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AGENDA

CABINET

Monday, 7th July, 2014, at 10.00 am	Ask for:	**Louise Whitaker**
Darent Room, Sessions House, County Hall, Maidstone	Telephone:	**(01622) 694433**

Cabinet Membership:
Mr P Carter, CBE, Leader (Chairman), Mr J Simmonds, MBE, Deputy Leader, Mr D Brazier, Mr G Cooke, Mr M Dance, Mr G Gibbens, Mr R Gough, Mr P M Hill OBE, Mr P Oakford and Mr B J Sweetland

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

Webcasting Notice

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

1. Introduction/Webcasting

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

   To receive declarations of interest from Members relating to any matter on the agenda. Members are reminded to specify the agenda item to which the interest is related and the nature of the interest being declared.

3. Minutes of the Meeting held on 2 June 2014 (Pages 3 - 8)

   To consider and approve the minutes of the previous meeting.

4. Christmas and New Year Flooding 2013-14 - Update (Pages 9 - 34)

   To receive a report of the Cabinet Member for Community Services providing a review of the Christmas / New Year 2013-14 storms & flooding (and previous severe weather events) and making recommendations for how the County Council, in collaboration with its partners, can be better prepared to manage such future events and flood risk.

5. Social Care Act 2014 (Pages 35 - 40)

   To receive a report of the Cabinet Member for Adult Social Care and Public Health reporting the content and potential implications of The Care Act 2014 which received Royal Assent on 14 May 2014 and will establish a new legal framework for adult care and support services.

6. 2013-14 Budget Outturn (Pages 41 - 138)

   To receive a report of the Deputy Leader & Cabinet Member for Finance and Procurement providing for consideration, the provisional revenue and capital outturn position for 2013-14

7. 2014/15 Budget - First Exception Report (Pages 139 - 146)

   To receive a report of the Deputy Leader and Cabinet Member for Finance and Procurement containing the first budget monitoring information for 2014-15 and reflecting the position for each of the Directorates based on the major issues arising from the 2013-14 outturn.

8. Elective Home Education (Pages 147 - 162)

   To receive a report of the Cabinet Member for Education and Health Reform setting out the background and rationale for the revised Elective Home Education (EHE) policy.

Peter Sass
Head of Democratic Services
Friday, 27 June 2014

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, 2 June 2014.

PRESENT: Mr P B Carter, CBE (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, MBE, Mr B J Sweetland and Mr P J Oakford

UNRESTRICTED ITEMS

60. Apologies
(Item 2)
No apologies were received but Cabinet noted that Mrs Whittle had stepped down from the role of Cabinet Member for Specialist Children's Services and was replaced by Mr Oakford. The Leader welcomed Mr Oakford to his first meeting of Cabinet.

61. Declarations of Interest
(Item 3)
No declarations were received.

62. Minutes of the Meeting held on 28 April 2014
(Item 4)
The minutes of the meeting held on 28 April 2014 were agreed and signed by the Chairman as a true record.

63. Treasury Strategy Update
(*Item 5 – Report of the Deputy Leader and Cabinet Member for Finance and Procurement, Mr Simmonds and the Corporate Director for Finance, Andy Wood)*

1. Cabinet received a report seeking agreement to revisions to the Council's Treasury Strategy. The Deputy Leader, Mr Simmonds, introduced the report.

2. He confirmed that the County Council had approved the Treasury Management Strategy in February 2014 but, owing to the changing nature of the economic climate, amendments were now desirable which Cabinet were authorised to make. The suggested changes had been considered by the ad-hoc all-party group on Treasury Management and were in line with the relevant code of practice for such matters.

3. Cabinet heard that the changes were necessary as a result of developments since February, these were:
    i. The changed attitude of Governments to 'bailing out' banks that had experienced financial difficulty had increased the level of risk borne by investors.
    ii. The requirement of the Strategy that no one bank be invested in beyond £40 million was increasingly difficult to manage owing to the limited number of appropriate banks that had been further reduced by the down

rating of RBS and NatWest to a level that was not acceptable to KCC. In addition, deposit rates remained poor at those banks with which KCC could invest.

4. Finally, Mr Simmonds reported that where success had been achieved in new asset classes such as ‘covered bonds’ returns were restricted by the initial limitations on investment set out in February.

5. Head of Financial Services, Nick Vickers, spoke to the item. He reported that the Council currently had approximately £450million on deposit at any one time. Therefore just 0.1% additional return would equate to £450,000 over the period of one year. In order to benefit from improved rates Cabinet would need to consider various options for investment:

   i. The Debt Management Office currently returned 0.25% on investment but a switch to, for example, Lloyds Bank would secure 0.7%
   ii. That the recent investment in the CCLA Property Group had reported a return of 4.66% in first quarter of the year and by incrementally increasing such investment alongside other better returning investment such as Corporate Bonds the Council would secure better rates of return without unacceptably increased risk.

6. Following questions raised and comments made Mr Vickers confirmed that the revisions to the strategy put forward for consideration were intended to increase returns modestly in order that the investment remained safe.

7. He also reported that the Treasury Management Strategy being considered did not apply to the Superannuation Fund. The Fund had separate funds and a separate Treasury management Strategy agreed by the Superannuation Fund Committee.

8. Mr Simmonds added to the discussion that had taken place by reminding members that currently £42-43million of the £50million affected by the Icelandic Bank crisis had now been recovered.

It Was RESOLVED:

Cabinet **Treasury Strategy Update** **2 June 2014**	
1.	That the limit for investment in Svenska Handelsbanken be increased to £40m
2.	That the allocation to Covered Bonds be increased to £100m in aggregate, with a £20m limit by institution.
3.	That the maximum investment in the CCLA LAMIT Property Fund be increased to £10m.
4.	That investment to Corporate Bonds be introduced, with a maximum individual limit of £5m.
5	That investment to Bond Funds be introduced with a maximum investment in any one fund of £5m within the investment portfolio aggregate limit of £75m
REASON	

1- 5	In order that the Treasury Management Strategy reflects the changing financial markets and most effectively increases return whilst managing risk.
ALTERNATIVE OPTIONS CONSIDERED	None
CONFLICTS OF INTEREST	None
DISPENSATIONS GRANTED	None

64. Select Committee - Kent's Relationship with the EU - Executive Response
(*Item 6 – Report of the Cabinet Member for Economic Development, Mark Dance and Director of Economic Development, Barbara Cooper)*

1. Cabinet received a report containing the Executive Action Plan (Annex 1) summarising the key actions proposed to progress the recommendations of the EU Select Committee on Kent's European Relationship.

2. Mr Dance, Cabinet Member for Economic Development introduced the report and in particular referred to the following:

    i. That it was welcomed that recommendations of the Committee were coterminous with work currently being undertaken in the Directorate.
    ii. That work continued with partners in Nord-Pas de Calais and a Memorandum of Understanding had now been signed between KCC and West Flanders, both reflected the fact that similar issues were being addressed on the Continent and in Kent.
    iii. In relation to the Harledot Centre, mentioned within the Select Committee's recommendations; an options paper was being produced and would be ready in the next month.
    iv. The Council was at the early stages of a six year EU funding bidding process and following defined guidance to be issued would be well place to make bids that would hopefully secure relevant monies that would benefit the residents of Kent.

3. Ron Moys, Head of International Affairs at KCC, spoke to the item. He added to the comments received from Mr Dance in relation to the bidding process of which Hardelot was part. He confirmed that for most of the programmes for which KCC would be eligible to bid, approval by the EU Commission was not expected until the end 2014 at the earliest and that a call for projects was therefore expected at the beginning of 2015. At that point more detailed specifications of what KCC might bid for would be issued. In the meantime work would continue to develop projects in order that the Council was well placed to bid when any such request was made. Currently there were approximately 40 projects in various stages of development.

4. Following a question from the Leader, Mr Moys described the two processes by which bids would be made. One would proceed via the SELEP route and this would be administered by the Government heavily influenced by the prioritisation of projects by the LEP and KMEP. The second process for

projects that sat within the EU programme, such as INTEREG, would be decided by a Steering Committee made up of Member States, Local and Regional Authorities and others. KCC was represented on the decision making bodies. In response the Leader asked Mr Moys to ensure that the Federated Model was correctly applied to the LEP prioritisation process and remained the filter for the projects of Kent and Medway up to the LEP.

It was RESOLVED

Cabinet Select Committee – Kent's Relationship with the EU – Executive Response 2 June 2014	
1.	That the actions as set out in the implementation plan be agreed
REASON	
1.	In order that the recommendations of the Select Committee are acknowledged and progressed where appropriate.
ALTERNATIVE OPTIONS CONSIDERED	None
CONFLICTS OF INTEREST	None
DISPENSATIONS GRANTED	None

65. Revenue and Capital Budget Monitoring - Provisional 2013-14 Outturn
(Item 7 – Report of the Cabinet Member for Finance & Procurement, Mr John Simmonds, and the Corporate Director of Finance & Procurement, Andy Wood)

1. Cabinet received a report detailing the provisional outturn for 2013 – 14 provided from the accounting system and expected to be very close to the final outturn. Any amendments would be as a result of internal management reviews and external audit findings and finalisation of the Asylum position. The final outturn report would be presented to Cabinet on 7 July.

2. The Deputy Leader and Cabinet Member for Finance and Procurement introduced the report to Cabinet. He referred to the following in relation to the revenue budget:
   i. That the underspend was likely to be £4.3m after rephasing and management action. He proposed that this money would be allocated to the uncommitted reserves.
   ii. That delivery of £175m savings in the previous two years followed by a further 75 million in the last year despite the unexpected costs of issues such as flooding and pothole damage represented a great effort by Portfolio holders and officers.

   In relation to the Capital Budget:
   i. That the working budget was reported at £256million with an expected actual spend of £203m owing to rephasing of projects.

Any Wood confirmed that the full draft accounts would be submitted to the external auditors at the end of the week and the audit would be completed before the accounts were approved by the Governance & Audit Committee at the end of July. As reported, Cabinet would receive a final outturn report for consideration on 7 July 2014.

Mr Carter praised the efforts of officers and Members on the significant underspend reported.

It was RESOLVED that the provisional outturn be NOTED and the staff at KCC be thanked for the hard work involved in its delivery.

66. Quarterly Performance Report - Quarter 4

(Item 8 – Report of the Leader & Cabinet Member for Business Strategy, Audit & Transformation, Mr Paul Carter CBE and Corporate Director Business Strategy and Support, David Cockburn)

1. Cabinet received a report detailing the key areas of performance for the authority.

2. Richard Fitzgerald, Performance Manager, was in attendance and spoke to the item. He reported the following for articular consideration:
   i. That the report referred to Quarter 4 of the 2013-14 council year and also included a Strategic Risk Register update
   ii. That 19 indicators were currently registered as 'Green' and overall there had been a net positive direction of travel
   iii. That significant movement had occurred in the 'Health Check' indicator, which had been inherited from the NHS in April 2013 and had shown 'Red' all year until this quarter when it had improved significantly to 'Amber'.
   iv. The Customer Services indicator had slipped from 'green' to 'amber' largely owing to the significant pressures caused by flooding and pothole reporting creating extremely high demand.
   v. That Specialist Children's Services had shown significant improvement in all areas and was now reporting at mostly 'green' indicators.

3. Overall the report showed a net overall positive performance with a positive direction of travel.

4. Andrew Scott-Clarke, interim Director of Public Health explained further the positive improvement in the 'Health Check' criteria. He explained that the Council now met 100% of the invite target, equating to approximatley100,000 invites, and that this had been reflected in the take up rate. He hoped that the positive direction of travel would be maintained and that the indicator would report as 'green' soon.

5. Cabinet Member for Economic Development Mr Mark Dance reported that work continued to improve job opportunities for young people in Kent. He referred to the work undertaken under the regional growth fund and how this had provided valuable insight into how companies within Kent could succeed and grow. The Leader acknowledged that work and reported that employment rates in Kent had increased faster than the national average but that work would continue to

address disparities between different areas of the county.

It was RESOLVED that the report be NOTED.

From:	**Michael Hill, Cabinet Member, Community Services**
To:	**Cabinet – 7th July 2014**
Decision No:	**N/A**
Subject:	**Christmas / New Year 2013-14 Storms & Floods – Final Report**
Classification:	**Unrestricted**
Past Pathway of Paper:	
Future Pathway of Paper:	**Growth, Economic Development & Communities Cabinet Committee – 8th July 2014** **Environment & Transport Cabinet Committee – 22 July 2014**
Electoral Division:	**N/A**

Summary: This report provides Cabinet with a full review of lessons learned from the Christmas / New Year 2013-14 storms & flooding (and previous severe weather events) and makes recommendations for how the County Council, in collaboration with its partners, can be better prepared to manage such future events and flood risk.

Recommendations: Cabinet is asked to a) note and endorse the recommendations outlined in the Action Plan in **Annex 1**; and b) once approved, receive further options papers / progress reports on delivery against the Action Plan.

1. Introduction

1.1 Members will be aware that the extreme severe weather experienced over Christmas and New Year was unprecedented and presented an exceptionally challenging time for all concerned.

1.2 Indeed, in the Government's 'Flood Support Schemes Guide' sent to Local Authority Chief Executives in flood affected areas by Sir Bob Kerslake, Permanent Secretary, Department for Communities & Local Government (DCLG) and Head of the Civil Service stated:

'On 5th and 6th December 2013, the worst tidal surges in 60 years struck the east coast of England, leaving a trail of destruction and flooded properties. In addition to the December tidal surges, the country has experienced the wettest winter in over 250 years. This has resulted in many areas of the country remaining on high alert for extended periods as the emergency services, supported by local authorities, statutory agencies and local residents have battled to protect communities'.

1.3 Notwithstanding that the initial severe storms and rainfall occurred during the Christmas Bank Holiday with many staff on leave and out of county, KCC deployed all its available staff throughout this period to support those communities across the County that were affected, not only by flooding, but by storm damage and power outages.

1.4 Kent was one of the most severely affected areas in the country with some 28,500 properties without power on Christmas Eve and 929 homes and business flooded over the following 8 week period. See **supporting Appendix 1 sections A1 and A2** for a detailed breakdown of properties flooded and other key facts and statistics.

1.5 It is recognised that these unprecedented severe weather events strained not only KCC resources but all other emergency and public services and priority decisions had to be made in order to ensure support to those communities, residents and businesses affected by these events.

1.6 This report provides:

- A summary of the storms & floods that affected Kent between December 2013 and February 2014 & the actions taken by KCC & its multi-agency partners in response;
- Good practice and lessons learned to inform how KCC and its partners can better respond to such emergencies in the future;
- A review of options for managing flood risk in the long-term; and
- Draft Action Plan for taking forward proposed recommendations – see **Annex 1**.

1.7 Whilst this report will focus on the events from 23rd December 2013 onwards, to provide further background and context, reference is also made to the preceding severe weather events on 28th October (St Jude storm) and 5th & 6th December (east coast tidal surge).

1.8 Contributions from the following have been used to inform the content of this report:

- Internal KCC and multi-agency debriefs;
- Key internal departments & partner agencies e.g. KCC Flood Risk Management, Environment Agency (EA) and Kent Police;
- Individual responses from residents, businesses and elected representatives; and
- Public consultation meetings and 'flood fairs' in affected communities[1].

1.9 Details of key meetings & event dates are provided in **Appendix 1 section A3**.

2. Managing Emergencies

2.1 The Civil Contingencies Act 2004 establishes a clear set of roles & responsibilities for those involved in emergency preparedness & response at the local level. The Act divides local responders into 2 categories, imposing a different set of duties on each.

2.2 'Category 1 Responders' are organisations at the core of the response to most emergencies (e.g. the emergency services, local authorities, NHS bodies and the EA) and have statutory responsibilities for the ensuring plans are in place to deal with a range of emergency situations, including flooding. 'Category 2 Responders' (e.g. the Health & Safety Executive, transport and utility companies) are 'co-operating bodies'. They are less likely to be involved in the heart of planning work, but are heavily involved in incidents that affect their own sector. Category 2 Responders have a lesser set of duties - co-operating and sharing relevant information with other Category 1 & 2 Responders.

2.3 Category 1 & 2 Responders come together to form 'Local Resilience Forums' (based on police force areas) which helps co-ordination and co-operation between responders at the local level. In Kent, this is known as the Kent Resilience Forum (KRF), which is chaired by Kent Police who adopt the lead organisation role in most emergency situations.

3. Management of the Emergency

3.1 Kent Police undertook the role of lead organisation in the 'emergency response' phases, with each declared emergency given an operational name - see **Appendix 1 section A4** for details.

3.2 During the 'emergency response' phases, a multi-agency 'Gold' Strategic Co-ordinating Group (SCG) and 'Silver' Tactical Co-ordinating Group (TCG) were hosted and chaired by Kent Police at Kent Police Headquarters and Medway Police Station respectively.

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[1] Public meetings with residents / businesses were co-ordinated by the EA via the Parish / Town Councils & the Tonbridge Forum, with attendance from elected members and officers from KCC, District / Borough Councils, Kent Police and Southern Water. Flood fairs are a joint initiative between District / Borough Councils, EA, KCC, Parish / Town Councils & the National Flood Forum - a charity that raises awareness of flood risk & helps communities to protect themselves & recover from flooding.

3.3 Multi-agency 'Bronze' Operational teams were deployed across the County in specific affected communities (e.g. Yalding, Bridge and the Brishing Dam) and undertook work such as door-knocking, evacuations, sandbagging and public reassurance.

3.4 Led by the Kent Police Gold Commander, the SCG agreed upon a Gold Strategy to guide the response, with the central aim of:

'Saving and protecting life and property risks to people in Kent and Medway by coordinating multi-agency activity to maintain the safety and security of the public'.

3.5 The core roles undertaken by KCC were as follows:

- Supporting and, at times, leading multi-agency co-ordination;
- Responding to the effects on the highway network throughout the period dealing with fallen trees, damaged roads, surface water flooding, blocked gullies and more;
- On-scene liaison with partners and affected communities;
- Working with District / Borough Councils to provide temporary accommodation to those who were flooded, with transport arranged to take people from flooded areas to safety;
- Provision of welfare support to those evacuated or in their own homes[2];
- Co-ordinating support from the voluntary sector[3]; and
- Logistics management of countywide resources such as sandbags.

4. Recovery Management

4.1 As of 18th February, KCC has been the lead organisation in managing the long-term recovery process and has developed a Gold Recovery Strategy with the central aim of:

'Ensuring partnership working to support the affected individuals, communities and organisations to recover from the floods and return to a state of normality'.

4.2 To manage the recovery, five task-focused teams have been established with representatives from all appropriate authorities and organisations involved

- Health, Welfare & Communities: KCC Public Health led;
- Environment & Infrastructure: EA led;
- Business & Economy: KCC Business Engagement & Economic Development led;
- Finance, Insurance & Legal: KCC Finance led; and
- Media & Communications: KCC Communications led.

4.3 Central Government are taking a keen interest in progress and key issues, with regular reporting to DCLG and the office of Greg Clark MP, the Flood Recovery Minister for Kent.

5. Lessons Learned

5.1 The following are the main points raised during the relevant debriefs, meetings & individual responses received, which have been used to inform a set of recommendations which are summarised in the Draft Action Plan in **Annex 1**.

5.2 For reference, the draft lessons learned from the KRF multi-agency debrief held on 21st March 2014 can be found at **Appendix 1 section A5**.

[2] This included vulnerable person checks and provision of food, clothing and other practical support, such as arranging electrical contractors to ensure safety within people's flooded homes and hiring dehumidifiers to support the clear up.

[3] This included undertaking community liaison roles and provision of equipment, practical support (such as first aid, transportation, or provisions for responders) and psycho-social support.

Pre-Planning & Resilience

Identified Successes

5.3 Overall, KCC and it's KRF partners, with joint planning for responding to and management of emergencies, were able to deliver support and assistance to the many communities, individuals and businesses in Kent affected by the severe weather events.

5.4 Staff, systems & procedures coped well when one considers the unprecedented scale, complexity and protracted nature of the events that took place

5.5 There were numerous examples of the commitment & resourcefulness of staff, partners, volunteers and communities to help others in need and to provide practical solutions to real problems for those affected.

Areas for Improvement

5.6 In the early stages of the response, staffing levels were affected by the timing of the emergencies, which occurred over the Christmas Bank Holiday period. Coupled with the sustained and complex nature of the emergency, on occasions considerable demands were placed upon a small number of individuals & teams undertaking crucial emergency response roles. Increased resilience should be established across KCC to be better prepared in the future.

5.7 Although there is no legal obligation on any organisation to provide sandbags and other practical support (e.g. pumps, dehumidifiers), public expectation was, understandably, to the contrary. This was exacerbated throughout the response by a general lack of awareness, mis-communications & inconsistency of approaches adopted.

5.8 Linked to this last point, it has been observed and reported of a general lack of flood awareness and individual / community resilience. For example, in some parts of Kent, 40-50% of the homes and businesses at risk of flooding in Kent are not signed-up to the EA's Floodline Warnings Direct (FWD) Service and so are unlikely to receive any prior warning of flooding – see **Appendix 1 section A6** for more details.

Recommendations

REC1: Undertake a fundamental review & update of key KCC and partnership plans to ensure they are fit-for-purpose for even the most complex and protracted of incidents.

REC2: Provide Cabinet with an options paper for enhancing KCC's resilience, including training a cadre of 'emergency reservists'. Once approved, implement a programme to train, equip & support relevant personnel in readiness for Winter 2014.

REC3: Develop a consistent countywide policy & plans for maintaining & providing sandbags and other practical support to individuals & communities at risk of flooding.

REC4: Implement a strategy to encourage greater flood awareness & individual / community resilience, including improving sign-up for the EA's Floodline Warnings Direct (FWD) Service and training local volunteers as Flood Wardens.

Command, Control, Co-ordination & Communications

Identified Successes

5.9 Actions by KCC and our partners undoubtedly saved and protected life, livestock and properties.

5.10 As the emergency progressed, joint plans, procedures and working arrangements matured, informed by the experiences of previous events.

5.11 When established, multi-agency co-ordination was effective, particularly when this was co-located. Specifically, Bronze / Operational teams deployed on the ground provided an effective and invaluable link into affected communities, particularly when communication and transport links were disrupted

5.12 Throughout the sequence of events, the voluntary sector provided extremely valuable support, demonstrating a high level of professionalism, dedication and capability.

Areas for Improvement

5.13 Feedback from debriefs, public consultations & flood fairs suggest that the EA's flood warnings were not always received or there was difficulty in receiving warnings, particularly as power supplies were disrupted. Additionally, many residents received conflicting warnings, were unsure of the level of risk & therefore the relevant actions they should take.

5.14 KCC and its partners responded to emergency calls throughout Christmas Eve, Christmas Day & Boxing Day. However, pressure on staffing levels due to the Bank Holiday & sheer volume / complexity of incidents that were being reported led to delays in establishing co-ordinated multi-agency support structures in key affected communities (e.g. Tonbridge, Hildenborough, East Peckham, Yalding & Maidstone) until the following weekend which, understandably, has angered many residents & businesses.

5.15 Additionally, partner agencies, residents & businesses alike all suffered from a lack of / poor quality engagement & support from the utilities companies, particularly the power, water & sewerage providers.

5.16 Information management was a continual challenge – difficulties in obtaining critical information when it was need and, vice versa, information overload at times of intense pressure.

Recommendations

<u>REC5:</u> Undertake a fundamental review & update of the EA's Floodline Warnings Direct (FWD) Service for communities with high / complex flood risk.

<u>REC6:</u> Develop enhanced arrangements for warning & informing the public in flooding / severe weather scenarios, including contingency arrangements in the event of power outages and greater usage of social media.

<u>REC7:</u> Develop multi-agency arrangements to provide critical 'on scene' liaison & support to affected communities e.g. via multi-agency 'Bronze' / Operational teams.

<u>REC8:</u> Work with DCLG and the Flood Recovery Minister for Kent to bring pressure to bear on utilities companies to improve their arrangements for engaging with & supporting partners & customers.

<u>REC9:</u> Streamline & enhance existing multi-agency information management protocols & systems for sharing critical data in the planning for & management of emergencies.

<u>Escalation, De-Escalation & Recovery</u>

Identified Successes

5.17 Central Government colleagues have commended KCC and our partners for our approach in a number of key areas, and are promoting these as good practice e.g. early identification & monitoring of warnings / developing situations and a flexible / proportionate approach; and recovery management arrangements developed during Operation Sunrise 4.

Areas for Improvement

5.18 Some partners felt that, at times, there were delays in 'standing up' the co-located multi-agency emergency response co-ordination arrangements and, conversely, that these were occasionally stood-down too soon, declaring the 'emergency' over and handing-over to the 'recovery' phase.

5.19 Delays in involvement / support from Central Government caused difficulties for partners and the public over Christmas / New Year period. Conversely, once Central Government command & control was put in place, requests for detailed information at very short notice placed an additional burden on local responders.

5.20 The financial support schemes brought in by Central Government have also been difficult to interpret and implement at the local level, and do not adequately reflect the significant burdens placed on County Councils e.g. most schemes are focussed towards the Districts / Borough Councils, with significant cost incurred by KCC currently unlikely to qualify for central support.

Recommendations

<u>REC10:</u> Formalise the recovery management structures developed during Operation Sunrise 4 and adopt these as good practice.

<u>REC11:</u> Develop protocols to support emergency responders in deciding when to escalate / de-escalate to / from the 'emergency response' & 'recovery' phases.

<u>REC12:</u> Influence Central Government to secure additional financial support in recognition of the severe burden that these incidents have placed on KCC.

6. Flood Risk Management

6.1 As well as lessons learned to improve how KCC prepares for and manages flooding emergencies in the future, consideration must also be given to roles of each organisation and the broader flood risk management options available for preventing or reducing the likelihood and / or impacts of flooding occurring.

<u>Roles & Responsibilities</u>

6.2 <u>EA</u>: Responsible for taking a strategic overview of the management of all sources of flooding and coastal erosion. This includes, for example, setting the direction for managing the risks through strategic plans; working collaboratively to support the development of risk management and providing a framework to support local delivery including the administration of Flood Defence Grant in Aid (FDGiA). The Agency also has operational responsibility for managing the risk of flooding from main rivers, reservoirs, estuaries and the sea, as well as being a coastal erosion risk management authority.

6.3 <u>KCC</u>: Lead Local Flood Authority (LLFA) for Kent as defined by the Flood and Water Management Act (2010) and has a role to provide strategic overview of local flooding, which is defined as flooding from surface water, groundwater and ordinary watercourses (watercourses that are not main rivers). As part of its role as LLFA KCC has prepared and adopted the Kent Local Flood Risk Management Strategy, which sets out the objectives for managing local flood risks in Kent. All risk management authorities must act consistently with the local strategy.

6.4 <u>District / Borough Councils</u>: Key partners in planning local flood risk management and can carry out flood risk management works on minor watercourses, working with LLFA and others, including through taking decisions on development in their area which ensure that risks are effectively managed. Districts / Boroughs and Unitary Authorities in coastal areas also act as coastal erosion risk management authorities.

6.5 Internal Drainage Boards: Independent public bodies responsible for water level management in low lying areas, also play an important role in the areas they cover (approximately 10% of England at present), working in partnership with other authorities to actively manage and reduce the risk of flooding.

6.6 Water and Sewerage Companies: Responsible for managing the risks of flooding from water and foul or combined sewer systems, providing drainage from buildings and yards.

Effectiveness of River & Flood Management Assets

6.7 Partners, residents & businesses alike have raised a number of queries & concerns regarding the effectiveness of river & flood management systems / assets operated by the EA and Southern Water, including:

- EA: dredging of rivers and the operation of the Leigh Barrier and sluice gates at Yalding & Allington; and
- Southern Water: lack / effectiveness of non-return valves in preventing sewage flooding, particularly in the Tonbridge area.

Recommendations

REC13: EA / Southern Water to respond to queries / concerns regarding the perceived lack / effectiveness of their management of rivers & flood management systems / assets.

Potential Flood Defence Schemes – information supplied by the EA

6.8 Approximately 65,000 homes and businesses are at risk of fluvial or coastal flooding in Kent, of which 38,000 currently benefit from flood defences with 27,000 not benefitting from defences. The EA has identified a further £194m of investment which would protect an additional 17,000 properties, between now and 2021. It has also identified further schemes identified for 2021 and beyond through its pipeline development programme.

6.9 The EA has worked successfully in the past with KCC and the private sector to implement flood risk management schemes such as the Sandwich Town Tidal Defence Scheme. It has also attracted additional partnership funding from a range of contributors including private businesses, developers and other government departments. There is a need to continue to work together to secure funding for priority schemes.

6.10 The recent flooding across the County has reinforced the need to accelerate this investment to reduce the risk of flooding. The EA in Kent & South London has secured £27.4m FDGiA for 2014-15. This will allow the EA to progress schemes including:

- Broomhill Sands Sea Defences
- Sandwich Town Tidal Defences
- Leigh Barrier Mechanical / Electrical Improvements
- Study into Yalding Storage on the Beult
- Denge shingle re-nourishment
- East Peckham (Medway) Flood Alleviation Scheme (FAS)
- Aylesford Property-Level Protection Scheme (£50k contribution from KCC)
- Repairing assets damaged in the recent coastal surge and fluvial floods

Flood Defence Grant in Aid (FDGiA)

6.11 In order to protect areas at Kent at risk of flooding investment is required in flood defences. The government will contribute to flood defences through FDGiA. However, current rules mean that schemes are rarely fully funded through this grant. Additional contributions or partnership funding is required to make up the shortfall. Without partnership funding flood defence schemes cannot be delivered.

6.12 The Government's partnership funding mechanism means that each scheme must have a minimum cost benefit of 8 – 1 and a partnership funding score of more than 100% in order to achieve Government allocated FDGiA. The EA has identified priority locations for accelerating flood defence projects based on people at risk and economic development including Yalding and Tonbridge that do not currently meet FDGiA criteria.

6.13 Areas that require investment to deliver flood defences in Kent include:

- The Leigh Flood Storage Area (FSA) and Lower Beult;
- East Peckham;
- Five Oak Green;
- South Ashford;
- Dover;
- Whitstable & Herne Bay;
- Folkestone; and
- Canterbury.

6.14 See **Appendix 1 section A7.4** for a detailed financial breakdown of each scheme.

Recommendations

REC14: Explore all possible opportunities with partners and beneficiaries to contribute to the priority flood defence schemes required in Kent, including influencing the EA, Defra & HM Treasury to secure funding to deliver the schemes that do not currently receive sufficient FDGiA funding even with substantial partnership contributions.

Other Flood Risk Management Options

6.15 Work is also currently on-going in the county by the EA and KCC to improve our understanding of flood risk and investigate options to provide protection. These include:

- Spatial & land-use planning & drainage;
- Personal flood resilience;
- High / complex flood risk communities; and
- Surface water management.

6.16 In most of the above areas, existing strategies and programmes of work are maintained by the relevant authorities. However, in light of recent events and the issues / opportunities highlighted in **Appendix 1 section A8** the following recommendations are made.

Recommendations

REC15: Ensure the consequences of flood risk are fully considered before promoting development in flood risk areas by consulting all organisations with a role in flood risk management and emergency management.

REC16: Implement a strategy to encourage greater awareness & take-up of individual & community flood protection measures e.g. property-level protection, sandbags.

REC17: Support awareness & implementation of key initiatives to support communities with high / complex flood risk, particularly e.g. Surface Water Management Plans (SWMPs), Multi-Agency Flood Alleviation Technical Working Groups

7. Recommendations

Recommendations: Cabinet is asked to a) note and endorse the recommendations outlined in the Action Plan in **Annex 1**; and b) once approved, receive further options papers / progress reports on delivery against the Action Plan.

8. Supporting Information

8.1 Annex 1. Draft Action Plan

8.2 Appendix 1 – Christmas & New Year 2013-14 Storms & Floods Final Report

Sections as follows:

A1. Numbers of Properties Flooded;

A2. Key Facts & Statistics;

A3. Key Meeting & Event Dates

A4. Summary of Emergency Response Operations;

A5. Kent Resilience Forum (KRF) Multi-Agency Debrief - Draft Lessons Learned;

A6. Floodline Warnings Direct (FWD) Service;

A7. Potential Future Flood Defence Schemes; and

A8. Other Flood Risk Management Options.

