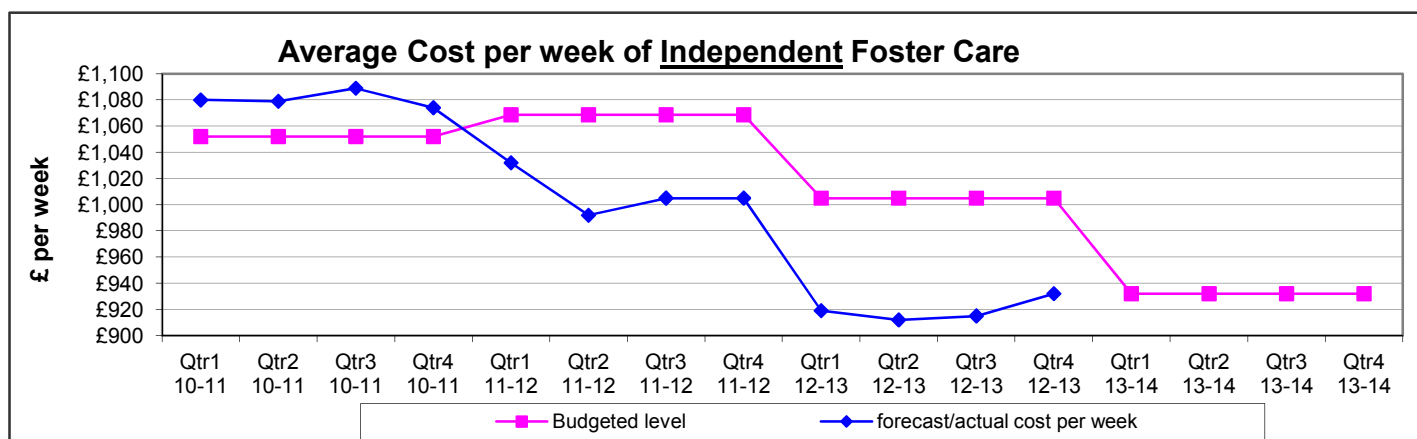
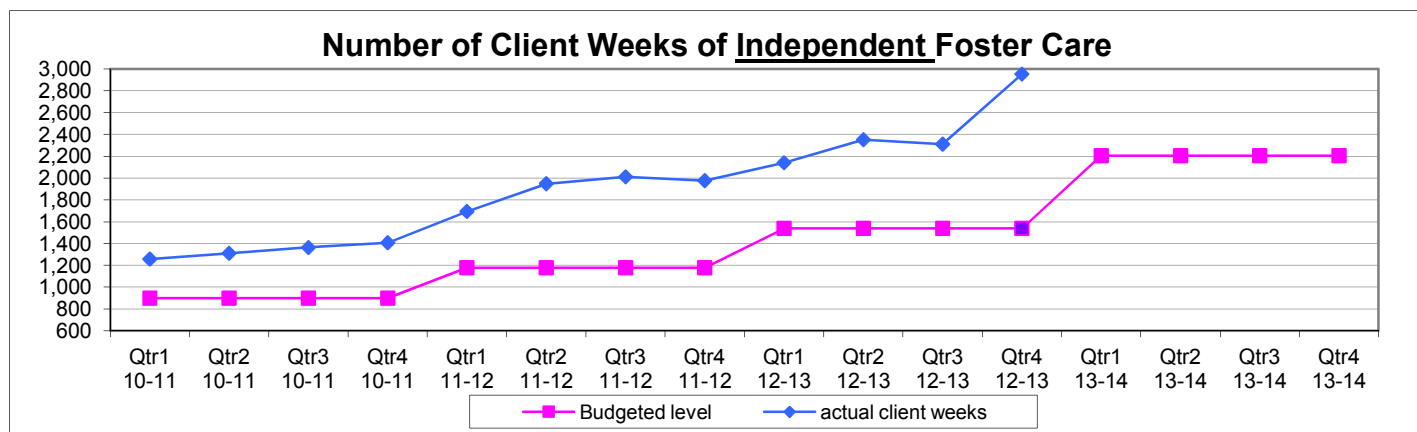
Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information which may be subject to change.

- In addition, the 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 number of weeks provided in 2012-13 was 57,375 (excluding asylum), which is 2,503 weeks above the affordable level. At the unit cost of £378.13 per week, this increase in activity added an additional £946k to the outturn position.
- The unit cost of £378.13, (including both fostering and 16+, but excluding Asylum), is £1.87 below the budgeted level, which gave a saving of -£102k.
- Overall therefore, the combined gross pressure on this service for both under and over 16's (and those with a disability) is +£844k.
- Although there has been additional funding provided for fostering within the 2013-15 MTP, the affordable level in 2013-14 is lower than in 2012-13. This is partly due to a shift in budget between in house and Independent Foster Care (see 2.2.2 below), but also due to some of the 2013-14 budget savings being allocated against in house fostering. As per the statement at the beginning of section 2 of this appendix, these affordable levels may change when the review of budgets has been completed for Quarter 1 of 2013-14.

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

	2010-11				2011-12				2012-13				2013-14	
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks	Average cost per client week
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr-June	900	1,257	£1,052	£1,080	1,177	1,693	£1,068.60	£1,032	1,538	2,141	£1,005	£919	2,205	£932
July-Sep	900	1,310	£1,052	£1,079	1,178	1,948	£1,068.60	£992	1,538	2,352	£1,005	£912	2,205	£932
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	2,205	£932
Jan-Mar	900	1,406	£1,052	£1,074	1,178	1,977	£1,068.60	£1,005	1,538	2,953	£1,005	£932	2,205	£932
	3,600	5,336	£1,052	£1,074	4,710	7,629	£1,068.60	£1,005	6,152	9,756	£1,005	£932	8,820	£932

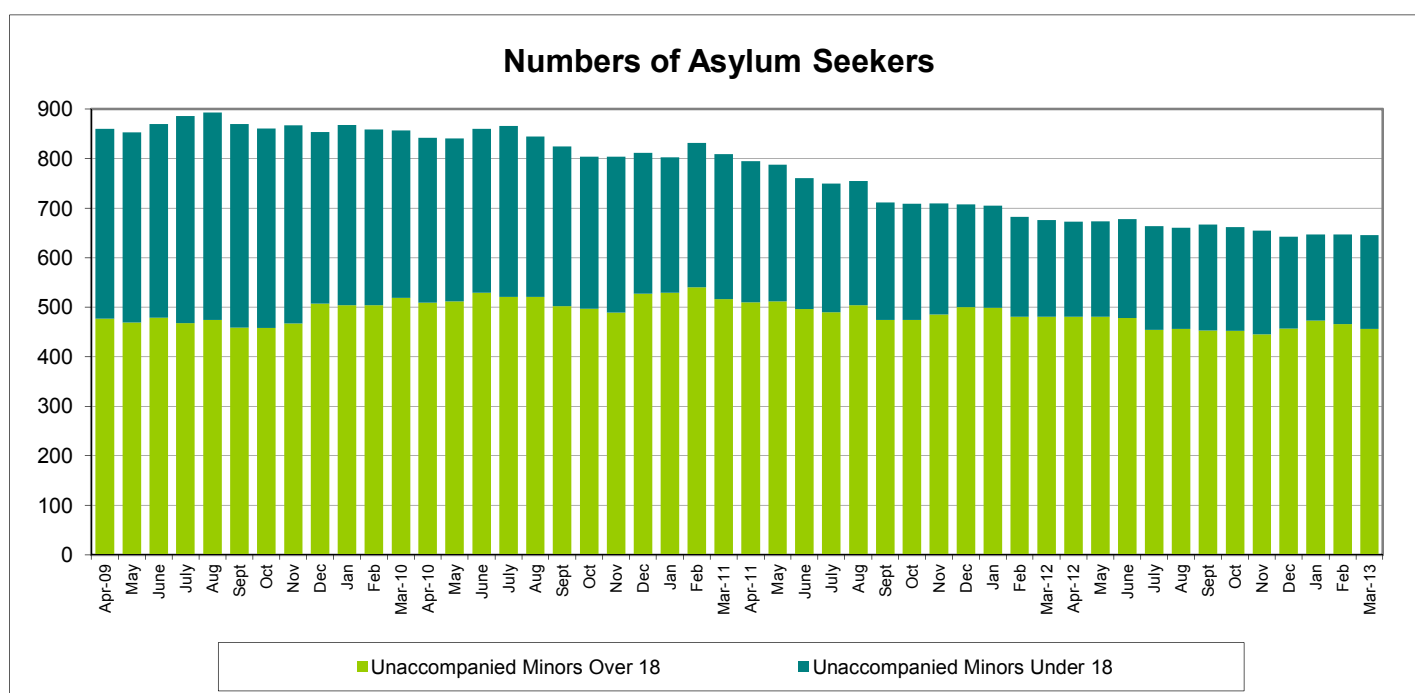


Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information which may be subject to change.
- For the 2012-13 budget further significant funding was 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 number of weeks provided in 2012-13 was 9,756 (excluding asylum), which is 3,604 weeks above the affordable level. At the unit cost of £932.38 per week, this increase in activity added £3,360k to the outturn position.
- The unit cost of £932.38, is -£72.62 below the budgeted level, which provided a saving of -£447k.
- The cost of placements made in 2012-13 are at a lower level than originally forecast, and lower than those placements that have ended in the same period. As a result the 2012-13 unit cost was 7% lower than 2011-12 outturn
- Overall therefore, the combined gross pressure on this service for both under and over 16's (and those with a disability) was +£2,913k.

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	174	473	647
February	292	540	932	202	481	683	181	466	647
March	293	516	809	195	481	676	190	456	646

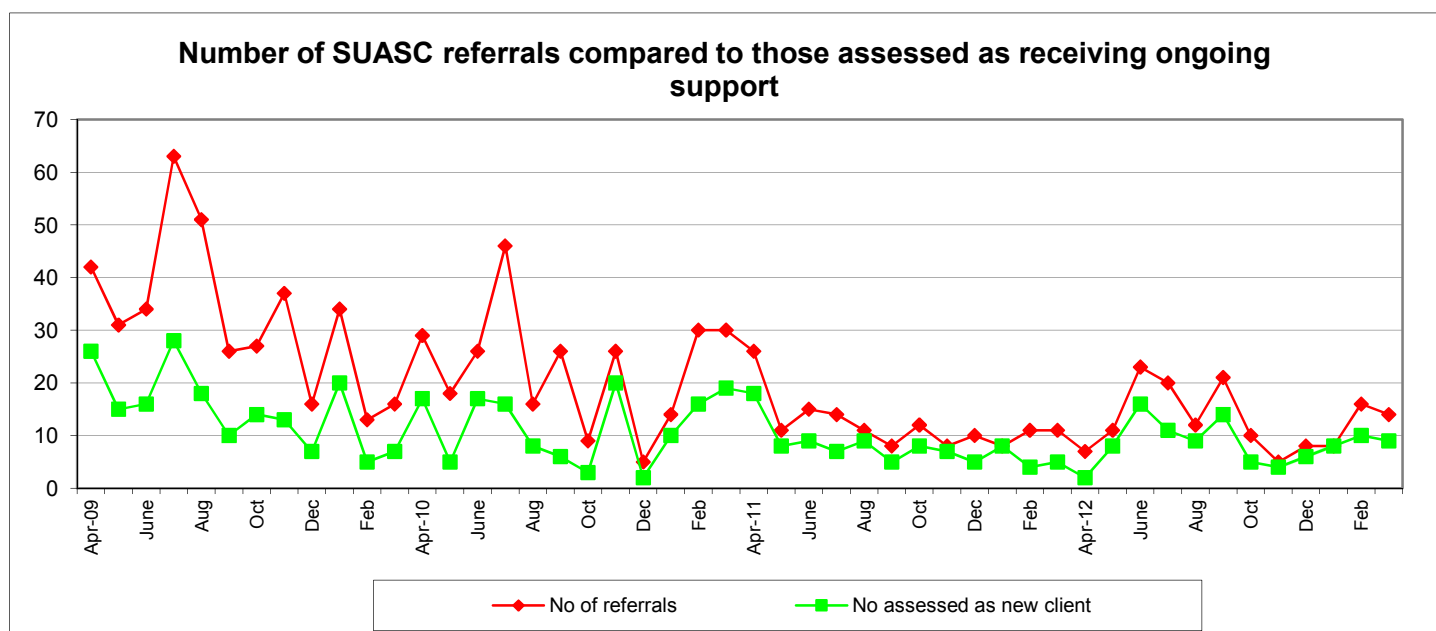


Comment:

- The overall number of children has remained fairly static this year. The number of clients supported remained below the budgeted level of 690 all year. The budgeted level for 2013-14 is also 690.
- The budgeted number of referrals for 2012-13 was 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 reducing slightly, however the age profile of the under 18 children is increasing.
- 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) i.e. 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%
August	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%	8	8	100%
Feb	13	5	38%	30	16	53%	11	4	36%	16	10	63%
March	16	7	44%	30	19	63%	11	5	45%	14	9	64%
	390	179	46%	275	139	51%	145	93	64%	155	102	66%

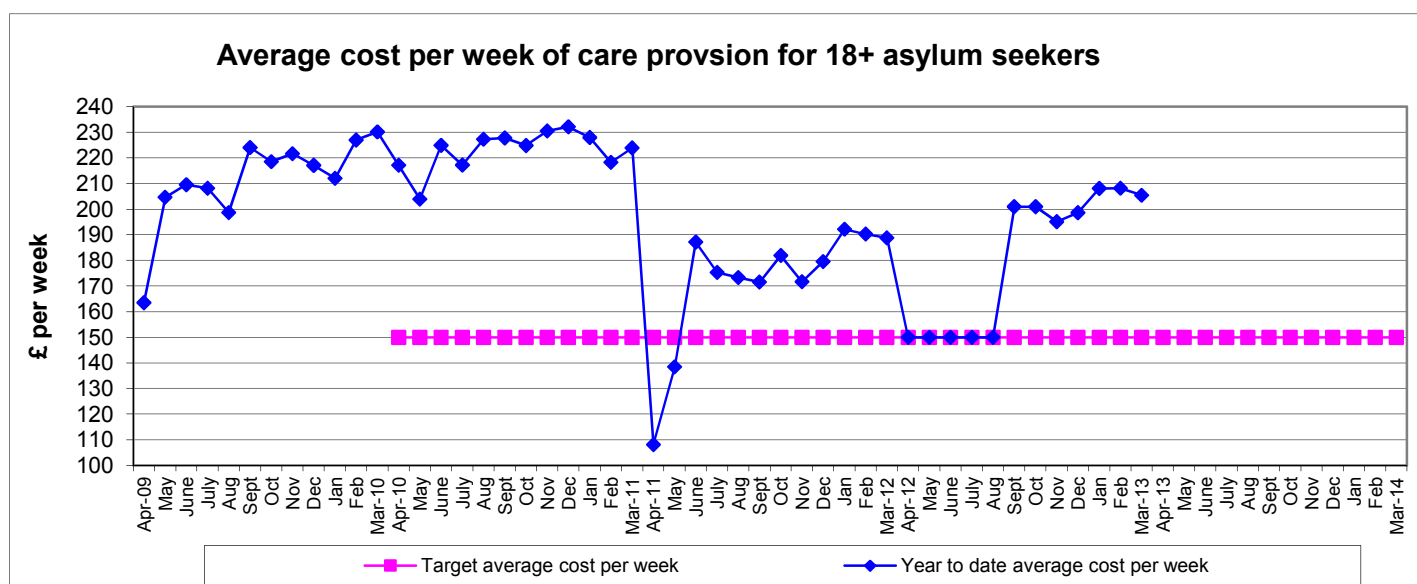


Comments:

- 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 12.9, 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 for 2012-13 was based on the assumption 60% of the referrals will be assessed as a new client. In 2012-13 the actual rate was 66%. The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month was 8.5 (66% of 12.9 average referrals per month). This is 6% lower than the budget assumption of 9 new clients per month.
- The budgeted number of referrals per month for 2013-14 is also 15, with 9 (60%) being assessed as under 18.
- 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 weekly cost of Asylum Seekers Care Provision for 18+ Care Leavers:

	2009-10		2010-11		2011-12		2012-13		2013-14
	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	Target average weekly cost £p
April		163.50	150.00	217.14	150.00	108.10	150.00	150.00	150.00
May		204.63	150.00	203.90	150.00	138.42	150.00	150.00	150.00
June		209.50	150.00	224.86	150.00	187.17	150.00	150.00	150.00
July		208.17	150.00	217.22	150.00	175.33	150.00	150.00	150.00
August		198.69	150.00	227.24	150.00	173.32	150.00	150.00	150.00
September		224.06	150.00	227.79	150.00	171.58	150.00	200.97	150.00
October		218.53	150.00	224.83	150.00	181.94	150.00	200.97	150.00
November		221.64	150.00	230.47	150.00	171.64	150.00	195.11	150.00
December		217.10	150.00	232.17	150.00	179.58	150.00	198.61	150.00
January		211.99	150.00	227.96	150.00	192.14	150.00	208.09	150.00
February		226.96	150.00	218.30	150.00	190.25	150.00	208.16	150.00
March		230.11	150.00	223.87	150.00	188.78	150.00	205.41	150.00



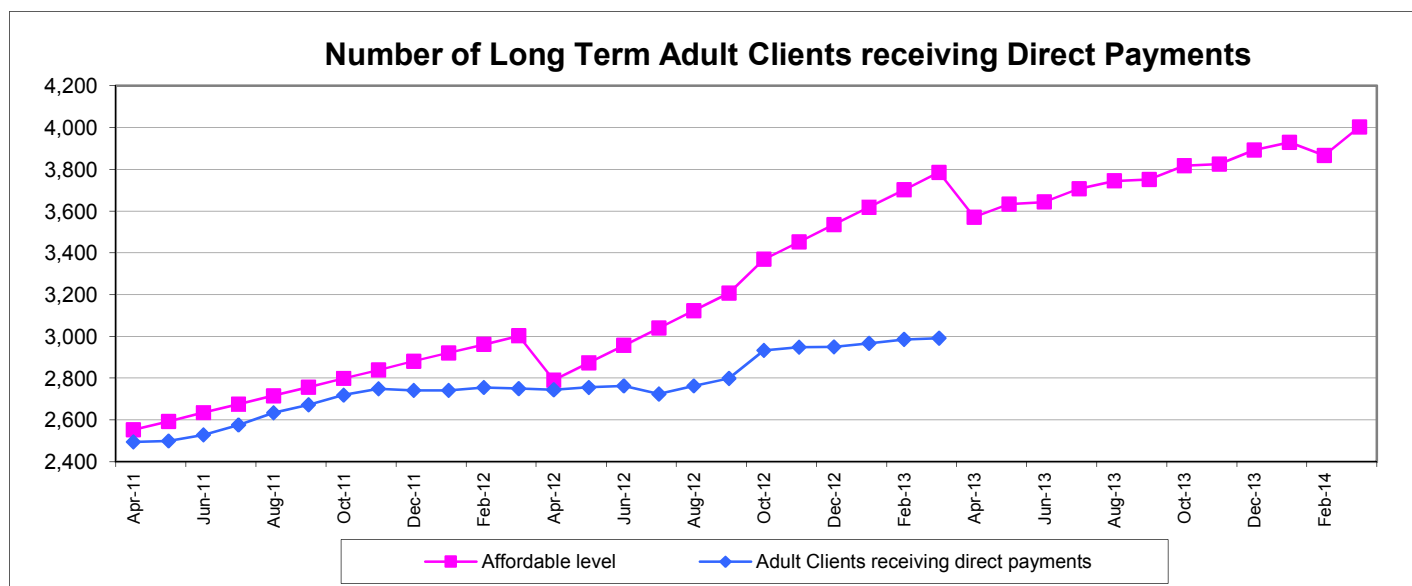
Comments:

- The local authority has agreed that the funding levels for the Unaccompanied Asylum Seeking Children's Service 18+ 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 will 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 care leavers in order that it can meet its 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 continues to remain steady, but high. As a result our ability to achieve a balanced position on the Asylum Service becomes more difficult. Moving clients on to the pilot housing scheme 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.
 - The average weekly cost at the end of 2012-13 financial year was £205.41, £55.41 above the £150 claimable under the grant rules. This added £1,255k to the outturn position. We have invoiced the Home Office for the majority of the shortfall in grant income and negotiations are ongoing regarding payment.