8.3 Background Documents

Christmas / New Year Storms & Floods Update Report to KCC Cabinet (22nd January 2014)

https://democracy.kent.gov.uk/mgConvert2PDF.aspx?ID=44733 (Report & https://democracy.kent.gov.uk/mgConvert2PDF.aspx?ID=44762 Appendices)

Kent Local Flood Risk Management Strategy

http://www.kent.gov.uk/about-the-council/strategies-and-policies/environment-waste-and-planning-policies/flooding-and-drainage-policies/kent-flood-risk-management-plan

Local Surface Water Management Plans

http://www.kent.gov.uk/about-the-council/strategies-and-policies/environment-waste-and-planning-policies/flooding-and-drainage-policies/surface-water-management-plans

Revenue & Capital Budget Monitoring Report to KCC Cabinet (28th April 2014)

https://democracy.kent.gov.uk/mgConvert2PDF.aspx?ID=46275

Flood Support Schemes – Funding Available from Central Government

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/304805/Flood_Recovery_-_Summary_of_Support_Guide.pdf

DfT Pothole Challenge Fund

https://www.gov.uk/government/news/councils-urged-to-apply-for-168-million-pothole-repair-fund

Severe Weather Impacts Monitoring System (SWIMS)

http://www.kent.gov.uk/business/Business-and-the-environment/severe-weather-impacts-monitoring-system-swims

9. Contact Details

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Annex 1. Draft Action Plan

No.	Recommendation	Lead / Supporting Action Owner(s)	Start Date	End Date
REC1	Undertake a **fundamental review & update of key KCC and partnership plans** to ensure they are fit-for-purpose for even the most complex and protracted of incidents.	KCC / KRT	Jun 2014	Nov 2014
REC2	Provide Cabinet with an **options paper for enhancing KCC's resilience**, including training a cadre of 'emergency reservists'. Once approved, implement a programme to train, equip & support relevant personnel in readiness for Winter 2014.	KCC	Aug 2014	Nov 2014
REC3	Develop a **consistent countywide policy & plans for maintaining & providing sandbags and other practical support** to individuals & communities at risk of flooding.	KRT / Districts & Boroughs / EA	July 2014	Nov 2014
REC4	Implement a **strategy to encourage greater flood awareness & individual / community resilience,** including improving sign-up for the EA's Floodline Warnings Direct (FWD) Service and training local volunteers as Flood Wardens.		Apr 2014	Nov 2014
REC5	Undertake a **fundamental review & update of the Floodline Warnings Direct (FWD) Service** for communities with high / complex flood risk.	EA / KRT	July 2014	Nov 2014
REC6	Develop **enhanced arrangements for warning & informing the public in flooding / severe weather scenarios**, including contingency arrangements in the event of power outages and greater usage of social media.			
REC7	Develop **multi-agency arrangements to provide critical 'on scene' liaison & support** to affected communities e.g. via multi-agency 'Bronze' / Operational teams.	KRT	July 2014	Nov 2014
REC8	Work with DCLG and the Flood Recovery Minister for Kent to **bring pressure to bear on utilities companies** to improve their arrangements for engaging & supporting partners & customers.	KRT / KCC / EA	Ongoing	
REC9	Streamline & enhance existing **multi-agency information management protocols & systems** for sharing critical data in the planning for & management of	KRT	July 2014	Nov 2014

No.	Recommendation	Lead / Supporting Action Owner(s)	Start Date	End Date
	emergencies.			
REC10	**Formalise the recovery management structures** developed during Operation Sunrise 4 and adopt these as good practice.			
REC11	Develop **protocols to support emergency responders in deciding when to escalate / de-escalate** to / from the 'emergency response' & 'recovery' phases.	KRT	July 2014	Nov 2014
REC12	**Influence Central Government to secure additional financial support** in recognition of the severe burden that these incidents have placed on KCC.	KCC	Ongoing	
REC13	EA / Southern Water to respond to queries / concerns regarding the **perceived lack of / effectiveness of their rivers & flood management systems / assets**	EA / Southern Water	July 2014	Sept 2014
REC14	**Explore all possible opportunities with partners and beneficiaries to contribute to the priority flood defence schemes required in Kent**, including influencing the EA, Defra & HM Treasury to secure funding to deliver the schemes that do not currently receive sufficient FDGiA funding even with substantial partnership contributions.	KCC & Districts & Boroughs	Ongoing	
REC15	Ensure the **consequences of flood risk are fully considered before promoting development in flood risk areas** by consulting all organisations with a role in flood risk management and emergency management.	Districts / Boroughs / KCC, EA & KRT	Apr 2014	Mar 2015
REC16	Implement a **strategy to encourage greater awareness & take-up of individual & community flood protection measures** e.g. property-level protection, sandbags.	KRT / Districts / Boroughs / EA		
REC17	**Support awareness & implementation of key initiatives to support communities with high / complex flood risk, particularly** e.g. Surface Water Management Plans (SWMPs), Multi-Agency Flood Alleviation Technical Working Groups	Various leads, determined by nature of flood risk	Ongoing	

* Action Owners listed here are illustrative and these lists are not exhaustive. Work will need to involve a broader range of organisations with flood risk management responsibilities.

Christmas & New Year 2013-14 Storms & Floods Final Report
Appendix 1

A1. Numbers of Properties Flooded

A1.1 As of 15th May 2014, the following are the latest figures provided by the EA and Districts / Boroughs to the Department of Communities & Local Government (DCLG).

County	Residential	Commercial	Total
Surrey	1,971	342	2,313
Thames Valley	635	295	930
Kent	**731**	**198**	**929**
Lincolnshire	662	106	768
Wiltshire	484	56	540
Cornwall (incl. the Isles of Scilly)	267	144	411
North Lincolnshire	339	70	409
Dorset	252	81	333
Norfolk	215	69	284
Devon	121	85	206
West Sussex	112	18	130
East Sussex	81	16	97

A1.2 Detailed breakdown of properties flooded in Kent.

Authority Area	Residential	Commercial	Total
Ashford	-	1	1
Canterbury	40	4	44
Dartford	10	3	13
Dover	30	6	36
Gravesham	2	-	2
Maidstone	207	55	262
Medway	3	2	5
Sevenoaks	30	6	36
Shepway	8	1	9
Swale	36	17	53
Thanet	-	-	0
Tonbridge & Malling	335	101	436
Tunbridge Wells	30	2	32
Total	**731**	**198**	**929**

Important Note: These figures presented are likely to be an underestimate as they mainly consist of properties known to have been flooded by rivers, groundwater or groundwater-fed rivers. Information on numbers of properties flooded by surface water or sewage is less certain. Additionally, many hundreds more properties were indirectly affected by flooding (loss of utilities, access etc.) e.g. Tonbridge & Malling Borough Council (TMBC) estimate 720 businesses indirectly affected in their area.

A2. Key Facts & Statistics

A2.1 The following is a snapshot of key facts & statistics from Operation Vivaldi and Operations Sunrise 2, 3 & 4.

A2.2 A comprehensive report into the key facts & statistics, costs & demands (collated using the Severe Weather Impact Monitoring System - SWIMS) from all the severe weather events experienced over Winter 2013-14, will be tabled by KCC Sustainability & Climate Change Team later in the coming months.

- **4.7m** – peak sea levels in Dover on 5th & 6th December, the highest recorded since 1905. The Environment Agency (EA) estimates that the tidal impacts in Sandwich were equal to a 1 in 200 year event and the biggest tidal event to impact Kent since the devastating event of 1953.
- **120mm** of rainfall falling between 19th to 25th December on already saturated ground on the Upper Medway catchment. December 2013 was the wettest December for 79 years.
- **342m^3 / second** – the highest ever peak flows upstream of Leigh Barrier Flood Storage Area (FSA) were recorded on Christmas Eve.
- **91** x Flood Alerts, **73** x Flood Warnings and **5** x Severe Flood Warnings issued by the EA for Kent since December.
- **28,500** properties without power in Kent on Christmas Eve.
- **929** properties flooded in Kent since Christmas Eve. In the 2000 floods, approximately 1000 properties were flooded in Kent.
- **50,000** sandbags provided by KCC, District / Borough Councils and the EA to help protect at risk communities.
- **6,400** hours worked by KCC Emergency Planning staff since 20th December in response to the storms & floods, including 1,300 out-of-hours and sustained periods where the County Emergency Centre (CEC) was operating 24 hours a day.
- **88** flood victims supported by Kent Support & Assistance Service (KSAS) with essential cash, goods and services.
- **32,000** calls received by KCC Highways & Transportation in January, a 150% increase in normal call volumes.
- **6km** of public rights of way in need of repair.
- **£8.6m** central government grant received by KCC under the 'Severe Weather Recovery Scheme' to help repair damaged highways infrastructure[1].
- **£3m** new investment by KCC Highways & Transportation into significant drainage schemes to improve existing infrastructure that was impacted by the floods.

[1] KCC Finance is exploring the potential for additional central funding being progressed by KCC Finance, under the Bellwin Scheme and the 'Pothole Challenge Fund'.

A3. Key Meeting & Event Dates

A3.1 The following is a summary of key debriefs, public consultation meetings and flood fairs, feedback from which has been used to inform this report.

Date	Details	Location
3rd December 2013	Kent Resilience Forum (KRF) multi-agency debrief for Op. Sunrise 1	Kent Police HQ
4th February 2014	Public consultation meeting	Hildenborough
	Public consultation meeting	Faversham
5th February 2014	Public consultation meeting	Danvers Road, Tonbridge
12th February 2014	Public consultation meeting	East Peckham
17th February 2014	Public consultation meeting	Tonbridge Forum
19th March 2014	Public consultation meeting	Collier Street
21st March 2014	KRF multi-agency debrief for Op. Vivaldi and Ops. Sunrise 2, 3 & 4	Kent Police HQ
28th March 2014	KCC internal debrief for Op. Vivaldi and Ops. Sunrise 2, 3 & 4	KCC
5th April 2014	Flood fair	East Peckham
12th April 2014	Flood fair	Hildenborough
8th, 13th & 19th April 2014	Flood fair	Yalding
26th April 2014	Flood fair	Little Venice Caravan Park & Tovil
27th April 2014	Flood fair	Maidstone
3rd May 2014	Flood fair	Tovil & East Farleigh
4th May 2014	Flood fair	Clifford Way, Maidstone
10th May 2014	Flood fair	Yalding
11th May 2014	Flood fair	Little Venice Caravan Park

A4. Summary of Emergency Response Operations

A4.1 Important Notes

- The sequence of severe weather events, which necessitated complex & protracted multi-agency emergency operations are summarised below.
- The date ranges and operational names outlined above refer specifically to the 'emergency phase' of these events, where the situation is deemed to present a risk to life. For several days and weeks preceding and superseding each event, a significant multi-agency effort in the pre-planning for, and recovery from, each incident was put in place throughout and beyond these periods.
- Indeed, to date the recovery operations are still ongoing for the Christmas / New Year events, some 4 months later.
- A range of additional complex and challenging events also occurred during this period, including:
    - Significant operations to prevent flooding from Brishing Dam at Boughton Monchelsea;
    - Widespread surface water flooding in Eynsford (17th to 19th January);
    - A 'mini tornado' on 27th January; and
    - A number of sink-holes causing disruption, including a 15ft deep hole on the M2 central reservation (11th February).

A4.2 'Operation Sunrise 1': 28th October 2013

- St Jude Storm – Winds speeds in excess of 90mph hit the County causing widespread disruption to travel & power supplies and, tragically, one fatality.

A4.3 'Operation Vivaldi': 5th & 6th December 2013

- Spring tides combined with a tidal surge caused flooding along the East and South UK coastline impacting much of Kent coastline. The EA issued 5 x Severe Flood Warnings, 3 x Flood Warnings & 6 x Flood Alerts to homes and businesses. 41,000 properties were protected by flood walls, banks and other flood risk management assets along the Kent coast and estuaries. 58 properties were flooded.

A4.4 'Operation Sunrise 2': 23rd to 27th December 2013

- Storm force winds (60-70mph) leave 28,500 properties without power. Heavy rainfall on already saturated catchments causes river, surface water and sewage flooding across Kent, particularly in the north and west of the county. Numerous communities suffered flooding, with hundreds of homes and many businesses affected. Edenbridge, Tonbridge and Hildenborough, East Peckham, Yalding, Collier Street and surrounding communities, Maidstone, and South Darenth, amongst other locations, were all significantly affected.

A4.5 'Operation Sunrise 3': 4th to 6th January 2014

- A sudden deterioration in weather conditions threatened to bring further flooding of severity akin to that experienced over Christmas to already affected communities, and elsewhere. A significant multi-agency operation was put in place (including Military assistance) to provide thousands of sandbags for communities at risk.

A4.6 'Operation Sunrise 4': 6th to 18th February 2014

- Heavy rainfall continued into February 2014. As the rainfall soaked into the ground we experienced extremely high groundwater levels. In some locations groundwater flooding exceeded previously recorded levels by over 1 metre. The peak of the event was experienced towards the end of February and communities were subject to both groundwater flooding and flooding from groundwater fed rivers. The impacts of groundwater flooding in Kent were widespread with particular concentration along the Elham Valley. A multi-agency response to the groundwater flooding and pre-planned measures were deployed to reduce the damage to communities vulnerable to groundwater flooding, including over-pumping of sewage by Southern Water and a significant sand-bagging operation.

A5. Kent Resilience Forum (KRF) Multi-Agency Debrief – Draft Lessons Learned

A5.1 Important Note

- The following are initial draft lessons identified through the KRF multi-agency debrief process hosted by Kent Police on 21st March 2014.
- At time of writing these have yet to be agreed with partners, but Kent Police will shortly be circulating a draft debrief report to all partners for consultation.

A5.2 Pre-Planning & Resilience

- Kent Resilience Team (KRT) to develop guidance for the public in a range of situations advising them of which agencies are responsible for which issues within their areas, and who will provide what information.
- Pan-Kent flood response plans to be reviewed to ensure they are cognisant of arrangements and contingencies across all levels, including Parish, District / Borough and County.
- Review of emergency plans to ensure use of social media for warning and informing purposes is included.
- A number of respondents cited the benefit of taking part in Training & Exercising programmes at National and Regional level which left us better placed than in previous flooding events.
- It was suggested that adoption a similar programme focussed at district level would have eased some of the more local issues and built working relationships. The KRT should work with local partners to deliver a number of District / Borough based exercises focussed on civil emergency type scenarios.
- KRF to maximise training & exercising opportunities for staff attending the multi-agency Tactical Co-ordination Centre (TCC) / Strategic Co-ordination Centre (SCC), including the College of Policing's Multi-Agency Gold Incident Command (MAGIC) training course.
- Resilience in a number of partner agencies was stretched, particularly Category 2 responders and those with regional responsibilities.
- This impacted on maintaining a physical presence at the TCC and participation in the TCG process.
- Some agencies not present on the ground outside normal working hours.
- Bank holiday staffing particularly over Christmas period was lacking.
- Sustained nature of the operation presented problems for maintaining staffing at TCC / SCC.

A5.3 Command, Control, Co-ordination & Communications

- The operation was acknowledged as being tactically led, those Districts / Boroughs which involved an Operational Coordination Group at Bronze level reported a higher level of multi-agency understanding and coordination at ground level.
- Commonly Recognised Information Picture (CRIP) template to include location maps in future.
- Teleconferencing facilities in the SCC have now been upgraded to allow a greater volume of dial-in from partner agencies.
- The multi-agency room within the TCC at Medway has also been upgraded to allow hardwiring of partners IT systems, to allow a quicker transfer of information.
- It was considered that Airwave radio interoperability was not used to full effect on ground.
- Single countywide Silver control was acknowledged as being fit for purpose, non-blue light agencies would not have been able to cope with multiple TCCs.
- Decision to locate the Scientific & Technical Advice Cell (STAC) at TCC was considered sound, in view of the operation being tactically driven.
- Confusion about who the key decision maker should be for ordering evacuation.
- Clearer command protocols need to be developed between responsibilities of County / District / Parish councils e.g. evacuation, sandbag distribution.
- KRT to develop clear guidance for partner agencies to understand decision making process and responsibilities of each agency in a range of civil emergency situations.

A5.4 Escalation, De-Escalation & Recovery

- Escalation from Severe Weather Advisory Group (SWAG) with a proportionate Silver Control, set-up to flex into a functional TCC was identified as good practice.
- Need to ensure understanding of status of incident to each agency.
- Clear and distinct lines of communication are needed to ensure dissemination of escalation / de-escalation of operations. It is not sufficient to only include this in CRIP or minutes from meetings.
- KRT to develop protocols for establishing tipping points at which point an event or situation escalates into an emergency and when the 'response' phase may be safely de-escalated into the 'recovery' phase.
- The relationship between the Recovery Working Group (RWG) and the SCG during the 'emergency' phase was unclear. However, recovery structures subsequently developed during Operation Sunrise 4 to be formalised and adopted by KRT as best practice.
- Menu of capabilities of agencies / organisations to be developed by KRT for assets available for on-going deployment during 'recovery' phase.

A6. Floodline Warnings Direct Service (FWD) – information supplied by the EA

- The EA will be working with affected communities, KCC and other partners, to learn the lessons of the flooding and how it can make its FWD service even more effective. This will include providing warnings to communities that were not able to receive a warning, making warnings more focussed on particular communities, and developing Flood Warden schemes in at risk communities.

- One of the challenges during the flooding was providing consistent and trusted information to communities prompting appropriate action. Where Flood Wardens or community leaders were able to be involved in this activity it proved effective. The EA is working with Parish Councils, District / Borough Councils and KCC to establish Flood Warden Schemes in communities, especially those with a complex flood risk where the benefit can be greatest. Amongst others, the communities of central Tonbridge and Hildenborough are communities where we are supporting flood wardens.
- Registering with FWD allows customers to register multiple contact details (mobile, e-mail etc) and manage which messages they receive e.g. Flood Alerts, Flood Warning no-longer in force etc. This increases our ability to get a message through, and provide a good level of service. In areas of relatively low take-up e.g. where fewer people have registered) the EA has automatically registered properties. This is a positive step because it allows the EA to provide a service and warning to those who wouldn't otherwise have received one. However, it only uses home landline contact details (provided by BT). This therefore has a higher message failure rate, and because people haven't chosen to register, there is a lower level of engagement with the service
- The importance of receiving Flood Warnings means that a partnership effort is needed to encourage people to:
  - Sign-up:

    In some parts of Kent, take-up is as low as 51% of those properties for whom the EA is able to alert via the FWD Service.
  - Keep their details up to date and provide multiple contact numbers:

    The most common reason for warning messages not being received is out of date contact details. 1 in 4 people have been automatically signed-up to receive Flood Warnings, meaning that only basic contact details are available e.g. landline telephone.
  - Act: When they receive a Flood Warning: we have received some feedback that people were waiting for a Severe Flood Warning to be issued before acting, when a Flood Warning indicates immediate action required.

Take-Up of the FWD Service Across Kent[2]

Percentage of 'at risk' properties offered the FWD Service	91%
Percentage of Flood Zone 2 properties registered	76%
Percentage of Flood Warning Area properties registered	84%

Take-up of the FWD Service by District / Borough Council Area

Authority Area	Nos. of Properties Offered FWD Service	Take-up of FWD Service (Fully Registered)	Take-up of FWD Service (Automatically Registered)	% Take-up of Properties (Fully or Automatically Registered)
Ashford	2,360	1,459	1,012	104.70%
Canterbury	7,770	4,728	1,850	84.66%

[2] Data correct as of 31/03/14

Authority Area	Nos. of Properties Offered FWD Service	Take-up of FWD Service (Fully Registered)	Take-up of FWD Service (Automatically Registered)	% Take-up of Properties (Fully or Automatically Registered)
Dartford	3,198	844	1,365	69.07%
Dover	7,591	5,424	1,241	87.80%
Gravesham	2,125	554	808	64.09%
Maidstone	2,966	1,440	917	79.47%
Sevenoaks	1,738	1487	467	112.43%
Shepway	133,80	8,741	3,092	88.44%
Swale	9,981	3,686	3,788	74.88%
Thanet	671	133	215	51.86%
Tonbridge & Malling	3,715	2,200	972	85.38%
Tunbridge Wells	542	276	149	78.41%

A7. Potential Future Flood Defence Schemes in Kent – information supplied by the EA

A7.1 Leigh Flood Storage Area (FSA)

- The EA is working hard to communicate better the purpose of the Leigh FSA and its operation[3]. On 24th December, 5.5million cubic metres of water were stored at the Leigh FSA. By operating the Leigh FSA the EA was able to reduce the $342m^3$ / second of water entering the FSA reservoir down to $160m^3$ / second flowing downstream and continued to moderate the persistently high water levels during 25th and 26th December.

A7.2 East Peckham

- The EA will use its analysis of the event to test the proposed River Medway and Bourne East Peckham Flood Alleviation Scheme (FAS). It discussed this proposed scheme with East Peckham Parish Council in summer 2012 and, if constructed, it would protect all developed areas of East Peckham and Little Mill. The EA hopes to start the scheme design in November 2014.
- The EA's review of the event will also cover the operation of its existing assets (including the Coult Stream FSA), to see if there is anything more can be done to maximise their performance.

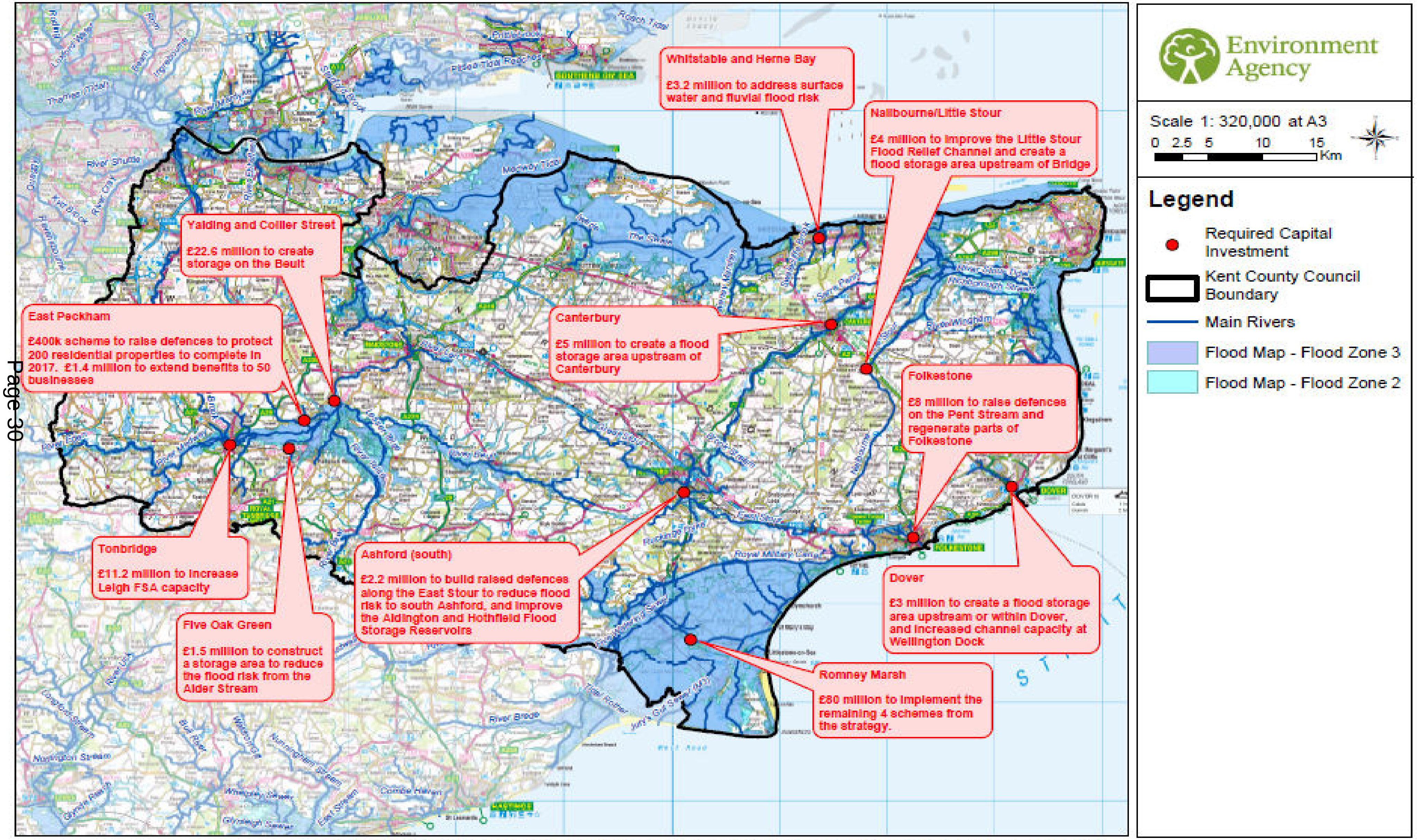
A7.3 Yalding

- Yalding is a particularly vulnerable location. 197 properties were flooded when river levels peaked on 24th December 2013. This flooding was comparable to the 1968 flood and worse than in 2000, when 119 properties flooded.

[3] http://m.youtube.com/watch?v=336-6lN-J2I

- The EA is urgently investigating whether it can accelerate projects to reduce the risk of flooding in Yalding. There is no single solution that will benefit the whole community because of the way the homes and businesses are spread out. It is using the data it has collected from the recent flooding to review our understanding of the way floods happen in the catchment. This will help present the best case to gain funding for future schemes.
- The EA is investigating if it can further localise the current Floodline Warnings Direct (FWD) Service for Yalding. The data it is currently collecting from a project to improve the flood risk modelling for the River Medway will help the EA to improve further its forecasting and flood warning.
- Future works to reduce the risk of flooding are set out in the Middle Medway Strategy which was developed in 2005 and updated in 2010. The EA has considered a number of potential schemes to reduce flooding in Yalding.
- An option that residents are keen to progress is to find a suitable location to store water on the lower reaches of the River Beult.
- The Middle Medway Strategy also recommended that the Leigh FSA be raised by 1m giving an additional 30 per cent storage capacity.
- However, under Government funding rules, most of the schemes will need substantial contributions from external partners in order to proceed – see A6.4 and A6.5 for details.
- The EA has secured funding to progress a feasibility study into both options. It is anticipated this work will be completed by summer 2015. KCC has offered to part fund an additional FSA on the River Beult at Stile Bridge and an increase in the capacity at the Leigh FSA. The EA has submitted its funding bid to secure the additional £17.6m needed to complete both schemes. If this is successful, the earliest construction could start would be in the financial year 2017-2018.
- The EA will continue to work with KCC, Maidstone Borough Council (MBC), Tonbridge & Malling Borough Council (TMBC) and other professional partners to identify partnership funding opportunities which will increase the likelihood of the above works going ahead.

A7.4 Future Capital Investment Requirements for Potential Future Flood Defence Schemes



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A7.5 Priority Schemes Currently Not Qualifying for FDGiA Without Partnership Contributions

Scheme	Estimated cost	Nos. of properties to which flood risk would be reduced	Raw partnership funding score	Required partnership contribution	Final partnership funding score (including contribution)	Planned completion
Lower Beult Storage	£22.6m	1,151	36%	£16m	125%	2020
Increased Storage at Leigh	£11.2m	2,151	74%	£5m	130%	2019
Five Oak Green Flood Alleviation Scheme	£1.5m	266	46%	£900k	100%	2018 (only achievable with contributions)
South Ashford Flood Alleviation Scheme	£2.2m	282	24%	£1.7m	100%	2019 (only achievable with contributions)
Canterbury	£5m	1364	144%	N/A	N/A	2020 (dependant on investigations and consultations)
Romney Marsh	£80m	14,500	119%	£3m	N/A	2022
Whitstable & Herne Bay	£3.2m	Projects in early stages of development				
Dover	£3m					
Folkestone	£8m					
East Peckham	£400k	200 domestic	165%	N/A		2017
	£1.4m	50 businesses	50%	£1m	100%	This scheme will currently only defend homes in East Peckham. Additional funding required for an extension of the protection to businesses.

A8. Other Flood Risk Management Options – information supplied by EA and KCC

A8.1 Summary of Ongoing EA Work

- The EA is keen to learn with communities, and gain a clearer understanding of the impacts of these events on people, its assets and the environment. Also to discuss how, collectively, it can improve its preparations for and response to future events.
- The EA has worked with partners to visit affected communities and attended public meetings across the County. These meetings were an opportunity for people to learn about the risks associated with flooding, to share their experiences and to find out what they can do to better prepare themselves for flooding.
- It was also an opportunity to discuss how flood protection assets, such as the Leigh Flood Storage Area (FSA), are operated to reduce the impact of flooding.
- Attending community events, including flood fairs, hosted by Parish and District / Borough Councils taking place in communities impacted by the recent flooding.
- Holding one-to-one meetings with residents.
- Planning to give residents the opportunity to visit the Leigh FSA.
- A review of the Flood Warnings issued will help the EA to understand if their warnings were timely, appropriate and relevant to those who were affected.
- Identify that new or improved warning areas are required in Hildenborough and Yalding and are investigate how the EA can localise the current Flood Warning Service.
- Work with partners to set up and support a number of Flood Warden schemes.
- Distribute questionnaires to affected communities to find out more about the extent and impact of the flooding to improve EA flood maps and Flood Warning areas.

A8.2 Spatial & Land-Use Planning & Drainage

- The EA's role as a statutory planning consultee is to provide advice to local planning authorities to manage flood and environmental risks and enable sustainable growth. We do not receive government funding to protect development built after 2012. It is therefore vital that flood risk is managed within the planning system. The EA works with partners to seek solutions to overcome these risks. Where risks cannot be overcome and development is contrary to the National Planning Policy Framework (NPFF), the EA recommends planning authorities refuse applications.
- In line with the NPFF we recommend that development is outside the flood plain. If this is not feasible the EA provides advice to Local Planning Authorities (LPAs) to ensure that people are not put at risk and that flood risk is not passed downstream.
- LPAs must ensure that Emergency Plans are fit for purpose to ensure that access and egress is still possible in flood conditions. In all circumstances where warning and emergency response is fundamental to managing flood risk, the EA advise LPAs to formally consider the emergency planning and search & rescue implications of new development in making their decisions.
- It is Local authority responsibility to ensure that flood resilience measures are incorporated into building design. The EA still advise on surface drainage at sites over 1 hectare. The future implementation of Sustainable Drainage Systems (SuDS) Approving Bodies (SABs) will mean that KCC and Local authorities will need to manage surface water risks, groundwater flooding and access and egress within the planning process.

A8.3 Personal Flood Resilience

- A 'Property-Level Protection Scheme' is already in place in Lamberhurst. In response to Flood Warnings these measures were deployed by residents, and greatly reduced the flood impact. Funding is also now in place to adopt similar measures in Aylesford.
- District / Borough Councils have been proactively promoting the Central Government 'Repair & Renew Grant'[4] but take-up across the County has been patchy. However, as at 10th April 2014, T&MBC had received 49 requests for further information, 20% from businesses.
- The EA and KCC have also been supporting flood fairs in various locations around the County (see **section A3 of this appendix** for further details) where residents have been investigating their personal flood resilience options.

A8.4 Investigating & Improving Support to Communities with High / Complex Flood Risk Profiles

- The EA has heard from affected communities that there are often multiple sources of flooding and that the appropriate flood risk management options required are complex to determine.
- The EA has therefore promoted the formation of Multi-Agency Flood Alleviation Technical Working Groups across the County to explore future options.
- Groups that have already met (including existing groups):
  - Tonbridge & Malling (Hildenborough, Tonbridge & East Peckham)
  - Five Oak Green
  - Aylesford
  - Edenbridge
  - Yalding
  - Collier Street
  - Canterbury – Nailbourne
  - Forest Row
  - Lamberhurst
  - Staplehurst
  - Headcorn
  - Faversham
  - Westerham
  - Sundridge & Brasted
- New groups still to meet:
  - Maidstone
  - Eynsford*
  - South Darent & Horton Kirby*

Key:

* Still to be established if wider group needed

A8.5 Surface Water Management Plans (SWMPs)

- In order to understand the risks from local flooding KCC has undertaken a number of studies across the county to collect and map data on these floods. These studies are known as Surface Water Management Plans (SWMPs). These documents vary in their nature, some are high-level assessments of the risks, while others are in-depth studies of the causes and potential solutions to local flooding. SWMPs can be found on the KCC website.

[4] A scheme providing up to £5,000 per flood-affected home or business to contribute to the costs of additional flood resilience or resistance measures.

- During 2014-15 KCC will continue to develop SWMPs, and will undertake studies in Marden, Staplehurst, Headcorn and Paddock Wood (all areas impacted by varying degrees of local flooding during the winter). KCC will also be exploring the opportunities to manage local flooding identified by the recently completed SWMPs in Folkestone, Margate and Dartford. SWMPs include an Action Plan of measures that can be used to manage local flooding identified by the study. However, many options require funding in order to be delivered, this funding is drawn from the same Defra fund, which is administered by the EA, as all other flood risk management investment, and each scheme must compete for funding.
- Additionally, KCC is currently co-ordinating the development of local flood risk documents that provide local communities with a simple overview of the range of flood risks in their area. KCC is working with the EA, Internal Drainage Boards (IDBs), Local authorities and water companies to prepare a pilot document. The document will show what the main flood risks are, where significant assets are, which authorities exercise risk management functions in the area, any plans or strategies they may have in hand to manage flood risks in the future and who to get in touch with for more information. Initially, the pilot will focus on the Canterbury City Council (CCC) area. If this proves successful it will be rolled out across the County, with TMBC and MBC areas likely to be considered next.

A8.6 Little Stour, Nailbourne & Petham Bourne Flood Management Group

- The EA, KCC, CCC, Shepway District Council, Southern Water, and representatives from key Parish Councils are investigating the causes and effects of the flooding experienced during the winter of 2013/14 in the Nailbourne, Little Stour and Petham Bourne valleys. These partners are working together to assess the options to manage this winter's flooding, and are seeking to reduce the potential for disruption in the future.
- The Nailbourne, Petham Bourne and parts of the Little Stour are groundwater fed watercourses. This means that they are dry for long periods of time. However, following periods of prolonged rainfall groundwater levels in the underlying aquifers rise to a point where water emerges through springs throughout the length of these valleys, and the streams begin to flow.
- The Nailbourne has been flowing since mid-January and has approached near-record levels. There has been extensive flooding of farmland, with internal property flooding reported in Bridge, Patrixbourne, Bishopsbourne and Barham. The Petham Bourne, which typically flows less frequently than the Nailbourne, has also been active over the winter causing flooding and disruption. The Little Stour has burst its banks in a number of locations, also flooding farmland properties and roads.
- Owing to the high flows experienced this winter, many culverts have been overwhelmed in these valleys. At its peak, portable pumps were used to help move water over the culverts in some places, and sandbags were used extensively to protect many properties.
- The group will be undertaking three main activities:
    1. Survey the measures put in place over the course of this winter to manage and reduce flooding. This will provide a blueprint for future events, and will help enable us to mobilise and deploy necessary equipment in time if the groundwater levels rise again.
    2. Identify any opportunities that can be delivered as quickly as possible to reduce the impact of flooding should these watercourses flow again next winter.
    3. Identify opportunities to reduce the impact of flooding that can be delivered over a longer timeframe. These measures will require further investigation, more detailed design work and an application for additional funding.

From: Graham Gibbens, Cabinet Member for Adult Social Care and Public Health

To: Cabinet – 7 July 2014

Subject: **PREPARATION FOR THE CARE ACT 2014**

Classification: Unrestricted

Past pathway: CMT 3 June 2014
Corporate Board 23 June 2014

Future pathway: Adult Social Care and Public Health Cabinet Committee 11 July 2014

Electoral Division: All

Summary: The Care Act 2014, which received Royal Assent on 14 May 2014, will establish a new legal framework for adult care and support services. It marks the biggest change to care and support law in England since 1948 and will replace over a dozen pieces of legislation with a single consolidated modern law. The new framework will come into effect from April 2015 but some of the key reforms (including the cap on care costs) only take effect from April 2016. This report sets out the work underway to prepare for the implementation of the Act and the current assessment of the main financial and other implications.

Recommendations: Cabinet is asked to:
(a) **DISCUSS** the contents of this report and the extra information provided in the PowerPoint presentation which will be delivered on the day.
(b) **NOTE** that a full implementation plan will be presented to the Adults Transformation Board on 23 July 2014 after the draft regulations and guidance have been analysed. This will be made available to Cabinet Members.
(c) **NOTE** that a report on the Care Act will be presented to the Adult Social Care and Health Cabinet Committee on 11 July 2014.

1. Introduction

1.1 The Care Act 2014 received Royal Assent on 14 May 2014. The changes to be implemented will overhaul and modernise the complex system of care and support that has evolved over the last sixty years. The changes will have significant implications for Kent residents and Kent County Council.

1.2 Although commencement dates for the different sections have not yet been confirmed, it is expected that the majority of changes to the legal framework will come into effect from April 2015. The main exceptions are what are referred to as the ‘Dilnot’ reforms which will come into effect in April 2016. This includes the cap on care costs (£72,000 for people over pension age) and the increase in the capital threshold for people in residential care whose former home is taken into account (from the current £23,250 to £118,000).

1.3 The regulations and guidance which outline the reforms in further detail were only issued on 6 June 2012 (in draft form) and they only cover the changes to be introduced from April 2015. They are subject to a 10 week consultation period (closing date of 15 August 2014) and the final versions are expected to be issued in October 2014. The regulations and guidance covering the ‘Dilnot’ reforms (to be introduced in April 2016) are expected to be released later this year.

2. Key implications and possible decisions required

2.1 **Eligibility criteria:** The Act replaces the current four-level criteria (low, moderate, substantial and critical) with a single national minimum from April 2015. Councils will be able to meet needs at a lower level if they so wish, however it will only be needs assessed as meeting the national minimum that will count towards the cap. Although previous information from Government has suggested the new minimum would be set at a level close to the current ‘substantial’, the draft regulations just released indicate a wider definition. Early indications are that this may mean KCC does not need to tighten its criteria if it wishes to only provide for needs assessed as meeting the national minimum. This would mean that the current 26% of service users currently assessed as having ‘moderate’ needs (approximately 2,600) can be passported to the new national minimum. It would also mean that anyone who would be assessed as eligible under our current system would also meet the criteria under the new system. If however the final regulations do end up equating more to the current ‘substantial’ level, KCC will need to decide if they wish to continue to provide more generous entitlement. In this scenario there would be an impact on the budget. Currently providing services to the 26% of service users assessed as “moderate” equates to 10% of the allocated budget.

Decision may be required on: whether to only meet needs at the national minimum level (by September 2014).

2.2 **Carers:** From April 2015 there is a significant extension of carers’ rights. In addition to the duty to assess, local authorities will have a duty to provide carers’ services to those who are eligible. On top of the carers’ assessments carried out in-house, we currently commission a number of third sector organisations to carry out these assessments. It is believed by Strategic Commissioning that there is sufficient flexibility in the contract to enable them to cope with the expected increase in demand. The costs associated with the extra assessments and services are currently being modelled.

2.3 **Assessments:** There is likely to be a significant increase in the number of people coming forward for care and financial assessments. This is likely to have the most significant impact from October 2015 in anticipation of the ‘Dilnot’ reforms in April 2016. This will require that the necessary capacity (workforce and systems) is in place and that any decisions relating to the delegation powers have been taken. The estimated increase in activity is provided in the PowerPoint presentation on the day.

2.4 **Delegation powers:** The Act gives local authorities the power to delegate nearly all of its social care functions to third parties, although legal responsibility will still rest with Kent County Council. This power can be used from April 2015 but is most likely to be needed for the ‘Dilnot’ changes in 2016. In view of the long lead in time for procurement, decisions will need to be taken at an early stage about the use of this power. Options are currently being considered including working with providers and the Kent voluntary sector. It would be possible to delegate all functions except (1) safeguarding adults at risk of abuse or neglect, (2) promoting integration with health services, (3) decision on which services to charge for and, (4) cooperating with relevant partners. The advantages of delegation may include greater flexibility, cost effectiveness and partnership working. It also fits with the strategic direction towards becoming a commissioning authority. Risks to this approach include the fact that KCC would still be legally responsible for any delegated functions, the need to have in place robust contract management, systems issues concerning transfer of data and concerns about the current capacity of the market to deliver.

Decision may be required on: the extent to which these powers should be exercised (by December 2014 in time for the 2016 changes).

2.5 **Market price for care:** There is the potential for an impact on the market price for care as many more self-funders and former self-funders may have their care arranged by the local authority. This will be due to the increase in the capital threshold (from April 2016) and also because of the right for self-funders to ask the local authority to make the arrangements for their care (expected to be introduced from April 2015). This is most likely to affect the residential care market and has the potential to put significant pressure on the price KCC has to pay for care. The Department of Health has stated that this will lead to greater transparency in the prices paid by local authorities and "will change the care and support market, although it is not clear whether pressure may fall on commissioners, care and support providers or both".[1] Of relevance in this context is the fact that the current residential care contract work makes it clear that the new rates of care will only apply until April 2016. This is so that any changes necessitated by the Care Act can be taken into account."

2.6 **Cap on care costs and change in capital threshold:** For people over pension age the cap will be set at £72,000 from April 2016, after which the local authority must pick up the care costs (but not daily living/hotel costs in residential care). It is expected that the cap for people between 18 and 64 will be lower but this has not yet been confirmed. At the same time, local authority care will become available to people with capital below a limit of £118,000 (as compared with £23,250 now). It has been estimated that the combined effect of these measures for people 65 and over will cost KCC £11.9 million in 2016/17, rising to £13.4 million by 2020/21. The effect for people aged 18-64 is thought likely to cost £4-5 million per annum. People who develop their care needs before the age of 18 will receive free lifetime care for these needs and this is expected to cost about £280,000 per annum.

2.7 **Ordinary Residence:** Currently, when a local authority places an individual in a care home in another area, that individual retains Ordinary Residence in the area of the placing authority. If that individual later begins living in the community (either because they leave their care home or via deregistration) their Ordinary Residence passes to the authority in which they live. This poses particular problems for Kent's Learning Disability service as we are a "net importer" of such placements (one national provider with 182 residents in Kent has 101 of these placed by other local authorities). Under the Care Act the current rules applying to residential care are due to be extended to Shared Lives and Supported Living settings. This will benefit KCC to some extent but will not solve the underlying problem as individuals moving into other non-residential settings will still become the responsibility of Kent.

2.8 **Charging policy:** From April 2015 the existing legislation underpinning charging will be replaced by a power to charge under section 14 of the Act. It is probable that in order simply to maintain the status quo (for example that we charge for residential and domiciliary care) fresh key decisions will be needed. Legal advice is being obtained on this point.

[1] DH 'Caring for our future: Consultation on reforming what and how people pay for their care and support', July 2013

Decisions may be required on: the extent to which the power to charge should be exercised (by January 2015).

2.9 **Opportunities for more prevention and early intervention work:** In addition to there being clear duties in this regard in the Act, the Care Costs Cap will mean that many more people are likely to come forward for an assessment at an earlier stage in order to take advantage of the new system. Whilst this will help to support the drive to keep people independent for longer (as early advice and support can be provided), it clearly has the potential to increase the number of people coming into the formal care system.

2.10 **ICT systems:** In order for the reforms to operate effectively changes will be required to the ICT client database systems (Swift, AIS, Oracle). This is required particularly for the 2016 changes when the ability to create a Care Account for all individuals (including self-funders) will be needed. In addition, it is believed that optimal use should be made of supported self-assessment options (as part of a triage system) and e-market solutions to enable people to manage their own care and support needs. Discussions are currently underway with Northgate to determine if their proposals for the changes are sufficient and will be delivered in time. This issue is currently considered a major risk to the implementation of the programme.

Decisions required: Although procuring a whole new system before 2016 (when Northgate's current contract runs out) is not thought to be feasible, certain additional functionality will be required. Decisions will be needed on whether Northgate's proposals are considered adequate or whether we will need to procure these "add-ons" (e.g. for the Care Account, Supported Self-Assessment) from elsewhere in order to be ready for the 2016 changes (by August 2014).

2.11 **Public understanding:** There are significant challenges in ensuring that the public understand the reforms. It is considered that the communication from Central Government has so far not sufficiently explained how the new system will work and more importantly how individuals will be affected. However, a draft local communication strategy and plan has been developed in response to the changes.

2.12 **Debt recovery:** The Act removes the current power under section 22 of the Health and Social Services and Social Security Adjudication Act 1983 to place a charge on a person's property who is in residential care and has outstanding debts to the council (this did not need the client's permission providing a debt existed). Under the Care Act, escalated debt procedures appear to be being limited to action through the County Court. There is concern that this will increase the amount of debt that is not able to be secured. As at the end of March this year KCC had 56 section 22 charges in places securing debt amounting to £887,770. The Deferred Payments duties and powers are being widened but, crucially, any charge placed on a property under this section of the Care Act requires the client to consent.

2.13 **Paying providers Gross or Net:** The current approach to paying providers (i.e. Gross) will need to be reviewed to determine if it remains the most effective mechanism once the Care Account is introduced in April 2016 alongside the likely extension of direct payments in care home settings from April 2016.

Decision may be required on: whether to continue to pay providers Gross once the current residential contract ends in 2016.

2.14 **Funding:** There is concern that Government may not fully fund the cost of the implementation thereby raising the issue of affordability for local authorities. Significant work has already taken place (including through ADASS and the County Council Network) to estimate the costs involved. See section 3 below.

3. Financial Implications

3.1 The Government has to date made the following funding announcements:

- 2014-15: £19 million to help local authorities prepare for the changes. It has been confirmed that Kent will receive about £0.125 million of this. Every local authority has been given the same grant money.

- 2015-16: £335 million from DCLG/DH for new burdens (new entitlement for carers, national minimum eligibility, deferred payments, better information/advice and safeguarding and other measures). It is understood that this is top-sliced from the main Revenue Support Grant settlement rather than being new money. Kent's indicative funding is about £8.6 million of this (using the normal funding formula).

- 2015-16: £135 million identified out of the £3.8 billion Better Care Fund. This is earmarked for new burdens under the Care Act. According to Kent BCF plans, this translates to £3.5 million for Kent.

3.2 Further announcements are expected in the next Spending Review.

3.3 The impact of the Care Act will be wide ranging, many activities will be affected and estimating cost impacts is dependent on the forecasts of changes to activity levels. Activity in the various service areas will be affected partly by the detailed provisions of the Act, partly by the reaction of the public and the market, and decisions to be taken locally in relation to the implementation of the Act.

3.4 Some costs will impact in 2015-16 and some in 2016-17 and the years after. The main impact in 2015-16 is for costs related to the assessment and provision of support to carers and the introduction of the national minimum eligibility criteria. In 2016-17 the main impacts will be on the assessment and review of service users particularly self-funders, associated financial assessments and then the increased provision of services due to the increased capital thresholds. In later years, cost will increase because of the lifetime cap on care costs. The exact details of how the provisions of the Act will be implemented are to be confirmed, costings at this stage can only provide a general idea of the likely costs rather than a detailed forecast.

3.5 Increased capital thresholds and introduction of a cap on lifetime care contributions will have the biggest cost impact in 2016-17 and beyond. A standard model provided via ADASS is being used to estimate the cost of these changes, supplemented by local information. As detailed in 2.6 above, the aggregate costs it predicts in the two years mentioned (2016/17 and 2012/21) are £16.6m and £19.3m respectively.

3.6 The costs outlined in 3.5 above do not include the costs associated with the extra assessments, impact on the care market and other costs, such as IT, Training, information advice and guidance, advocacy, deferred payments scheme, safeguarding, and the introduction of direct payments in care homes. These costs will be included in cost estimates as more information is known and decisions taken. This should be confirmed at the meeting of the Adults Transformation Board on 23 July.

3.7 Data from the DH national impact assessments has been used to identify the likely number of service users that will need to be assessed, under the provision of the Act coming into effect in April 2016. It is expected that this increase in activity will begin in October 2015, so these costs will arise partly in 2015-16. For the cost of carrying out each assessment KCC's own staff costs have been used.

4. Programme management and governance

4.1 The Care Act Preparation Programme is a separate programme within the Adults Transformation Change Portfolio set up under 'Facing the Challenge'. Whilst the preparations for the Care Act do warrant a separate programme, there will be strong links to the other programmes in the portfolio to ensure that they are "Care Act proof".

4.2 The Care Act programme is being overseen by the Adults Transformation Board and on a more day to day basis by the Care Act Programme Board. The latter includes representatives from the operational service, policy, finance, strategic commissioning, HR, ICT, Children's Services and Newton Europe. In addition specific reference groups are being set up including for Mental Health, Learning Disabilities and service users.

4.3 A detailed programme plan is currently being developed with the workstream leads and will be completed once the draft regulations and guidance have been released and analysed. This will then be submitted for approval by the Adults Transformation Board on 23 July 2014.

4.4 It should be noted that the preparation for the Care Act is taking place at the same time as other significant changes, for example the move to Business Service Centres and operational restructuring.

6. Recommendations

6.1 Cabinet is asked to:

(a) **DISCUSS** the contents of this report and the extra information provided in the PowerPoint presentation which will be delivered on the day.

(b) **NOTE** that a full implementation plan will be presented to the Adults Transformation Board on 23 July 2014 after the draft regulations and guidance have been analysed. This will be made available to Cabinet Members.

(c) **NOTE** that a report on the Care Act will be presented to the Adult Social Care and Health Cabinet Committee on 11 July 2014.

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

To: CABINET - 7 JULY 2014

Subject:

(1) REVENUE AND CAPITAL BUDGET OUTTURN FOR 2013-14
(2) REVENUE BUDGET ROLL FORWARD
(3) CAPITAL BUDGET ROLL FORWARD
(4) FINAL KEY ACTIVITY MONITORING FOR 2013-14
(5) FINAL FINANCIAL HEALTH INDICATORS FOR 2013-14
(6) FINAL MONITORING OF PRUDENTIAL INDICATORS FOR 2013-14
(7) IMPACT OF 2013-14 REVENUE BUDGET OUTTURN ON RESERVES

Classification: **Unrestricted**

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1. SUMMARY

1.1 This report provides the provisional revenue and capital budget outturn position for 2013-14, including a final update on key activity data. There is also a summary of each Directorate's achievements in contributing to a very successful financial outturn for the Council.

1.2 The format of this report is:

- An executive summary which provides a high level financial summary for both revenue and capital and highlights only the most significant issues and movements.
- Appendix 1 provides details of proposed Revenue Budget roll forwards
- Appendix 2 provides details of Capital re-phasing
- Appendix 3 provides final monitoring of key activity indicators for 2013-14
- Appendix 4 provides final financial health indicators for 2013-14
- Appendix 5 provides final monitoring of prudential indicators for 2013-14

2. RECOMMENDATIONS

Cabinet is asked to:

i) **Note** the provisional outturn position for 2013-14 for both the revenue and capital budgets.

ii) **Note** that the revenue position reflects all appropriate and previously agreed transfers to reserves including the £4m to support the 2014-15 budget, as approved by County Council on 13 February.

iii) **Agree** that £5.099m of the 2013-14 revenue underspending is rolled forward to fund existing commitments, as detailed in Appendix 1.

iv) **Agree** that the £4.766m remainder of the 2013-14 revenue underspending is set aside in the Economic Downturn reserve.

v) **Agree** that £53.337m of capital re-phasing from 2013-14 will be added into 2014-15 and later years capital budgets, as detailed in Appendix 2.

vi) **Note** the final monitoring of the 2013-14 key activity indicators, Financial Health Indicators and Prudential Indicators as reported in appendices 3, 4 and 5 respectively; the final staffing numbers for 2013-14 as detailed in section 5 and the impact of the provisional outturn on reserves as detailed in sections 3.8 and 4.4.

3. SUMMARISED PROVISIONAL REVENUE BUDGET OUTTURN POSITION

3.1 For the 14th consecutive year the Council is able to demonstrate sound financial management, by containing its revenue expenditure within the budgeted level (excluding schools). The provisional outturn against the combined directorate revenue budgets is an underspend of -£9.865m (excluding schools). This is a £4.254m reduction in the underspend compared to the projected -£14.119m underspend reported in April, but it is after £4m has been transferred to reserves to support the 2014-15 budget, as agreed by County Council in February. In addition, an estimated £1.2m deterioration of the position was anticipated in the April report in relation to the Waste and Transport budgets within E&E directorate. There may be minor variations to the figures during the final stage of the year end process and the external audit.

3.2 Details of the proposals for the use of the -£9.865m revenue budget underspending are provided in Appendix 1. This identifies those projects where there is already a commitment to spend in 2014-15, leaving an uncommitted balance of £4.766m. It is recommended that, in consideration of the significant savings still required to balance the 2015-16 budget and risks around achieving all of the £95m additional income and savings included within the 2014-15 budget, this is set aside in the Economic Downturn reserve.

3.3 The report also provides, in section 3.8, details of the impact of the outturn on our reserves. In addition, the final monitoring of key activity indicators for 2013-14 is detailed in Appendix 3, and Appendix 4 provides the year-end financial health indicators including cash balances, our long term debt maturity, outstanding debt owed to KCC, the percentage of payments made within 20 days and the recent trend in inflation indices (RPI & CPI).

3.4 HEADLINE POSITION (EXCL SCHOOLS) (£'000)

	Cash Limit	Provisional Outturn	Net Variance	Last Report *	Movement
Directorate Totals	+976,391.5	+966,526.3	-9,865.2	-12,919	+3,053.8
Adjustments: - Committed roll forward/ re-phasing *(see Appendix 1)*		+5,099.1	+5,099.1	+4,326	+773.1
Underlying position	**+976,391.5**	**+971,625.4**	**-4,766.1**	**-8,593**	+3,826.9

** The total variance before adjusting for roll forwards last reported to Cabinet of -£12,919k was made up of an underspend of -£14,119k per table 1 of that report, together with an estimated revision of +£1,200k to the waste and transport forecasts as reflected in the headline position shown in paragraph 3.3 of that report, which was based on the very latest data at the time the report was published.*

3.5 **Table 1** Directorate position - provisional net revenue position with comparison to last report

Directorate	**Budget £'000**	**Provisional Outturn £'000**	**Net Variance £'000**	**Variance per Last Report £'000**	**Movement £'000**
Education, Learning and Skills (ELS)	38,358.0	+36,530.1	-1,827.9	-977	-850.9
Families & Social Care (FSC):					-
- Specialist Children's Services (SCS)	*152,716.4*	*+155,708.7*	*+2,992.3*	*+2,891*	*+101.3*
- Specialist Children's Services - Asylum	*280.0*	*+2,412.0*	*+2,132.0*	*+346*	*+1,786.0*
- Adult Social Care	*327,918.8*	*+327,452.6*	*-466.2*	*-237*	*-229.2*
TOTAL Families & Social Care (FSC)	480,915.2	+485,573.3	+4,658.1	+3,000	+1,658.1
Enterprise & Environment (E&E) *	151,250.2	+154,580.2	+3,330.0	+2,292	+1,038.0
Customer & Communities (C&C)	76,253.9	+69,935.6	-6,318.3	-4,738	-1,580.3
Business Strategy & Support (BSS):					
- Public Health	*384.3*	*-31.5*	*-415.8*	*-415*	*-0.8*
- Regeneration & Economic Development	*3,882.2*	*+3,766.1*	*-116.1*	*-*	*-116.1*
- BSS Core Services	*75,987.3*	*+73,019.0*	*-2,968.3*	*-1,887*	*-1,081.3*
TOTAL Business Strategy & Support (BSS)	80,253.8	+76,753.6	-3,500.2	-2,302	-1,198.2
Financing Items	149,360.4	+143,153.5	-6,206.9	-10,194	+3,987.1
TOTAL (excl Schools)	**976,391.5**	**+966,526.3**	**-9,865.2**	**-12,919**	**+3,053.8**
Schools (ELS)	-	+2,394.0	+2,394.0	+9,252	-6,858.0
TOTAL	**976,391.5**	**+968,920.3**	**-7,471.2**	**-3,667**	**-3,804.2**

** The Enterprise & Environment Directorate variance included in the last report to Cabinet was +£2,292k, which was made up of +£1,092k per table 1 of that report together with an estimated +£1,200k revision to the waste and transport forecasts as referred to above.*

3.6 Detailed below are the main reasons for the movement in the directorate forecasts since the last monitoring report to Cabinet on 28 April, as shown in table 1:

3.6.1 **Education, Learning & Skills:**

Within a difficult year, the ELS directorate has delivered the overall savings required as part of the agreed MTFP at the same time as absorbing the financial pressures arising from increased demand on activity around school improvement and intervention, the closure of two schools, pressure on Home to School Transport, as well as the set-up costs incurred on behalf of the whole authority with the establishment of the Kent Integrated Adolescent Support Service (KIASS). Over and above this, the directorate was still able to deliver an underspend of £1,828k to help the Council's overall position and fund roll forward requirements of £1,586k. This was achieved by running a number of vacancies (where appropriate) and delivering higher levels of income from schools trading than initially planned, particularly within the Educational Psychology Service, School Improvement and Governor Services.

The overall position for the directorate has moved by -£850.9k since the 28 April report to Cabinet. The main movements are:

a) -£220.3k Mainstream Home to School Transport: this movement is mainly due to reduced transport costs, in part due to the finalisation of contract renegotiations and an expected IT project not being undertaken.

b) -£246.5k SEN Home to School Transport: this movement is mainly due to reduced transport costs, in part this relates to school closure days resulting from teacher training and industrial action; an increase in recoupment income for the transport of other local authority pupils to Kent schools and lower than expected costs for personal transport.

c) -£128.9k 14-19 year olds: an increase in the underspend for Kent Youth Employment and Vulnerable Learner placements for which roll forward is requested (-£78.5k) and other minor movements across all headings (-£50.4k).

d) -£99.2k Directorate Management and Support: there is a reduction in bad debt provision required for the directorate of -£155k, an increase in the overspend for the new Kent Integrated Adolescent Support Service +£67.2k and other minor movements of -£11.4k

e) -£98.5k reduction in Teacher and Education Staff Pension costs.

f) -£57.5k Other minor variances.

3.6.2 **Families & Social Care - Specialist Children's Services:**

Although specialist children's services has had a challenging year, and ended with an underlying pressure of £2,992k, significant progress has been made to stabilise the financial position of the division, following the improvement journey the service has been on since 2010.
The children in care numbers have reduced steadily during the year and an overall reduction has been seen, which will contribute to lower costs going forward.

The overall position for Specialist Children's Services (excluding Asylum) has moved by +£101.3k since the 28 April report to Cabinet. The main movements are:

a) +£353.9k Residential Children's Services: this movement is due to a reduction in income received for residential placements from Health. The service had secured provisional funding agreements and the income had been forecast to be received throughout the year, but no final agreements materialised. The service have already undertaken a review of other agencies contributions through the JRAP process and have introduced a more robust system for 2014-15 which will ensure this year's experiences are not repeated.

b) +£716.0k Fostering: The main movements are +£387k due to an increase in the number of weeks in IFAs, +£178k due to an increase in the use of supported lodgings and a -£153k reduction in the number of weeks for In House. There is also a net movement of +£114k on staffing.

c) -£373.8k Children's social care staffing: this movement is due to a reduction in agency spend compared to the forecast and vacancies not filled when anticipated.

d) -£550.8k Children's Centres: this overall movement is due to various small movements spread across the 97 centres.

e) -£44k Other minor variances

3.6.3 **Families & Social Care - Specialist Children's Services - Asylum:**

The overall position on the Asylum budget is a pressure of +£2,132k as shown in table 1 above. The Asylum budget outturn position and movements from the previous reported position were discussed at Cabinet on 2 June 2014. A corresponding -£2,132k underspend is shown within Financing Items (paragraph 3.6.9 d)).

3.6.4 **Families & Social Care - Adults Social Care:**

The FSC directorate Adults Social Care divisions have delivered the overall savings required as part of the agreed MTFP, which included £18,115k for Adults Transformation Programme, and ended the year with an overall underspend of £466k. Progress has been made within the Adults Transformation Programme, Phase One of which has mainly focused on older person's services. The optimisation part of the Transformation Programme has looked at the staffing structure of the OP/PD service, leading to a new model of working being in place. Alongside this the Directorate has used £22,064k of NHS Support for Social Care funding to invest in a number of initiatives to help achieve the Directorate’s strategic objectives and in particular increased joint working with Health.

The overall position for Adult Social Care has moved by -£229k since the 28 April report to Cabinet. The main movements are:

a) +£314.9k Domiciliary care movements, including increased independent sector usage and increased staffing and related costs linked to activity on the Older People Kent Enablement At Home (KEAH) service due to reduced usage of Independent Sector Enablement and delivery of transformation plans.

b) +£222.0k Other Adults Services changes including: an increase (+£192k) in the costs of meals due to a revised interpretation of the meals contract, where a minimum level of 150,000 meals must be paid for regardless of take up, (previous forecasts were based on actual take up levels, which have been below 150,000); a reduction in the usage of the NHS Support for Social Care reserve of +£225.2k, release of other reserves and provisions of -£186.5k, following a review of balances and future requirements, and changes to commitments linked to Winter Pressures funding.

c) -£310.2k Adult Social Care Commissioning & Performance Monitoring - the New Burdens grant, to fund work required to be able to report on a new activity and finance data set from April 2015 following national changes to adult social care data collections by local authorities, was expected to be spent in 2013-14, but some work has re-phased into 2014-15 and is reflected within the committed roll-forward submissions in appendix 1. There has also been a reduction in the overall costs of this project. In addition, there were other minor movements including an increase in vacancies.

d) -£196.8k Strategic Management & Directorate Support budgets, due to a variety of minor movements including reductions in Operational Support costs.

e) -£191.9k Direct Payments movements, predominately due to increased recovery of unused client funds and client turnover.

f) -£177.7k Adult Social Care Staffing reductions, mostly due to vacancy slippage.

g) +£175.6k Residential Care: due to a variety of movements, including turnover of permanent clients and changes to non-permanent clients, together with the recording and backdating of client care packages on the client database. This is partly offset by the transfer of some clients to Continuing Health Care.

h) -£168.3k Contributions to Voluntary Organisations, predominately related to part of the overall plan to review/re-negotiate or re-commission schemes to support the transformation agenda.

i) +£159.6k Supported Accommodation changes, predominately due to an increase in usage of Supported Accommodation and Supporting Independence Service by Mental Health clients.

j) -£114.5k Day Care changes, including lower usage of independent sector by Older People and Physical Disability clients, offsetting increases in costs within the Learning Disability service.

k) +£58.3k Other minor movements, including a slight reduction in the safeguarding forecast.

3.6.5 **Enterprise & Environment:**

Although the directorate has overspent their budget this year by £3,330k, the Find & Fix pothole repair programme put a significant pressure of £4,190k on the budget for E&E, and the Highways & Transportation division in particular. In addition, further pot hole repairs and the emergency response required as a result of the autumn and winter storms and floods put a further combined pressure on the budget of £3,136k. Through management action with all managers in H&T division working together, underspends on other budgets have been achieved to offset a significant proportion of these pressures.

The overall position for the directorate has moved by +£1,038k since the 28 April report to Cabinet. The main movements are:

a) +£281k Freedom Pass: increase in capacity payments and in operator payments following the final reconciliation of usage.

b) +£399k Commercial Services: reduction in dividend to be paid, agreed since the January monitoring report.

c) +£1,104.8k General Maintenance and Emergency Response: the movement is mainly due to an increase in emergency costs as a result of the floods and storms over the winter +£879k together with an increase in the repair of potholes of £102k. In addition there are other minor variances totalling +£123.8k.

d) +£181.9k Streetlight Maintenance: this movement is mainly due to an unexpected charge from a contractor for work undertaken earlier in the financial year.

e) -£211.7k Highways Improvements: there are a number of minor movements on this line which include an underspend on consultants for major projects and increase in the capitalisation of staff costs due to the nature of the work undertaken.

f) -£295.5k Road Safety: reduced costs of speed awareness courses and increase in income due to rebooking fees -£166.6k, plus other minor movements of -£128.9k including an underspend of £41k on the maintenance of speed cameras.

g) -£203.9k Traffic Management: increase in road closures and enforcement income, permit scheme income and other income -£126.7k plus other minor movements of -£77.2k.

h) +£148.6k Tree maintenance, grass cutting and weed control: this movement is mainly due to an increase in tree, shrub and hedge works.

i) -£165.2k Planning & Transport Policy: reduction in spend on lorry park and lower Thames crossing.

j) -£151.5k Environment Management: movement due to minor variances which individually are all below £100k.

k) -£49.5k Other minor variances

3.6.6 **Customer & Communities:**

In order to deliver the underspend of £6,318k reflected in table 1, the majority of services within C&C directorate have generated underspends through extending vacancy management, delivering 2014-15 savings ahead of schedule and ensuring that only core activities/spend were taken forward in the second half of the year, as the authority looked to generate as big an underspend as possible to carry forward to help mitigate future budget reductions. This was particularly true of the Libraries, Registration & Archives service, which delivered a significant underspend (£1.2m), by restricting expenditure, generating additional income which was largely one-off, particularly within the Registration Service and delivering savings ahead of schedule, hence deriving a one-off benefit.