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

	2011-12			2012-13			2013-14
	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	Affordable Level for long term clients
April	2,553	2,495	137	2,791	2,744	169	3,571
May	2,593	2,499	89	2,874	2,756	147	3,634
June	2,635	2,529	90	2,957	2,763	133	3,644
July	2,675	2,576	125	3,040	2,724	156	3,707
August	2,716	2,634	141	3,123	2,763	167	3,745
September	2,757	2,672	126	3,207	2,799	147	3,752
October	2,799	2,719	134	3,370	2,933	185	3,818
November	2,839	2,749	122	3,453	2,949	119	3,825
December	2,881	2,741	111	3,536	2,950	109	3,893
January	2,921	2,741	130	3,619	2,967	117	3,929
February	2,962	2,755	137	3,702	2,986	127	3,867
March	3,003	2,750	117	3,785	2,992	105	4,003
			1,459			1,681	

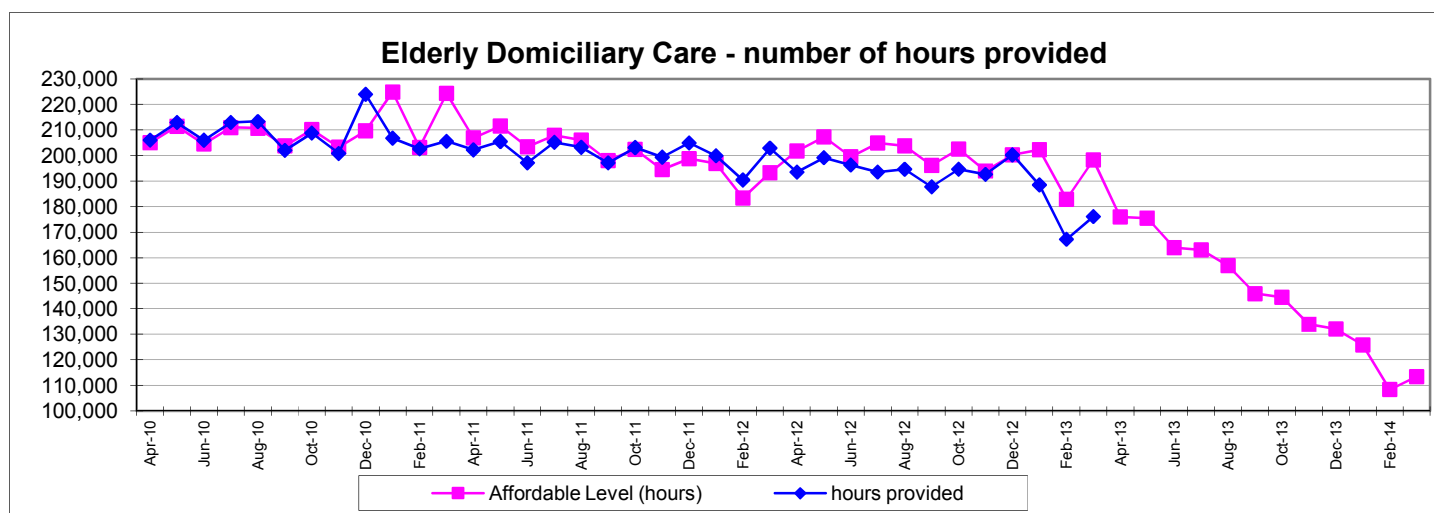
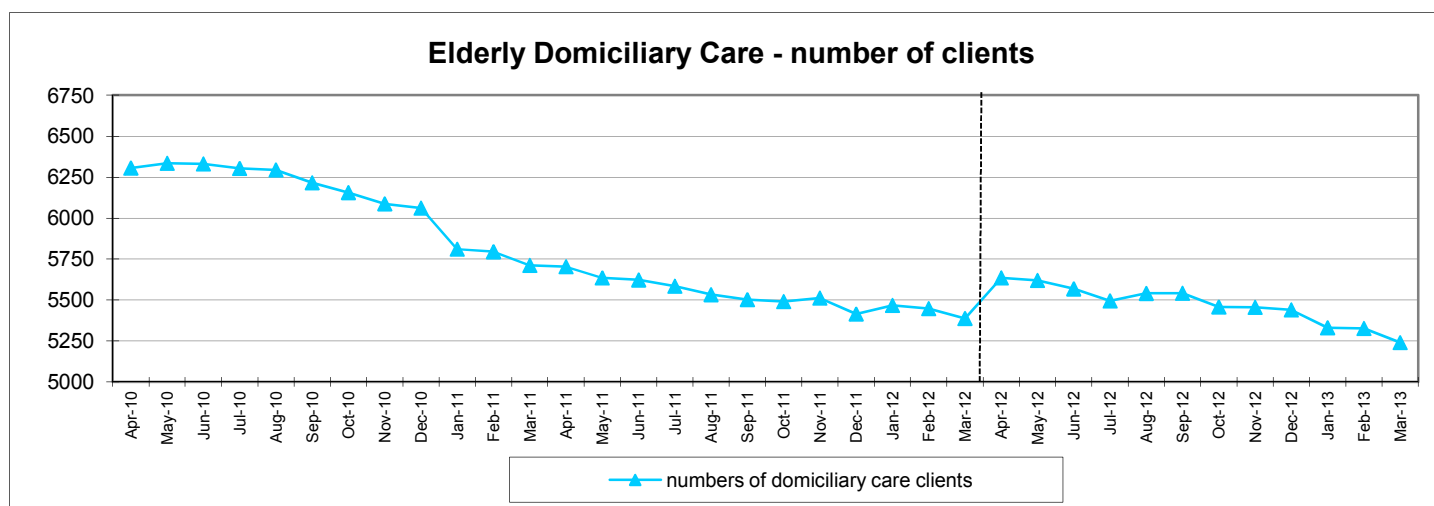


Comments:

- The presentation of activity being reported for direct payments changed in the 2012-13 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 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 gross under spend of -£0.837m for the year (excluding direct payments to carers). This service received a significant amount of monies in the 2012-13 Budget (£3.5m) for the predicted growth in this service.

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

	2010-11			2011-12			2012-13			2013-14
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)
April	204,948	205,989	6,305	206,859	202,177	5,703	201,708	193,451	5,635	175,917
May	211,437	212,877	6,335	211,484	205,436	5,634	207,244	199,149	5,619	175,479
June	204,452	205,937	6,331	203,326	197,085	5,622	199,445	196,263	5,567	163,910
July	210,924	212,866	6,303	207,832	205,077	5,584	204,905	193,446	5,494	163,071
August	210,668	213,294	6,294	206,007	203,173	5,532	203,736	194,628	5,540	156,868
Sept	203,708	201,951	6,216	198,025	197,127	5,501	196,050	187,749	5,541	145,898
Oct	210,155	208,735	6,156	202,356	203,055	5,490	202,490	194,640	5,456	144,460
Nov	203,212	200,789	6,087	194,492	199,297	5,511	193,910	192,555	5,455	133,891
Dec	209,643	223,961	6,061	198,704	204,915	5,413	200,249	200,178	5,439	132,052
Jan	224,841	206,772	5,810	196,879	199,897	5,466	202,258	188,501	5,329	125,848
Feb	203,103	202,568	5,794	183,330	190,394	5,447	182,820	167,163	5,326	108,351
March	224,285	205,535	5,711	193,222	202,889	5,386	198,277	176,091	5,239	113,442
TOTAL	2,521,376	2,501,274		2,402,516	2,410,522		2,391,092	2,283,814		1,739,187



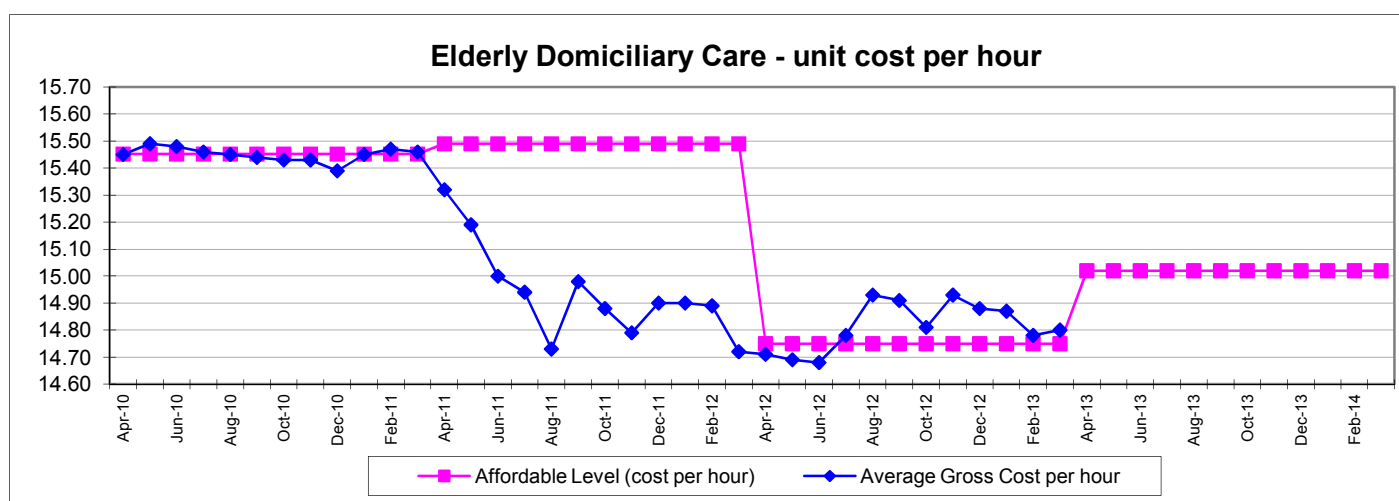
Comments:

- Figures exclude services commissioned from the Kent Enablement At Home Service.
- Affordable levels were amended in the 2012-13 quarter 3 report to reflect the allocation of winter pressures monies for domiciliary care.
- At outturn, 2,283,814 hours of care have been delivered against a revised affordable level of 2,391,092, a difference of -107,278 hours. Using the actual unit cost of £14.80 this lower level of activity generated an underspend of -£1,588k.

- 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. However, as a result of this, clients who are receiving domiciliary care are likely to have greater needs and require more intensive packages of care than historically provided - the 2010-2011 average hours per client per week was 7.8, whereas the average figure for 2012-13 was 8.0.
- The sharp reduction in the affordable level for 2013-14 reflects the allocation of savings to this service in the 2013-14 budget build, but as per the statement at the beginning of section 2 of this appendix, budgets are being reviewed in light of the 2012-13 outturn and the latest service transformation plans and any changes will be requested in the first full monitoring report to Cabinet in September and consequently the affordable levels will be amended accordingly.

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

	2010-11		2011-12		2012-13		2013-14
	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)
April	15.452	15.45	15.49	15.32	14.75	14.71	15.02
May	15.452	15.49	15.49	15.19	14.75	14.69	15.02
June	15.452	15.48	15.49	15.00	14.75	14.68	15.02
July	15.452	15.46	15.49	14.94	14.75	14.78	15.02
August	15.452	15.45	15.49	14.73	14.75	14.93	15.02
September	15.452	15.44	15.49	14.98	14.75	14.91	15.02
October	15.452	15.43	15.49	14.88	14.75	14.81	15.02
November	15.452	15.43	15.49	14.79	14.75	14.93	15.02
December	15.452	15.39	15.49	14.90	14.75	14.88	15.02
January	15.452	15.45	15.49	14.90	14.75	14.87	15.02
February	15.452	15.47	15.49	14.89	14.75	14.78	15.02
March	15.452	15.46	15.49	14.72	14.75	14.80	15.02

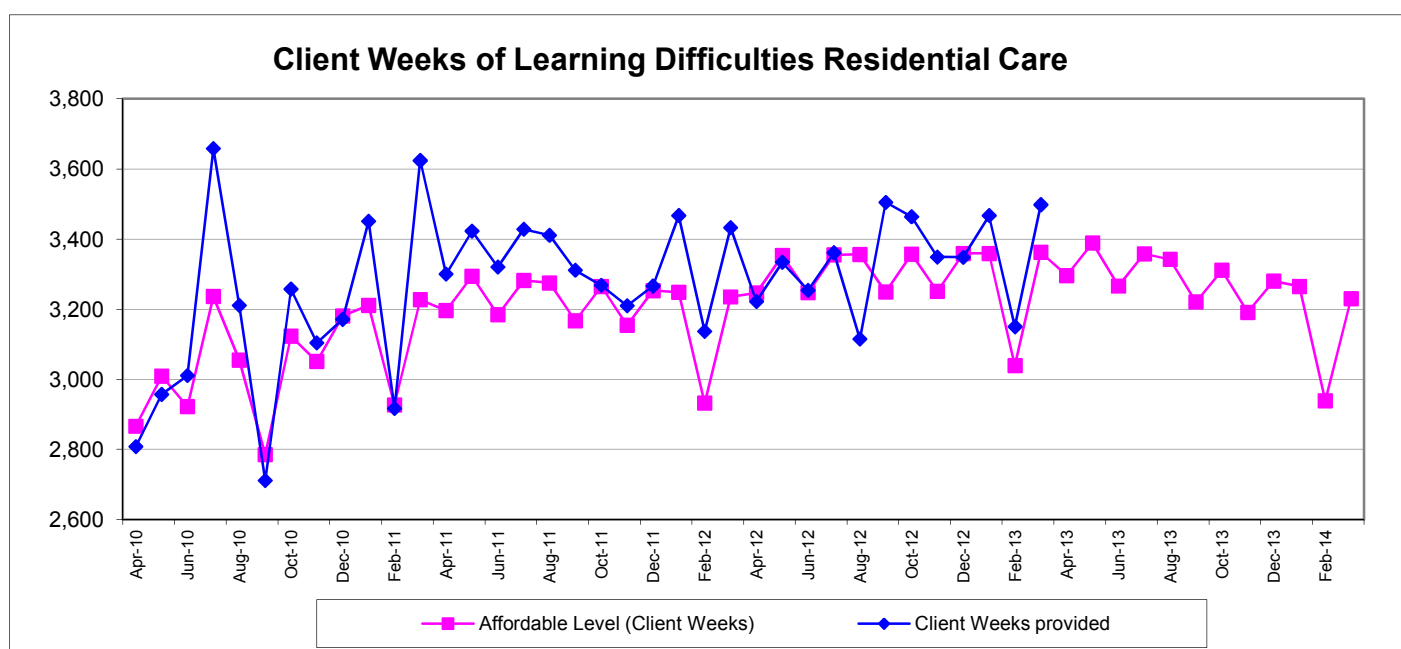


Comments:

- The actual unit cost of £14.80 is slightly higher than the affordable cost of £14.75 and this difference of +£0.05 generated a pressure of +£120k when multiplied by the affordable hours in 2.7.1 above.

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

	2010-11		2011-12		2012-13		2013-14
	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)
April	2,866	2,808	3,196	3,300	3,246	3,222	3,296
May	3,009	2,957	3,294	3,423	3,353	3,334	3,389
June	2,922	3,011	3,184	3,320	3,247	3,254	3,266
July	3,236	3,658	3,282	3,428	3,355	3,361	3,358
August	3,055	3,211	3,275	3,411	3,356	3,115	3,342
September	2,785	2,711	3,167	3,311	3,249	3,505	3,221
October	3,123	3,257	3,265	3,268	3,357	3,464	3,311
November	3,051	3,104	3,154	3,210	3,251	3,349	3,191
December	3,181	3,171	3,253	3,266	3,359	3,348	3,280
January	3,211	3,451	3,248	3,467	3,359	3,467	3,265
February	2,927	2,917	2,932	3,137	3,039	3,150	2,939
March	3,227	3,624	3,235	3,433	3,362	3,498	3,230
TOTAL	36,593	37,880	38,485	39,974	39,533	40,067	39,088

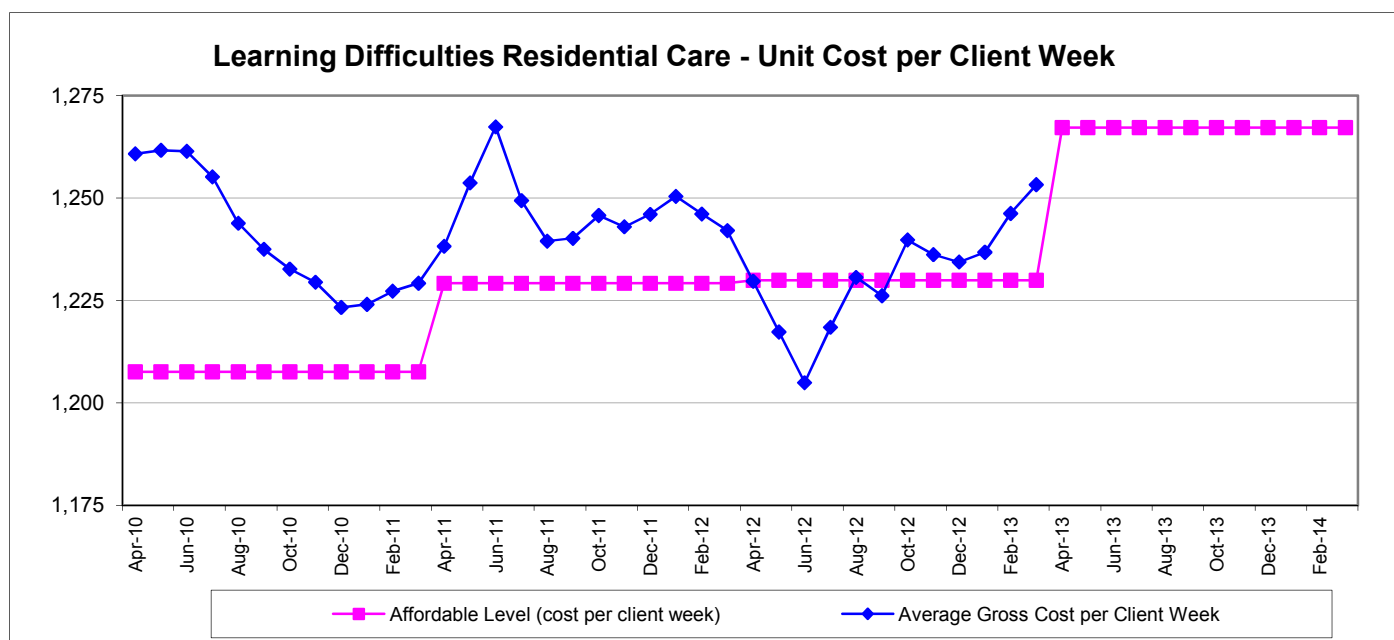


Comments:

- 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 including any ongoing transfers as part of the S256 agreement, transitions, provisions and Ordinary Residence. By the end of 2012-13 the number had increased to 764.
- The outturn is 40,067 weeks of care against an affordable level of 39,533, a difference of +534 weeks. Using the actual unit cost of £1,253.27 this additional activity added +£669k to the outturn position.

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

	2010-11		2011-12		2012-13		2013-14
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)
April	1,207.58	1,260.82	1,229.19	1,238.24	1,229.93	1,229.69	1,267.19
May	1,207.58	1,261.67	1,229.19	1,253.68	1,229.93	1,217.30	1,267.19
June	1,207.58	1,261.46	1,229.19	1,267.40	1,229.93	1,204.91	1,267.19
July	1,207.58	1,255.21	1,229.19	1,249.41	1,229.93	1,218.46	1,267.19
August	1,207.58	1,243.87	1,229.19	1,239.50	1,229.93	1,230.65	1,267.19
September	1,207.58	1,237.49	1,229.19	1,240.17	1,229.93	1,226.14	1,267.19
October	1,207.58	1,232.68	1,229.19	1,245.76	1,229.93	1,239.77	1,267.19
November	1,207.58	1,229.44	1,229.19	1,242.97	1,229.93	1,236.19	1,267.19
December	1,207.58	1,223.31	1,229.19	1,246.05	1,229.93	1,234.39	1,267.19
January	1,207.58	1,224.03	1,229.19	1,250.44	1,229.93	1,236.77	1,267.19
February	1,207.58	1,227.26	1,229.19	1,246.11	1,229.93	1,246.23	1,267.19
March	1,207.58	1,229.19	1,229.19	1,242.08	1,229.93	1,253.27	1,267.19

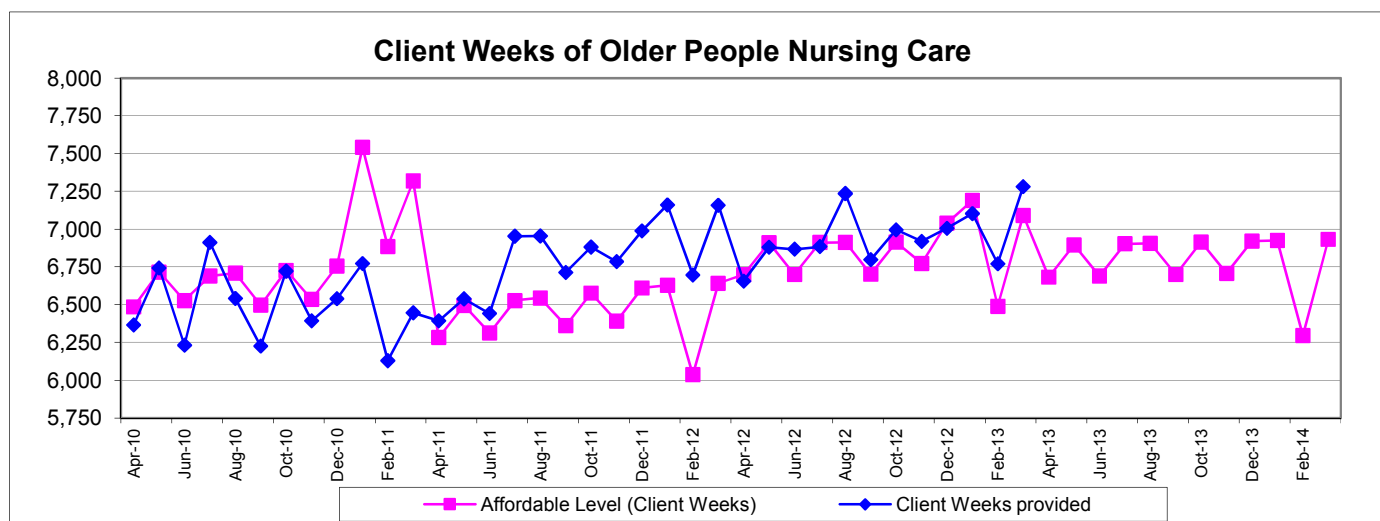


Comments:

- Clients being placed in residential care are those with very complex and individual needs which make 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 unit cost of £1,253.27 is higher than the affordable cost of £1,229.93 and this difference of +£23.34 added +£923k to the outturn position when multiplied by the affordable weeks in 2.8.1 above.

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

	2010-11		2011-12		2012-13		2013-14
	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)
April	6,485	6,365	6,283	6,393	6,698	6,656	6,682
May	6,715	6,743	6,495	6,538	6,909	6,880	6,895
June	6,527	6,231	6,313	6,442	6,699	6,867	6,689
July	6,689	6,911	6,527	6,953	6,911	6,884	6,903
August	6,708	6,541	6,544	6,954	6,912	7,235	6,906
September	6,497	6,225	6,361	6,713	6,701	6,797	6,699
October	6,726	6,722	6,576	6,881	6,913	6,995	6,914
November	6,535	6,393	6,391	6,784	6,772	6,918	6,707
December	6,755	6,539	6,610	6,988	7,039	7,005	6,921
January	7,541	6,772	6,628	7,159	7,189	7,103	6,925
February	6,885	6,129	6,036	6,696	6,489	6,770	6,295
March	7,319	6,445	6,641	7,158	7,090	7,281	6,932
TOTAL	81,382	78,016	77,405	81,659	82,322	83,391	81,468

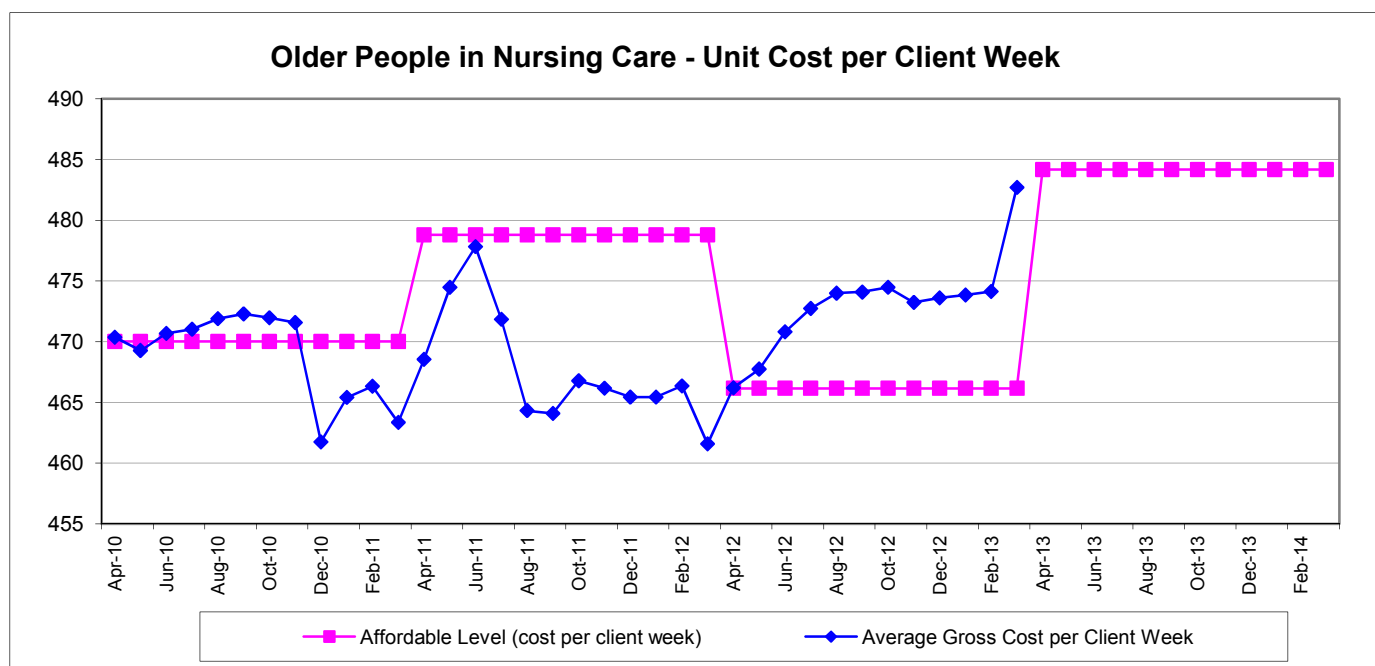


Comment:

- 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 but by the end of 2012-13 it was 1,469.
- The outturn position is 83,391 weeks of care against an affordable level of 82,322, a difference of +1,069 weeks. Using the actual unit cost of £482.71, this increased level of activity produced an overspend of +£516k.
- The affordable level of client weeks was updated in the 2012-13 Q3 report to reflect the allocation of winter pressures monies for nursing care.
- There are always pressures in permanent nursing care, which may occur for many reasons. Increasingly, older people are entering nursing care only when other ways of support have been explored. This means that the most dependent are those that enter nursing care and consequently are more likely to have dementia. There is not the same distinction between clients with dementia in nursing care as with residential care as the difference in intensity of care for nursing care and nursing care with dementia is not as significant as it is for residential care. In addition, there will always be pressures which the directorate face, for example the knock on effect of minimising delayed transfers of care. Demographic changes – increasing numbers of older people with long term illnesses – also means that there is an underlying trend of growing numbers of people needing nursing care.

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

	2010-11		2011-12		2012-13		2013-14
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)
April	470.01	470.36	478.80	468.54	466.16	466.20	484.17
May	470.01	469.27	478.80	474.48	466.16	467.74	484.17
June	470.01	470.67	478.80	477.82	466.16	470.82	484.17
July	470.01	471.03	478.80	471.84	466.16	472.74	484.17
August	470.01	471.90	478.80	464.32	466.16	473.99	484.17
September	470.01	472.28	478.80	464.09	466.16	474.09	484.17
October	470.01	471.97	478.80	466.78	466.16	474.47	484.17
November	470.01	471.58	478.80	466.17	466.16	473.23	484.17
December	470.01	461.75	478.80	465.44	466.16	473.61	484.17
January	470.01	465.40	478.80	465.44	466.16	473.84	484.17
February	470.01	466.32	478.80	466.36	466.16	474.13	484.17
March	470.01	463.34	478.80	461.58	466.16	482.71	484.17

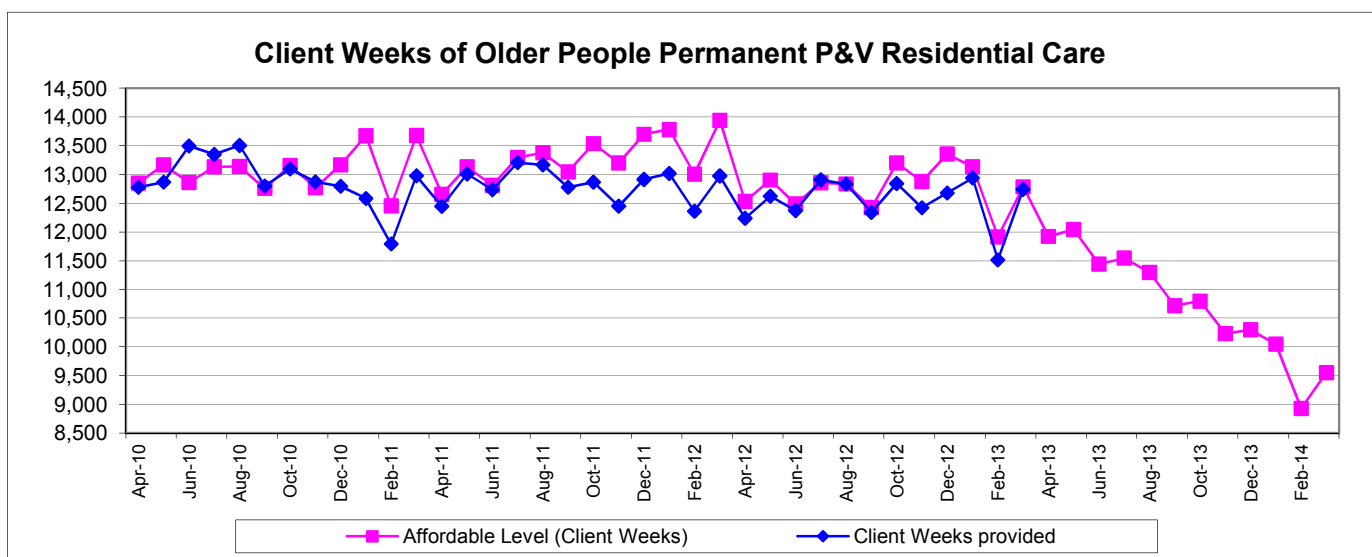


Comments:

- 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 unit cost of £482.71 is above the affordable cost of £466.16 and this difference of +£16.55 added +£1,362k to the outturn position when multiplied by the affordable weeks in 2.9.1 above.
- The increase in the unit cost in March 2013 reflects both the general changes in the average cost of a nursing bed along with an adjustment to the average weekly cost of short term block beds to reflect the actual usage of these beds during the year. In previous months full usage of block contracts had been assumed however there was a backlog in recording of actual placements on the activity database. This backlog was cleared for yearend which has had the impact of artificially increasing the unit cost for the month of March when in reality this increase should have been spread over the whole year. In addition, this has also identified an under utilisation of certain block beds. The commissioning of block beds is currently under review and in some instances these beds have been decommissioned for 2013-14.

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

	2010-11		2011-12		2012-13		2013-14
	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)
April	12,848	12,778	12,655	12,446	12,532	12,237	11,922
May	13,168	12,867	13,136	13,009	12,903	12,621	12,043
June	12,860	13,497	12,811	12,731	12,489	12,369	11,439
July	13,135	13,349	13,297	13,208	12,858	12,908	11,544
August	13,141	13,505	13,377	13,167	12,836	12,832	11,295
September	12,758	12,799	13,044	12,779	12,424	12,339	10,714
October	13,154	13,094	13,538	12,868	13,203	12,842	10,796
November	12,771	12,873	13,200	12,448	12,880	12,422	10,232
December	13,167	12,796	13,700	12,914	13,358	12,679	10,297
January	13,677	12,581	13,782	13,019	13,135	12,941	10,047
February	12,455	11,790	13,007	12,361	11,916	11,512	8,926
March	13,678	12,980	13,940	12,975	12,786	12,741	9,552
TOTAL	156,812	154,909	159,487	153,925	153,320	150,443	128,807



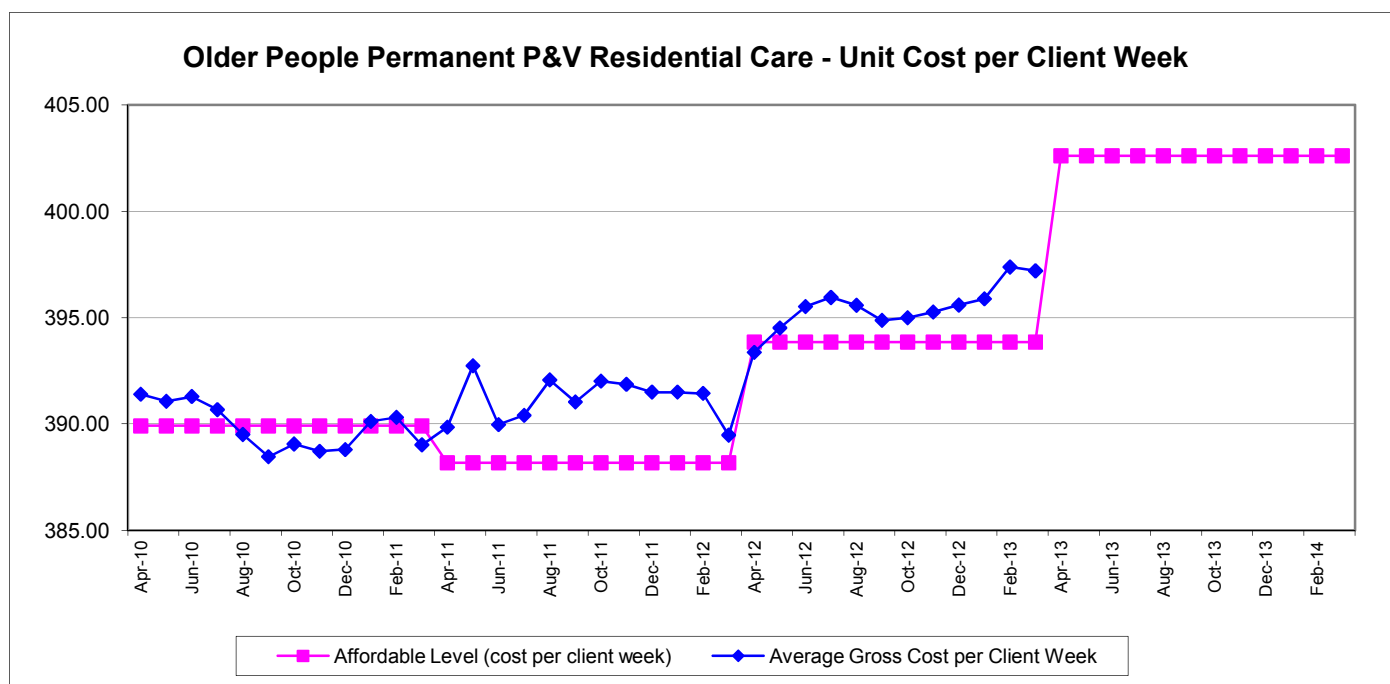
Comments:

- 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, and at the end of 2012-13 it was 2,653. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care. Of the 2,736 clients in older people nursing care at the end of March 2012, 1,235 had Dementia (i.e. 45.1%), and this position has remained fairly static with the percentage as at 31 March 2013 having decreased only marginally to 44.5% (i.e. 1,181 of the 2,653 total clients).
- 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 2012-13 affordable level of client weeks was updated in the 2012-13 Q3 report to reflect the allocation of winter pressures monies for residential care.
- The outturn position is 150,443 weeks of care against an affordable level of 153,320, a difference of -2,877 weeks. Using the actual unit cost of £397.20, this lower level of activity generated an underspend of -£1,143k.

- The sharp reduction in the affordable level for 2013-14 reflects the allocation of savings to this service in the 2013-14 budget build, but as per the statement at the beginning of section 2 of this appendix, budgets are being reviewed in light of the 2012-13 outturn and the latest service transformation plans and any changes will be requested in the first full monitoring report to Cabinet in September and consequently the affordable levels will be amended accordingly.