In addition, within Supporting People, the service varied a number of contracts during the year, as well as ceasing the floating support in lieu of accommodation contracts, with a view to ensuring that contracts are varied according to performance outcomes being achieved. These savings have been achieved without a reduction in service levels, as the users benefitting from this service have continued to be supported from existing floating support contracts, which were previously under-utilised.

An underspend has been achieved within the Kent Support and Assistance Service (KSAS), which is often the last available source of funding for those in dire need and the level of applications and awards has been significant across the county. This has been possible because the level of funding for this service was based on demand for the old Department for Work and Pensions Social Fund scheme, which purely provided crisis loans and grants, which was not getting to the nub of the range of issues facing these vulnerable individuals and families, whereas KSAS is primarily concerned with finding longer term solutions to residents issues, providing advice and signposting to alternative appropriate services to receive sustained support, as well as providing shorter term awards.

The overall position for the directorate has moved by -£1,580.3k since the 28 April report to Cabinet. The main movements are:

a) -£393k Kent Support & Assistance Service: lower than anticipated demand for awards from the Social Fund (-£347k) and lower admin costs (-£46k).

b) -£160k Supporting People due to further contract variations.

c) -£443k Libraries Registration & Archives consisting of: (i) -£158k increased registration income including -£98k wedding ceremony income for 2013-14; -£26k in respect of citizenship ceremonies; -£34k licences for wedding venues; (ii) -£110k work not completed and/or lower costs charged for IT project scoping & IT systems within the service; (iii) -£175k other minor variances individually below £100k.

d) -£162k Coroners due to a backlog of long inquest cases and other minor variances.

e) -£153k Gateways due to an increase in the underspend against the Gurkha project and various other minor movements.

f) -£134k KDAAT: -£47k increase in KCC share of the pooled budget underspend, -£65K Local Area Single Assessment and Referral (LASAR) Service; -£22k various other minor movements.

g) +£78k Community Learning & Skills: +£263k tutor pay & additional agency staff; -£121k better than expected contract drawdown income; -£64k other minor variances.

e) -£213.3k other minor movements individually below £100k

f) The provisional outturn position includes a transfer to the Public Health reserve of £1,460k relating to the Kent Drug and Alcohol Service, which is £514k higher than forecast in the last report.

3.6.7 **Business Strategy & Support - Public Health:**

This year has been very much a year of transition as the Authority gets to grips with the Public Health duties and responsibilities that transferred from the Health Service last April. As a result many of the contracts remain commissioned on a block basis to ensure continuity of services in this transitional period. However the contract for NHS Health Checks does have a performance element within it and due to close scrutiny of this performance, the team managed to ensure that more health checks were carried out at a lower cost than was possible with the previous block contract arrangement. It is expected that the use of block contracts next year will be significantly reduced as services are re-commissioned based on activity and payment by results; this should realise further savings which can then be re-invested in Public Health services.

The overall position for the Public Health budgets has moved by -£663k since the 28 April report to Cabinet; +£662k of this has been transferred into the Public Health reserve leaving a net movement of -£1k as in Table 1 above. The main movements are:

a) -£403k of expenditure relating to the Adult Psychiatric Morbidity Survey which has slipped to 2014/15.

b) -£267k of dispensing costs now funded by KDAAT.

c) -£264k of contributions from partners; these are contributions towards the Singing for Health and Year of Care projects as well as recharges for Public Health Intelligence and Knowledge Services provided by the team.

d) -£190k within Drug and Alcohol Services relating to reductions in prescribing costs, Hepatitis B vaccinations and shared care costs (recharged by GPs).

e) +£180k increase in the NHS Health Check Programme following increased outreach work in February and March.

f) +£443k of Sexual Health Services as a result of an increase in demand for this service, especially out of county, and late billing from Hospital Trusts; further clarification from the Department of Health of Public Health responsibilities throughout the course of the year has also resulted in a higher than anticipated level of spend.

g) -£162k of minor movements.

h) The provisional outturn position includes a transfer to the Public Health reserve of £1,446k which is £662k higher than forecast in the last report.

3.6.8 **Business Strategy & Support (exc Public Health):**

The core services within the BSS directorate have delivered, through strong management action, an overall underspend of nearly £3m to help with the Authority's overall position. A number of divisions have maximised income where possible, in particular in the areas of teacher recruitment in HR and schools appeals in Democratic Services. Kent Legal Services also generated above budgeted external income for the Council whilst their Evolution programme reduced costs internally. This year has seen the move to a new building at Kings Hill, designed to implement the New Ways of Working standards and reduce overall accommodation costs. Finance actively managed vacancies and reduced use of specialist services to deliver an underspend. Within ICT, the move to a system of unified communications led to reductions in telephony costs to the Authority. ICT operations staff delivered Phase 1 of the new Integrated Children's System, Liberi. Economic Development has attracted significant investment from external sources. A key aspect of this has been successful bids for £55m of Regional Growth Funding for interest free loans to growing businesses across Kent. Furthermore, through the administration of the S106 agreements with developers in 2013/14, the department secured over £16m for schools and community facilities across the county.

The overall position for BSS core services has moved by -£1,081k since the 28 April report to Cabinet. The main movements are:

a) -£473k within Corporate Landlord: -£200k potential provision for Youth Centre rates had been forecast but in the end was not required; -£161k reduction in rates costs within the Corporate Landlord Estate primarily refunds following reviews; and -£112k reduction in cleaning costs.

b) -£428k capitalisation of costs within Property and Infrastructure, primarily staff time due to additional support provided to the capital programme (e.g. ELS Basic Need Programme), as well as security costs at non-operational buildings.

c) -£105k of additional income for Legal Services; this relates to the use of non-ringfenced DfE capital grant to fund revenue expenditure which cannot be capitalised but is within the terms of the grant.

d) -£75k of other minor movements.

e) The overall position for BSS Economic Development & Regeneration has moved by -£116k since the 28 April report to Cabinet. There are no significant movements within this to report.

3.6.9 **Financing Items:**

The overall position for the Financing Items budgets has moved by +£3,987k since the 28 April report to Cabinet. The main movements are:

a) +£4,000k transfer to an earmarked reserve to support the 2014-15 budget, as agreed by County Council on 13 February.

b) +£3,706k transfer to the Economic Downturn reserve of additional one-off Government funding awarded since the 2013-14 budget was set. Cabinet agreed on 15 July that should we achieve our £95m savings target in 2013-14, that this would be transferred to reserves to offset future budget savings.

c) -£957k increased drawdown from the emergency conditions and flood repairs reserves in respect of emergency costs relating to the autumn and winter floods and storms. These increased costs are reflected within E&E and C&C directorates. This leaves a balance of £3,344k in the flood repairs reserve for funding costs in 2014-15 of the existing response to severe wet weather damage.

d) -£2,132k funding held back to offset the impact of the pressure on the Asylum budget. We had assumed that we would need to make a contribution to the bad debt provision in relation to the invoices raised to the Home Office. So as to reflect the true cost of the Asylum service, this is reflected within the FSC directorate position with a compensating underspend shown against the Financing Items budget.

e) -£630k other smaller movements, predominately relating to increased interest on cash balances, mainly due to accrued interest on our Icelandic ESCROW accounts, lower interest payments on developer contributions and lower than anticipated bank charges and brokerage fees, together with further savings on our external audit fee.

3.7 DELEGATED SCHOOLS BUDGETS

The previously forecast drawdown from reserves of £9.252m was made up of a drawdown of £1.904m as a result of 26 schools converting to academies and 2 school closures, together with a reduction of £7.348m in reserves for the remaining Kent schools based on the schools nine month monitoring returns. The actual movement in schools reserves for 2013-14 was a reduction of £2.394m, a movement of -£6.858m from the forecast position, which is due to an increase in school reserves, in part due to the delegation of pupil referral units part way through the financial year and a drawdown from the school unallocated reserve. Please see section 3.8 (d) below for further details.

3.8 IMPACT ON RESERVES

a) The table below reflects the impact of the provisional outturn and activity for 2013-14 on our revenue reserves. These are provisional figures and are subject to change during the final stages of the closing of accounts process.

Account	Balance at 31/3/13 £m	Provisional Balance at 31/3/14 £m	Movement £m
Earmarked Reserves	163.7	163.0	-0.7
General Fund balance	31.7	31.7	-
Schools Reserves	48.1	45.7	-2.4

b) The general reserves position at 31 March 2014 remains unchanged from the position as at 31 March 2013, at £31.7m, which amounts to 3.4% of the 2014-15 net revenue budget, and 2.2% of the 2014-15 gross revenue budget (excluding schools). This is reviewed formally as part of the annual budget process - see Appendix F of the 2014-17 Medium Term Financial Plan for further details.

c) The provisional movement of -£0.7m in earmarked reserves since 31 March 2013 is mainly due to:

	£m
▪ Release of previously earmarked reserves (as approved in the 2013-15 MTFP)	-9.0
▪ Budgeted contribution to reserves (including underwriting Council Tax Support Scheme)	+1.8
▪ Drawdown from rolling budget reserve in respect of Big Society re-phasing saving	-1.0
▪ Budgeted drawdown from Kingshill Smoothing reserve	-2.0
▪ Budgeted transfer to Regeneration Fund	+1.0
▪ Use of 2011-12 uncommitted underspend held in Economic Downturn Reserve	-5.0
▪ Use of rolling budget reserve (2012-13 underspend)	-16.1
▪ Drawdown of Dedicated Schools Grant reserve	-0.3
▪ Transfer to Economic Downturn reserve of uncommitted 2012-13 rolled forward underspend	+4.9
▪ Transfer to new Public Health reserve	+2.9
▪ Use of NHS Support for Social Care reserve	-6.3
▪ Drawdown of the elections reserve to fund 2013 County Council elections (net of 2013-14 contribution)	-1.4
▪ Transfer to earmarked reserve to support 2014-15 budget	+4.0
▪ Transfer to rolling budget reserve of 2013-14 underspend	+9.8
▪ Transfer to Economic Downturn reserve of one-off additional Government funding approved since the 13-14 budget was set, to assist with future budget savings, in line with July 13 Cabinet	+3.7
▪ Transfer to Kingshill Smoothing reserve of profit distribution from partnership arrangement	+9.5
▪ Contribution to flood repairs reserve of Department of Transport funding following winter flooding &	+5.4
▪ Drawdown of flood repairs and emergency conditions reserves to fund emergency costs following winter flooding and storms	-3.3
▪ Net drawdown of IT asset maintenance reserve (net of 2013-14 contribution)	-2.1
▪ Other movements in various earmarked reserves	+2.8
	-0.7

		£m
d)	The £2.394m reduction in schools reserves in 2013-14 is made up of:	
	▪ 26 schools converting to academy status this financial year and taking their accumulated reserves with them, together with 2 school closures	-1.9
	▪ an underspend for the remaining Kent schools, which now includes 13 Pupil Referral Units who had their budgets delegated to them for the first time during the year.	+3.5
	▪ The use of schools unallocated reserves for schools collaboration work £2.5m, revenue contribution to capital for jointly funded capital projects with schools £1.6m, schools broadband £0.9m, schools finance training £0.3m, offset by underspending on growth funding and other minor variances of £1.3m	-4.0
		-2.4

This has reduced total school revenue reserves to £45.730m of which £5.916m relates to unallocated schools budget. Of the remaining £39.814m, the schools returns show that of this balance, £8.195m is committed for specific revenue projects and contributing towards larger capital projects.

Page 54

4. SUMMARISED PROVISIONAL CAPITAL BUDGET OUTTURN POSITION

4.1 The working budget for the Capital Programme 2013-14 is £256.283m. This has been adjusted to reflect the 2014-17 capital budget set by County Council on 13 February 2014. The provisional outturn against this budget is £203.245m giving a variance of -£53.038m, which is a movement of -£21.735m compared to the projected variance of -£31.303m reported to Cabinet in April. Details of the capital roll forwards are provided in Appendix 2 and the prudential indicators are provided in Appendix 5.

4.2 **Table 2** Directorate position - provisional capital outturn position

Directorate	**3 Year Cash Limit £'000**	**2013-14 Working Budget £'000**	**2013-14 Variance £'000**	**Real Variance £'000**	**Re-phasing Variance £'000**
Education, Learning and Skills	**210,018**	**121,185**	**-25,102**	-2,506	-22,596
Families & Social Care: Specialist Children's Services	**1,325**	**1,925**	**-1,581**	-1,113	-468
Families & Social Care: Adult Social Care	**92,858**	**4,398**	**-809**	+139	-948
Enterprise & Environment	**193,789**	**62,193**	**-6,755**	-349	-6,406
Customer & Communities	**11,263**	**4,531**	**-1,392**	+15	-1,407
Business Strategy & Support	**149,941**	**62,051**	**-17,399**	+4,113	-21,512
	-	**-**	**-**	-	-
TOTAL	**659,194**	**256,283**	**-53,038**	+299	-53,337

Page 55

4.3 The 2014-15 Capital Programme will now be revised to reflect the re-phasing and other variations of the 2013-14 Capital Programme that resulted in the £53.038m variance shown in table 2 above. Details of the capital re-phasing are provided in Appendix 2 and will be adjusted in the first full monitoring report of 2014-15. In addition, final details of the capital receipts and Property Enterprise Funds (PEF) for 2013-14 are provided in Appendix 3 and the final prudential indicators for 2013-14 are provided in Appendix 5.

4.4 SCHOOLS DEVOLVED CAPITAL

Capital expenditure incurred directly by schools in 2013-14 was £15.401m. Schools have in hand some £0.416m 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 £0.260m.

4.5 EDUCATION, LEARNING & SKILLS DIRECTORATE

4.5.1 The Education, Learning & Skills Directorate has a variance against its working budget of -£25,102k. The main reasons for this variance are as follows:

a) -£9,065k Basic Need Schemes - rephasing due to additional time being spent on applications to ensure robustness. This will ensure delays are not encountered at a later date.

b) -£5,115k Annual Planned Enhancement Programme. -£4,073k rephasing due to tendering timescales and the logistics of being unable to complete reactive works in school holidays. -£1,042k real variance due to a transfer of funding from capital to revenue.

c) -£2,747k Academies (-£965k real variance and -£1,782k rephasing). A review of project costs and timescales have led to real and rephasing variances on a number of the individual academy projects within this programme.

d) -£2,483k Special School Review Phase 2 - rephasing to reflect the latest forecasts.

e) -£1,066k Unit Review (-£1,049k rephasing and -£17k real). The variance on the Unit Review is an underspend as a result of good design and cost management. However £732k of this is requested to be rolled forward against a future pressure on Archbishop Courtenay, and the remaining £317k for future known pressures on the ELS capital programme.

f) -£834k BSF Wave 3 - rephasing relating to the budget for replacement of ICT equipment.

g) -£698k Goat Lees Primary School - rephasing while awaiting agreement of the final account.

h) -£670k Special School Review Phase 1 - rephasing due to some unresolved issues on projects.

i) -£623k BSF Unit Costs - rephasing in line with the Academy build programme.

j) -£421k One-off Schools Revenue to Capital - rephasing as the remaining projects span financial years - existing works were due for completion in the Easter break.

k) -£389k St Johns/Kingsmead Primary School. -£237k rephasing due to delays around scheduling works around school holidays. -£152k real variance to move mobile hire costs and funding to revenue.

l) -£169k Ryarsh Primary School - real variance. This relates to developer contributions received, which will be held until project plans have been drawn up.

m) -£148k Vocational Education Centre Programme - rephasing whilst awaiting outcome of potential joint venture between Swan Valley vocational centre and Paramount.

n) -£144k Modernisation Programme. -£178k real variance due to -£2k real underspend and -£176k transfer of grant to revenue to fund demolition costs. The remaining +£34k variance is due to rephasing.

o) -£140k Specialist Schools - rephasing due to delays in the planning process and lease negotiations for a sports pitch at Ursuline College.

p) -£139k Repton Park Primary School - rephasing whilst awaiting agreement of final account.

4.6 FAMILIES & SOCIAL CARE DIRECTORATE - CHILDREN'S SERVICES

4.6.1 The Families and Social Care Directorate - Children's Services has a variance against its working budget of -£1,581k. The main reason for this variance is as follows:

a) -£1,554k Transforming Short Breaks (TSB). -£1,123k TSB3 funding used against a related project in ELS Directorate. -£431k rephasing as spend was delayed whilst awaiting outcome of a request to the DfE to roll forward the grant allocation into 2014-15.

4.7 FAMILIES & SOCIAL CARE DIRECTORATE - ADULTS SERVICES

4.7.1 The Families and Social Care Directorate - Adult Services has a variance against its working budget of -£809k. The main reasons for this variance are as follows:

a) -£739k Learning Disability Good Day Programme - Community Hubs. -£527k real underspend to cover project costs in other Directorates (Edenbridge in C&C and New Ways of Working in BSS). -£212k rephasing on various Community Hub schemes.

b) -£653k Older Persons Strategy. -£650k rephasing due to the Wyllie Court development with Amicus Horizons delayed due to finalisation of legal documentation. -£3k real variance.

c) +£653k Information Technology Projects. Real variance which reflects the legitimate capitalisation of equipment which is funded by banked grant and developer contributions.

4.8 ENTERPRISE & ENVIRONMENT DIRECTORATE

4.8.1 The Enterprise & Environment Directorate has a variance against its working budget of -£6,755k. The main reasons for this variance are as follows:

a) -£1,300k Commercial Services Vehicles, Plant & Equipment - real variance due to Commercial Services now treated separately from KCC books.

b) -£1,142k Members' Highway Fund. -£1,118k rephasing due to scheme commitments made at the latter part of the financial year. -£24k real underspend to fund delivery of schemes in other service areas.

c) -£911k Mid Kent Joint Waste Project - underspend. A review of the contract resulted in changes in the type and number of containers to be used at a lower price than originally estimated. The underspend is proposed to be rolled forward to offset anticipated future pressures on the E&E capital programme.

d) -£819k Carriageway Collapse Emergency Works - rephasing due to works unable to be carried out as planned due to adverse weather.

e) -£554k Street Lighting Column Replacement - rephasing due to an industry shortage of jointers to carry out electrical connection to columns on the UK Power Networks supply.

f) -£437k Integrated Transport Schemes. -£600k underspend which is proposed to be rolled forward to offset anticipated future pressures on the E&E capital programme. +£245k real overspend due to completion of additional S106 conditions within the timeframe. -£82k rephasing on the IT programme.

g) -£330k Major Scheme Preliminary Design Fees - rephasing as the schemes are dependent on developers.

h) -£250k Swale Transfer Station - rephasing due to bad weather and ongoing negotiations with the owner of the access road.

i) -£197k East Kent Joint Waste Project - real underspend as a review of the contract resulted in changes to the type and number of containers used and a lower price than originally estimated.

j) -£182k Ashford Transfer Station - real underspend. Savings were made due to modifications to design and construction methods.

k) -£138k Drovers Roundabout Junction. -£50k rephasing due to assessment of the LCA Part 1 claims being delayed because of time to assess junction operation and noise impacts. -£88k real underspend as a review of the scheme lead to a reduction in signage and road marking.

l) -£123k Sittingbourne Northern Relief Road - rephasing due to the tendering of a new contract for negotiating LCA Part 1 claims.

m) -£122k Growth Without Gridlock Initiatives - rephasing on Lorry Park as a result of options being assessed and on Thanet Parkway due to Southeastern being unable to release essential data for the business case.

n) -£114k East Kent Access Phase 2 - rephasing due to the tendering of a new contract for negotiating LCA Part 1 claims.

o) -£102k Land Compensation and Part 1 Claims - rephasing due to the tendering of a new contract for negotiating Part 1 claims.

p) -£18k Highway Major Enhancement. -£990k rephasing due to works unable to be carried out as planned due to adverse weather. +£972k real overspend due to additional grant awarded to deal with the severe weather recovery.

q) +£121k Old Scheme Residual Works. Real overspend as a result of a review of old TSG major schemes identified some outstanding CPO land liabilities . This is to be funded from additional external funding and from underspends elsewhere within the E&E capital programme.

r) +£305k Street Lighting Timing - rephasing caused by survey and analysis work being completed sooner than expected.

4.9 CUSTOMER & COMMUNITIES DIRECTORATE

4.9.1 The Customer & Communities Directorate has a variance against its working budget of -£1,392k. The main reasons for this variance are as follows:

a) -£474k Gateways - rephasing of Swanley Gateway due to delays in planning decisions.

b) -£357k Library Modernisation Programme - rephasing projects to 2014-15 whilst awaiting decisions on future direction of service through Facing the Challenge.

c) -£256k Public Rights of Way - Structural Improvements. -£188k rephasing due to flooding and needing to reprioritise to allow for bridge works. -£68k real variance comprising +£15k additional funding received and -£83k due to schemes not progressing and therefore funding not achieved.

d) -£148k Replacement and Enhancement of Core Website - rephasing due to moving to procuring through the G Cloud route leading to a requirement for additional development and security testing.

e) -£103k Kent Library & History Centre - rephasing; £37k on the Kent Library & History Centre and £66k of which is requested to be rolled forward to use against overspends elsewhere on the C&C capital programme.

4.10 BUSINESS STRATEGY & SUPPORT DIRECTORATE

4.10.1 The Business Strategy & Support Directorate has a variance against its working budget of -£17,399k. The main reasons for this are as follows:

a) -£4,301k Regional Growth Fund (Expansion East Kent) - rephasing due to fewer than expected loans being issued.

b) -£3,361k Modernisation of Assets. -£3,488k rephasing due to the nature and complexity of some projects, linking with the New Ways of Working project plus the implication of the uncertainty of the future use of other premises. +£127k real variance across a number of schemes.

c) -£3,076k LIVE Margate - rephasing. KCC have decided to undertake a strategic review of the project, shifting away from the redevelopment of existing properties to acquiring key sites and promoting those sites for development.

d) -£2,296k TIGER - rephasing due to fewer than expected loans being committed.

e) -£1,567k Broadband - rephasing. Whilst delivery is currently ahead of schedule, the claim payment process means that the supplier is only entitled to the first agreed milestone payment before the end of this financial year.

f) -£1,054k Sustaining Kent Maintaining the Infrastructure - rephasing due to technical difficulties during the unified communications implementation.

g) -£1,015k Regeneration Fund Projects - rephasing due to fewer than expected bids received.

h) -£500k Payers Park (Regeneration Fund) - rephasing due to invoice for capital contribution not received in time for processing in 2013-14.

i) -£497k Corporate Property Strategic Capital - real underspend due to capital grant being used to cover revenue expenditure, as the grant rules allow us to do this.

j) -£450k Empty Property Initiative. -£472k rephasing due to fewer loans being issues than expected. +£22k real variance.

k) -£369k Connecting With Kent - rephasing. ICT has ordered firewalls and back end storage to meet on-going Central Government security Code of Connection regulations. Delivery of these items was not made until the new financial year.

l) -£344k Rural Broadband Demonstration Project - rephasing due to UK Power Network needing to deploy resources elsewhere.

m) -£313k No Use Empty - rephasing due to delays in planning, legal and settling financial packages.

n) -£282k Incubator Development - rephasing due to changes in negotiations with landlords that has led to a review of the proposed property options. KCC are in the process of securing alternative locations which will give the project a stronger strategic position.

o) -£223k Enterprise Resource Programme. -£209k rephasing due to a procurement exercise for the support of the development of OBI taking longer than anticipated. -£14k real variance.

p) -£102k Folkestone Heritage Quarter - rephasing to reflect the updated project plan. This has not affected the completion date.

q) +£107k Seasonal Death Initiative - real. Use of Revenue Public Health grant for the installation of boilers at peoples addresses.

r) +£429k Disposal Costs - real overspend due to capitalisation of security costs to protect the value of KCC assets.

s) +£2,067k New Ways of Working. -£1,873k rephasing due to the forecast prepared at the start of the year based on broad, untested assumptions. The rephasing now reflects the NWOW business case timings. +£3,940k real overspend relates to Thin Client (£3,440k funded from IT Asset Maintenance Reserves) and Gravesend Social Education Centre (£500k funded from Adults Services).

5 STAFFING LEVELS

5.1 The following table provides a snapshot of the staffing levels by directorate as at 30 June 2013, 30 September and 31 December and 31 March 2014 compared to the numbers as at 31 March 2013, based on active assignments. Between 31 March 13, and 31 March 14, there has been a reduction of -1,078.41 FTEs, of which -365.67 FTE were in schools together and -712.74 FTEs were in non-schools settings. The reduction in schools based staff is mainly as a result of schools converting to academies; hence the staff are no longer employed by KCC.

							Difference	
		Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Number	%
KCC	Assignment count	41,201	40,242	40,274	39,849	39,194	-2,007	-4.87%
	Headcount (inc. CRSS)	34,952	34,056	34,151	33,766	33,095	-1,857	-5.31%
	Headcount (excl. CRSS)	30,993	30,160	30,264	29,957	29,456	-1,537	-4.96%
	FTE	**22,848.23**	**22,196.33**	**22,391.66**	**22,147.91**	**21,769.82**	**-1,078.41**	**-4.72%**
KCC - Non Schools	Assignment count	13,172	12,284	12,169	12,057	11,995	-1,177	-8.94%
	Headcount (inc. CRSS)	12,114	11,259	11,181	11,144	11,061	-1,053	-8.69%
	Headcount (excl. CRSS)	10,360	9,634	9,621	9,597	9,574	-786	-7.59%
	FTE	**8,874.66**	**8,191.65**	**8,184.28**	**8,170.83**	**8,161.92**	**-712.74**	**-8.03%**
BSS	Assignment count	1,554	1,594	1,617	1,625	1,624	70	4.50%
	Headcount (inc. CRSS)	1,548	1,589	1,613	1,620	1,617	69	4.46%
	Headcount (excl. CRSS)	1,534	1,578	1,601	1,605	1,601	67	4.37%
	FTE	**1,430.83**	**1,462.72**	**1,484.48**	**1,486.47**	**1,483.06**	**52.23**	**3.65%**
ELS	Assignment count	1,569	1,136	1,096	1,124	1,131	-438	-27.92%
	Headcount (inc. CRSS)	1,514	1,124	1,082	1,110	1,119	-395	-26.09%
	Headcount (excl. CRSS)	1,224	908	888	899	898	-326	-26.63%
	FTE	**947.37**	**674.00**	**664.11**	**671.98**	**676.27**	**-271.10**	**-28.62%**
C&C	Assignment count	3,660	3,649	3,551	3,410	3,368	-292	-7.98%
	Headcount (inc. CRSS)	3,193	3,174	3,087	3,015	2,995	-198	-6.20%
	Headcount (excl. CRSS)	2,047	2,057	2,009	1,978	1,978	-69	-3.37%
	FTE	**1,630.64**	**1,641.56**	**1,602.05**	**1,581.22**	**1,591.86**	**-38.78**	**-2.38%**
E&E	Assignment count	1,164	655	659	662	670	-494	-42.44%
	Headcount (inc. CRSS)	1,154	648	654	657	624	-530	-45.93%
	Headcount (excl. CRSS)	1,048	546	554	555	557	-491	-46.85%
	FTE	**997.75**	**517.66**	**525.20**	**527.31**	**529.43**	**-468.32**	**-46.94%**
FSC	Assignment count	5,225	5,250	5,246	5,236	5,202	-23	-0.44%
	Headcount (inc. CRSS)	4,794	4,841	4,822	4,820	4,784	-10	-0.21%
	Headcount (excl. CRSS)	4,533	4,574	4,589	4,580	4,559	26	0.57%
	FTE	**3,868.07**	**3,895.71**	**3,908.44**	**3,903.85**	**3,881.30**	**13.23**	**0.34%**
Schools	Assignment count	28,029	27,958	28,105	27,792	27,199	-830	-2.96%
	Headcount (inc. CRSS)	22,966	22,942	23,084	22,731	22,135	-831	-3.62%
	Headcount (excl. CRSS)	20,688	20,587	20,698	20,411	19,928	-760	-3.67%
	FTE	**13,973.57**	**14,004.68**	**14,207.38**	**13,977.08**	**13,607.90**	**-365.67**	**-2.62%**

Note:

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.

CRSS = Staff on Casual Relief, Sessional or Supply contracts

6. CONCLUSIONS

6.1 For the 14th 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 £95m and on the back of delivering £175m of revenue savings in the previous two years, together with continued high demand for services such as Specialist Children's Services, SEN Home to School Transport, school improvement and intervention and the unbudgeted Find and Fix repair of potholes even prior to the winter flooding, this has been a massive challenge and is a considerable achievement. However, with further savings of £81m required in 2014-15 and a budget gap still to close for 2015-16, we must not be complacent, hence the recommendation to put the uncommitted underspend from 2013-14 into reserves pending future budget decisions.

7. RECOMMENDATIONS

Cabinet is asked to:

i) **Note** the provisional outturn position for 2013-14 for both the revenue and capital budgets.

ii) **Note** that the revenue position reflects all appropriate and previously agreed transfers to reserves including the £4m to support the 2014-15 budget, as approved by County Council on 13 February.

iii) **Agree** that £5.099m of the 2013-14 revenue underspending is rolled forward to fund existing commitments, as detailed in Appendix 1.

iv) **Agree** that the £4.766m remainder of the 2013-14 revenue underspending is set aside in the Economic Downturn reserve.

v) **Agree** that £53.337m of capital re-phasing from 2013-14 will be added into 2014-15 and later years capital budgets, as detailed in Appendix 2.

vi) **Note** the final monitoring of the 2013-14 key activity indicators, Financial Health Indicators and Prudential Indicators as reported in appendices 3, 4 and 5 respectively; the final staffing numbers for 2013-14 as detailed in section 5 and the impact of the provisional outturn on reserves as detailed in sections 3.8 and 4.4.