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

	2010-11		2011-12		2012-13		2013-14
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)
April	389.91	391.40	388.18	389.85	393.85	393.37	402.61
May	389.91	391.07	388.18	392.74	393.85	394.52	402.61
June	389.91	391.29	388.18	389.97	393.85	395.52	402.61
July	389.91	390.68	388.18	390.41	393.85	395.95	402.61
August	389.91	389.51	388.18	392.07	393.85	395.58	402.61
September	389.91	388.46	388.18	391.04	393.85	394.88	402.61
October	389.91	389.06	388.18	392.02	393.85	394.99	402.61
November	389.91	388.72	388.18	391.87	393.85	395.26	402.61
December	389.91	388.80	388.18	391.50	393.85	395.59	402.61
January	389.91	390.12	388.18	391.50	393.85	395.88	402.61
February	389.91	390.31	388.18	391.44	393.85	397.38	402.61
March	389.91	389.02	388.18	389.48	393.85	397.20	402.61

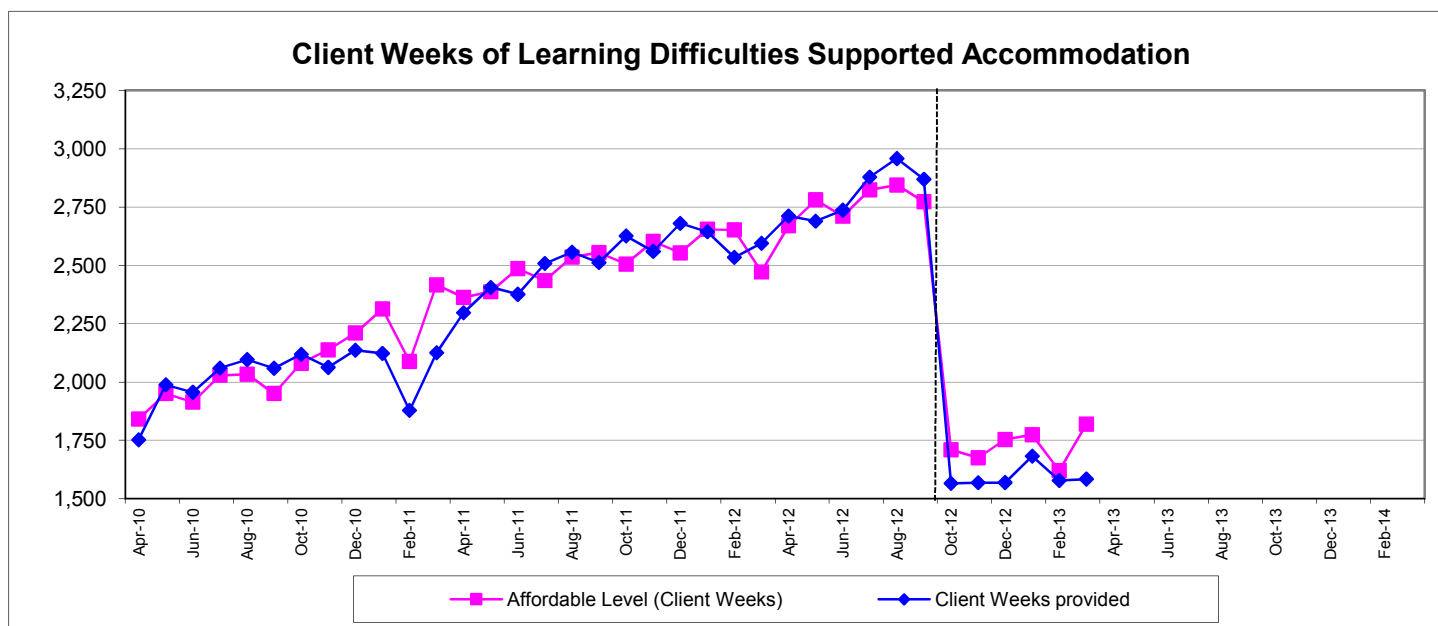


Comments:

- The unit cost of £397.20 is higher than the affordable cost of £393.85 and this difference of +£3.35 caused a pressure of +£514k when multiplied by the affordable weeks in section 2.10.1 above.
- The unit cost remains above the affordable level and this is likely to be a reflection of the continuing high proportion of clients with dementia, who are more costly due to the increased intensity of care required.
- The increase in the average weekly cost of a residential care placement in February and March reflects updating of the activity database for a backlog in the recording of short term beds.

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

	2010-11		2011-12		2012-13		2013-14
	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided	Affordable Level (Client Weeks)
April	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	This
June	1,914	1,956	2,486	2,376	2,711	2,737	indicator
July	2,029	2,060	2,435	2,508	2,824	2,879	is
August	2,034	2,096	2,536	2,557	2,845	2,958	changing
September	1,951	2,059	2,555	2,512	2,773	2,869	for
October	2,080	2,119	2,506	2,626	1,710	1,566	2013-14
November	2,138	2,063	2,603	2,560	1,675	1,568	hence
December	2,210	2,137	2,554	2,680	1,753	1,569	no
January	2,314	2,123	2,655	2,644	1,774	1,682	affordable
February	2,088	1,878	2,652	2,534	1,621	1,578	level
March	2,417	2,125	2,472	2,595	1,820	1,584	supplied
TOTAL	24,967	24,356	30,204	30,295	26,957	26,392	



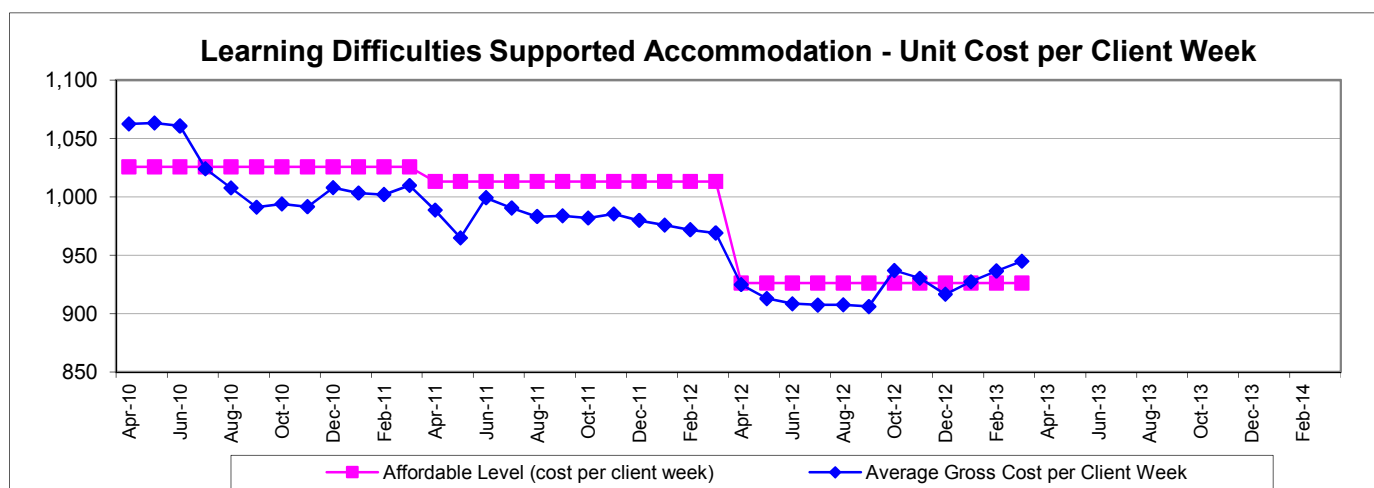
Comments:

- 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 2013-14 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 were S256). By the end of 2012-13 the number had decreased to 192, of which 106 were S256 clients. This drop in clients during 2012-13 reflects the transfer to the new SIS service explained above.
- The outturn position is 26,392 weeks of care against an affordable level of 26,957, a difference of -565 weeks. Using the final unit cost of £944.87 this lower level of activity produced an underspend of -£534k.
- 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.
- This indicator is changing for 2013-14 to reflect the new Supporting Independence Service and therefore no affordable level has been provided. Details of the new indicator will be provided in the quarter 1 report to Cabinet in September.

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

	2010-11		2011-12		2012-13		2013-14
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)
April	1,025.67	1,062.38	1,013.18	988.73	926.16	924.87	This
May	1,025.67	1,063.22	1,013.18	964.95	926.16	912.93	indicator
June	1,025.67	1,060.59	1,013.18	999.24	926.16	908.53	is
July	1,025.67	1,023.90	1,013.18	990.45	926.16	907.44	changing
August	1,025.67	1,007.58	1,013.18	983.09	926.16	907.63	for
September	1,025.67	991.20	1,013.18	983.85	926.16	906.09	2013-14
October	1,025.67	993.92	1,013.18	981.78	926.16	936.95	hence
November	1,025.67	991.56	1,013.18	985.45	926.16	930.40	no
December	1,025.67	1,007.95	1,013.18	979.83	926.16	916.62	affordable
January	1,025.67	1,003.21	1,013.18	975.90	926.16	927.38	unit cost
February	1,025.67	1,001.98	1,013.18	971.85	926.16	936.52	supplied
March	1,025.67	1,009.82	1,013.18	969.09	926.16	944.87	



Comments:

- The actual unit cost of £944.87 is higher than the affordable cost of £926.16 and this difference of +£18.71 generated a pressure of +£504k when multiplied by the affordable weeks in section 2.11.1 above.
- There are three distinct groups of clients: Section 256 clients, Ordinary Residence clients and other clients. Each group has a very different average unit cost, which are combined to provide an overall 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 2.11.1 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 MTFP.
- This indicator is changing for 2013-14 to reflect the new Supporting Independence Service and therefore no affordable level has been provided. Details of the new indicator will be provided in the quarter 1 report to Cabinet in September.
- The average weekly unit cost of a supported accommodation placement has increased in the last quarter as the full impact of the transfer of clients to the supporting independence service is concluded. Clients which transferred to the new contract generally had a lower unit cost therefore the average unit cost of those remaining within the supported accommodation budget line has increased.

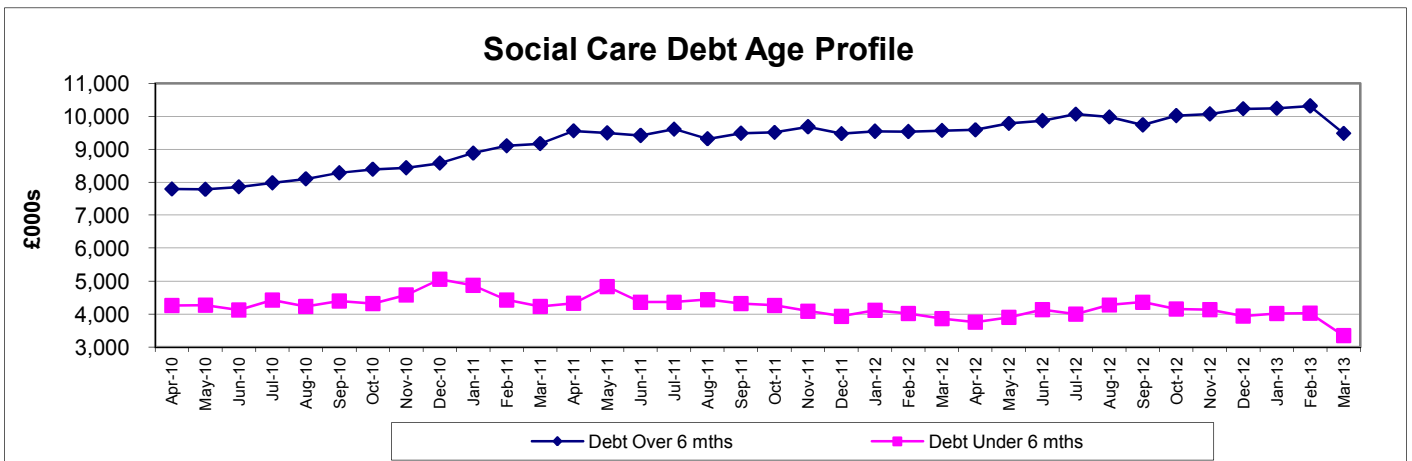
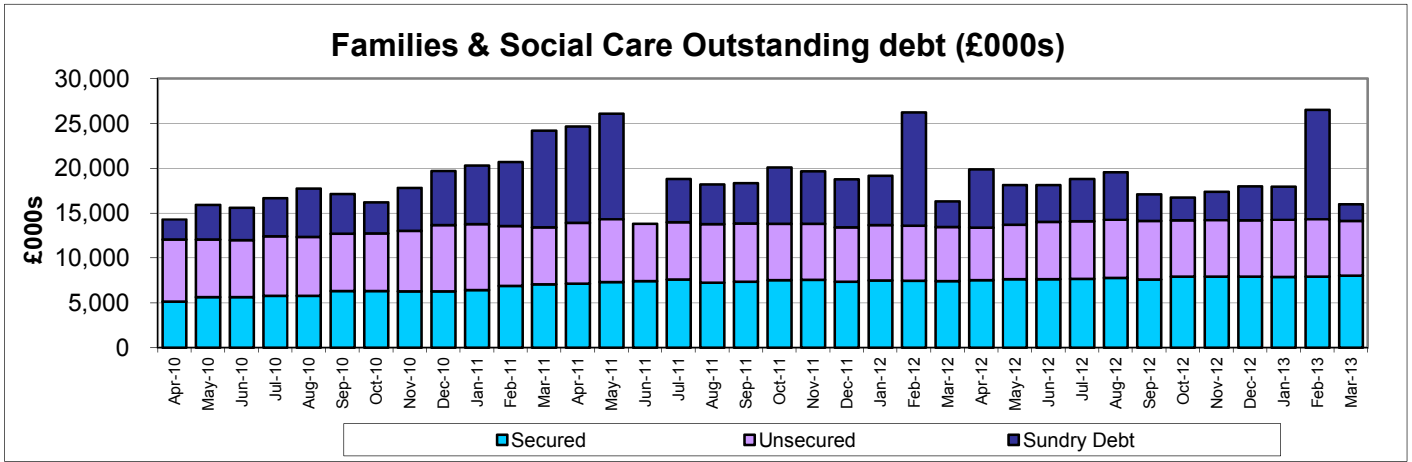
2.12 SOCIAL CARE OUTSTANDING DEBT

The outstanding due debt as at the end of March 2013 was £15.986m compared with January's figure of £17.965m (reported to Cabinet in March) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £1.895m of sundry debt compared to £3.711m at the end of January. The amount of sundry debt can fluctuate for large invoices to health. Also within the outstanding debt is £14.091m relating to Social Care (client) debt which is a small reduction of £0.163m from the last reported position to Cabinet in March (January position). The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

Debt Month	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Social Care Debt				
			Total Social Care Due Debt £000s	Debt Over 6 mths £000s	Debt Under 6 mths £000s	Secured £000s	Unsecured £000s
Apr-10	14,294	2,243	12,051	7,794	4,257	5,132	6,919
May-10	15,930	3,873	12,057	7,784	4,273	5,619	6,438
Jun-10	15,600	3,621	11,979	7,858	4,121	5,611	6,368
Jul-10	16,689	4,285	12,404	7,982	4,422	5,752	6,652
Aug-10	17,734	5,400	12,334	8,101	4,233	5,785	6,549
Sep-10	17,128	4,450	12,678	8,284	4,394	6,289	6,389
Oct-10	16,200	3,489	12,711	8,392	4,319	6,290	6,421
Nov-10	17,828	4,813	13,015	8,438	4,577	6,273	6,742
Dec-10	19,694	6,063	13,631	8,577	5,054	6,285	7,346
Jan-11	20,313	6,560	13,753	8,883	4,870	6,410	7,343
Feb-11	20,716	7,179	13,537	9,107	4,430	6,879	6,658
Mar-11	24,413	11,011	13,402	9,168	4,234	7,045	6,357
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	26,492	12,153	14,339	10,312	4,027	7,903	6,436
Mar-13	15,986	1,895	14,091	10,165	3,926	8,025	6,066

* 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.

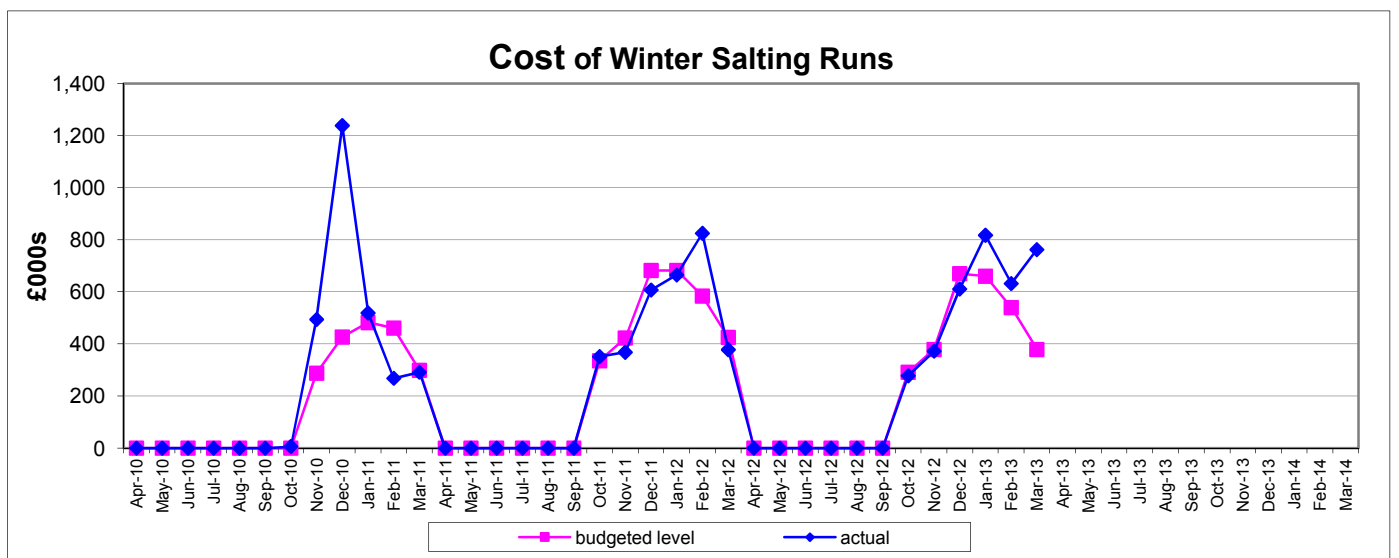
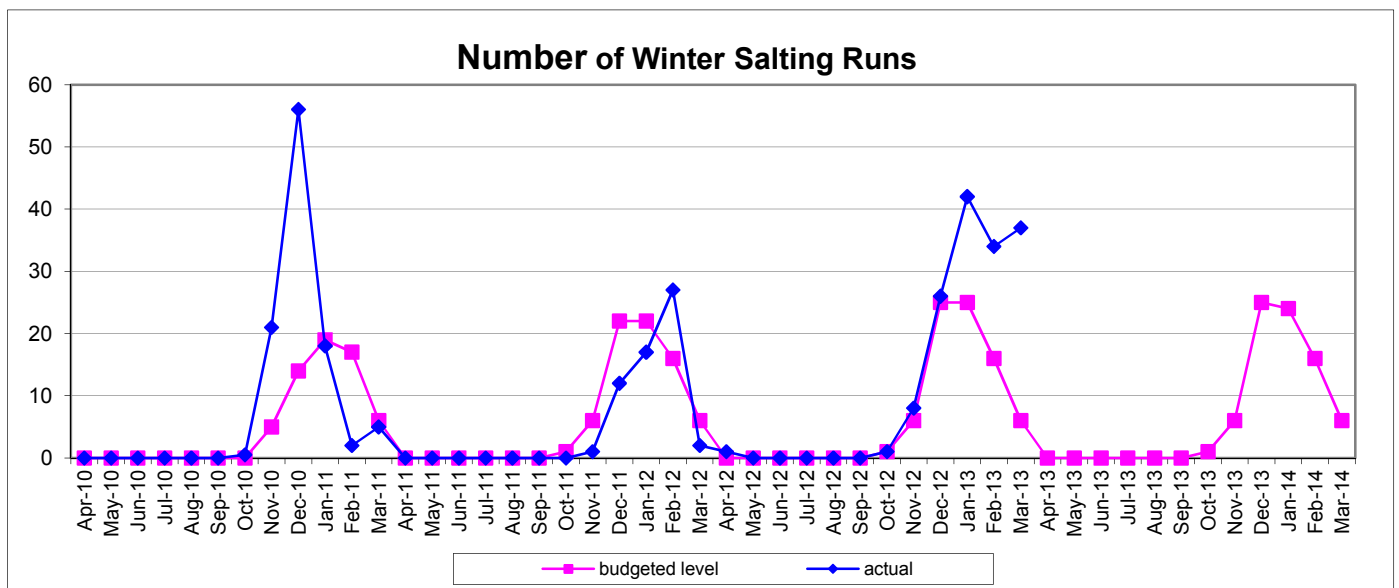
In addition the previously reported secured and unsecured debt figures for April 2012 to July 2012 were amended slightly between the Quarter 1 and Quarter 2 reports following a reassessment of some old debts between secured and unsecured.



3. ENVIRONMENT & REGENERATION DIRECTORATE

3.1 Number and Cost of winter salting runs:

	2010-11				2011-12				2012-13				2013-14	
	Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		No of salting runs	Cost of salting runs
	Actual	Budget Level	Actual £000s	Budget Level £000s	Actual	Budget Level	Actual £000s	Budget Level £000s	Actual	Budget level	Actual £000s	Budget Level £000s	Budget Level	Budget Level £000s
April	-	-	-	-	-	-	-	-	1	-	12	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sept	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct	0.5	-	6	-	0	1	351	335	1	1	263	291	1	291
Nov	21	5	494	288	1	6	368	423	8	6	372	379	6	379
Dec	56	14	1,238	427	12	22	607	682	26	25	596	670	25	670
Jan	18	19	519	482	17	22	665	682	42	25	817	660	24	660
Feb	2	17	268	461	27	16	825	584	34	16	632	540	16	540
Mar	5	6	291	299	2	6	378	425	37	6	762	379	6	379
TOTAL	102.5	61	2,816	1,957	59	73	3,194	3,131	149	79	3,454	2,919	78	2,919

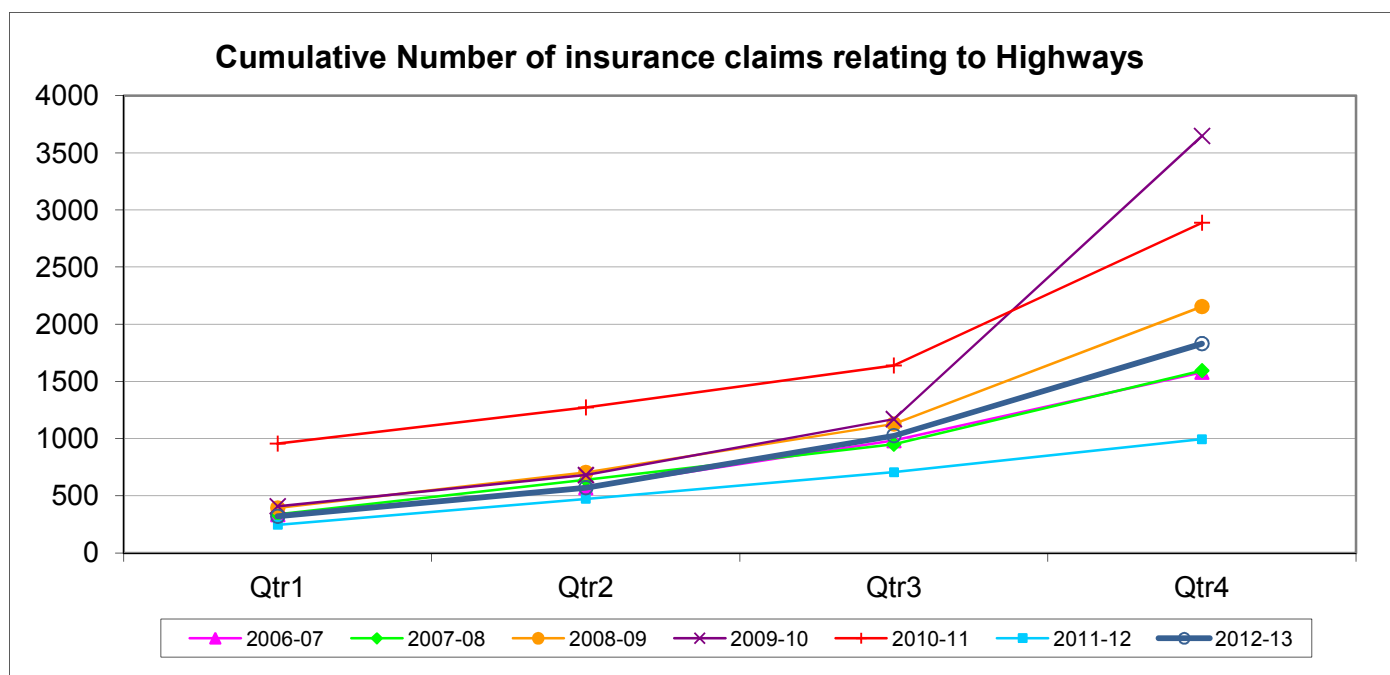


Comments:

- Under the old Ringway contract, local and specific overheads and depot charges were budgeted for and dealt with separately and these costs were therefore not included in the winter service expenditure figures, whereas the new Enterprise contract is for 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.
- The actual number of salting runs in 2012-13 was above the budgeted levels, however, 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 was at a lower rate than assumed, this has resulted in the costs of salting runs not being as high as the number of salting runs may suggest. Overall there was a net overspend of +£1,669k on the adverse weather budget in 2012-13, which is due to an overspend of +£535k on winter salting runs (as shown in the table above) and an overspend of +£1,134k of other costs associated with adverse weather, not directly attributed to salting runs, such as £1,327k of costs related to snow clearance and an underspend of -£193k for the maintenance costs of farmers' ploughs, salt bins and weather stations.

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

	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	408	956	245	320
July-Sept	570	640	704	680	1,273	472	570
Oct-Dec	982	950	1,128	1,170	1,640	705	1,026
Jan- Mar	1,581	1,595	2,155	3,647	2,888	993	1,831



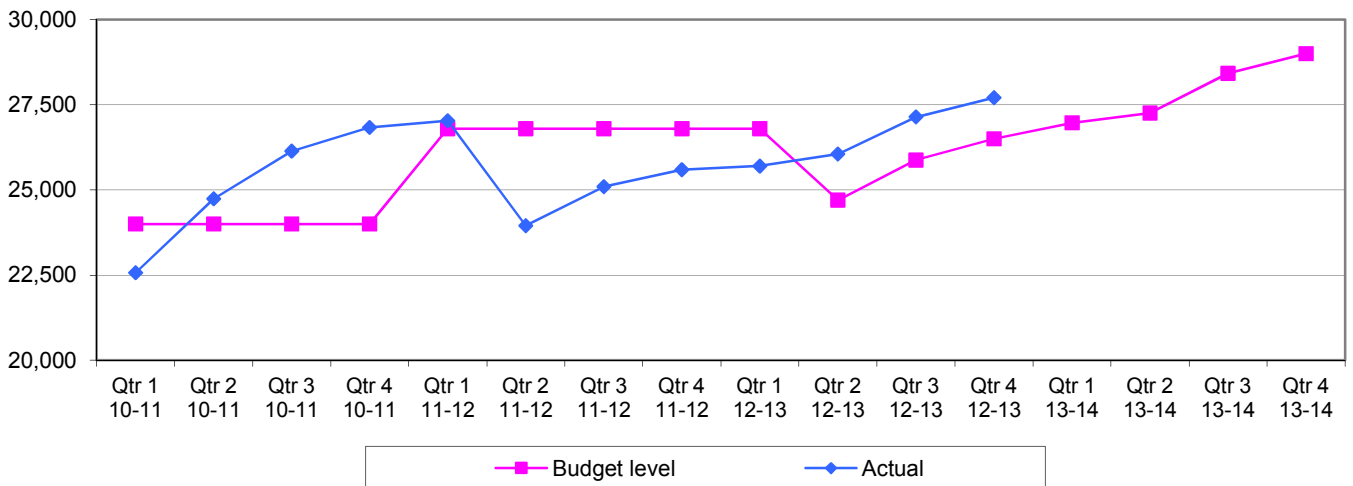
Comments:

- Numbers of claims will continually change as new claims are received relating to accidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 24 May 2013.
- Claims were high in each of the years 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 which could have been 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. However, claim numbers have increased again in 2012-13, which is likely to be due to the prolonged harsh winter and the consequent damage to the highway, but claim numbers have not increased to the levels experienced during 2008-09 to 2010-11, probably due to the continuation of the find and fix programmes of repair. It is likely that claim numbers for both 2011-12 and 2012-13 will increase as new claims are received relating to incidents occurring during these two 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%.

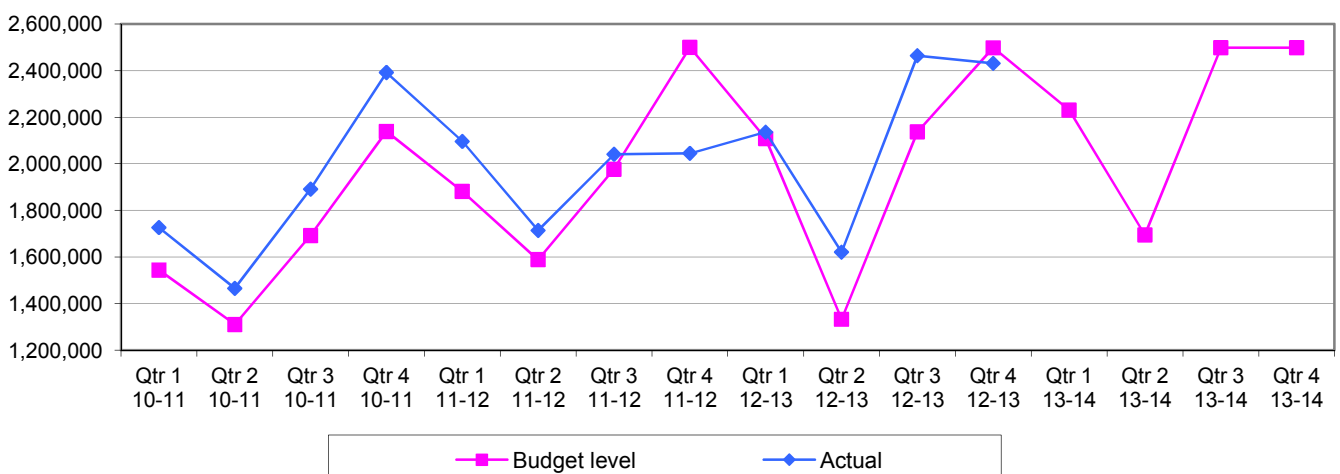
3.3 Freedom Pass - Number of Passes in circulation and Journeys travelled:

	2010-11				2011-12				2012-13				2013-14	
	Passes		Journeys travelled		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	Budget Level	Budget Level
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	25,699	2,108,385	2,135,800	26,970	2,230,575
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	27,260	1,695,237
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	27,141	2,136,769	2,463,811	28,420	2,498,244
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	27,711	2,497,561	2,430,634	29,000	2,498,244
			6,686,046	7,476,114			7,947,060	7,896,008			8,075,650	8,651,495		8,922,300

Number of Freedom Passes in issue



Number of Journeys travelled



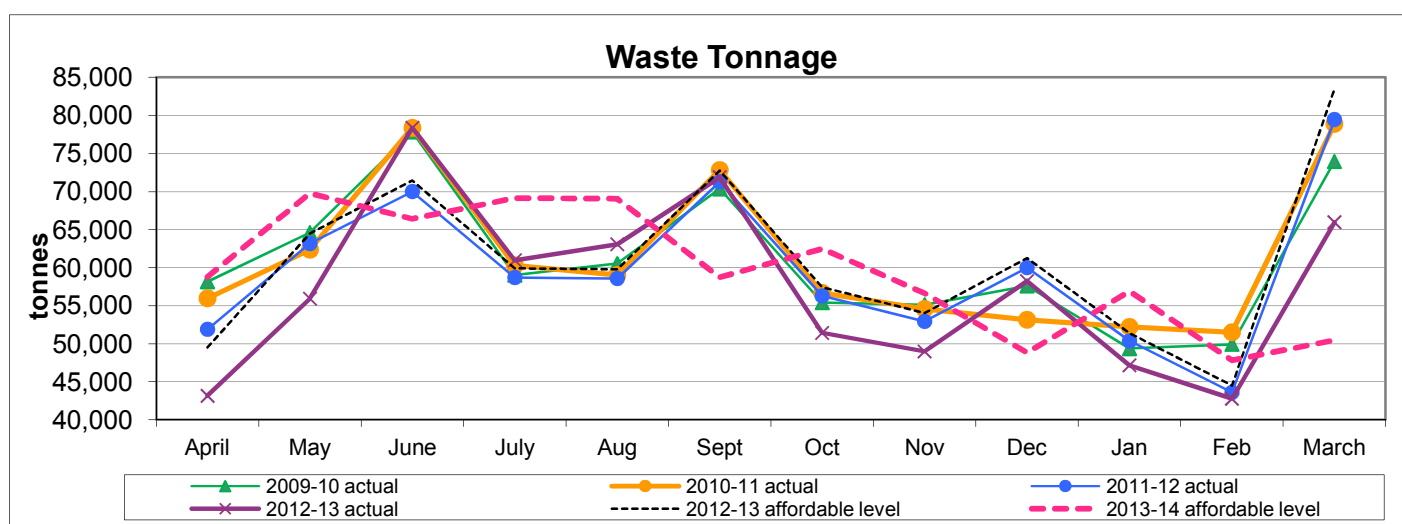
Comments:

- 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 due to the continued increased popularity of the scheme, leading to a gross overspend on this budget of £889k.
- The figures for actual journeys travelled are regularly reviewed and updated as further information is received from the bus companies, so previously reported figures for 2012-13 have been updated to reflect the latest information provided.
- 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.

3.4 Waste Tonnage:

	2009-10	2010-11	2011-12	2012-13		2013-14
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Waste Tonnage *	Affordable Level	Affordable Level
April	58,164	55,975	51,901	43,150	49,499	58,775
May	64,618	62,354	63,168	55,931	64,467	69,765
June	77,842	78,375	70,006	78,391	71,446	66,407
July	59,012	60,310	58,711	60,977	59,919	69,141
August	60,522	59,042	58,581	63,070	59,787	69,067
September	70,367	72,831	71,296	71,894	72,763	58,745
October	55,401	56,690	56,296	51,423	57,454	62,465
November	55,138	54,576	52,942	48,992	54,031	56,638
December	57,615	53,151	60,009	58,221	61,244	48,812
January	49,368	52,211	50,366	47,153	51,403	56,898
February	49,930	51,517	43,607	42,767	44,504	47,816
March	73,959	78,902	79,468	65,976	83,483	50,471
TOTAL	731,936	735,934	716,351	687,945	730,000	715,000

* 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. From April 2013 all service providers have transferred on to a calendar month basis and this is reflected in the monthly affordable levels for 2013-14, hence why the line on the graph representing the affordable level for 2013-14 reflects a very different profile to the actuals/affordable level for previous years.
- These waste tonnage figures include residual waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.
- The cumulative total amount of waste managed for 2012-13 was 42,055 tonnes less than the affordable level and a 3.97% reduction on tonnage levels for 2011-12, which has contributed to an underspend of -£4.012m on the Waste budgets. The majority of this reduction compared to the affordable level (37,587 of the 42,055 tonnes), has occurred since the introduction, in October, of changes to operating policies at Household Waste Recycling Centres to stop accepting commercial waste at sites.
- A reduction of 15,000 tonnes has been reflected in the 2013-14 budget, therefore if waste tonnage continues at the same levels as 2012-13, there will be an underspend as a result of lower than budgeted levels of waste tonnage in 2013-14.

4. BUSINESS STRATEGY & SUPPORT DIRECTORATE

4.1 Capital Receipts – actual receipts compared to budget profile:

The total actual receipts that were achieved during 2012-13 was £18.110m. This is broken down between the various “pots” as detailed in the tables below.

Capital Receipts Funding Capital Programme

	2012-13
	£m
Capital receipt funding required for capital programme	7.290
Banked in previous years and available for use	3.202
Receipts from other sources	1.010
Requiring to be sold this year	3.078
Actual receipts for 2012-13	7.776
Potential Surplus / (Deficit)	4.698

The total capital receipt funding required to fund projects in the capital programme for 2012-13 totals £7.290m. 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 was £3.078m.

The actual receipts for funding the capital programme achieved in 2012-13 total £7.776m, which leaves a potential surplus on capital receipt funding in the capital programme of £4.698m. This “surplus” is needed to fund projects in the future years capital programme.

4.2 Capital Receipts – Kent Property Enterprise Fund 1:

County Council approved the establishment of the Property Enterprise Fund 1 (PEF1), with a maximum permitted deficit of £10m, but self-financing over a period of 10 years. The cost of any temporary borrowing will be charged to the Fund to reflect the opportunity cost of the investment. The aim of this Fund is to maximise the value of the Council's land and property portfolio through:

- the investment of capital receipts from the disposal of non operational property into assets with higher growth potential, and
- the strategic acquisition of land and property to add value to the Council's portfolio, aid the achievement of economic and regeneration objectives and the generation of income to supplement the Council's resources.

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

Provisional 2012-13 outturn position

	2012-13
	£m
Opening balance 1st April 2012	-5.568
Receipts	0.015
Costs	-0.007
Planned acquisitions	0.000
Closing balance	-5.560

The above table shows the opening balance on the fund as being -£5.568m. With forecast PEF1 receipts of £0.015m and associated costs of £0.007m, this results in a provisional closing balance of -£5.560m, which is within the permitted £10m overdraft limit.

Revenue position

The balance brought forward at the 1st April 2012 was -£2.328m. The net expenditure from managing the properties within PEF1 totalled £0.456m, and the cost of borrowing against the overdraft facility were £0.506m. Revenue receipts of £0.005m were achieved, resulting in a £3.285m deficit on revenue, which will be rolled to be met from future income streams.

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

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

Provisional Outturn 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
Sale of PEF2 properties	**9.153
Disposal costs	-0.012
Closing Balance	-6.159
Revenue	
Opening balance	-4.237
Net interest on borrowing	-0.480
Holding costs	-0.069
Closing balance	-4.786
Overall closing balance	-10.945

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

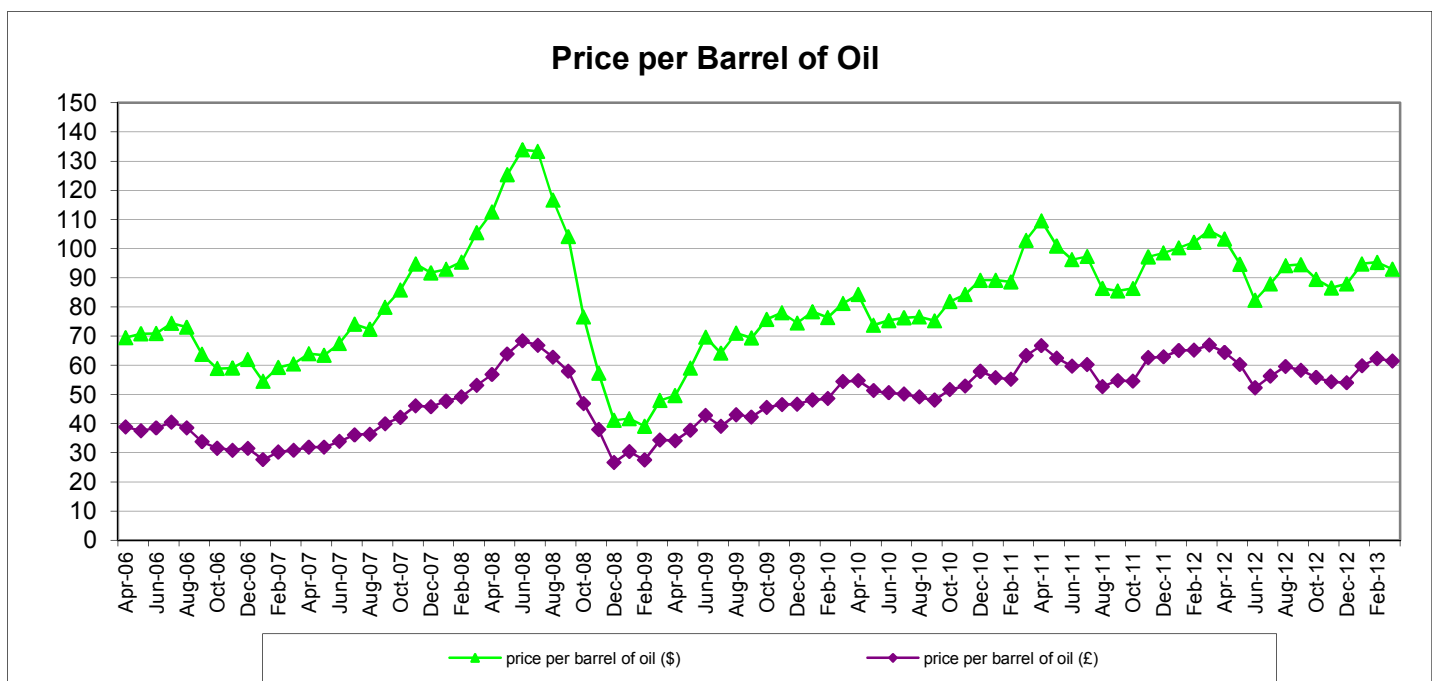
The provisional closing balance on the fund is -£10.945m, within the overdraft limit of £85m.