8. BACKGROUND DOCUMENTS

None

9. CONTACT DETAILS

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2013-14 REVENUE BUDGET ROLL FORWARD PROPOSALS

			£000s	£000s
1.	**2013-14 provisional underspend**			**-9,865.2**
2.	**Details of Committed/Re-scheduled projects:**			
a)	**Education, Learning & Skills Directorate**			
	i)	*re-phasing of Kent Youth Employment programme into 2014-15 and 2015-16*		
		This represents the re-phasing of Kent Youth Employment Programme, which was launched at the end of the 2011-12 financial year and its purpose is to encourage Kent businesses to recruit unemployed young people who have been unemployed for a significant period. The scheme involves the payment of grants to employers, but as the payments are only made following completion of 6 months and 12 months in placements, a significant amount of the budget has re-phased into 2014-15 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.	1,399.4	
	ii)	*re-phasing of Vulnerable Learners placements into 2014-15*		
		This re-phasing is required to cover placements which extend beyond the end of the 2013-14 financial year.	181.1	
	iii)	*Various externally funded projects*		
		This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects	5.7	
				1,586.2
b)	**Families & Social Care Directorate**			
	i)	*re-phasing of Kent Safeguarding Children Board (KSCB) into 2014-15*		
		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.	290.5	
	ii)	*re-phasing of Kent & Medway Safeguarding Vulnerable Adults Committee into 2014-15*		
		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 is held in a Fund.	22.1	

		£000s	£000s
iii)	*New Burdens funding (un-ringfenced)*		
	This represents re-phasing of work required to be able to report on a new activity and finance data set from April 2015 following national changes to adult social care data collections by local authorities. This has placed additional burdens on local authorities for which the DoH have provided a one-off unringfenced grant. Roll forward of this one-off funding is required in order to be able to fund the completion of this work in 2014-15.	77.9	
iv)	*Various externally funded projects*		
	This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects	16.3	
			406.8
c)	**Enterprise & Environment Directorate**		
i)	*Various externally funded projects*		
	This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects	106.5	
ii)	*Re-phasing of Kent Local Flood Risk Management Strategy related projects*		
	This represents the re-phasing of funds required to complete work on the flood asset database and Paddock Wood flood alleviation scheme in 2014-15.	29.8	
			136.3
d)	**Customer & Communities Directorate**		
i)	*underspend on Kent Support & Assistance Service awards budget (Social Fund)*		
	This reflects the 2013-14 underspending on the KSAS awards budget which, in accordance with Key Decision 12/01939, is to be rolled forward to 2014-15 as funding for this pilot scheme is to be ring fenced for two years (2013-14 & 2014-15).	1,722.2	
iii)	*re-phasing of the Gurkha integration project within the Gateways budget*		
	This represents re-phasing of the Government funded project to integrate Gurkhas and their dependents into the community and to improve their English language skills	219.1	
iii)	*re-phasing of Kent Drug & Alcohol Services into 2014-15*		
	This represents the share of the KDAAT underspend funded from the base budget and is required to roll forward to fund our commitment to the pooled partnership budget.	103.2	

		£000s	£000s
iv)	*Member Grants*		
	Grants which have been committed in 2013-14 for projects internal to KCC, but where the work was not completed by 31 March 2014. This relates to both the Member Community Grants Scheme and the Local Scheme Grants.	20.5	
v)	*Coroners*		
	A backlog of long inquests will fall into 2014-15 and so as not to place undue pressure on the 2014-15 budget, roll forward is required to fund this re-phasing	65.0	
vi)	*Various externally funded projects*		
	This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects	20.8	
			2,150.8
e)	**Business Strategy & Support Directorate**		
i)	*re-phasing of Health Reform budget*		
	This represents the unspent balance of the roll forward of Health Reform monies from 2012-13, which was due to be spent over the period June 2013 to May 2015, to support the development of seven new Health and Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups. This is required to roll forward to complete this work in 2014-15.	87.0	
ii)	*re-phasing of training programmes funded by the Independent Sector*		
	This represents the unspent balance of the roll forward of Independent Sector funding from 2012-13, which is due to be spent over the period July 2013 to January 2015. This balance is required to roll forward to fund the completion of the training programmes in 2014-15.	141.0	
iii)	*re-phasing of Facing the Challenge costs*		
	In December, Cabinet agreed a virement of £1.5m from the Modernisation of the Council budget for the initial costs of Facing the Challenge. This represents the unspent balance of that budget which is required to fund further Facing the Challenge costs in 2014-15.	504.2	
iv)	*Internal Audit*		
	This represents re-phasing of a necessary upgrade to the Teammate audit software	7.7	
v)	*Tackling Deprivation project*		
	This represents re-phasing of this joint project with District Councils and Kent Fire & Rescue Service	15.0	

			£000s	£000s
	vi)	*Oakwood Site Users*		
		This represents KCC's share of the underspend against the Oakwood Site. Under the terms of the inter-agency agreement, KCC has an obligation to provide this funding to the pooled budget. The underspending relating to the other agencies contributions is held in a Fund.	0.5	
	vii)	*Various externally funded projects*		
		This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects	63.6	
				819.0
				5,099.1
3.	**Uncommitted balance of underspending**			**-4,766.1**

CAPITAL RE-PHASING

1. The 2014-15 and future years capital programme will be adjusted to reflect the total rephasing of -£53,337k as follows:

Education, Learning & Skills	2013-14	2014-15	2015-16	Future years	Total
	£'000	£'000	£'000	£'000	£'000
Annual Planned Enhancement	-4,073	4,073			0
Future Basic Need Schemes	-9,065	9,065			0
Basic Need - Goat Lees Primary	-698	698			0
Basic Need - Repton Manor	-139	139			0
Modernisation - St Johns/Kingsmead	-237	237			0
Special Schools Review phase 1	-670	670			0
Special Schools Review phase 2	-2,483	-7,008	9,491		0
Academy Unit Costs	-744	511	233		0
John Wallis Academy	-723	723			0
Knole Academy	-1,093	1,093			0
Dover Christchurch Academy	694	-694			0
St Augustines Academy	-405	405			0
Duke of York Academy	144	-144			0
Wilmington Academy	146	-146			0
Isle of Sheppey Academy	200	-200			0
BSF - Wave 3	-834	834			0
BSF Unit Costs	-623	623			0
Specialist Schools - Ursuline College	-140	140			0
One off schools Revenue to Capital	-421	421			0
Unit Review	-1,049	317			-732
Archbishop Courtenay		732			732
Vocational Education Centre Programme	-148	148			0
Total rephasing >£100k	-22,361	12,637	9,724	0	0
Other rephased projects <£100k	-235	235	0	0	0
TOTAL REPHASING	**-22,596**	**12,872**	**9,724**	**0**	**0**

Specialist Childrens Services	2013-14	2014-15	2015-16	Future years	Total
	£'000	£'000	£'000	£'000	£'000
TSB 3 Short Breaks Programme	-431	431			0
Total rephasing >£100k	**-431**	**431**	**0**	**0**	**0**
Other rephased projects <£100k	**-37**	**37**			**0**
TOTAL REPHASING	**-468**	**468**	**0**	**0**	**0**

Adult Social Services	2013-14	2014-15	2015-16	Future years	Total
	£'000	£'000	£'000	£'000	£'000
Older Persons Strategy - Wyllie Court	-650	650			0
LD Strategy Community Hubs	-212	212			0
Total rephasing >£100k	**-862**	**862**	**0**	**0**	**0**
Other rephased projects <£100k	**-86**	**86**			**0**
TOTAL REPHASING	**-948**	**948**	**0**	**0**	**0**

Enterprise & Environment	2013-14	2014-15	2015-16	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Major scheme Preliminary Design	-330	330			0
Highways Major Maintenance	-990	990			0
Member Highway Fund	-1,117	1,117			0
Integrated Transport schemes	-682	82			-600
Future anticipated overspends		600			600
Non TSG Land Part 1	-102	102			0
Sittingbourne Northern Relief Road	-123	123			0
East Kent Access Phase 2	-114	114			0
Swale Transfer Station	-250	250			0
Carriageway Collapse	-819	819			0
Mid Kent Joint Project	-911				-911
Future anticipated overspends		911			911
Street Light Timing	305	-305			0
Street Light Column Replacement	-554	554			0
Total rephasing >£100k	**-5,688**	**5,688**	**0**	**0**	**0**
Total rephasing <£100k	**-718**	**717**	**1**		
TOTAL REPHASING	**-6,406**	**6,405**	**1**	**0**	**0**

Customer & Communities	2013-14	2013-14	2014-15	Future years	Total
	£'000	£'000	£'000	£'000	£'000
Public Rights of Way	-188	188			0
Kent History & Library Centre	-103	103			0
Library Modernisation	-356	356			0
Web Platform	-148	148			0
Gateways	-474	474			0
Total rephasing >£100k	**-1,270**	**1,270**	**0**	**0**	**0**
Other rephased projects <£100k	**-137**	**137**			**0**
TOTAL REPHASING	**-1,407**	**1,407**	**0**	**0**	**0**

Business Strategy & Support	2013-14 £'000	2014-15 £'000	2015-16 £'000	Future years £'000	Total £'000
Connecting with Kent	-369	369			0
Enterprise Resource Programme - Phase 1	-209	209			0
Modernisation of Assets	-3,488	3,488			0
New Ways of Working	-1,873	1,873			0
Sustaining Kent	-1,054	1,054			0
Broadband	-1,567	1,567			0
Capital Regeneration Fund	-1,015	1,015			0
Empty Property Initiative	-472	472			0
Escalate	-100	100			0
Folkestone Heritage Quarter (HLF)	-102	102			0
Incubator Development	-282	282			0
LIVE Margate	-3,076	3,076			0
No Use Empty - Rented Affordable Homes Project	-313	313			0
Payers Park	-500	500			0
Regional Growth Fund	-4,301	4,301			0
Rural Broadband	-344	344			0
TIGER	-2,296	2,296			0
Total rephasing >£100k	**-21,361**	**21,361**	**0**	**0**	**0**
Rephasing <£100k	**-151**	**151**			
TOTAL REPHASING	**-21,512**	**21,512**	**0**	**0**	**0**

	2013-14 £'000	2014-15 £'000	2015-16 £'000	Future years £'000	Total £'000
TOTAL ALL DIRECTORATES	**-53,337**	**43,612**	**9,725**	**0**	**0**

2013-14 FINAL MONITORING OF KEY ACTIVITY INDICATORS

1. EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY

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

	2010-11	2011-12	2012-13	2013-14	2014-15
	as at 31-3-11	as at 31-3-12	as at 31-3-13	as at 31-3-14	projection
Total number of schools	538	497	463	449	417
Total value of school reserves	£55,190k	£59,088k	£48,124k	£45,730k	£43,153k
Number of deficit schools	17	7	8	18	6
Total value of deficits	£2,002k	£833k	£364k	£2,017k	£5,645k

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

Comments:

- The information on deficit schools for 2014-15 has been obtained from the schools 3 year plans completed in spring/early summer 2013 and shows 6 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 be working with these 6 schools to reduce the risk of a deficit in 2014-15 and 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 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 2014).

- It should be noted that, based upon the three year planning returns submitted by schools in May/June the number of schools in deficit is forecast to rise to 24 in 2015-16 (with a value of £12.6m). However, all of this is before any management action. In line with existing policies, Finance staff, together with colleagues in ELS are now working to draw up recovery plans with each of these schools in order to avoid the deficit position from arising, whilst maintaining or improving standards of attainment. The position currently forecast by these schools is largely a reflection of the impact of four years of flat cash settlements for schools, and for some, the impact of falling rolls.

- The total number of schools has reduced by 14 overall. This movement is made up of 26 schools (6 secondary schools and 20 primary schools) converting to academies during the year, 2 schools are closing, 1 new school is opening and 13 Pupil Referral Units have had their budgets delegated during the year.

- The drawdown from schools reserves of £2,394k includes a drawdown of £1,904k relating to an assumed 26 schools converting to academy status and 2 schools closures. The remaining drawdown of £490k relates to an increase of £3,524k in the balances of the remaining Kent schools and a £4,014k drawdown from the schools unallocated reserve.

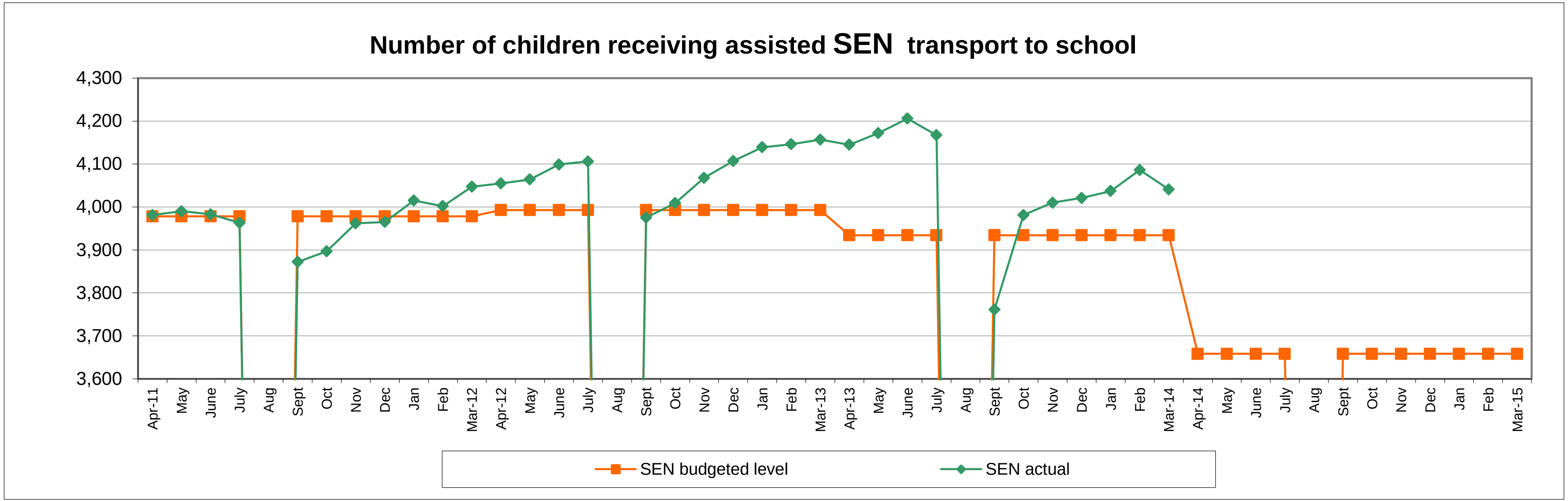
1.2 Number of children receiving assisted SEN and Mainstream transport to schools

	2011-12				**2012-13**				**2013-14**				**2014-15**	
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream		SEN	Main-stream
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr	3,978	3,981	18,982	17,620	3,993	4,055	17,342	16,757	3,934	4,145	14,667	14,119	3,658	13,382
May	3,978	3,990	18,982	17,658	3,993	4,064	17,342	16,788	3,934	4,172	14,667	14,119	3,658	13,382
Jun	3,978	3,983	18,982	17,715	3,993	4,099	17,342	16,741	3,934	4,206	14,667	14,106	3,658	13,382
Jul	3,978	3,963	18,982	17,708	3,993	4,106	17,342	16,695	3,934	4,167	14,667	14,093	3,658	13,382
Aug	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,978	3,872	18,982	16,282	3,993	3,975	17,342	13,698	3,934	3,761	14,667	10,300	3,658	13,382
Oct	3,978	3,897	18,982	16,348	3,993	4,009	17,342	13,844	3,934	3,981	14,667	11,258	3,658	13,382
Nov	3,978	3,962	18,982	16,553	3,993	4,068	17,342	13,925	3,934	4,010	14,667	11,267	3,658	13,382
Dec	3,978	3,965	18,982	16,556	3,993	4,107	17,342	13,960	3,934	4,021	14,667	11,296	3,658	13,382
Jan	3,978	4,015	18,982	16,593	3,993	4,139	17,342	13,985	3,934	4,037	14,667	11,314	3,658	13,382
Feb	3,978	4,002	18,982	16,632	3,993	4,146	17,342	14,029	3,934	4,086	14,667	11,368	3,658	13,382
Mar	3,978	4,047	18,982	16,720	3,993	4,157	17,342	14,051	3,934	4,041	14,667	11,375	3,658	13,382

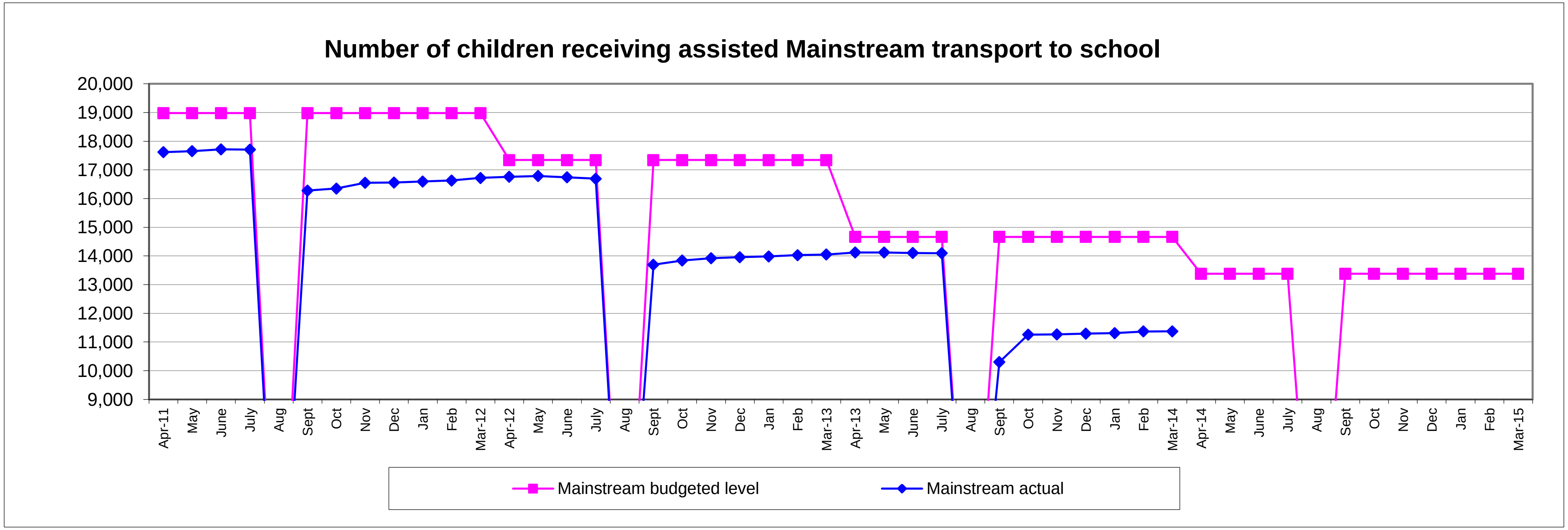
Comments:

- **SEN HTST** – The number of children travelling is higher than the budgeted level and 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, resulting in a pressure of +£2,865k, which is offset by £969k recoupment income from other local authorities for the transport of their pupils to Kent schools. The budgeted level for 2014-15 has reduced from the 2013-14 budgeted level to reflect the higher average unit cost per pupil in 2014-15 (as adjusted for prices increase and transformation savings)

- **Mainstream HTST** – The number of children receiving transport is lower than the budgeted level resulting in an underspend of -£1,274k.



Number of children receiving assisted SEN transport to school
4,300
4,200
4,100
4,000
3,900
3,800
3,700
3,600
Apr-11 May June July Aug Sept Oct Nov Dec Jan Feb Mar-12 Apr-12 May June July Aug Sept Oct Nov Dec Jan Feb Mar-13 Apr-13 May June July Aug Sept Oct Nov Dec Jan Feb Mar-14 Apr-14 May June July Aug Sept Oct Nov Dec Jan Feb Mar-15
SEN budgeted level
SEN actual

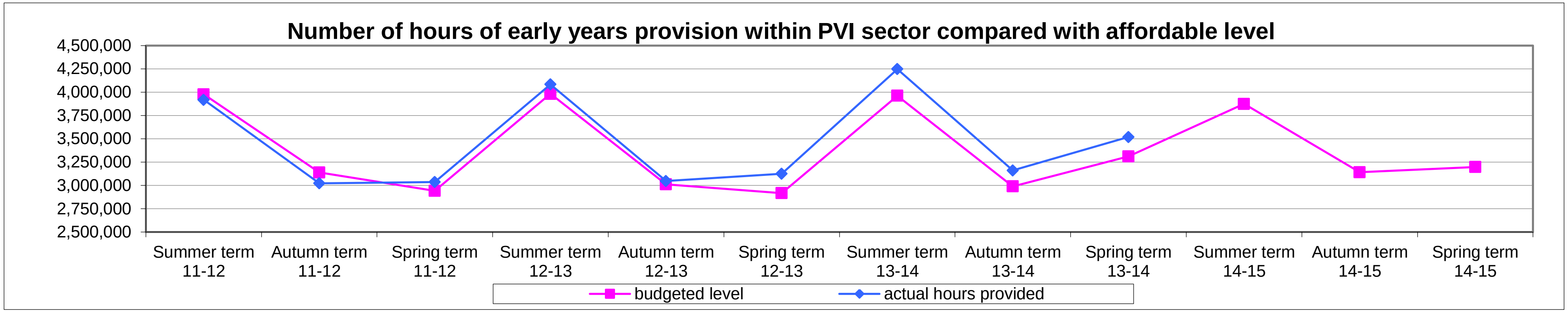


Number of children receiving assisted Mainstream transport to school
20,000
19,000
18,000
17,000
16,000
15,000
14,000
13,000
12,000
11,000
10,000
9,000
Apr-11 May June July Aug Sept Oct Nov Dec Jan Feb Mar-12 Apr-12 May June July Aug Sept Oct Nov Dec Jan Feb Mar-13 Apr-13 May June July Aug Sept Oct Nov Dec Jan Feb Mar-14 Apr-14 May June July Aug Sept Oct Nov Dec Jan Feb Mar-15
Mainstream budgeted level
Mainstream actual

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:

	2011-12		2012-13		2013-14		2014-15
	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 term	3,976,344	3,917,710	3,982,605	4,082,870	3,961,155	4,247,348	3,873,794
Autumn term	3,138,583	3,022,381	3,012,602	3,048,035	2,990,107	3,160,070	3,141,448
Spring term	2,943,439	3,037,408	2,917,560	3,125,343	3,310,417	3,517,958	3,196,743
TOTAL	**10,058,366**	**9,977,499**	**9,912,767**	**10,256,248**	**10,261,679**	**10,925,376**	**10,211,985**

* The figures for actual hours provided are constantly reviewed and updated, so will always be subject to change



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 2013-14 activity has resulted in a pressure of £2.737m, which is due to an additional week of provision for 3 and 4 years olds falling in the 2013-14 financial year which has not been funded within the DfE DSG settlement and additional hours as a result of increased parental demand. As this budget is entirely funded from DSG, any surplus or deficit at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere within the directorate budget. Therefore this pressure 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.
- It is likely that a realignment of this budget will take place in the 2014-15 quarter 1 full monitoring report to reflect changes in funding 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 - CHILDREN'S SERVICES SUMMARY

2.1 Number of Looked After Children (LAC) :

		No. of Kent LAC placed in Kent	No. of Kent LAC placed in OLAs	**TOTAL NO. OF KENT LAC (excluding Asylum)**	*No. of OLA LAC placed in Kent*	***TOTAL NUMBER OF LAC IN KENT***
2011-12	30-Jun	1,371	141	**1,512**	*1,330*	***2,842***
	30-Sep	1,419	135	**1,554**	*1,347*	***2,901***
	31-Dec	1,446	131	**1,577**	*1,337*	***2,914***
	31-Mar	1,480	138	**1,618**	*1,248*	***2,866***
2012-13	30-Jun	1,478	149	**1,627**	*1,221*	***2,848***
	30-Sep	1,463	155	**1,618**	*1,216*	***2,834***
	31-Dec	1,455	165	**1,620**	*1,144*	***2,764***
	31-Mar	1,494	147	**1,641**	*1,200*	***2,841***
2013-14	30-Jun	1,485	155	**1,640**	*1,197*	***2,837***
	30-Sep	1,465	152	**1,617**	*1,182*	***2,799***
	31-Dec	1,470	146	**1,616**	*1,185*	***2,801***
	31-Mar	1,481	143	**1,624**	*1,200*	***2,824***

Comments:

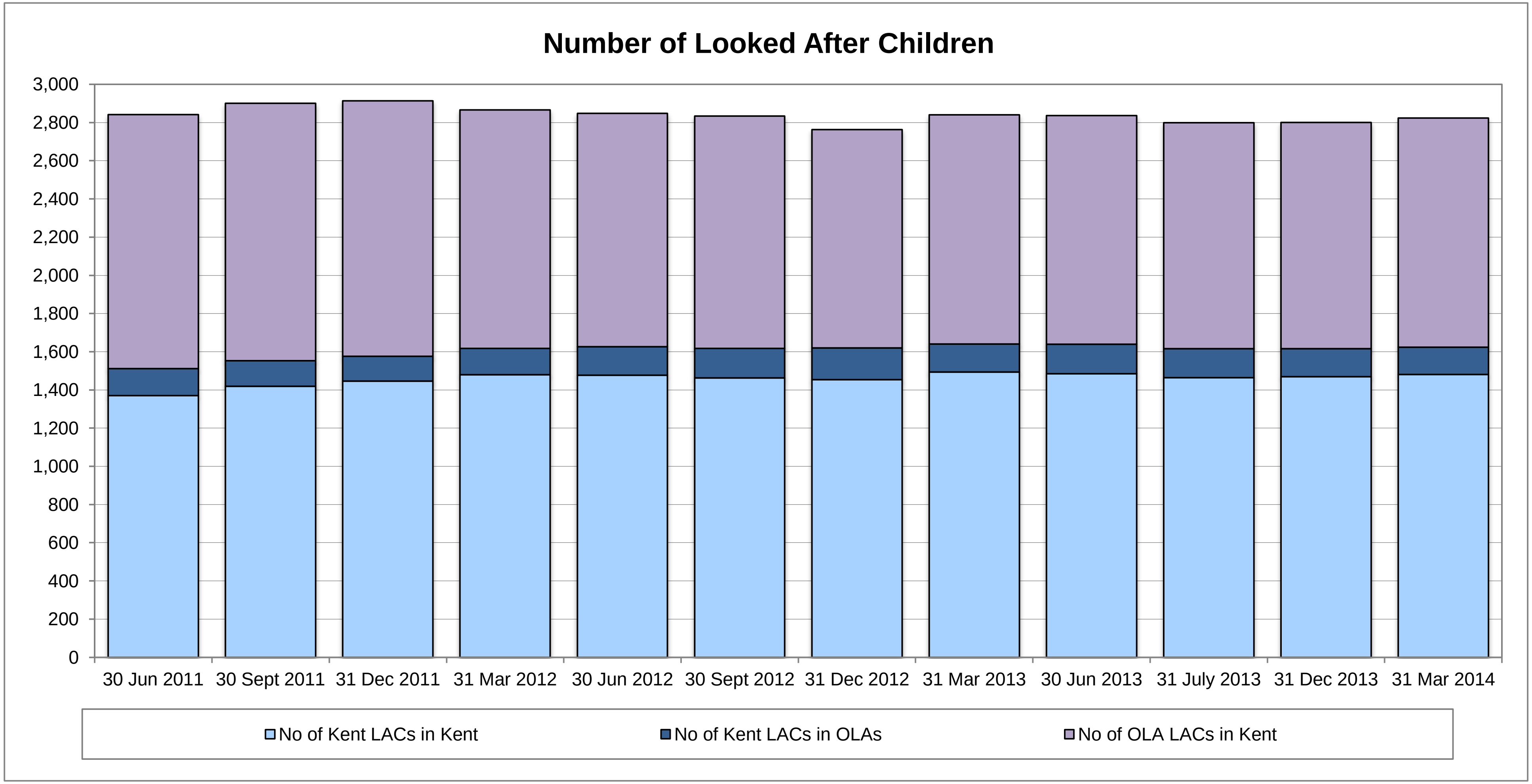
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child’s care plan is undertaken.

- The figures represent 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 8 in the latest quarter, and reduced by 17 over the financial year, there could have been more (or less) during the period.

- The generally higher number of looked after children since the 2013-14 budget was set (Q3 12/13) has placed additional pressure on the services for looked after children, including fostering and residential care. £1.5m of rolled forward underspending from 2012-13 was approved by Cabinet on 15 July to address this issue.

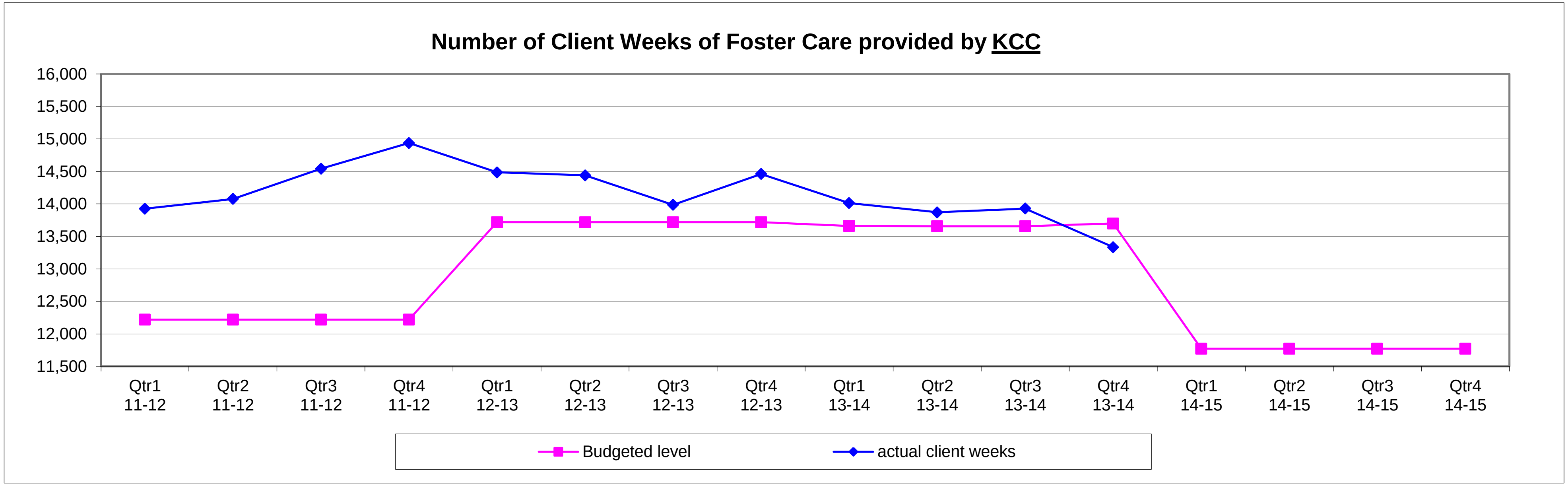
- The OLA LAC information has a confidence rating of 45%-50% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. This confidence rating is based upon the percentage of children in this current cohort where the OLA has satisfactorily responded to recent MIU requests.

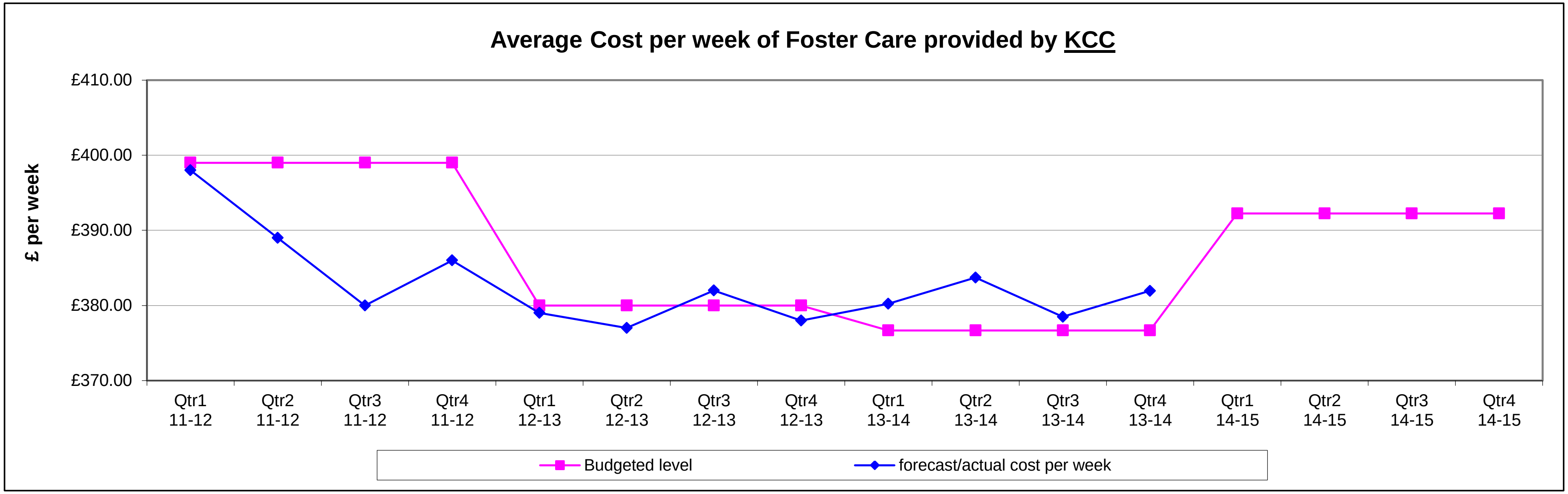
- This information on number of Looked After Children is provided by the Management Information Unit within FSC Directorate.