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

5. FINANCING ITEMS

5.1 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	95.31
March	60.44	105.45	47.94	81.20	102.86	106.16	92.94



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.

FINANCIAL HEALTH INDICATORS

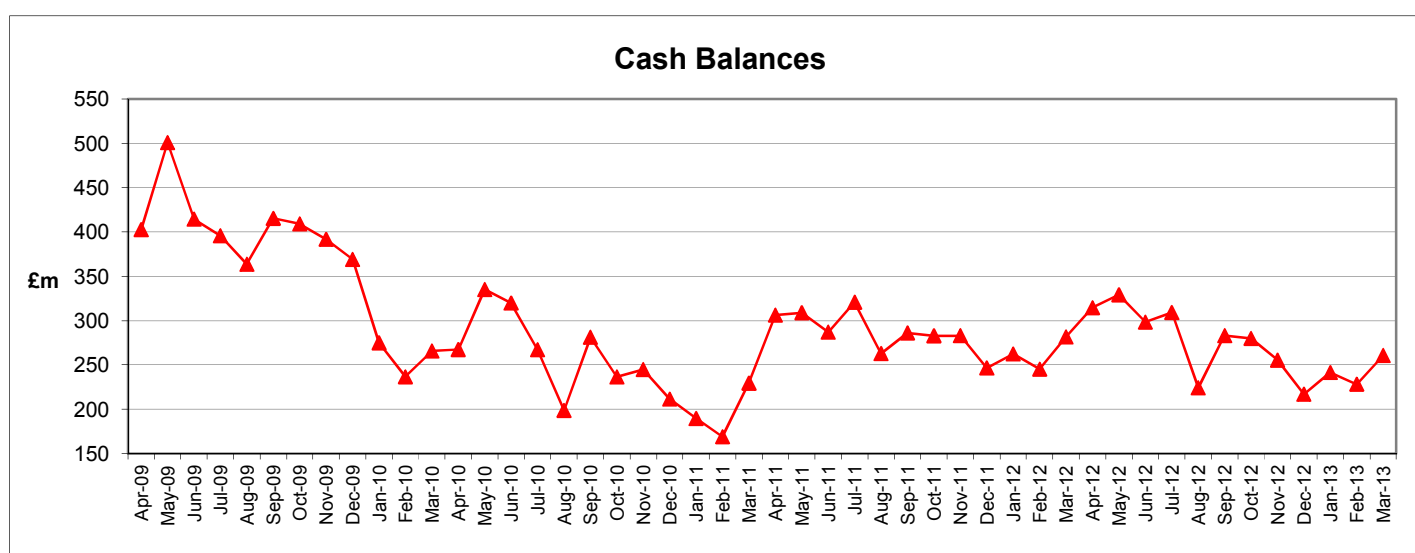
1. CASH BALANCES

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 (£46.27m), 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	228.3	260.7



2. LONG TERM DEBT MATURITY

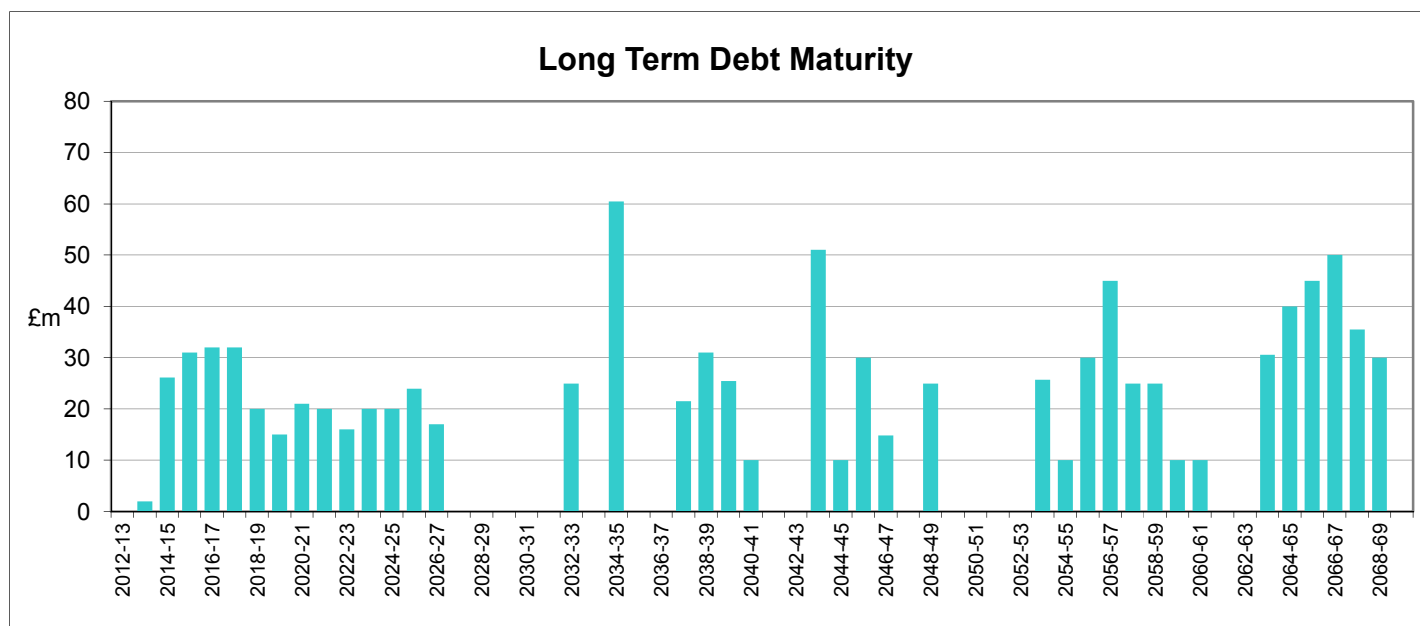
The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £43.9m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) 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 repaid in 2012-13 was £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. In addition, £1.021m relating to equal instalment of principal loan was repaid from cash balances in September, as was a further £1m of equal instalment loan in March.

Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2012-13	0.000	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	1,012.288



3. OUTSTANDING DEBT OWED TO KCC

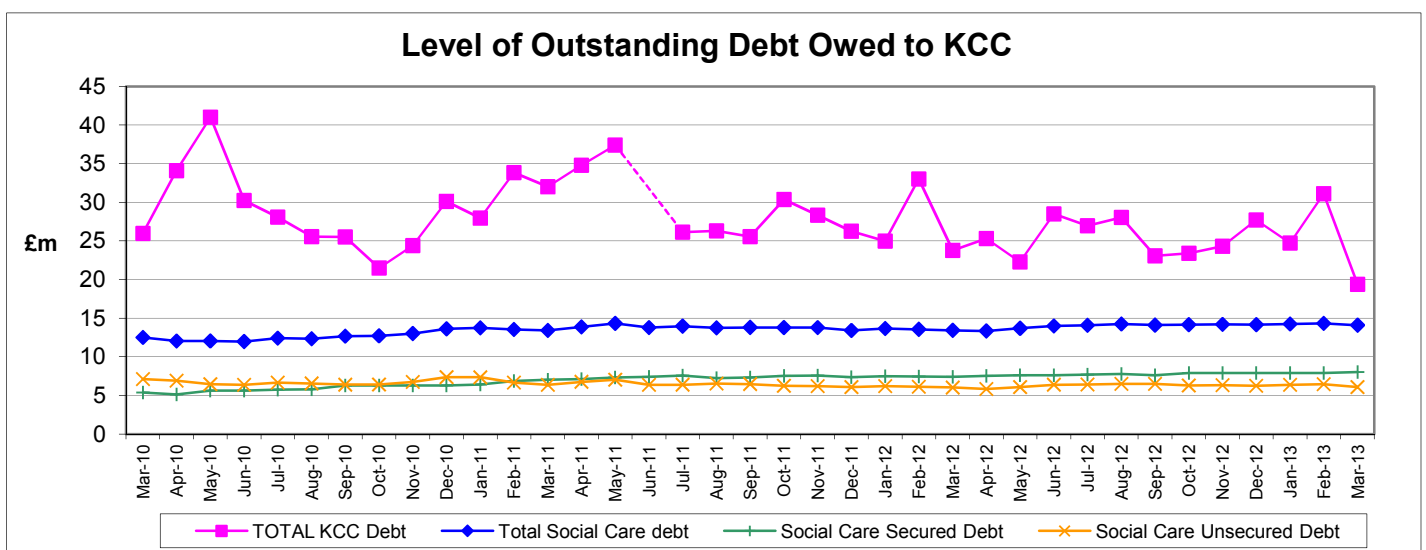
The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 30 days. The main element of this relates to Adult Social Services and this is also identified separately, together with a split of how much of the Social Care debt is secured (i.e.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

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care debt £m	FSC Sundry debt £m	TOTAL FSC debt £m	All Other Directorates Debt £m	TOTAL KCC Debt £m
March 10	5.387	7.127	12.514	1.643	14.157	11.818	25.975
April 10	5.132	6.919	12.051	2.243	14.294	19.809	34.103
May 10	5.619	6.438	12.057	3.873	15.930	25.088	41.018
June 10	5.611	6.368	11.979	3.621	15.600	14.648	30.248
July 10	5.752	6.652	12.404	4.285	16.689	11.388	28.077
Aug 10	5.785	6.549	12.334	5.400	17.734	7.815	25.549
Sept 10	6.289	6.389	12.678	4.450	17.128	8.388	25.516
Oct 10	6.290	6.421	12.711	3.489	16.200	5.307	21.507
Nov 10	6.273	6.742	13.015	4.813	17.828	6.569	24.397
Dec 10	6.285	7.346	13.631	6.063	19.694	10.432	30.126
Jan 11	6.410	7.343	13.753	6.560	20.313	7.624	27.937
Feb 11	6.879	6.658	13.537	7.179	20.716	13.124	33.840
March 11	7.045	6.357	13.402	11.011	24.413	7.586	31.999

	Social Care Secured Debt	Social Care Unsecured Debt	Total Social Care debt	FSC Sundry debt	TOTAL FSC debt	All Other Directorates Debt	TOTAL KCC Debt
	£m	£m	£m	£m	£m	£m	£m
April 11	7.124	6.759	13.883	10.776	24.659	10.131	34.790
May 11	7.309	7.023	14.332	11.737	26.069	11.338	37.407
June 11	7.399	6.381	13.780	*	13.780	*	13.780
July 11	7.584	6.385	13.969	4.860	18.829	7.315	26.144
Aug 11	7.222	6.531	13.753	4.448	18.201	8.097	26.298
Sept 11	7.338	6.467	13.805	4.527	18.332	7.225	25.557
Oct 11	7.533	6.241	13.774	6.304	20.078	10.276	30.354
Nov 11	7.555	6.215	13.770	5.886	19.656	8.671	28.327
Dec 11	7.345	6.063	13.408	5.380	18.788	7.469	26.257
Jan 12	7.477	6.185	13.662	5.518	19.180	5.792	24.972
Feb 12	7.455	6.102	13.557	12.661	26.218	6.800	33.018
March 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	7.903	6.436	14.339	12.153	26.492	4.632	31.124
March 13	8.025	6.066	14.091	1.895	15.986	3.392	19.378

* 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.

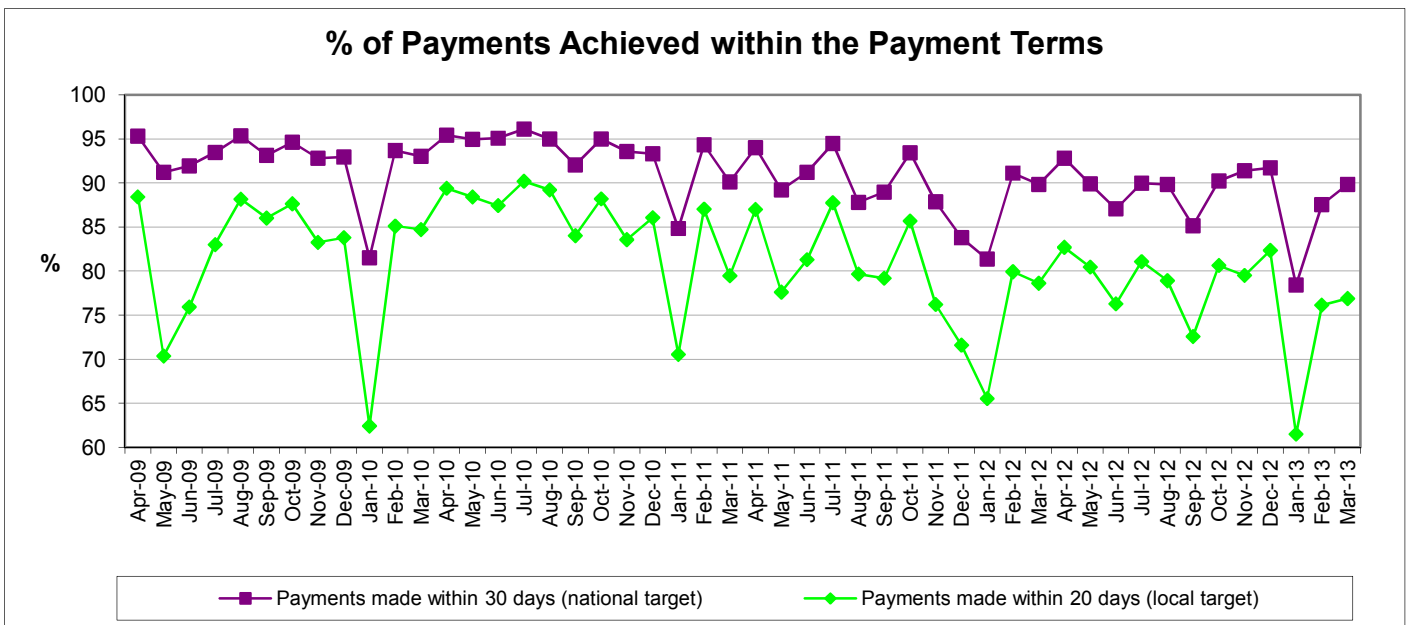
The previously reported secured and unsecured social care debt figures for April to July 2012 have been amended slightly following a reassessment of some old debts between secured and unsecured.



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	80.5
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	87.5	76.1
March	93.0	84.7	90.1	79.5	89.8	78.6	89.8	76.9



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 figure for invoices paid within 20 days is 77.3%, 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	77.3%	88.6%

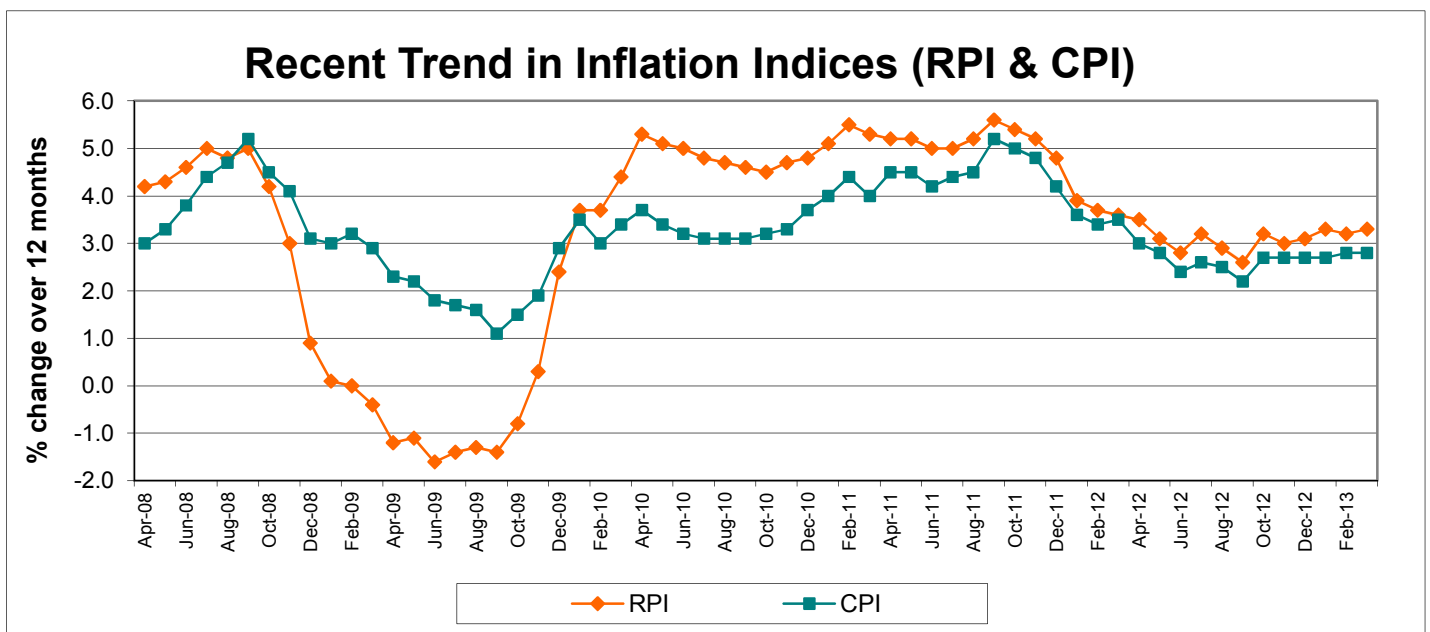
Percentages are reducing because the amount of invoices that arrive in Accounts Payable (AP) late, i.e. already outside of our payment terms of 20 days, is increasingly high.

We can only encourage our colleagues in directorates to prioritise invoices and we endeavour to pay the late invoices quickly when they do get to Accounts Payable (AP). A Kmail was sent out at the end of February reminding colleagues of the correct address for AP (a huge amount of post still goes to the old address that has to be diverted by the Post Room) and temporary workers were appointed to deal with the influx of invoices in the lead up to the financial year end.

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	3.2	2.8
March	-0.4	2.9	4.4	3.4	5.3	4.0	3.6	3.5	3.3	2.8



2012-13 Final 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)
Actual 2012-13	£161.099m	

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

	2011-12 Actual	2012-13 Original Estimate	2012-13 Outturn as at 31-03-13
	£m	£m	£m
Capital Financing Requirement	1,495.873	1,538.083	1,464.961
Annual increase/reduction in underlying need to borrow	-22.273	21.939	-30.912

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%
Actual 2012-13	14.55%

The 2011-12 and 2012-13 Actual percentages include PFI Finance Lease costs but these were not included in the 2012-13 original estimate calculation.

4. Operational Boundary for External Debt

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

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

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

	Prudential Indicator 2012-13	Position as at 31.03.13
	£m	£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	Position as at
	2012-13	31.03.13
	£m	£m
Borrowing	1,198	1,012
Other Long Term Liabilities	0	0
	1,198	1,012

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
	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
	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 31.03.13
	%	%	%
Under 12 months	10	0	0
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	22.9

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

	Indicator £50m	Actual £10m
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From: John Simmonds, Deputy Leader & Cabinet Member – Finance & Procurement
 Andy Wood, Corporate Director of Finance & Procurement

To: CABINET – 15 July 2013

Subject:

REVENUE & CAPITAL BUDGET MONITORING EXCEPTION REPORT 2013-14

Classification: **Unrestricted**

1. Summary

- 1.1 This is the first exception report for 2013-14. This report reflects the position for each of the directorates based on the major issues arising from the 2012-13 outturn, which is also on the agenda for this meeting. These are issues which were either not addressed in the 2013-14 budget build because they came to light after the 2013-14 budget was set or they are a continuation of pressures/savings that were addressed in the budget but only up to demand levels as at November/December time, when the 2013-14 budget was calculated.
- 1.2 The report provides initial forecasts for both the revenue and capital budgets.
- 1.3 Corporate Board and Cabinet are asked to note these initial forecasts. In the light of further government funding reductions in the short to medium term, it is essential that a balanced position is achieved in 2013-14, as any residual pressures rolled forward into 2014-15 will only compound an already challenging 2014-15 budget position.