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

	2011-12				2012-13				2013-14				2014-15	
	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	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr to	12,219	13,926	£399	£398	13,718	14,487	£380	£379	13,659	14,014	£376.67	£380.22	11,771	£392
Jul to	12,219	14,078	£399	£389	13,718	14,440	£380	£377	13,658	13,871	£376.67	£383.72	11,771	£392
Oct to	12,219	14,542	£399	£380	13,718	13,986	£380	£382	13,658	13,929	£376.67	£378.50	11,770	£392
Jan to	12,219	14,938	£399	£386	13,718	14,462	£380	£378	13,700	13,334	£376.67	£381.94	11,770	£392
	48,876	**57,484**	**£399**	**£386**	**54,872**	**57,375**	**£380**	**£378**	**54,675**	**55,148**	**£376.67**	**£381.94**	**47,082**	**£392**



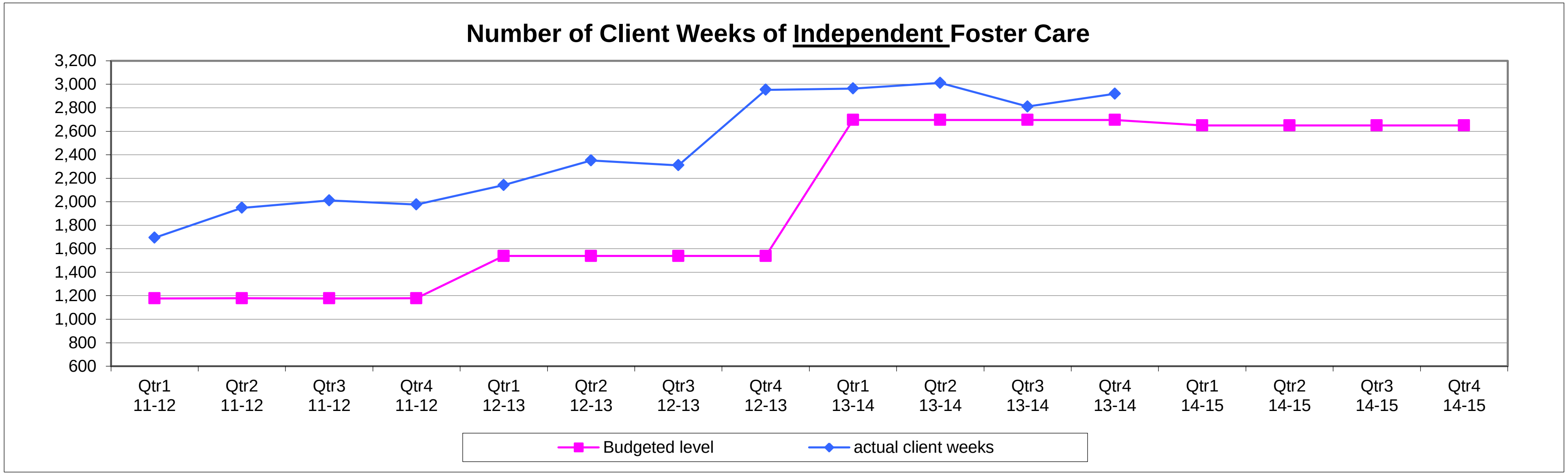


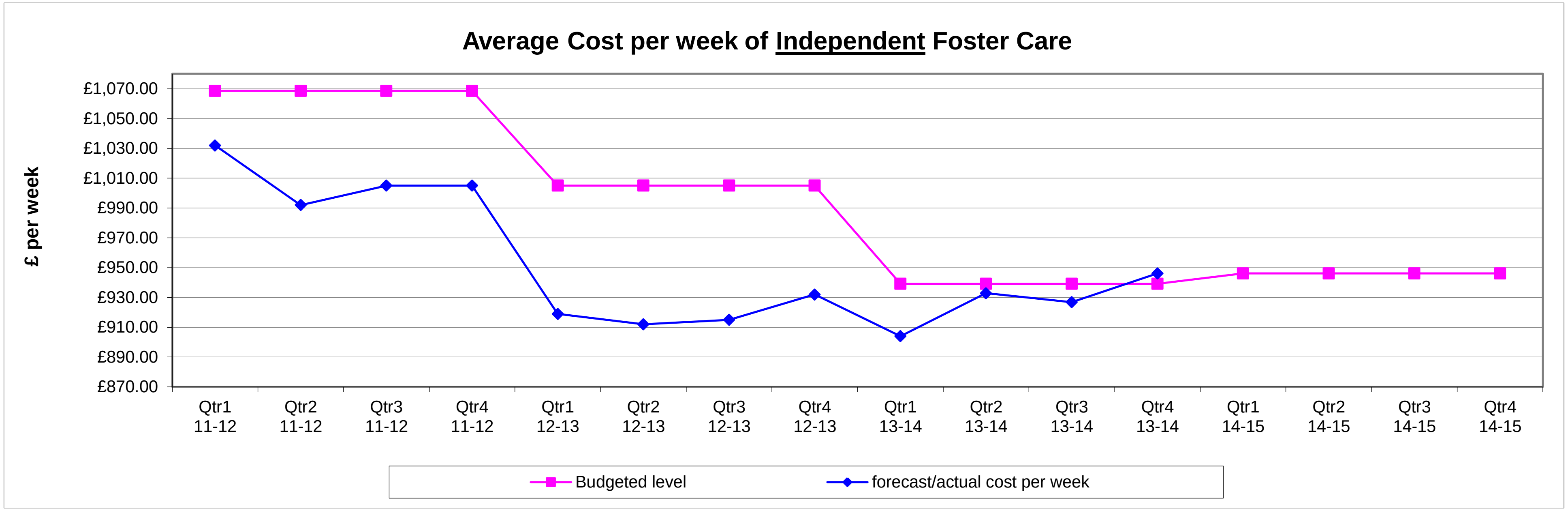
Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- The 2013-14 budgeted level has changed from what was reported to Cabinet on 15 July in the 2012-13 outturn report, reflecting the realignment of budgets reported to Cabinet on 16 September.
- The actual number of weeks is 55,148 (excluding asylum), which is 473 weeks above the affordable level. At the actual unit cost of £381.94 per week, this increase in activity gives a pressure of £181k.
- The actual unit cost of £381.94 is +£5.27 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£288k.
- Overall therefore, the combined gross pressure on this service is £469k (£181k for additional weeks + £288k for higher unit cost).

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

	2011-12				2012-13				2013-14				2014-15	
	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	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr to Jun	1,177	1,693	£1,069	£1,032	1,538	2,141	£1,005	£919	2,697	2,964	£939.19	£904.01	2,650	£946
Jul to Sep	1,178	1,948	£1,069	£992	1,538	2,352	£1,005	£912	2,697	3,012	£939.19	£932.83	2,650	£946
Oct to Dec	1,177	2,011	£1,069	£1,005	1,538	2,310	£1,005	£915	2,696	2,810	£939.19	£926.83	2,650	£946
Jan to Mar	1,178	1,977	£1,069	£1,005	1,538	2,953	£1,005	£932	2,696	2,919	£939.19	£946.08	2,650	£946
	4,710	**7,629**	**£1,069**	**£1,005**	**6,152**	**9,756**	**£1,005**	**£932**	**10,786**	**11,705**	**£939.19**	**£946.08**	**10,600**	**£946**





Comments:

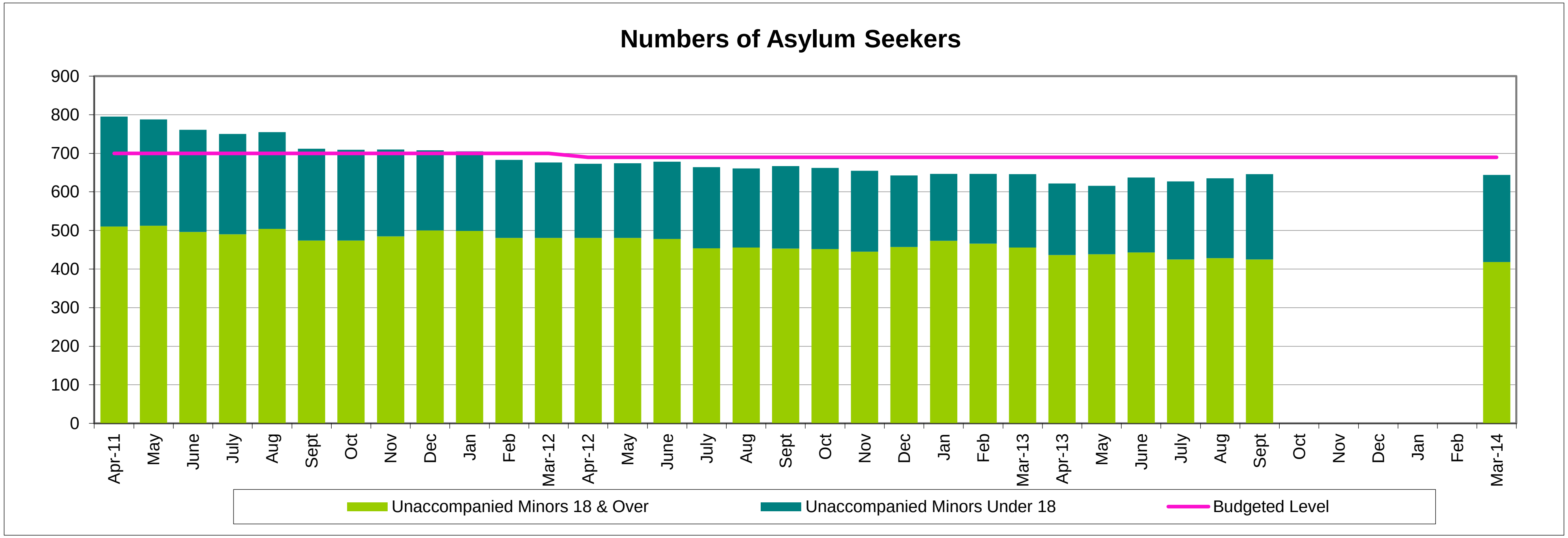
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- The 2013-14 budgeted level has changed from what was reported to Cabinet on 15 July in the 2012-13 outturn report, reflecting the realignment of budgets reported to Cabinet on 16 September.
- The actual number of weeks is 11,705 (excluding asylum), which is 919 weeks above the affordable level. At the actual unit cost of £946.08 per week, this increase in activity gives a pressure of £869k.
- The actual unit cost of £946.08 is £6.89 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£74k.
- Overall therefore, the combined gross pressure on this service is £943k (£869k for additional weeks + £74k for higher unit cost).
- The actual unit cost of £946.08 includes some mother and baby placements, which are subject to court orders. These placements often cost in excess of £1,500 per week.
- The IFA Framework contract commenced in June 2013 and unit costs were expected to reduce as a result of this, which is evidenced by the lower unit cost for October - December. In January the average unit cost has risen again, this is due to a number of lower cost IFA placements moving to In House and the higher need placements remaining in IFA resulting in a higher average unit cost for IFA placements.

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2011-12			2012-13			2013-14		
	Under 18	18 & Over	**Total Clients**	Under 18	18 & Over	**Total Clients**	Under 18	18 & Over	**Total Clients**
Apr	285	510	**795**	192	481	**673**	186	436	**622**
May	276	512	**788**	193	481	**674**	178	438	**616**
Jun	265	496	**761**	200	478	**678**	194	443	**637**
Jul	260	490	**750**	210	454	**664**	202	425	**627**
Aug	251	504	**755**	205	456	**661**	207	428	**635**
Sep	238	474	**712**	214	453	**667**	221	425	**646**
Oct *	235	474	**709**	210	452	**662**			
Nov*	225	485	**710**	210	445	**655**			
Dec*	208	500	**708**	186	457	**643**			
Jan*	206	499	**705**	174	473	**647**			
Feb*	202	481	**683**	181	466	**647**			
Mar	195	481	**676**	190	456	**646**	226	418	**644**

see note below

Page 83



Note:

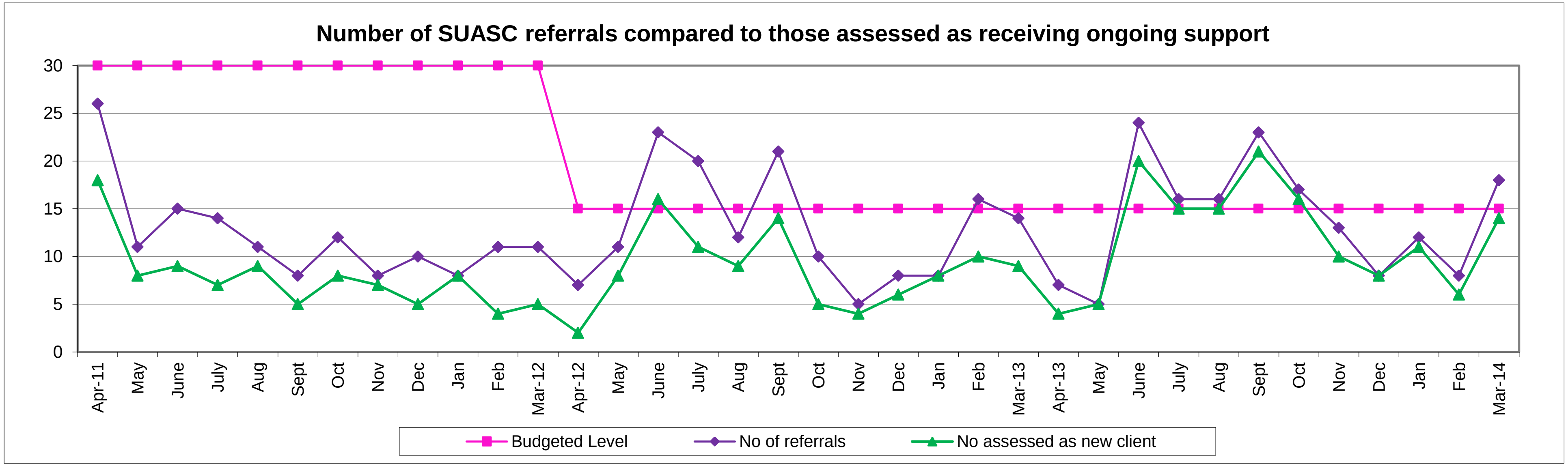
* This data is not available for the Outturn report. Numbers of Care Leavers for the Unaccompanied Asylum Seeking Service are pending validation following the migration of data onto the new IT system for Children's Social Care (Liberi). The calculation for this status is automatically generated within the system but some further data cleansing work is required to ensure that all young people have the appropriate status. This work is expected to be competed in time for the 1st quarters monitoring report of 2014-15 which is being presented to Cabinet in September.

Comments:

- The overall number of children remained fairly static in the first half of this year, with a small increase in September. Although the data for October to February is currently unavailable, the figure for March shows very little movement from September position. The number of clients supported is below the budgeted level of 690.
- The budgeted number of referrals for 2013-14 is 15 per month, with 9 (60%) being assessed as under 18.
- Despite improved partnership working with the UKBA, the numbers of 18 & overs 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 18 & overs is decreasing slightly and, in addition, 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.
- Under 18 clients include both Looked After Children and 16 and 17 year old Care Leavers.

2.5 Number of Unaccompanied Asylum Seeking Children (UASC):

	2011-12			2012-13			2013-14		
	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%
Apr	26	18	69%	7	2	29%	7	4	57%
May	11	8	73%	11	8	73%	5	5	100%
Jun	15	9	60%	23	16	70%	24	20	83%
Jul	14	7	50%	20	11	55%	16	15	94%
Aug	11	9	82%	12	9	75%	16	15	94%
Sep	8	5	63%	21	14	67%	23	21	91%
Oct	12	8	67%	10	5	50%	17	16	94%
Nov	8	7	88%	5	4	80%	13	10	77%
Dec	10	5	50%	8	6	75%	8	8	100%
Jan	8	8	100%	8	8	100%	12	11	92%
Feb	11	4	36%	16	10	63%	8	6	75%
Mar	11	5	45%	14	9	64%	18	14	78%
	145	**93**	**64%**	**155**	**102**	**66%**	**167**	**145**	**87%**



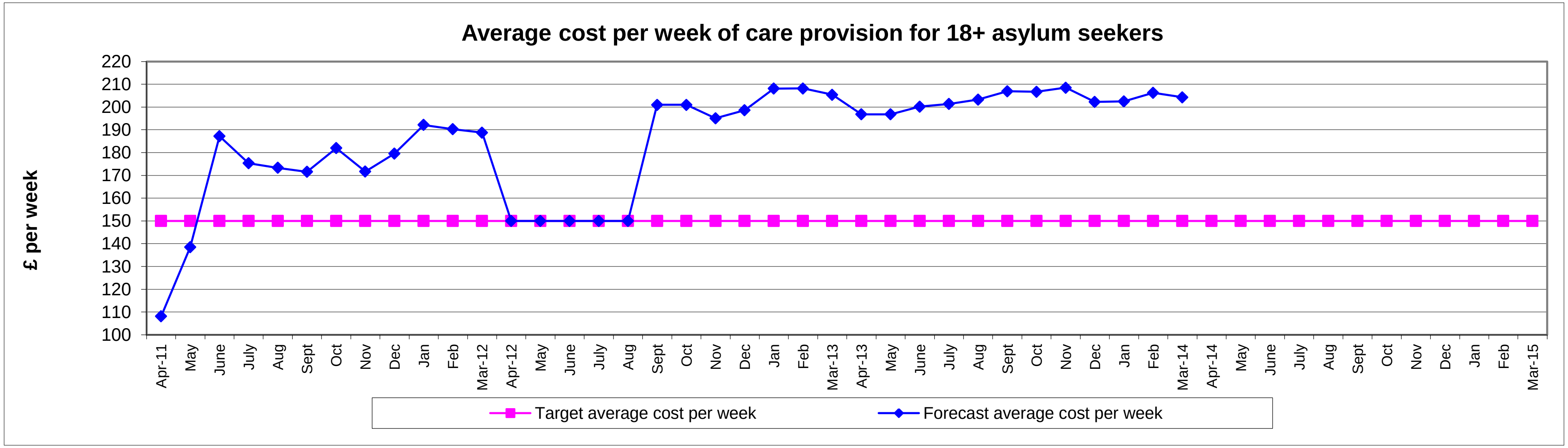
Comments:

- The average number of referrals per month is 13.9 which is slightly below the budgeted number of 15 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average number assessed as new clients is 87%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 12.1 i.e. 34% higher than the budgeted level.
- 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.
- UASC Referrals are assumed to be new clients until an assessment has been completed, therefore the number of UASC assessed as new clients shown in the table above may change once the assessment has taken place.

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

	2011-12		2012-13		2013-14		2014-15
	Target average weekly cost £	Average weekly cost £p	Target average weekly cost £	Average weekly cost £p	Target average weekly cost £	Average weekly cost £p	Target average weekly cost £
Apr	150	108.10	150	150.00	150	196.78	150
May	150	138.42	150	150.00	150	196.78	150
Jun	150	187.17	150	150.00	150	200.18	150
Jul	150	175.33	150	150.00	150	201.40	150
Aug	150	173.32	150	150.00	150	203.29	150
Sep	150	171.58	150	200.97	150	206.92	150
Oct	150	181.94	150	200.97	150	206.74	150
Nov	150	171.64	150	195.11	150	208.51	150
Dec	150	179.58	150	198.61	150	202.25	150
Jan	150	192.14	150	208.09	150	202.49	150
Feb	150	190.25	150	208.16	150	206.24	150
Mar	150	188.78	150	205.41	150	204.27	150

Page 87



Comments:

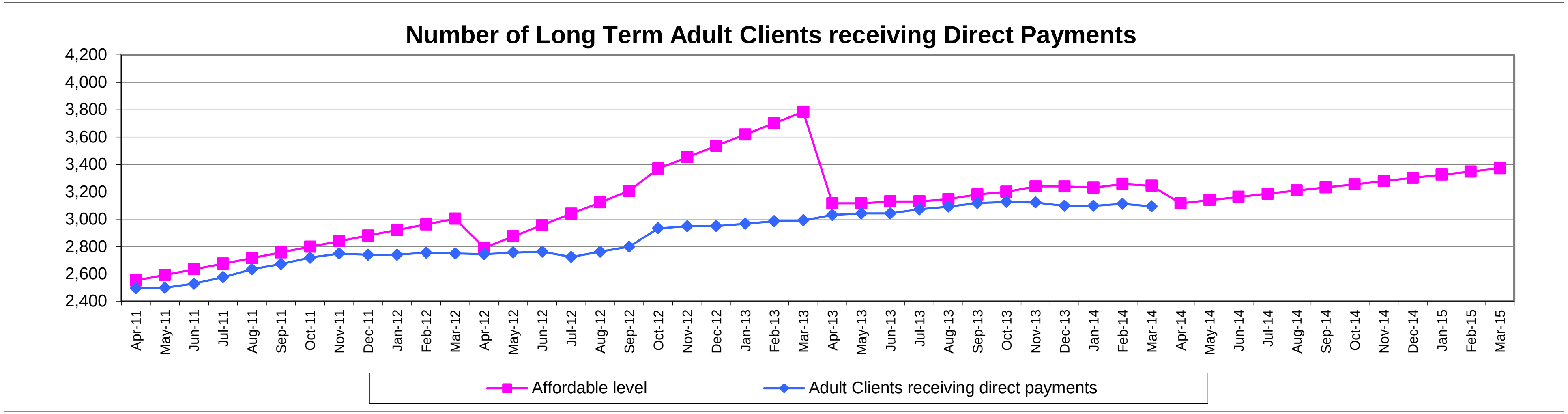
- The local authority has agreed that the funding levels for the Unaccompanied Asylum Seeking Children's Service 18+ grant agreed with the Government rely on us achieving an average cost per week of £150, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the removal process. In 2011-12 UKBA changed their grant rules and now only fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process if the LA carries out a Human Rights Assessment before continuing support. The LA has continued to meet the cost of the care leavers in order that it can meet 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 has continued to remain steady, but high, and a number of issues remain:
    - 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 for 2013-14 is £204.27, £54.27 above the £150 claimable under the grant rules. This excludes infrastructure and staffing costs.

3. FAMILIES & SOCIAL CARE DIRECTORATE - ADULTS SERVICES SUMMARY

The affordable levels included for 2014-15 are based on the approved budget. However, Adults services will be reviewing the split of their budget across service groups in light of the outturn position and revisions to the allocations of 2014-15 transformation savings, based on the latest plans within the directorate. Any changes will be requested in the first full monitoring report for 2014-15 to be reported to Cabinet in September. The 2014-15 affordable levels of activity will, therefore, change as a result of this exercise.

3.1 Direct Payments - Number of Adult Social Services Clients receiving Direct Payments:

	2011-12			2012-13			2013-14			2014-15
	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients
Apr	2,553	2,495	137	2,791	2,744	169	3,116	3,032	164	3,116
May	2,593	2,499	89	2,874	2,756	147	3,116	3,043	169	3,139
Jun	2,635	2,529	90	2,957	2,763	133	3,130	3,042	120	3,163
Jul	2,675	2,576	125	3,040	2,724	156	3,130	3,072	173	3,186
Aug	2,716	2,634	141	3,123	2,763	167	3,147	3,092	158	3,209
Sep	2,757	2,672	126	3,207	2,799	147	3,181	3,118	134	3,232
Oct	2,799	2,719	134	3,370	2,933	185	3,201	3,127	179	3,255
Nov	2,839	2,749	122	3,453	2,949	119	3,240	3,123	144	3,278
Dec	2,881	2,741	111	3,536	2,950	109	3,240	3,098	159	3,302
Jan	2,921	2,741	130	3,619	2,967	117	3,231	3,097	176	3,325
Feb	2,962	2,755	137	3,702	2,986	127	3,257	3,112	135	3,348
Mar	3,003	2,750	117	3,785	2,992	105	3,244	3,093	121	3,372
			1,459			**1,681**			**1,832**	

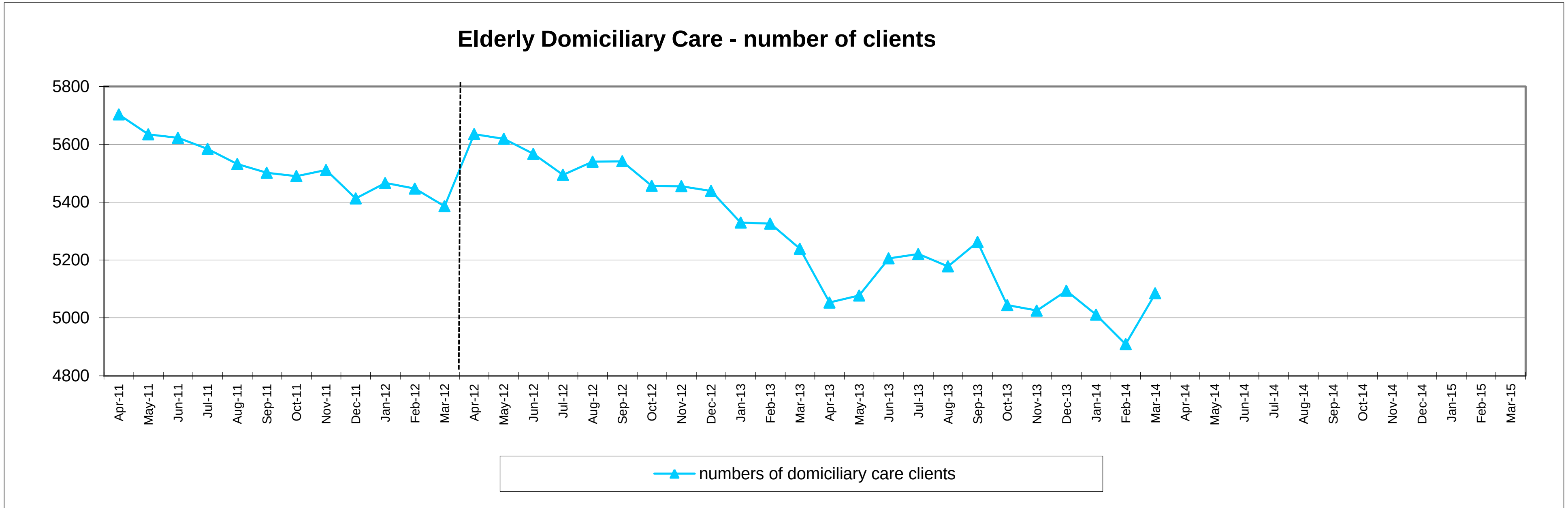


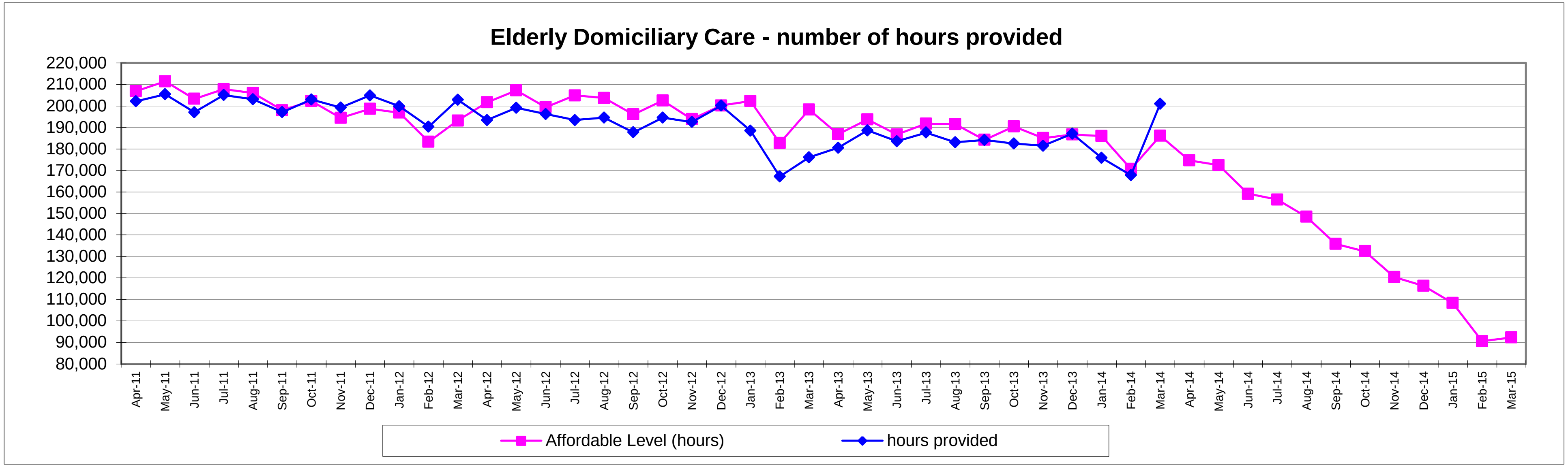
Comments:

- 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. This accounts for the differences to previous reports, with the increase in one-off payments for January (previously shown as 92, now shown as 176) being a particular case in point.
- The drive to implement personalisation and allocate personal budgets has seen continued increases in direct payments over the years. However, growth has now slowed with activity levels across 2013-14 remaining relatively stable. The current level of activity would suggest an underspend on this service, but increased unit costs have negated the impact of this. The overall effect of this is spread across individual client groups, with an overall outturn pressure of £756k on the Direct Payments budget.

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

	2011-12			2012-13			2013-14			2014-15
	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)
Apr	206,859	202,177	5,703	201,708	193,451	5,635	186,809	180,585	5,053	174,712
May	211,484	205,436	5,634	207,244	199,149	5,619	193,717	188,656	5,077	172,512
Jun	203,326	197,085	5,622	199,445	196,263	5,567	186,778	183,621	5,206	159,182
Jul	207,832	205,077	5,584	204,905	193,446	5,494	191,791	187,621	5,221	156,465
Aug	206,007	203,173	5,532	203,736	194,628	5,540	191,521	183,077	5,178	148,441
Sep	198,025	197,127	5,501	196,050	187,749	5,541	184,242	184,208	5,262	135,887
Oct	202,356	203,055	5,490	202,490	194,640	5,456	190,446	182,503	5,044	132,393
Nov	194,492	199,297	5,511	193,910	192,555	5,455	185,082	181,521	5,025	120,357
Dec	198,704	204,915	5,413	200,249	200,178	5,439	186,796	187,143	5,094	116,346
Jan	196,879	199,897	5,466	202,258	188,501	5,329	186,006	175,916	5,011	108,322
Feb	183,330	190,394	5,447	182,820	167,163	5,326	170,695	167,774	4,909	90,592
Mar	193,222	202,889	5,386	198,277	176,091	5,239	186,184	201,069	5,085	92,275
	2,402,516	**2,410,522**		**2,393,092**	**2,283,814**		**2,240,067**	**2,203,694**		**1,607,484**





Comments:

- Figures exclude services commissioned from the Kent Enablement At Home Service.
- 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.
- The outturn position is 2,203,694 hours of care against an affordable level of 2,240,067, a difference of -36,373 hours. Using the outturn unit cost of £14.95 this reduction in activity shows a variance of -£544k.
- The outturn position for 2013-14 includes backdated increases as the difference between the activity system hours and hours actually supplied (due to breaks in service and variations to supplied hours which are generally updated later) was smaller than previously assumed. This accounts for the higher than average hours of service provided shown in the March 2014 figures.
- 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. For 2013-14, the outturn average hours per client per week was 8.3.

- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, independent sector domiciliary clients and clients supported in Extra Care Sheltered Housing (ECSH) will be amalgamated (previously only independent sector domiciliary clients were included here). As a result, the 2014-15 affordable hours are not directly comparable with those reported up to this point.
- The sharp reduction in the affordable level for 2014-15 reflects the allocation of savings to this service for 2014-15 in line with the transformation programme. Due to the scale of the change it is possible that revisions to this profile could be required in order to best reflect the most up to date information on the progress of changes within transformation plans. Any such changes will be requested in the first full monitoring report to Cabinet in September and consequently the affordable levels will be amended accordingly.