2. Recommendations:

Cabinet is asked to:

- 2.1 **Note** the initial forecast revenue budget monitoring position for 2013-14 and capital budget monitoring position for 2013-14 to 2015-16.
- 2.2 **Agree** the transfer to reserves of additional one-off funding received from government since the budget was set, at the appropriate time.
- 2.3 **Agree** that within the Enterprise and Environment capital programme £0.300m is vired from Non TSG Land and Part 1 Claims to Major Scheme Preliminary Design (see paragraph 5.4).

3. Introduction:

- 3.1 This is the first exception report for 2013-14. This report reflects the position for each of the directorates, where the initial revenue forecast for the year reflects an overall small underspend of -£0.348m for the authority. This is a very promising position at this stage of the year especially considering a £95m savings requirement, however it does include £3.202m of additional Government funding notified since the budget was set.
- 3.2 The forecasts show the vast majority of the £95m savings are on track to be delivered; this is a promising position at this stage of the year. The intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant portfolio will be made as appropriate.

- 3.3 The net -£0.348m forecast underspend shown in table 1 below reflects pressures within the Asylum Service and SEN Home to School Transport, reflecting a continuation of the issues experienced in 2012-13, a pressure on general road maintenance as a result of the impact of the prolonged winter conditions on the state of our road network, together with a pressure on weed control. There is also a pressure on the Corporate Landlord budget, as a result of delays in moving out of some leasehold properties. These pressures are offset by additional income from the Kent 16+ travel card, lower than budgeted volumes of waste, and underspending on the Financing Items budgets, predominately as a result of additional Government funding awarded since the 2013-14 budget was set.
- 3.4 Details of issues faced within the capital programme are provided in section 5.

4. 2013-14 REVENUE MONITORING POSITION

- 4.1 A summary of the major forecast revenue pressures and savings, excluding schools, is shown in table 1 below:

Table 1: 2013-14 Revenue Pressures and Savings:

Directorate	£m	Pressure/Saving
Education, Learning & Skills	+0.800	+£1.3m pressure on SEN Home to School Transport offset by -£0.5m on Home to College Transport. A pressure on the Dedicated Schools Grant budget will need to be managed within the overall scope of the grant.
Families & Social Care – Specialist Children’s Services (SCS)	0	Increased demand for services experienced in the latter part of 2012-13 after the 2013-14 budget was calculated, is being offset by savings identified within the service, additional income and £1.5m of the rolled forward underspend from 2012-13.
Families & Social Care - (SCS) Asylum	+0.377	+£2.452m costs of Unaccompanied Asylum Seeking Children and 18+ care leavers exceeding the grant payable, including costs which we are unable to claim for as they are ineligible under the current grant rules, together with reduced staffing & infrastructure costs. However, we expect to invoice the Home Office for £2.075m of these costs, above the grant levels.
Families & Social Care - Adults	0	It is currently assumed that all of the transformation savings will be delivered, but work continues with our efficiency partner in developing the transformation plans.
Enterprise & Environment	+1.930	+£2.5m continuation of the find and fix programme of pot hole repairs as a result of the impact of the prolonged hard winter. +£0.180m additional weed control as a result of an anticipated wet summer. -£0.750m to reflect current lower waste tonnage than budgeted, partly offset by higher than budgeted price increases.
Customer & Communities	0	Although a breakeven position is forecast, there is an unquantified potential underspend on the Social Fund based on current take up, however future take up is hard to predict.

Directorate	£m	Pressure/Saving
Business Strategy & Support	+0.250	Changes to assumed timelines for moving out of some leasehold properties as a result of service pressures throughout the Council.
BSS - Financing Items	-3.705	-£3.202m changes to Government funding levels since the budget was set; -£0.190m carbon reduction energy efficiency scheme in line with 2012-13 outturn; -£0.313m review of local authority subscriptions and other financing items budgets
Total	-0.348	

4.2 Education, Libraries & Skills Directorate:

The initial forecast for the directorate indicates a pressure of £0.8m which relates to Transport Services.

- 4.2.1 +£1.3m SEN Home to School Transport – this is a continuation of the pressure experienced in 2012-13, where the number of children travelling continues to be consistently higher than the budgeted number, although there are also a number of other factors which contribute to the overall cost of the provision of transport, such as distance travelled and type of travel.
- 4.2.2 -£0.5m Home to College Transport – once again this is a continuation of the position experienced in 2012-13 and is due mainly to increased income from the Kent 16+ card which was successfully launched in September 2012.
- 4.2.3 Mainstream Home to School Transport – although early indications suggest that there will be an underspend on this budget, the full year effect of both transport policy changes and falling rolls in the secondary sector will not be available until the autumn, after the start of the 2013-14 academic year. It is therefore considered too early to forecast this with any certainty.
- 4.2.4 The ELS Directorate Management Team are reviewing the 2012-13 outturn position to identify ways of managing any residual pressure and an update will be provided in the quarter 1 report to Cabinet in September.
- 4.2.5 Dedicated Schools Grant (DSG) – there is a pressure on the DSG funded budget, particularly on Independent Special School placements and School Redundancy payments. These pressures will need to be reviewed and dealt with within the overall scope of the grant/DSG reserve.

4.3 Families & Social Care Directorate:

- 4.3.1 The initial forecast for Families and Social Care indicates a breakeven position (excluding Asylum). It should be recognised however that Finance staff, alongside performance colleagues and budget managers, are also currently reviewing all cash limits and affordable levels of activity in light of the 2012-13 outturn and any changing trends in activity that have become apparent since the 2013-14 budget was set, together with reviewing the allocation of budgets savings to individual budgets to reflect the latest service transformation plans. As a result of this exercise, requests for virement or for realignment of gross and income cash limits will be submitted as part of the first full monitoring report to Cabinet in September.

Some of the assumptions within this breakeven position are outlined below:

4.3.2 Specialist Children's Services:

4.3.2.1 Although additional funding was provided in the 2013-14 budget to address the increased demand for these services, this was based on the position as at November/December 2012, the time at which the 2013-14 was calculated. Since then, demand has continued to increase leading to an underlying pressure of £9.5m for 2013-14. The service has however identified further savings and extra income totalling £8m, leaving a pressure of £1.5m which is to be addressed by use of part of the rolled forward underspending from 2012-13. Assuming the allocation of this roll forward is approved by Cabinet, (which is a recommendation in the 2012-13 outturn report, which is also on the agenda for this meeting of Cabinet), then this will put the service into a balanced position and they will then be expected to manage the financial year within allocated cash limits. Should any further pressures arise in year, the service is expected to identify compensating savings to offset these.

4.3.2.2 Asylum:

There is a potential pressure of £2.452m on this service which is made up as follows:

- +£1.076m of costs of Unaccompanied Asylum Seeking Children (under 18) exceeding the grant payable;
- +£0.112m of costs for Unaccompanied Asylum Seeking Children (Under 18) for who we are unable to claim for as they are ineligible under the current grant claim rules;
- +£0.878m of costs of Care Leavers (Over 18 year olds) exceeding the grant payable;
- +£0.296m for the first 25 Care Leavers that the authority is required to cover the costs of, of which £0.280m is covered by cash limit - leaving a +£0.016m pressure;
- +£0.948m of costs relating to Care Leavers who have all rights of appeal exhausted;
- +£0.522m of costs relating to other former unaccompanied young people who we are ineligible to claim for;
- offset by -£1.100m of gateway grant that is not required to fund infrastructure costs, which we are assuming can offset the other costs above which are not covered by the per capita grant allocations;
- We are proposing to invoice the Home Office for up to £2.075m of the ineligible costs outlined above, **which if paid will leave a shortfall of just +£0.377m.**
- The Service are also currently working on a management action plan to bring some of the costs down, which we anticipate to be able to confirm within the 1st quarterly detailed monitoring report.

4.3.3 Adult Social Care:

A breakeven position is currently forecast. The service was allocated a significant level of transformation savings (totalling £18.8m) within the 2013-14 budget. Work is continuing on the development of these transformation plans with our new efficiency partner and further updates on the progress towards the delivery of these savings will be given in future monitoring reports throughout the financial year.

4.4 Enterprise & Environment:

The initial forecast indicates a pressure of £1.930m:

- 4.4.1 +£2.500m General Maintenance & Emergency Response – this reflects the need to continue the find and fix programme of repairs to pot holes following the prolonged hard winter, which extended through to March 2013.
- 4.4.2 +£0.180m Tree Maintenance, Grass Cutting & Weed Control – this pressure reflects the anticipated additional weed control activity required as a result of particularly rainy weather expected over the summer months.
- 4.4.3 Freedom Pass – there is a forecast pressure on this budget of £0.8m based on the number of passes and journeys in 2012-13 continuing into 2013-14, due in part to the continued popularity of the scheme and in part to the changes in education transport policy. However, this is expected to be addressed by use of part of the rolled forward underspending from 2012-13, which is a recommendation in the 2012-13 outturn report, that is also on the agenda for this meeting of Cabinet.

4.4.4 The current levels of waste tonnage suggest there could be a significant underspend at the year end, although accurately predicting volumes this early in the year is difficult. At this stage, an underspend of -£0.750m is forecast.

4.5 Customer & Communities:

Although a balanced position is currently forecast, there is an unquantified issue:

4.5.1 Social Fund (Kent Support & Assistance Service KSAS):

This pilot scheme commenced in April 2013 following the transfer of responsibility from the Department for Work & Pensions (DWP) to local authorities.

The scheme offered by Kent differs from that previously provided by DWP with cash awards and loans no longer being offered and therefore future demand is difficult to quantify. However, a budget profile has been established based on available funding.

There have been 4,819 applications in the first ten weeks of operation, approximately 100 per working day, with the total of awards made of 1,005. This approval rate may appear low at just over 20%, but it is reflective of inappropriate referrals rather than being as a result of more stringent criteria being applied.

In the first ten weeks, only just over 24% of the available funding to date has been awarded, but at this stage future demand is uncertain and the impact of welfare reform in the autumn is unknown, so it is too early to forecast whether this initial under-allocation of funds will result in an underspend by year-end.

4.6 Business Strategy & Support:

4.6.1 Property & Infrastructure:

There is likely to be a net pressure within Property and Infrastructure of approximately £0.250m within the Corporate Landlord area. This is due to some changes to the assumed timelines for moving out of some of our larger leasehold buildings, in line with service pressures that have arisen.

In addition, the revised New Ways of Working programme business case is shortly to be submitted to Project Approval Group (PAG) and if recommended to, and approved by the Leader, will require additional in year revenue investment of approximately £2m, as detailed within the overall business case for the programme, for which funds have yet to be identified.

4.7 Financing Items budgets:

A net underspend of £3.705m is forecast, which is due to:

4.7.1 -£1.491m relating to a refund in respect of formula grant deducted in 2012-13 for the academies funding transfer. The DfE have refunded any local authority where the amount deducted from formula grant was greater than it would have been had the deduction been based on the number of pupils in academies in 2012-13. This is to ensure that the academies funding transfer better reflects the pattern of academy provision across the country.

4.7.2 -£1.391m New Homes Bonus adjustment grant: this is funding that was originally top-sliced by Government from the 2013-14 Local Government Finance Settlement to fund the New Homes Bonus, with a commitment that any funding not used for this purpose would be returned to local authorities.

4.7.3 -£0.320m following notification of final allocations of Education Services grant and Council Tax Freeze grant since the budget was set.

- 4.7.4 All of the additional funding in paragraphs 4.7.1 to 4.7.3 above was unexpected and therefore is not built into our budgets/spending plans anywhere and is largely one-off. In light of the significant savings targets and the pressures highlighted elsewhere within this report, it is proposed that this funding is held centrally to offset any potential shortfall in meeting our £95m savings target this year. If we do achieve a balanced position this year (excluding this funding), which remains our aim, then **Cabinet is asked to agree** that this is transferred to reserves to help offset anticipated funding cuts in 2014-15.
- 4.7.5 -£0.190m anticipated underspend against the carbon reduction commitment energy efficiency scheme in line with the 2012-13 outturn.
- 4.7.6 -£0.313m Other Financing Items budgets – this is largely following a review of local authority subscriptions and other small underspending on items such as levies and centrally held allocations such as transferred services pensions.

5. 2013-14 CAPITAL MONITORING POSITION

- 5.1 The three year capital programme (2013-14 to 2015-16) has an approved budget of £602.107m (excluding schools and PFI). The forecast outturn against this budget is £641.873m giving a variance of +£39.766m. £43.592m of this is due to rephasing as per the 2012-13 outturn report. If agreed, once the cash limits have been updated the revised variance will become -£3.826m. Variances of over £0.100m are detailed below:
- 5.2 **A28 Chart Road (E&E):** Rephasing of -£3.600m from 2013-14 and 2014-15 to 2016-17. The original profiling had been predicted on possible Growing Places funding support that has not materialised. The scheme has been rephased back out of the three year period while alternative funding options are sought.
- 5.3 **Non TSG Land and Part 1 Claims (E&E):** -£0.300m in 2013-14. Contingency for LCA Part 1 settlements has been reduced following a review of the schemes and claims liability. It is requested that this underspend be retained within Highways and Transportation (H&T) for Major Schemes Preliminary Design Fees (see below).
- 5.4 **Major Schemes Preliminary Design (E&E):** +£0.300m. Significant feasibility and development work will be required on scheme priorities which will put the existing budget under pressure. Cabinet is therefore asked to redistribute £0.300m of the underspend on Non TSG Land and Part 1 Claims to reduce this pressure (£0.150m in 2013-14 and £0.150m in 2014-15).
- 5.5 **Kent Scientific Services (C&C):** +£0.135m funded from revenue reserve to replace current instrumentation with a Triple Quadrupole LC/MS system to enable the laboratory to undertake new works areas and generate new income.
- 5.6 The remaining variance of -£0.361m is made up of minor variances (less than £0.100m) on a number of schemes.
- 5.7 **Issues to note**
New Ways of Working (BSS Directorate) - The revised New Ways of Working programme business case is shortly to be submitted to PAG and if approved, will require funding from future years to be brought forward to the current year.

6. **RECOMMENDATIONS**

Cabinet is asked to:

- 6.1 **Note** the initial forecast revenue and capital budget monitoring position for 2013-14.
- 6.2 **Agree** the transfer of additional one-off government funding to reserves, at the appropriate time, as detailed in paragraphs 4.7.1 to 4.7.4.
- 6.3 **Agree** that within the Enterprise and Environment capital programme £0.300m is vired from Non TSG Land and Part 1 Claims to Major Scheme Preliminary Design (see paragraph 5.4)

7. **BACKGROUND DOCUMENTS**

2012-13 outturn report which is also on the agenda for this meeting.

8. **CONTACT DETAILS**

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From: Roger Gough, Cabinet Member for Education and Health Reform
Patrick Leeson, Corporate Director, Education, Learning and Skills

To: Cabinet – 15 July 2013

Decision No:

Subject: The Review of the Pupil Referral Units and Alternative Curriculum Provision

Classification: Unrestricted

Past Pathway of Paper: Education Cabinet Committee 21 June 2013

Electoral Division: All

Summary:

This report provides Cabinet with an update on the review of Pupil Referral Unit (PRU) and Alternative Curriculum (AC) Provision together with a summary of the consultation with the wider group of stakeholders on the establishment of 8 new delivery hubs across the County for PRU and AC Provision. This has been a major piece of work to re-organise and improve the provision for young people excluded from school, at risk of exclusion with time out from school and those following an alternative curriculum pathway. It has been closely aligned with and supported by the development of the Kent Integrated Adolescent Support Service, so that all these young people are helped to engage in education and training and all will have a positive pathway to age 18, including an apprenticeship or other route into employment. It is designed to have a significant impact on reducing exclusions and the NEET (not in education, employment or training) figures for these vulnerable groups of young people.

Recommendations:

Cabinet is asked to note the consultation responses and approve the changes following the review. Some of the changes are required by recent national policy changes but other outcomes of the review are the re-organisation of existing PRUs into eight new delivery hubs.

1. Introduction

- 1.1 At a meeting on 19th March the Education Cabinet Committee agreed that a wider stakeholder consultation should be undertaken on the proposal to establish 8 new delivery PRU and Alternative Provision hubs in Kent, following the review of this provision in 2012-13. These proposals, and the background to them, are summarised below.
- 1.2 The consultation on the new delivery models was published on the Kent County Council website on the April 22nd and closed on June 17th.

2. Background to the PRU and Alternative Curriculum Review

- 2.1 The Department for Education (DfE) guidance on the statutory duties for the Local Authority and powers concerning Alternative Provision was published on 27 July 2012. This guidance covers:

- education arranged by Local Authorities for learners who are excluded, because of illness or other reasons
- education arranged by schools for learners on a fixed term or permanent exclusion
- learners being directed by schools to off site provision

2.2 Alternative Provision is defined as: *“education arranged by local authorities for pupils who, because of exclusion, illness or other reasons, would not otherwise receive suitable education; education arranged by schools for pupils on a fixed period exclusion; and pupils being directed by schools to off-site provision to improve their behaviour”*. (DfE Guidance July 2012).

2.3 In parallel with the publication of this Guidance, Kent County Council had undertaken to review the PRUs and AC provision in order to improve the educational offer and outcomes made for young people unable to access mainstream school because they are excluded, or at risk of disengaging from education. The provision was very variable and outcomes for learners had been poor for some time.

2.4 The DfE guidance also stated that funding had to be delegated to newly constituted Management Committees.

- With effect from April 2013, PRU/Alternative Curriculum Management Committees have been established, in effect, as governing bodies (although still known as Management Committees) with full delegated powers. As part of this change in status Management Committees must ensure there is better representation of the communities they serve, and the majority of its members and the schools within it. In practice, this means a membership with the majority being Secondary Headteachers in the locality - especially those who regularly use the services of the provision. This strengthens a key principle of the Kent PRU review which intends to develop high quality *locally* managed solutions for the delivery of PRU and AC provision. Eight new Management Committees have been established.
- Local authorities must make arrangements to delegate funding for Pupil Referral Units (PRUs) and Alternative Curriculum (AC) provision directly to Management Committees. Although all PRUs and AC provisions have Management Committees currently, they do not have delegated powers over the budget or staff. These new responsibilities of full delegation over the budget and staffing will bring the functions of the new Management Committees in line with the governing bodies of Community schools.

2.5 In addition to these amendments to legislation, specifications were also published on the programme offer. The statutory guidance¹ published in January 2013 identifies *“Good alternative provision”* as:

- academic attainment on a par with mainstream schools –particularly in English, maths and science;

¹ Statutory guidance sets out the Government’s expectations of local authorities and maintained schools who commission alternative provision and pupil referral units. The Government expects those who are not legally required to have regard to the statutory guidance to still use it as a guide to good practice

- addressing the specific personal, social and academic needs of students to help them overcome barriers to attainment;
- improving pupil motivation and self-confidence; supporting re-integration to mainstream education, FE or employment
- the guidance is clear that responsibility for ensuring that any additional provision purchased, such as vocational training, meets these criteria and rests with the commissioner of the provision. In the future the commissioners will be the Management Committees of PRUs and the schools they serve.