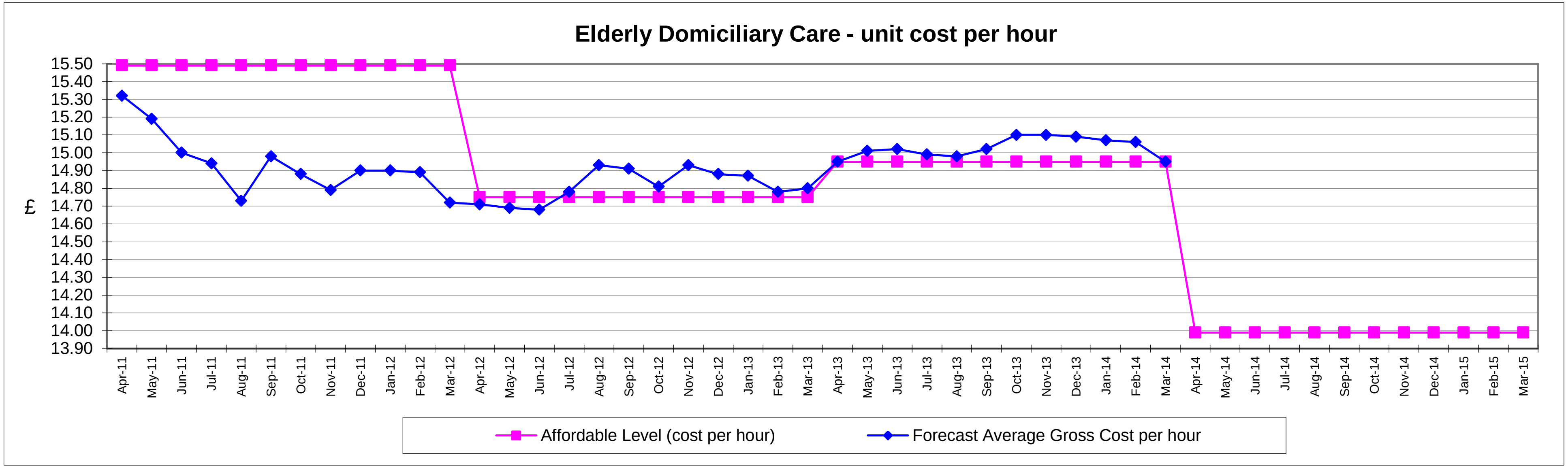
3.3 Average gross cost per hour of older people domiciliary care compared with affordable level:

	2011-12		2012-13		2013-14		2014-15
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p
Apr	15.49	15.32	14.75	14.71	14.95	14.95	13.99
May	15.49	15.19	14.75	14.69	14.95	15.01	13.99
Jun	15.49	15.00	14.75	14.68	14.95	15.02	13.99
Jul	15.49	14.94	14.75	14.78	14.95	14.99	13.99
Aug	15.49	14.73	14.75	14.93	14.95	14.98	13.99
Sep	15.49	14.98	14.75	14.91	14.95	15.02	13.99
Oct	15.49	14.88	14.75	14.81	14.95	15.10	13.99
Nov	15.49	14.79	14.75	14.93	14.95	15.10	13.99
Dec	15.49	14.90	14.75	14.88	14.95	15.09	13.99
Jan	15.49	14.90	14.75	14.87	14.95	15.07	13.99
Feb	15.49	14.89	14.75	14.78	14.95	15.06	13.99
Mar	15.49	14.72	14.75	14.80	14.95	14.95	13.99

Comments:

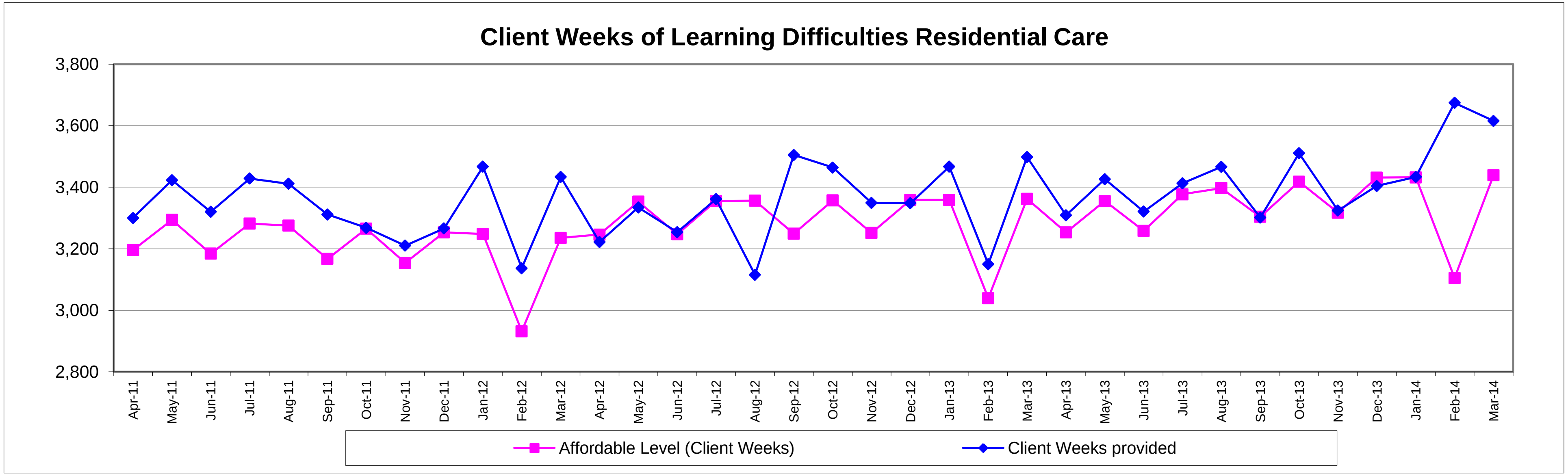
- The unit cost is dependent on the intensity of the packages required, so is subject to variations. The affordable unit cost for 2014-15 assumes that the implementation of transformation plans will bring the average cost down.

- The outturn unit cost of +£14.95 matches the affordable cost of +£14.95. The large change in unit cost between February and March 2014 is due to backdated activity increases representing a narrowing gap between activity system hours and hours actually supplied as detailed in section 3.2.



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

	2011-12		2012-13		2013-14		2014-15
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)
Apr	3,196	3,300	3,246	3,222	3,253	3,309	This
May	3,294	3,423	3,353	3,334	3,355	3,426	indicator
Jun	3,184	3,320	3,247	3,254	3,258	3,321	is
Jul	3,282	3,428	3,355	3,361	3,377	3,413	changing
Aug	3,275	3,411	3,356	3,115	3,397	3,466	for
Sep	3,167	3,311	3,249	3,505	3,304	3,301	2014-15
Oct	3,265	3,268	3,357	3,464	3,418	3,510	hence
Nov	3,154	3,210	3,251	3,349	3,317	3,324	no
Dec	3,253	3,266	3,359	3,348	3,431	3,404	affordable
Jan	3,248	3,467	3,359	3,467	3,432	3,433	level
Feb	2,932	3,137	3,039	3,150	3,105	3,674	supplied
Mar	3,235	3,433	3,362	3,498	3,439	3,615	
	38,485	**39,974**	**39,533**	**40,067**	**40,086**	**41,196**	

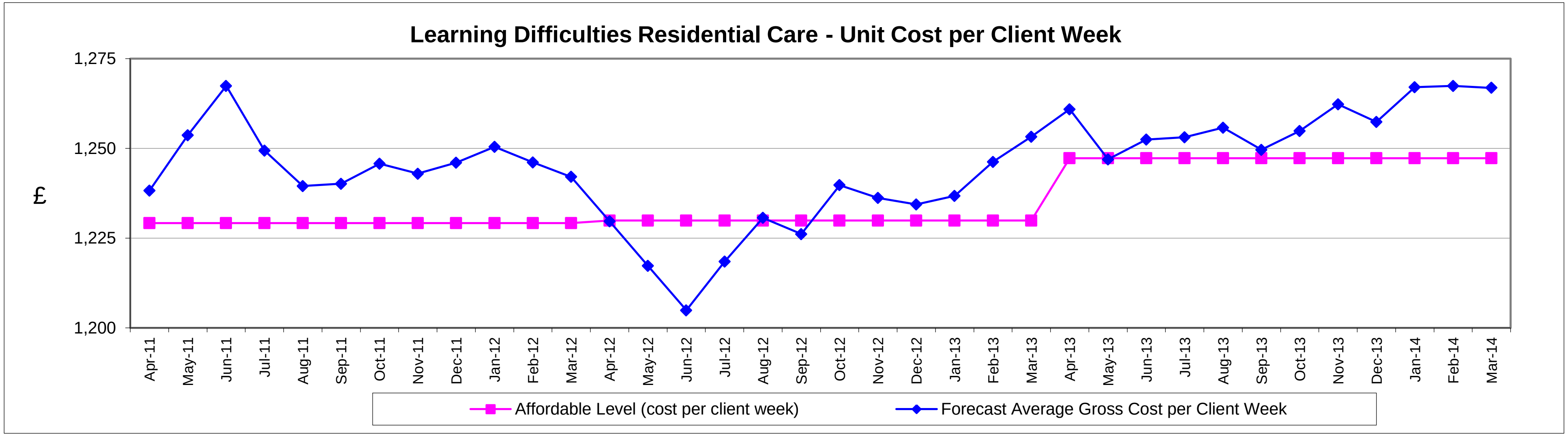


Comments:

- 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 2011-12 was 746, at the end of 2012-13 it was 764 and at the end of 2013-2014 it was 784. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The outturn position is 41,196 weeks of care against an affordable level of 40,086, a difference of +1,110 weeks. Using the outturn unit cost of £1,266.89, this additional activity caused a variance of +£1,406k.
- The activity for the final quarter showed a higher level of activity than previously recorded, but was in line with the forecast. This was mainly due to delays in the recording of non-permanent residential care services on the activity database, meaning the year to date activity was understated. In addition, this increase included a number of transitional and provisional clients with associated backdated activity. Activity for these clients, by necessity, needed to be backdated due to bespoke contracts that had to be agreed individually with providers.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable weeks are not directly comparable with those reported up to this point.

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

	2011-12		2012-13		2013-14		2014-15
	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p
Apr	1,229.19	1,238.24	1,229.93	1,229.69	1,247.27	1,260.92	This indicator is changing for 2014-15 hence no affordable level supplied
May	1,229.19	1,253.68	1,229.93	1,217.30	1,247.27	1,246.97	
Jun	1,229.19	1,267.40	1,229.93	1,204.91	1,247.27	1,252.50	
Jul	1,229.19	1,249.41	1,229.93	1,218.46	1,247.27	1,253.14	
Aug	1,229.19	1,239.50	1,229.93	1,230.65	1,247.27	1,255.80	
Sep	1,229.19	1,240.17	1,229.93	1,226.14	1,247.27	1,249.63	
Oct	1,229.19	1,245.76	1,229.93	1,239.77	1,247.27	1,254.86	
Nov	1,229.19	1,242.97	1,229.93	1,236.19	1,247.27	1,262.27	
Dec	1,229.19	1,246.05	1,229.93	1,234.39	1,247.27	1,257.40	
Jan	1,229.19	1,250.44	1,229.93	1,236.77	1,247.27	1,267.08	
Feb	1,229.19	1,246.11	1,229.93	1,246.23	1,247.27	1,267.43	
Mar	1,229.19	1,242.08	1,229.93	1,253.27	1,247.27	1,266.89	

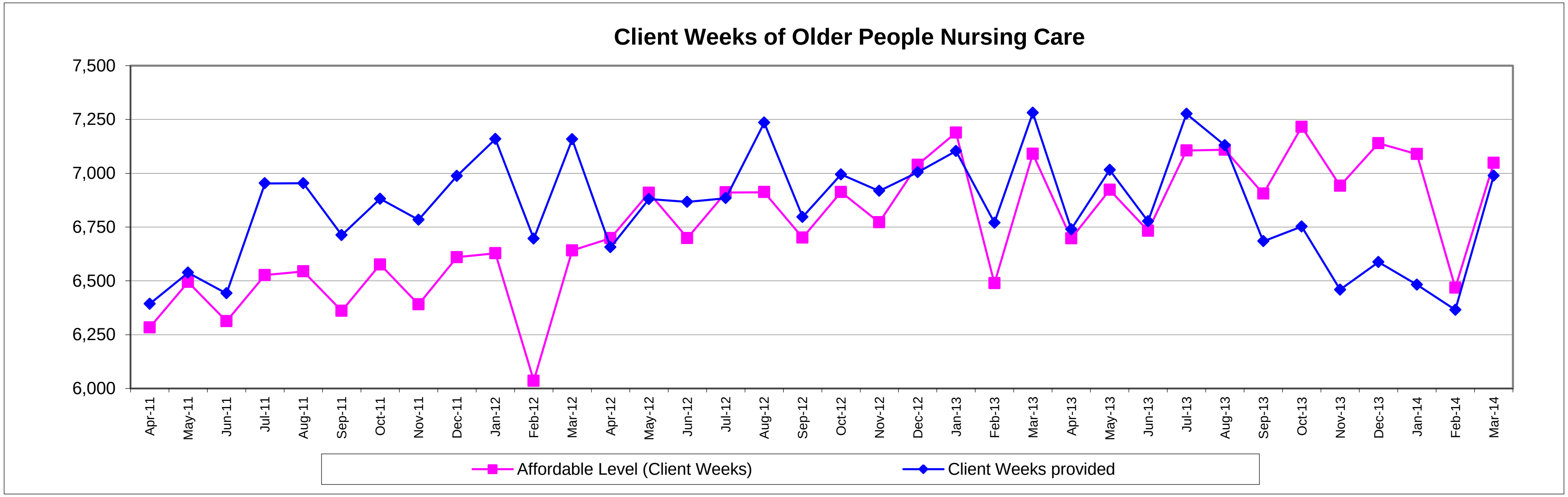


Comments:

- 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 outturn unit cost of +£1,266.89 is higher than the affordable cost of +£1,247.27 and this difference of +£19.62 added +£786k to the position when multiplied by the affordable weeks.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable unit cost is not directly comparable with those costs reported up to this point.

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

	2011-12		2012-13		2013-14		2014-15
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)
Apr	6,283	6,393	6,698	6,656	6,697	6,740	This
May	6,495	6,538	6,909	6,880	6,923	7,015	indicator
Jun	6,313	6,442	6,699	6,867	6,733	6,777	is
Jul	6,527	6,953	6,911	6,884	7,106	7,276	changing
Aug	6,544	6,954	6,912	7,235	7,109	7,130	for
Sep	6,361	6,713	6,701	6,797	6,905	6,684	2014-15
Oct	6,576	6,881	6,913	6,995	7,215	6,752	hence
Nov	6,391	6,784	6,772	6,918	6,942	6,459	no
Dec	6,610	6,988	7,039	7,005	7,139	6,587	affordable
Jan	6,628	7,159	7,189	7,103	7,089	6,482	level
Feb	6,036	6,696	6,489	6,770	6,468	6,365	supplied
Mar	6,641	7,158	7,090	7,281	7,048	6,989	
	77,405	**81,659**	**82,322**	**83,391**	**83,374**	**81,256**	

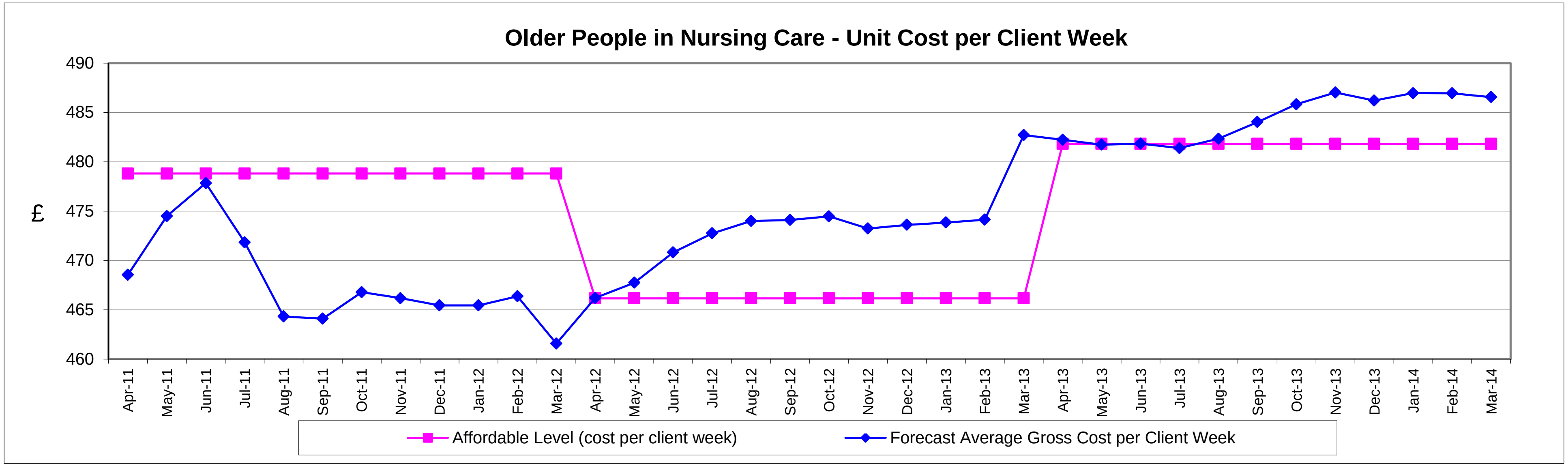


Comments:

- The 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 2011-12 was 1,479, at the end of 2012-13 it was 1,469 and at the end of 2013-14 it was 1,412.
- The outturn position is 81,256 weeks of care against an affordable level of 83,374, a difference of -2,118 weeks. Using the outturn unit cost of £486.55, this reduced activity caused a variance of -£1,031k.
- The activity for the final quarter showed a higher level of activity than previously forecast. This included a turnover of clients, with slight timing differences between clients commencing or ending nursing care resulting in some backdated activity from earlier parts of the year.
- We are now making contributions under the Health and Social Care Village model for health commissioning of short-term beds in order to support step down from acute hospital, to reduce demand for this service.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable weeks are not directly comparable with those reported up to this point.

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

	2011-12		2012-13		2013-14		2014-15
	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p
Apr	478.80	468.54	466.16	466.20	481.80	482.22	This
May	478.80	474.48	466.16	467.74	481.80	481.73	indicator
Jun	478.80	477.82	466.16	470.82	481.80	481.83	is
Jul	478.80	471.84	466.16	472.74	481.80	481.38	changing
Aug	478.80	464.32	466.16	473.99	481.80	482.33	for
Sep	478.80	464.09	466.16	474.09	481.80	484.02	2014-15
Oct	478.80	466.78	466.16	474.47	481.80	485.82	hence
Nov	478.80	466.17	466.16	473.23	481.80	487.02	no
Dec	478.80	465.44	466.16	473.61	481.80	486.21	affordable
Jan	478.80	465.44	466.16	473.84	481.80	486.95	level
Feb	478.80	466.36	466.16	474.13	481.80	486.93	supplied
Mar	478.80	461.58	466.16	482.71	481.80	486.55	

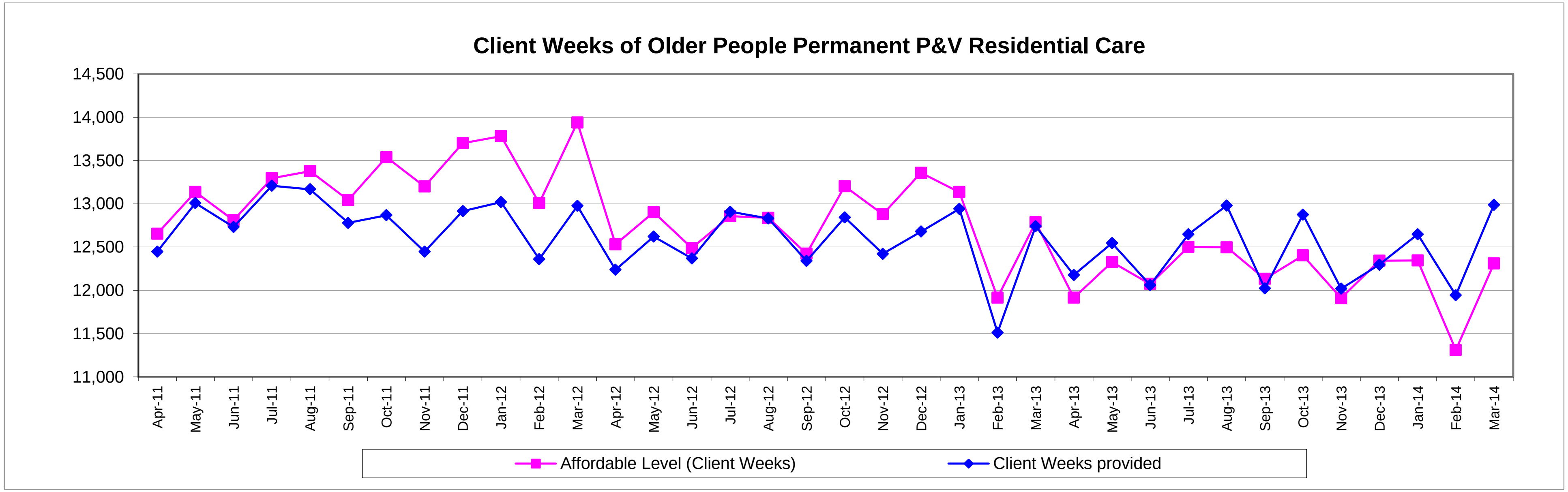


Comments:

- 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 outturn unit cost of +£486.55 is higher than the affordable cost of +£481.80 and this difference of +£4.75 is represented by +£396k variance when multiplied by the affordable weeks. The general increase in the unit cost since August is primarily due to the forecast weeks reflecting the actual level of usage of short term block bed contracts, rather than assuming full occupancy.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable unit cost is not directly comparable with those costs reported up to this point.

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

	2011-12		2012-13		2013-14		2104-15
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)
Apr	12,655	12,446	12,532	12,237	11,914	12,176	This
May	13,136	13,009	12,903	12,621	12,326	12,545	indicator
Jun	12,811	12,731	12,489	12,369	12,074	12,061	is
Jul	13,297	13,208	12,858	12,908	12,501	12,647	changing
Aug	13,377	13,167	12,836	12,832	12,498	12,980	for
Sep	13,044	12,779	12,424	12,339	12,132	12,022	2014-15
Oct	13,538	12,868	13,203	12,842	12,403	12,875	hence
Nov	13,200	12,448	12,880	12,422	11,910	12,019	no
Dec	13,700	12,914	13,358	12,679	12,341	12,296	affordable
Jan	13,782	13,019	13,135	12,941	12,345	12,649	level
Feb	13,007	12,361	11,916	11,512	11,310	11,943	supplied
Mar	13,940	12,975	12,786	12,741	12,310	12,989	
	159,487	**153,925**	**153,320**	**150,443**	**146,064**	**149,202**	

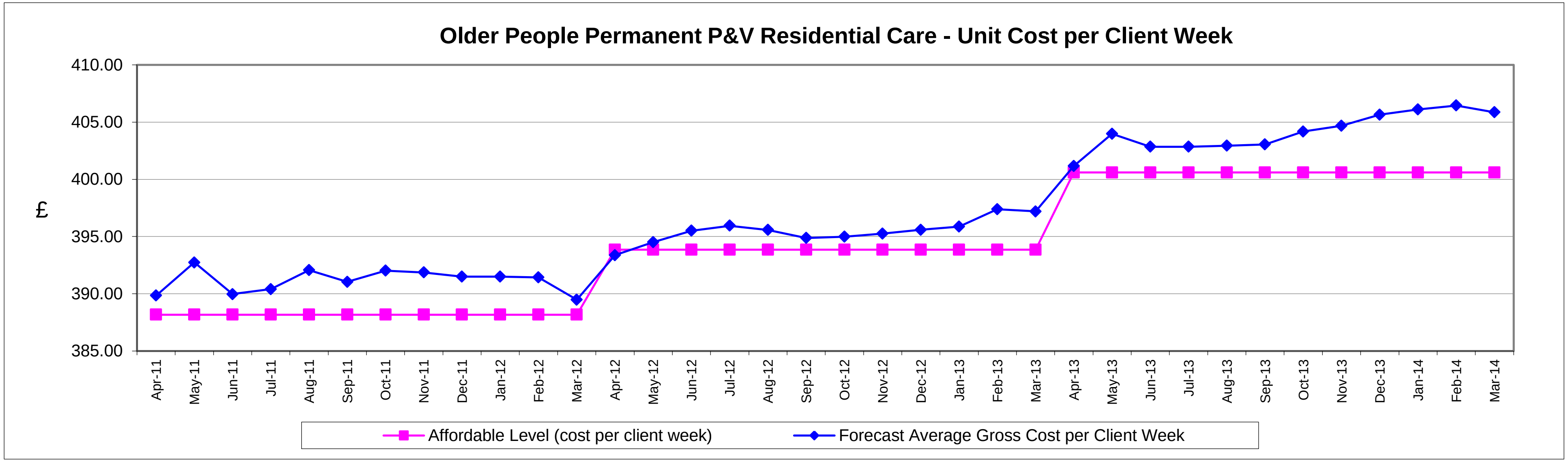


Comments:

- 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 2011-12 was 2,736, at the end of 2012-13 it was 2,653 and at the end of 2013-14 it was 2,633. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The outturn position is 149,202 weeks of care against an affordable level of 146,064, a difference of +3,138 weeks. Using the outturn unit cost of £405.86, this additional activity increases the outturn position by +£1,274k.
- The activity for the final quarter showed a higher level of activity than previously forecast. This included a turnover of clients, with slight timing differences between clients commencing or ending residential care resulting in some backdated activity from earlier parts of the year.
- Previously forecast contributions to the Health and Social Care Village model for health commissioning of short-term beds, in order to support step down from acute hospital to reduce demand for this service, have been deferred to 2014-15.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable weeks are not directly comparable with those reported up to this point.

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

	2011-12		2012-13		2013-14		2014-15
	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p
Apr	388.18	389.85	393.85	393.37	400.60	401.17	This
May	388.18	392.74	393.85	394.52	400.60	403.98	indicator
Jun	388.18	389.97	393.85	395.52	400.60	402.85	is
Jul	388.18	390.41	393.85	395.95	400.60	402.85	changing
Aug	388.18	392.07	393.85	395.58	400.60	402.94	for
Sep	388.18	391.04	393.85	394.88	400.60	403.05	2014-15
Oct	388.18	392.02	393.85	394.99	400.60	404.18	hence
Nov	388.18	391.87	393.85	395.26	400.60	404.68	no
Dec	388.18	391.50	393.85	395.59	400.60	405.65	affordable
Jan	388.18	391.50	393.85	395.88	400.60	406.12	level
Feb	388.18	391.44	393.85	397.38	400.60	406.46	supplied
Mar	388.18	389.48	393.85	397.20	400.60	405.86	



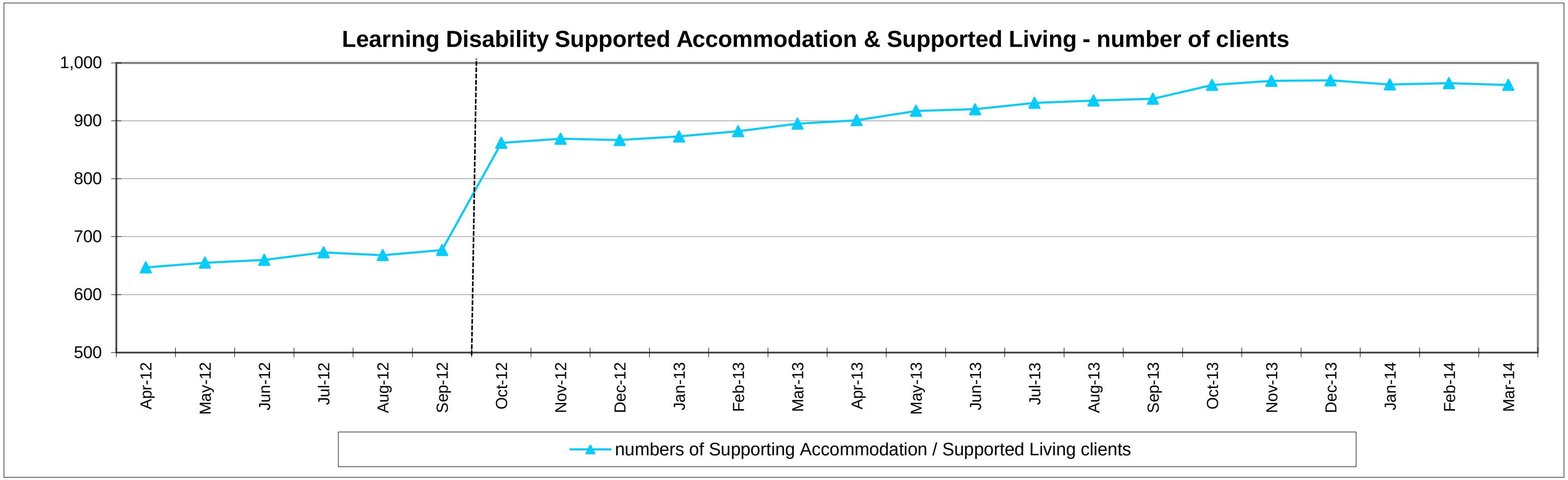
Comments:

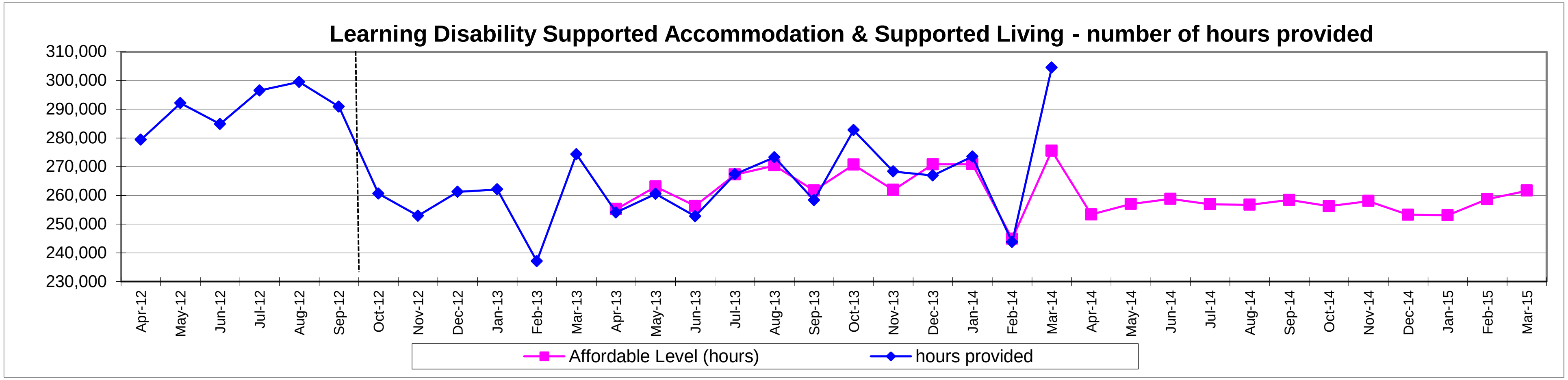
- The outturn unit cost of +£405.86 is higher than the affordable cost of +£400.60 and this difference of +£5.26 added +£768k to the variance when multiplied by the affordable weeks. This higher average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above. The general increase in unit costs is partly due to the increasing trend for new cases to enter the service at higher unit costs, reflecting the fact that only those with higher needs are directed towards residential care, while those with lower needs are directed towards other forms of support.

- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable unit cost is not directly comparable with those costs reported up to this point.

3.10 Learning Disability Supported Accommodation/Supported Living – numbers of clients and hours provided in the independent sector

	2012-13			2013-14			2014-15
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)
Apr		279,365	647	255,228	254,067	901	253,351
May		292,122	655	263,089	260,503	917	256,998
Jun		284,835	660	256,321	252,761	920	258,791
Jul		296,532	673	267,255	267,384	931	256,922
Aug		299,521	668	270,414	273,259	935	256,764
Sep		290,914	677	261,697	258,323	938	258,405
Oct		260,574	862	270,697	282,706	962	256,261
Nov		252,932	869	261,922	268,324	969	258,032
Dec		261,257	867	270,798	266,913	970	253,249
Jan		262,070	873	270,874	273,530	963	253,068
Feb		237,118	882	244,883	243,730	965	258,680
Mar		274,334	895	275,556	304,457	962	261,640
		3,291,574		**3,168,734**	**3,205,957**		**3,082,161**





Comments:

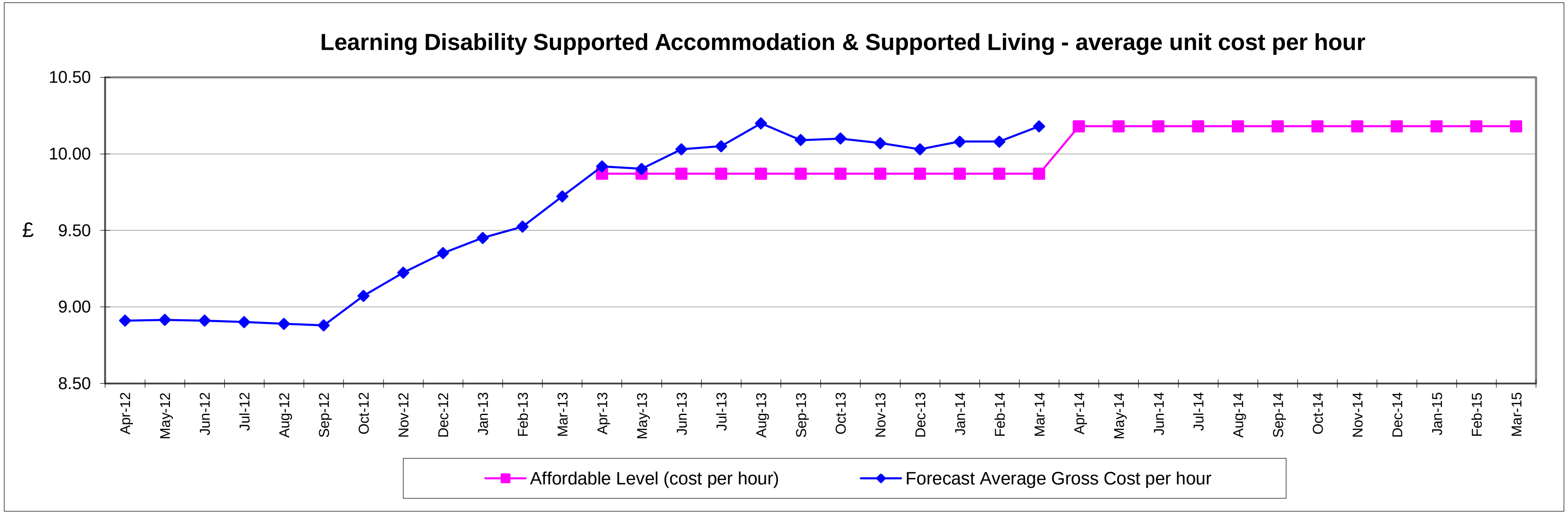
- This indicator has changed from 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The level of support required by individual clients can vary from a few hours a week to 24 hours a day therefore to better reflect the activity related to this indicator, the service is now recorded in hours rather than weeks. In addition, the details of the number of clients in receipt of these services will be given on a monthly basis.
- The Supporting Independence Service Contract was introduced in October 2012-13 and involved the transfer of specific clients previously in receipt of services categorised as domiciliary care, extra care sheltered housing and supported accommodation to this new contract. As part of this transfer, some clients chose to receive a direct payment instead. The result of this transfer was an overall net increase in the total number of clients categorised as receiving a supported accommodation/living support service however the average number of hours provided per client reduced. **A dotted line has been added to the graphs above to illustrate the introduction of the new Supporting Independence Service, and the consequent transfer of clients, as the data presented either side of the dotted line is not on a consistent basis and is therefore not directly comparable.**
- The outturn position is 3,205,957 hours of care against an affordable level of 3,168,734, a difference of +37,223 hours. Using the outturn unit cost of £10.18, this additional activity increased the position by +£379k.
- The activity for March 2014 showed a higher level of activity than previously recorded, but was in line with the forecast. This was mainly due to a delay in the recording of care services on the activity database, meaning the year to date activity was understated. Such delays are intrinsic to this service as a result of the channels through which referrals take place, i.e. ordinary residence cases, where complex negotiations are involved to determine the point at which different local authorities have responsibility for clients, in addition to the number of bespoke contracts that have to be agreed individually with providers.
- The difference between the 2013-14 outturn weeks and the 2014-15 affordable level of weeks is likely to necessitate revisions in order to best reflect the current usage of this service. Any such changes will be requested in the first full monitoring report to Cabinet in September and consequently the affordable levels will be amended accordingly.