3. Kent PRU and Alternative Provision Review

3.1 In order to improve outcomes for learners and address the new DfE statutory provisions, KCC initiated a review of the PRU and Alternative Provision. The review was designed to improve the quality of provision and the outcomes for learners, and achieve a significant reduction in exclusions. The review established how Headteachers in each district or locality wished to achieve the delegation of funding to support the new delivery structures. There were a number of ways delegation could be achieved and therefore the consultation events with schools were held to determine which option each locality wished to follow. From these consultations with Headteachers and PRU/AC managers two options emerged.

- (i) Full delegation to a Lead PRU with a Management Committee with full delegated powers
- (ii) Devolution of funding to schools within a locality and no Management Committee or PRU provision

3.2 The process of delegation or devolution of funding has been subject to two consultations with Headteachers and the Management Committees of PRUs. Significant changes to the formula funding PRUs and schools receive in their budgets will not occur until April 2014, thus allowing a year for transition. By April 2014 all provision will be funded according to the agreed formula based on pupil numbers and deprivation measures, which has been agreed by all Secondary Headteachers.

3.3 In areas where the option is for full devolution to schools, it is likely that all or some parts of the provision will close to be replaced by alternatives agreed by local schools and the Local Authority through a Service Level Agreement. In these areas funding will be devolved directly to schools

4. Financial Implications

New Funding Formula

District	Budget at April 2014 £	Current District Budgets £
Dartford, Gravesham and Swanley	1,908,818	2,184,164
West Kent Tunbridge Wells, Tonbridge and Sevenoaks	1,197,436	1,220,797
Thanet and Dover	2,417,705	2,390,461
Maidstone and Malling	1,469,010	1,206,929

Swale	1,196,262	998,059
Canterbury	980,646	1,133,472
Ashford	909,500	745,515
Shepway	1,142,123	1,179,643
	11,221,500	11,059,040

- 4.1 The new funding formula has been the subject of detailed consultations with Headteachers in meetings in each district, and a working meeting with school business managers. Although there are differences between the formula budget and the existing (historically calculated) budgets, the proposed budgets are evidently more equitably calculated and have the support of schools. Budget allocations incorporate all property running costs both revenue and capital.
- 4.2 Since the entire budget for PRU/AC provision is to be delegated to Management Committees or devolved to groups of schools, it is essential that the Local Authority retains the capacity to ensure that new and existing provision is of the highest quality, particularly since the LA remains accountable for the education of permanently excluded students.
- 4.3 A Partnership Service Level Agreement has been shared with Headteachers and Management Committees which outlines the Local Authority's requirements of any new provision. These requirements include: quality of curriculum; good teaching and learning; improved outcomes for students; safeguarding and Child Protection arrangements; post-16 progression routes to age 18 and regular review periods. This agreement will be signed by the new Management Committees before the 1st September 2013.
5. **Establishment of the 8 delivery hubs and the development of local delivery models.**
- 5.1 Detailed delivery hub discussions took place in January 2013 with Secondary Headteachers across all districts, for the purpose of clarifying their proposals for future provision to meet the needs of young people out of school or at risk of disengaging.
- 5.2 New models have to be able to support delivery of the varied alternative approaches to learning which are required to meet all pupils' needs. The new proposals arising from the review will transform the curriculum offer and will focus on a wider range of options and courses, including a better quality vocational programme including apprenticeships. The review has also resulted in better qualified staff and other workforce developments, and improved multi-agency professional connections and networks to support the work of PRUs. This includes the development of the Kent Integrated Adolescent Support Service. All the new hubs have developed the offer to young people, so that they can access a greater variety of high quality and appropriate local alternative provision.
- 5.3 In order to support improved quality of provision, KCC has worked in partnership with schools to establish an agreed Partnership Service Level Agreement and a clear Quality Assurance tool. These will contribute to the development of a list of quality assured learning providers whom schools can easily access through a newly established procurement framework.

5.4 The 8 delivery hubs are set out below.

District and delivery model	Outcome	Management Committee
Thanet & Dover Lead PRU/ Behaviour service	Delegated funding to Management Committee of combined KS3 & KS4 Lead PRU.	Yes
Dartford & Gravesham Lead PRU/ Behaviour service	Delegated funding to Management Committee of combined KS3 & KS4 Lead PRU.	Yes
West Kent Lead PRU/ Behaviour service	Retain an off-site provision but will seek Academy sponsorship.	Yes
Maidstone & Malling Lead PRU/ Behaviour service	Delegated funding to Management Committee of combined KS3 & KS4 Lead PRU	Yes
Canterbury (separate from Swale) Lead PRU/ Behaviour service	Retain off site provision but will seek Academy sponsorship	Yes
Swale Funding devolved to schools	Funding devolved to schools in the district in order that they may commission their own services/provision	No May commission on an ad hoc basis
Ashford (separate from Shepway) Funding devolved to schools	Funding devolved to four (non-selective) schools in order that they may commission their own services/provision	No Will commission on an ad hoc basis at the Brook KS3 Centre.
Shepway Funding devolved to schools	Funding devolved to schools in order that they may commission their own services/provision	No May commission places at the Brook Centre.

6. Property Implications

- 6.1 The Management Committees of the 8 delivery hubs were asked to identify their future property requirements for each locality. Through this consultation inadequate buildings have been identified and these buildings will be released for disposal. This is the position in Dartford/Gravesham/Barn End/Limes, Swale The Gateway, Ashford Birchwood, Shepway Route 25 and Cheriton Road and Dover Linwood. A summary of the property proposals is attached as Appendix 1.
- 6.2 In two of the new hubs Swale, and Dartford and Gravesham, capital works will be required to provide new accommodation. These include adaptations to the Challenger site to consolidate onto one site, costing £100k. In Dartford and Gravesend, a feasibility study is currently being undertaken to identify new provision and rationalise accommodation. The disposal of The Limes, Barn End and Rowhill School sites will cover the cost of these property requirements through an Invest to Save bid.

7. Outcome of the Consultation

- 7.1 In addition to receiving responses in writing, consultation meetings were held in each of the eight service hubs where PRUs and Alternative Curriculum providers are based.
- 7.2 There have been no objections to the establishment of eight new delivery hubs and no responses were opposed to the proposals. The response has been overwhelmingly supportive of the proposals.
- 7.3 The Education Cabinet Committee at its meeting on 21 June 2013, considered the outcomes of the consultation and endorsed the implementation of the proposals outlined.

8. Next steps

- 8.1 Following Cabinet agreement, a report outlining the proposals for each PRU/AC establishment affected by re-organisation will be sent to the DfE identifying an implementation date as well as changes to Management Committees. We are required to do this as a consequence of re-organising the PRUs so that some are amalgamated and some closed.

9. Recommendation(s)

Recommendation(s): Cabinet is asked to note the consultation responses and approve the changes following the review. Some of the changes are required by recent national policy changes but other outcomes of the review are the re-organisation of existing PRUs into eight new delivery hubs.

10. Background Documents

- 10.1 Education Cabinet Committee report – 21 June 2013
<https://democracy.kent.gov.uk/documents/s40856/Item%20D4%20Responses%20to%20the%20wider%20consultation%20following%20the%20review%20of%20Pupil%20Referral%20Units%20PRUs%20and%20.pdf>

- 10.2 The public consultation document is available via the following link:
<http://consultations.kent.gov.uk/consult.ti/PRUreview/consultationHome>

11. Contact details

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Alternative Provision Property Review – July 2013

Hub	Current Properties	Disposal/Capital Works/Capital Costs
Dartford & Gravesham	Centre Class, Swanley Rosemary Centre/Barn End, Wilmington The Limes, Dartford The Hive, Northfleet Northcourt Centre, Gravesend Miracles Youth Centre, Gravesend	Disposal Disposal list 15/16 Disposal list 15/16
West Kent Learning Federation	Old Fire Station, Tonbridge K College, Tonbridge Charles Street, Southborough	
Swale	Challenger Centre, Sittingbourne Gateway Centre, Queenborough	Refurbishment at Challenger Centre Exit lease
Canterbury	Riverside Futures Youth Centre, Canterbury Grosvenor House, Herne Bay	Potential release expected of Grosvenor House as excluded number of learners decline
Maidstone	The Cedars, Maidstone Infozone, Maidstone	
Ashford	Birchwood, PRU Ashford	Disposal (PEF2)
Shepway	106 Cheriton Road, Folkestone Route 25, Folkestone The Brook, Folkestone	Exit lease Exit lease Further Discussion required
Thanet/Dover	Westwood Centre, Broadstairs Northwood, Ramsgate Project 15, Ramsgate Linwood, Deal Dover Skills Centre Dover ARC, Dover Ashen Tree House, Dover Artwise Youth Centre, Dover	Disposal. Link to youth hub provision.

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From: **David Brazier, Cabinet Member – Transport and Environment**

Agenda Item 10

Mike Austerberry, Corporate Director – Enterprise and Environment

To: **Cabinet**

Subject: **Kent County Council’s submission to the Airports Commission on proposals for providing additional airport capacity in the longer term in line with ‘Bold Steps for Aviation’**

Classification: **Unrestricted**

Past Pathway of Paper: Cabinet Committee – Environment Highways and Waste, 19 June 2013 – provided comment and recommendations to the Cabinet Member for Transport and Environment

Future Pathway of Paper: Cabinet Member for Transport and Environment – submission to the Airports Commission by 19 July 2013

Electoral Division: Countywide

Summary:

Cabinet is asked to note the outline content of Kent County Council’s submission to the Airports Commission on proposals for providing additional airport capacity in the longer term. The content of the submission is in line with Kent County Council’s discussion document ‘Bold Steps for Aviation’ and includes proposals for expansion of some existing airports, better utilisation of regional airports, improved accessibility to airports by rail, and reform of Air Passenger Duty; as an alternative to a new hub airport in the Thames Estuary or off the Kent coast, which is strongly opposed; and in the interests of the national economy the need to act is now.

Recommendation(s):

That Cabinet notes the outline content of Kent County Council’s submission to the Airports Commission on proposals for providing additional airport capacity in the longer term as set out in Paragraph 5.2 of this report.

1. Introduction

- 1.1 This report sets out an overview of the content of Kent County Council’s submission to the Airports Commission on proposals for providing additional airport capacity in the longer term.
- 1.2 Kent County Council’s response to the Airports Commission must be submitted by 19 July 2013.
- 1.3 The complete submission document meets the technical requirements of the Airports Commission’s Guidance Documents and will be in line with the principles of Kent County Council’s discussion document ‘Bold Steps for Aviation’ (May 2012 with revisions July 2012).

1.4 Cabinet is asked to note the outline content of KCC's submission to the Airports Commission for providing additional airport capacity in the longer term as summarised in this report; which will be submitted by the Cabinet Member for Transport and Environment to the Airports Commission by 19 July 2013.

2. Financial Implications

2.1 N/A

3. Bold Steps for Kent and Policy Framework

3.1 The submission links with the 'Bold Steps for Kent' theme of helping the Kent economy to grow. 'Bold Steps for Transport' in 'Bold Steps for Kent: progress to date and next steps' (December 2012) states that we will explore options to deliver radical transport solutions for East Kent to support vital regeneration through robustly opposing the proposals for a new hub airport in the Thames Estuary by producing 'Bold Steps for Aviation'. This clearly sets out the position that maximising use of existing regional airport capacity, such as Manston (Kent's International) Airport and Lydd; along with some airport expansion and improved rail connections, will cater for the UK's growing demand for aviation.

4. Background and Previous Submissions to the Airports Commission

4.1 The Airports Commission chaired by Sir Howard Davies will report to Government on short and medium term options for how to make the best use of existing airport capacity in an interim report due in December 2013. The interim report will also shortlist feasible options for long term solutions, if a need for additional airport capacity has been identified. These long term solutions will then be investigated further in 2014, with a final report and recommendation due by the summer of 2015. All non-viable long term options will be discarded from further consideration by the interim report in December 2013. The purpose of this report is to inform Cabinet of Kent County Council's submission to the Airports Commission on potential long term options.

4.2 The Airports Commission has published two guidance documents for submitting proposals for additional airport capacity (see section 8 'Background Documents'). The sift criteria for long term capacity options were produced from responses invited up to 15 March 2013 and Kent County Council provided technical comments at officer level by the Director of Planning and Environment to help inform these criteria in line with 'Bold Steps for Aviation'. Submissions to the Airports Commission must follow the technical criteria outlined in these guidance documents.

4.3 The Airports Commission also released a series of discussion papers and invited comments from stakeholders and interested parties to establish whether there is a need for additional airport capacity; and the nature, scale and timing of that need. These include 'Aviation Demand Forecasting' (February 2013); 'Aviation Connectivity and the Economy' (March 2013); 'Aviation and Climate Change' (April 2013); and 'Airport Operational Models' (May 2013). Kent County Council through the Director of Planning and Environment has responded to each of these discussion papers with technical input in line with 'Bold Steps for Aviation'.

4.4 At the same time, the Airports Commission invited proposals for making the best use of existing airport capacity in the short and medium terms (next

five to ten years) by 17 May 2013. Kent County Council responded through the Director of Planning and Environment with approval from the Cabinet Member for Transport and Environment, with a submission that was in line with 'Bold Steps for Aviation'. It included recommending to the Airports Commission the following measures:

- correcting the UK's competitive disadvantage in regards to Air Passenger Duty (APD);
- allowing mixed mode operations at Heathrow Airport;
- reforming the existing slot allocation mechanism used at Heathrow;
- maximising runway capacity at Gatwick Airport;
- utilising existing spare capacity at Stansted and Luton airports;
- utilising spare capacity available at airports outside the South East, i.e. Birmingham Airport;
- facilitating growth at regional airports, including Southend, and Manston and Lydd airports in Kent;
- improving accessibility by rail to airports where there is spare capacity to accommodate air passenger growth;
- and conducting a full assessment of other financial and regulatory mechanisms to re-distribute air traffic to airports with spare capacity, including differential APD at un-congested airports.

4.5 In this previous submission to the Airports Commission on how to make the best use of existing airport capacity in the short and medium term (as summarised in Paragraph 4.4 above), it was outlined how there is significant spare capacity at the London airports of Stansted and Luton; and significant potential for growth at the South East's regional airports at Southend, Manston and Lydd in Kent. There is also the potential for Birmingham airport to serve the London and South East market, especially with High Speed 2 rail (HS2) from 2026. We estimated that there is spare capacity for around 60 million passengers per annum (mppa) within the existing airport system in the short term; and the potential to increase this to its theoretical maximum of 112mppa in the medium term, without any additional runways.

5. Current Airports Commission Call for Proposals for Additional Airport Capacity in the Longer Term

5.1 The Airports Commission is currently inviting proposals for providing **additional airport capacity** in the longer term by 19 July 2013. Submissions need to follow the technical requirements specified in the two Airports Commission Guidance Documents and are expected to be approximately 40 pages in length.

5.2 In order to oppose the likely proposals for a new hub airport for up to 150 million passengers per annum in the Thames Estuary or off the Kent coast, Kent County Council will submit a proposal in line with 'Bold Steps for Aviation' for an alternative solution to a new hub airport, which includes the following:

- A second runway at Gatwick to be delivered soon after the 2019 planning agreement ends. Gatwick is approaching its capacity limit for a single runway airport (it is the busiest single runway airport in the world) and additional runway and terminal facilities in the mid 2020s will allow the airport to grow and compete as a hub airport with Heathrow; therefore providing increased long haul connectivity for the UK.

- A second runway at Stansted to be delivered when the need arises, most likely in the 2030s when all London airports (with their current capacity) are forecast to be full.
- Encouragement of competition between the London airports of Heathrow, Gatwick and Stansted, each with two runways, so that a dispersed hub model with a total of six runways spread across the London multi-airport system provides resilience, improved choice, better value and convenience for passengers.
- Consideration of a second runway at Birmingham Airport if the need arises, as a way of relieving demand on the London airports, which may become significant with the airport accessible from London within 38 minutes when HS2 opens in 2026.
- Better utilisation of regional airport capacity in the South East at Southend, Manston and Lydd airports in Kent, for point to point flights, complementing the main London airports that provide hub operations.
- Improved rail connectivity to airports to create an integrated air-rail transport system for London and the South East that facilitates sustainable surface access to the growing airports; and provides the potential for better integration of the London/South East multi-airport system.
- UK airports able to compete with European airports for global aviation with internationally agreed carbon emission limits that apply equally to all countries, therefore not disadvantaging the UK.
- Long term commitment to keep UK airports competitive with European airports in terms of Air Passenger Duty (APD) which currently has a negative impact on the UK's global connectivity and is therefore damaging UK business and tourism; especially to long haul and emerging economies as the UK loses out to its European competitors.

5.3 In the longer term, with the additional runways outlined in KCC's submission, as summarised in Paragraph 5.2 above, we estimate that an additional 210mppa could be accommodated by the existing London airports and this could be increased to 280mppa if Birmingham Airport serves the London/South East market with high speed rail connection. With better utilisation of regional airports in the South East and the applicable short and medium term measures to increase capacity at existing airports (as stated in KCC's previous submission on short and medium term measure, as outlined in paragraphs 4.4 and 4.5); system wide capacity is 318.5 million passengers per annum.

5.4 This additional capacity meets the UK's aviation needs without a new hub airport and can be delivered in a much shorter timescale, for example a second runway at Gatwick could be fully operational by 2025. There is a need to act now to solve the London/South East airport capacity crisis and maintain the UK's status as a global aviation hub.

5.5 The Council's submission presents a high level overview looking at the merits of a strategic approach to airport capacity. It is anticipated that individual airport operators will comprehensively assess all the factors outlined in the Airports Commission's Guidance Documents for any proposed capacity increases at their individual airport sites.

5.6 The Environment, Highways and Waste Cabinet Committee was asked to consider and make recommendations to the Cabinet Member for Transport and Environment on the proposed content of the submission at Cabinet Committee on 19 June 2013. These recommendations were taken into account in shaping the response. Cabinet is now asked to note the outline content of the submission that will be made to the Airports Commission by the

Cabinet Member for Transport and Environment. The submission will be shared with Medway Council, therefore it is anticipated that Medway Council's support will be stated in KCC's response.

- 5.7 Following this submission to the Airports Commission, a revised and updated 'Bold Steps for Aviation' discussion document will be produced summarising Kent County Council's position in the aviation debate. This will be brought to Cabinet Committee and Cabinet at a later date.

6. Conclusions

- 6.1 Cabinet is asked to note the outline content of Kent County Council's submission to the Airports Commission on proposals for providing additional airport capacity in the longer term. The content of the submission is in line with Kent County Council's discussion document 'Bold Steps for Aviation' and includes proposals for expansion of some existing airports, better utilisation of regional airports, improved accessibility to airports by rail, and reform of Air Passenger Duty; as an alternative to a new hub airport in the Thames Estuary or off the Kent coast, which is strongly opposed; and in the interests of the national economy the need to act is now. Specific proposals are outlined in paragraph 5.2 above.

7. Recommendation(s)

Recommendation(s):

That Cabinet notes the outline content of Kent County Council's submission to the Airports Commission on proposals for providing additional airport capacity in the longer term as set out in Paragraph 5.2 of this report.

8. Background Documents

Bold Steps for Aviation, Discussion Document, Kent County Council, May 2012 with revisions July 2012

<https://shareweb.kent.gov.uk/Documents/News/Bold%20Steps%20for%20Aviation%20May%202012.pdf>

Guidance Document 01: Submitting evidence and proposals to the Airports Commission, Airports Commission, February 2013

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/70285/submitting-evidence-airports-commission.pdf

Guidance Document 02: Long Term Capacity Options: Sift Criteria, Airports Commission, May 2013

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/193867/sift-criteria.pdf

9. Contact details

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