3.11 Average gross cost per hour of Supported Accommodation/Supported Living service compared with affordable level:

	2012-13		2013-14		2014-15
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p
Apr		8.91	9.87	9.92	10.18
May		8.92	9.87	9.90	10.18
Jun		8.91	9.87	10.03	10.18
Jul		8.90	9.87	10.05	10.18
Aug		8.89	9.87	10.20	10.18
Sep		8.88	9.87	10.09	10.18
Oct		9.07	9.87	10.10	10.18
Nov		9.22	9.87	10.07	10.18
Dec		9.35	9.87	10.03	10.18
Jan		9.45	9.87	10.08	10.18
Feb		9.53	9.87	10.08	10.18
Mar		9.72	9.87	10.18	10.18

Comments:

- This measure comprises 3 distinct client groups and each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- The outturn unit cost of +£10.18 is higher than the affordable cost of +£9.87 and this difference of +£0.31 added +£982k to the position when multiplied by the affordable hours.



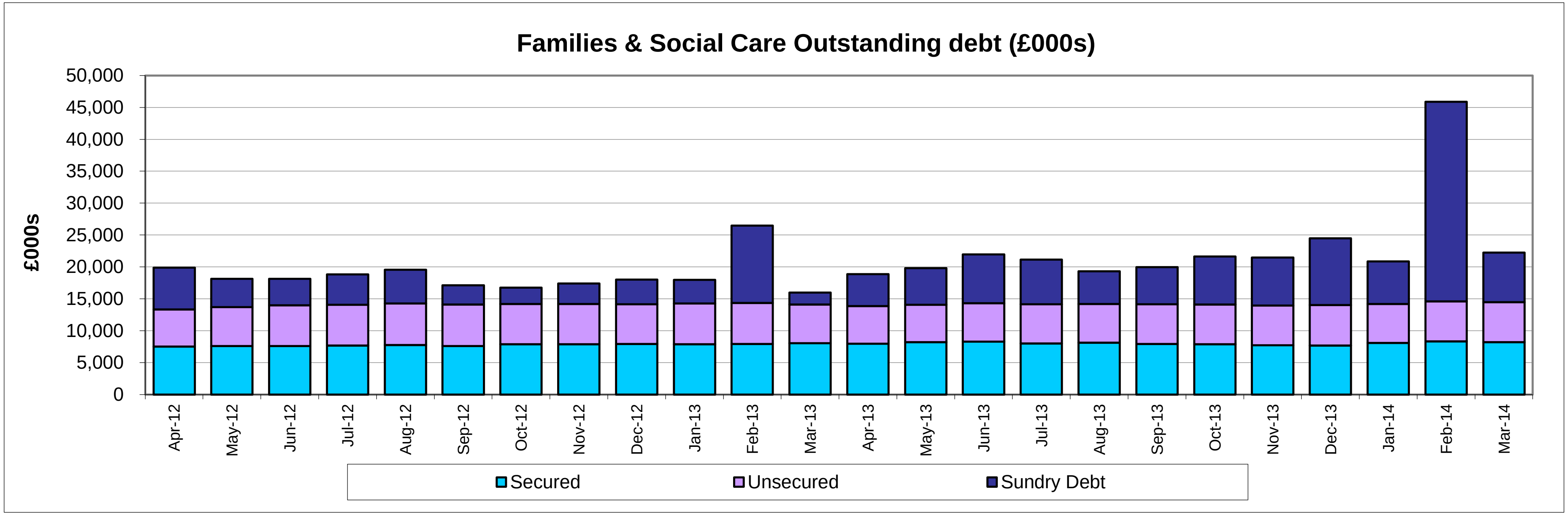
3.12 SOCIAL CARE DEBT MONITORING

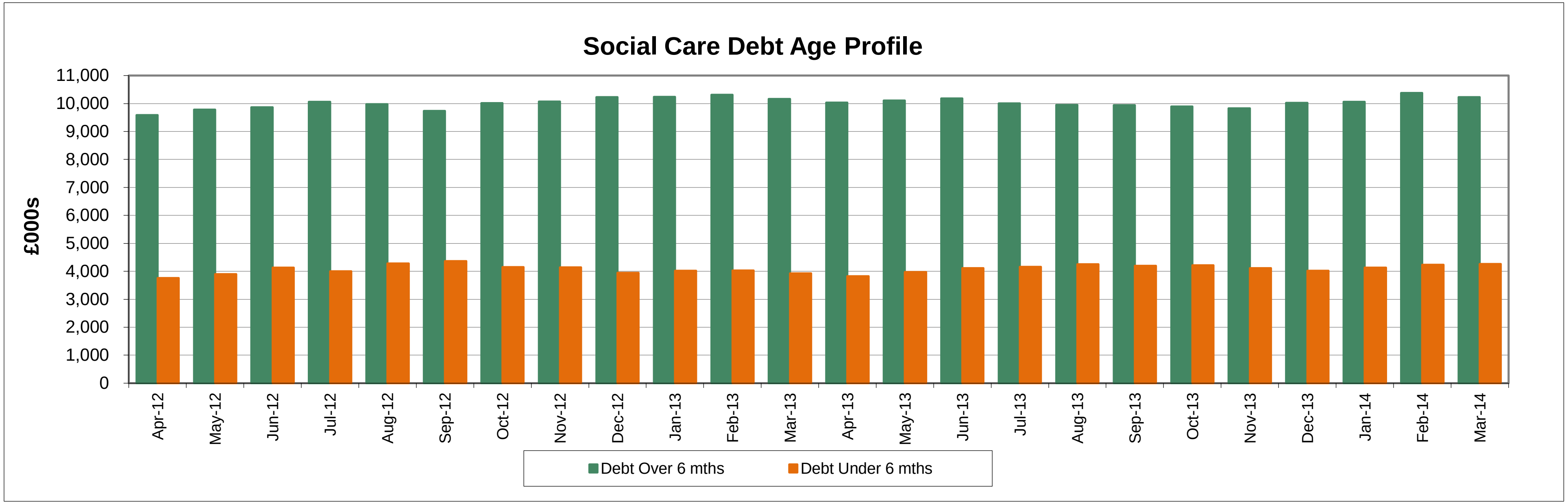
The outstanding debt as at the end of February was £45.888m compared with January's figure of £20.879m (reported to Cabinet in March) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £31.278m of sundry debt compared to £6.685m in January. This increase is almost entirely due to three large invoices to Health which had only just become overdue at the end of February, however these three invoices have now been settled so will not show in the March outstanding debt figures. It is not uncommon for the amount of sundry debt to fluctuate for large invoices to Health. Also within the outstanding debt is £14.610m relating to Social Care (client) debt which is a small increase of £0.416m from the last reported position to Cabinet in March. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

			Social Care Debt				
	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
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
Apr-13	18,859	4,995	13,864	10,037	3,827	7,969	5,895
May-13	19,789	5,713	14,076	10,106	3,970	8,197	5,879
Jun-13	21,956	7,662	14,294	10,183	4,111	8,277	6,017
Jul-13	21,146	6,978	14,168	10,005	4,163	8,015	6,153

	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Social Care Debt: Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
Aug-13	19,320	5,116	14,204	9,950	4,254	8,141	6,063
Sep-13	19,950	5,814	14,136	9,943	4,193	7,931	6,205
Oct-13	21,646	7,533	14,113	9,896	4,217	7,867	6,246
Nov-13	21,471	7,524	13,947	9,830	4,117	7,728	6,219
Dec-13	24,480	10,436	14,044	10,026	4,018	7,694	6,350
Jan-14	20,879	6,685	14,194	10,060	4,134	8,103	6,091
Feb-14	45,888	31,278	14,610	10,380	4,230	8,321	6,289
Mar-14	22,238	7,753	14,485	10,226	4,259	8,213	6,272

In addition the previously reported secured and unsecured debt figures for April 2012 to July 2012 were amended slightly between the 2012-13 Quarter 1 and Quarter 2 reports following a reassessment of some old debts between secured and unsecured.





With regard to Social Care debt, the tables below show the current breakdown and movement since the last report of secured, unsecured and health debt, together with a breakdown of unsecured debt by client group.

Social Care debt by Customer Credit Status	**February** £000s	**March** £000s	**Movement** £000s
Secured	8,321	8,213	-108
Unsecured - Deceased/Terminated Service	1,721	1,783	62
Unsecured - Ongoing	4,570	4,491	-79
Health (Unsecured)	-2	-2	0
TOTAL	14,610	14,485	-125

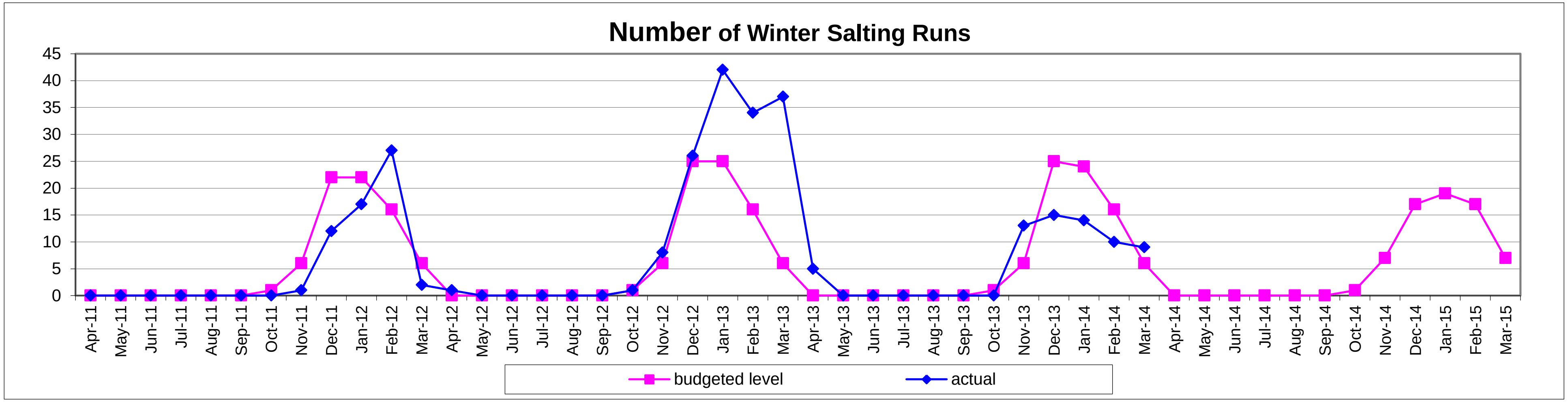
Unsecured debt by Client Group	**February** £000s	**March** £000s	**Movement** £000s
Older People/Physical Disability	5,879	5,890	11
Learning Disability	296	284	-12
Mental Health	116	100	-16
Health	-2	-2	0
TOTAL	6,289	6,272	-17

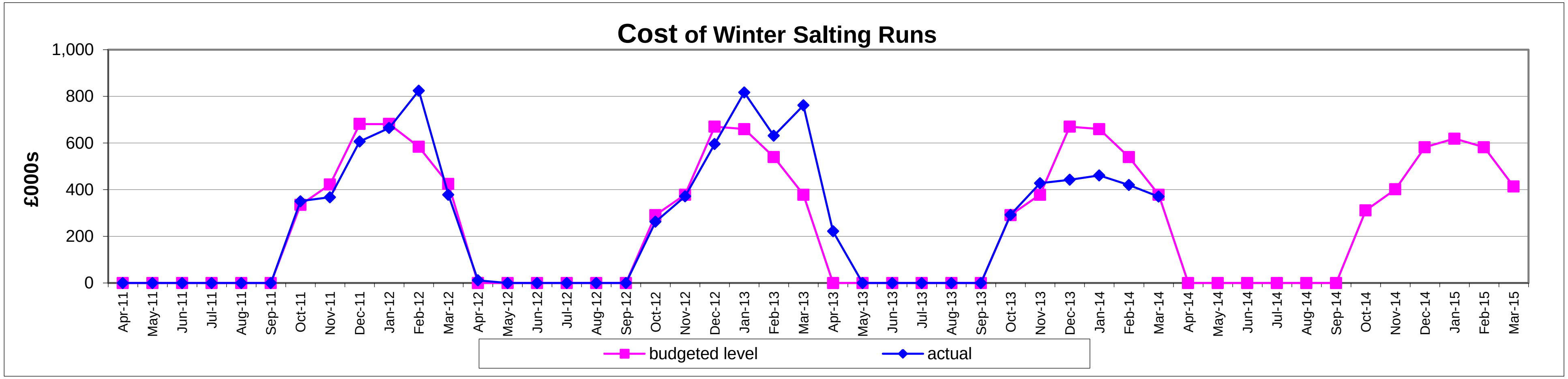
4. ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY

4.1 Number and Cost of winter salting runs

	2011-12				2012-13				2013-14				2014-15	
	No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. of salting runs	
	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Budgeted level £'000
Apr	-	-	-	-	-	1	-	12	-	5	-	222	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	-	335	351	1	1	291	263	1	-	291	293	1	311
Nov	6	1	423	368	6	8	379	372	6	13	379	428	7	402
Dec	22	12	682	607	25	26	670	596	25	15	670	443	17	583
Jan	22	17	682	665	25	42	660	817	24	14	660	462	19	619
Feb	16	27	584	825	16	34	540	632	16	10	540	421	17	583
Mar	6	2	425	378	6	37	379	762	6	9	379	371	7	414
	73	**59**	**3,131**	**3,194**	**79**	**149**	**2,919**	**3,454**	**78**	**66**	**2,919**	**2,639**	**68**	**2,911**

The budgeted number of salting runs assumes county wide coverage but in some cases, the actual number includes salting runs for which only part county coverage was required.



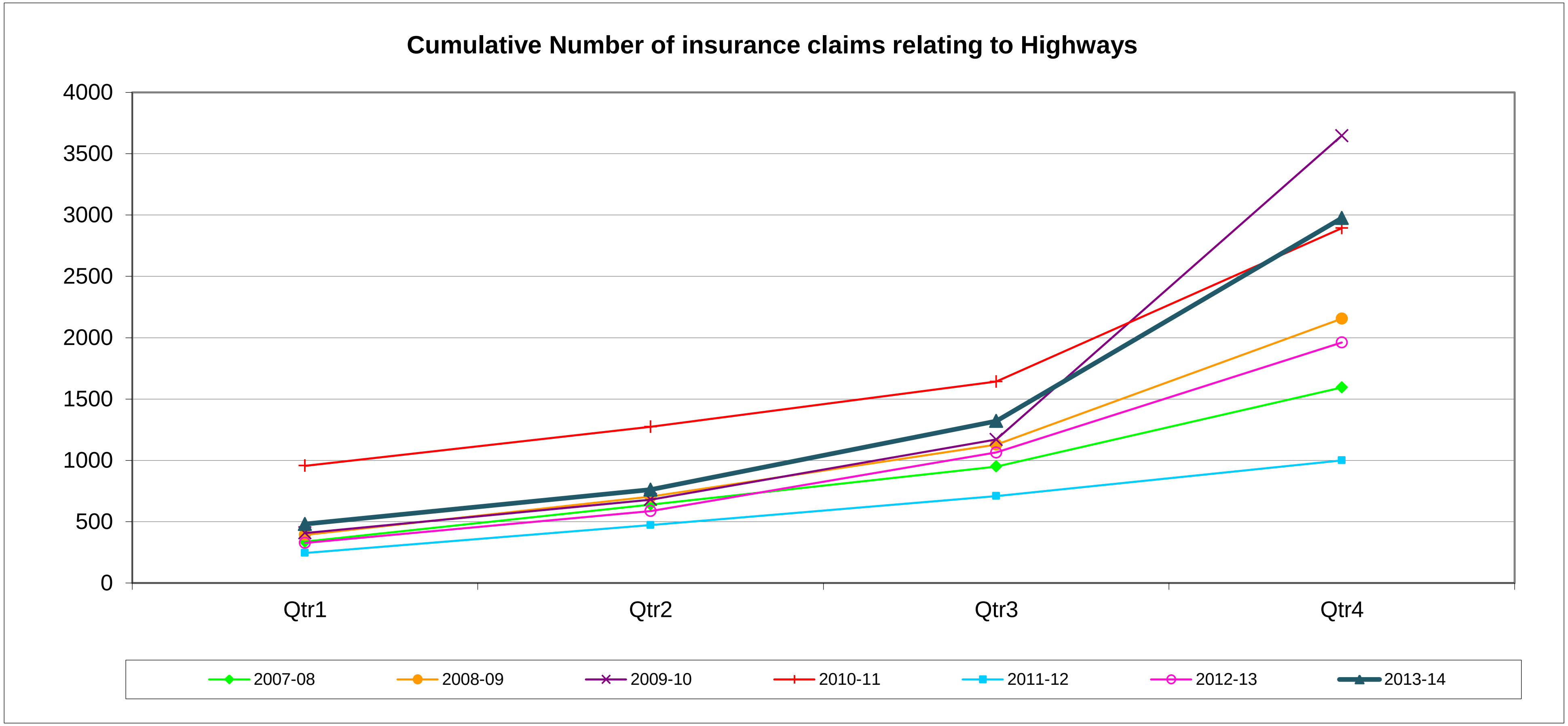


Comments:

- As a result of the prolonged hard winter which extended into April 2013, unbudgeted salting runs were required at the start of this financial year, resulting in a forecast pressure against the adverse weather budget of £0.222m, as shown above. However the actual number of salting runs was below budgeted levels due to the mild winter of 2013-14. Overall there was a net underspend of -£176k on the adverse weather budget in 2013-14 which is due to an underspend of -£280k on winter salting runs (as shown in the table above), an overspend of £146k due to insufficient provision being made for 2012-13 salting costs and an underspend of £42k of other costs associated with adverse weather, not directly attributed to salting runs.
- Although the budgeted number of salting runs was higher in 2012-13 than in 2011-12, the budgeted cost was lower because 2011-12 was a transition year due to the change in contractor from Ringway to Enterprise and 2012-13 included the full year efficiency savings, 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 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 £1.669m on the adverse weather budget in 2012-13, which was due to an overspend of £0.535m on winter salting runs (as shown in the table above) and an overspend of £1.134m of other costs associated with adverse weather, not directly attributed to salting runs, such as costs of snow clearance, maintenance costs of farmers' ploughs, salt bins & weather stations.

4.2 Number of insurance claims arising related to Highways

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
	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
Apr to Jun	337	393	408	956	245	327	480
Jul to Sep	640	704	680	1,273	473	587	761
Oct to Dec	950	1,128	1,170	1,643	709	1,064	1,320
Jan to Mar	1,595	2,155	3,647	2,893	1,000	1,962	2,976



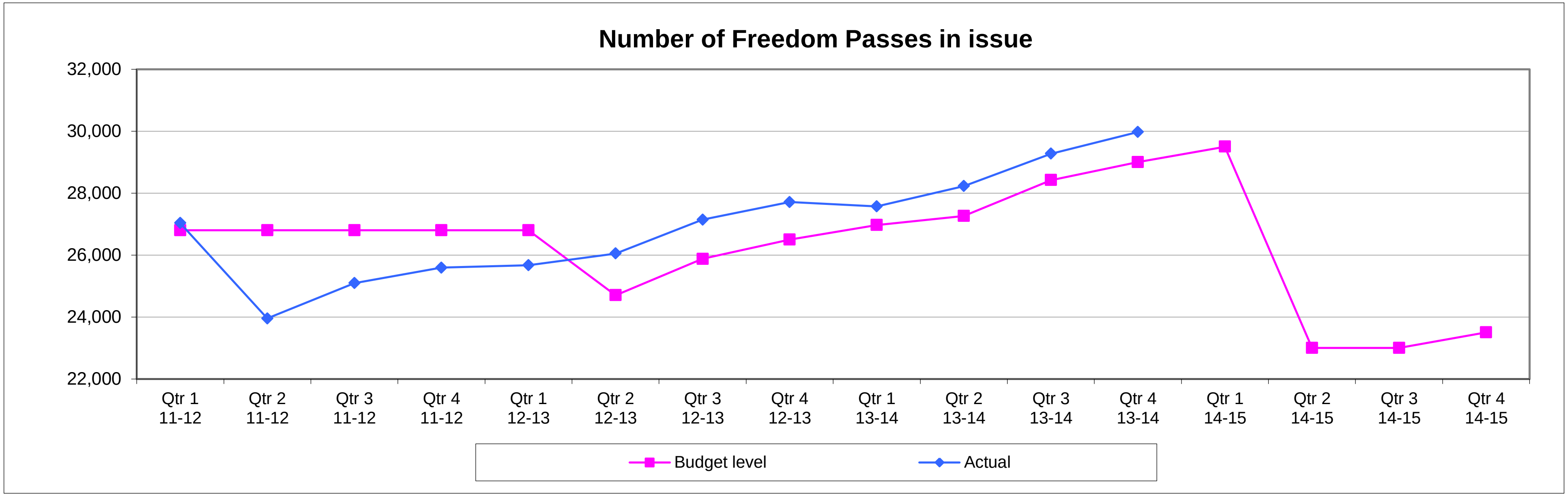
Comments:

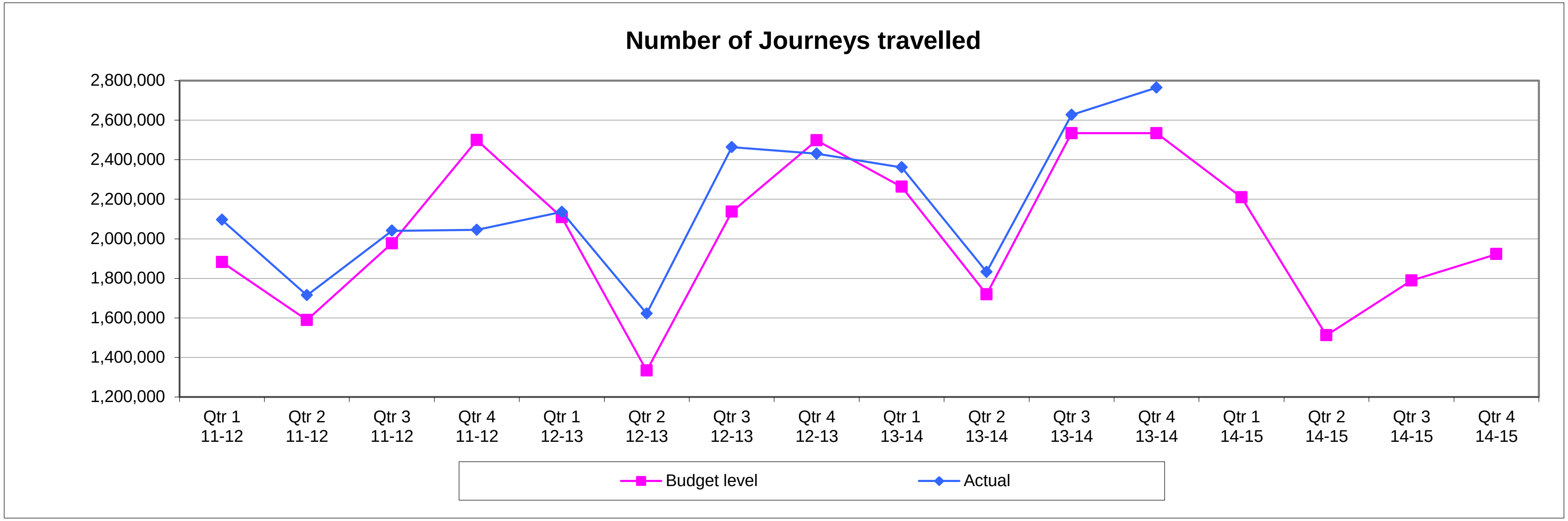
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 31st March 2014.
- 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 increased again in 2012-13, which was likely to be due to the prolonged hard winter and the consequent damage to the highway, but claim numbers did not increase 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 above. Claim numbers are again high in 2013-14, which is probably due to the particularly adverse wet weather conditions and the consequent damage to the highway. However, additional funding has been made available to in order to address this.
- 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 2013-14 claims where it is considered that we do not have any liability, of about 89%.

4.3 Freedom Pass

	2011-12				2012-13				2013-14				2014-15	
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled		Passes	Journeys travelled
	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Budget level (000's)
Qtr 1	26,800	27,031	1,882	2,096	26,800	25,668	2,108	2,136	26,970	27,571	2,263	2,361	29,500	2,210
Qtr 2	26,800	23,952	1,589	1,714	24,703	26,051	1,333	1,621	27,260	28,227	1,719	1,832	23,000	1,512
Qtr 3	26,800	25,092	1,977	2,041	25,877	27,141	2,137	2,464	28,420	29,272	2,534	2,627	23,000	1,789
Qtr 4	26,800	25,593	2,499	2,045	26,500	27,711	2,498	2,431	29,000	29,972	2,534	2,765	23,500	1,922
			7,947	**7,896**			**8,076**	**8,652**			**9,050**	**9,585**		**7,433**

The data for this activity indicator is only provided on a quarterly basis from our external provider MCL Transport Services.





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 have steadily increased since quarter one of 2012-13, due in part to changes in education transport policy, and the continued popularity of the scheme, resulting in a pressure on this budget in 2012-13, hence Cabinet, at the 15 July 2013 meeting, agreed to allocate £0.8m of rolled forward 2012-13 underspending to support this budget in 2013-14.

- The figures for actual journeys travelled are regularly reviewed and updated as further information is received from the bus companies, so may be subject to change. The 2013-14 actual journey numbers for quarters 1 and 2 have been adjusted as they had previously included journeys funded from the Home to School Transport budget. The number of journeys is higher than budgeted resulting in a gross pressure of £851k.

- 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.

- The 2014-15 budgeted levels from quarter 2 onwards are lower than previous years and reflect the anticipated reduction in the demand for passes and journey's travelled following the change in policy from Freedom Pass to Young Person's Travel Pass.

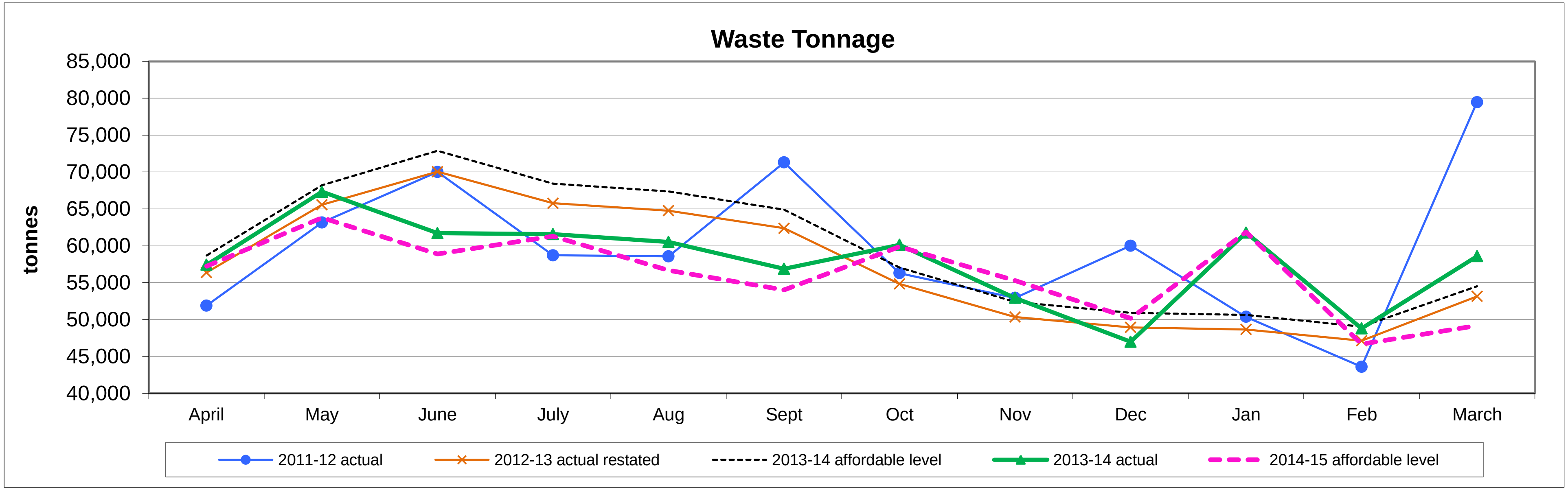
4.4 Waste Tonnage

	2011-12	# 2012-13	2013-14		2014-15
	Waste Tonnage	Waste Tonnage	Affordable Level ^	* ^ Waste Tonnage	Affordable Level
Apr	51,901	56,390	58,673	57,423	57,246
May	63,168	65,562	68,216	67,314	63,802
Jun	70,006	70,033	72,869	61,701	58,899
Jul	58,711	65,764	68,426	61,563	61,282
Aug	58,581	64,760	67,381	60,519	56,684
Sep	71,296	62,377	64,902	56,884	54,032
Oct	56,296	54,837	57,057	60,127	59,881
Nov	52,942	50,344	52,382	52,934	55,294
Dec	60,009	48,925	50,906	46,979	50,167
Jan	50,366	48,668	50,638	61,791	61,844
Feb	43,607	47,135	49,043	48,801	46,682
Mar	79,468	53,150	54,507	58,583	49,187
	716,351	**687,945**	**715,000**	**694,619**	**675,000**

^ 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, due to changes in managing waste contracts, 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 different profile to the actuals for 2011-12.

The 2012-13 actual waste tonnage data has been restated on a calendar month basis to ease comparison with 2013-14.

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



Comments:

- 2013-14 data was restated in the quarter 2 monitoring reported to Cabinet in December to reflect tonnage based on waste outputs from transfer stations rather than waste inputs to our facilities. This was necessary due to the changes in how waste is being presented to KCC by the waste collection authorities, where several material streams are now being collected by one refuse collection vehicle utilising split body compaction. These vehicles are only weighed in once at our facilities, where they tip all of the various waste streams into the separate bays, and then the vehicle is weighed out when empty. The separate waste streams are stored separately at our transfer stations, where these materials are bulked up for onward transfer to various processing plants/facilities. The bulked loads are weighed out, providing data for haulage fees and then are weighed in at the relevant processing plant, providing data for processing fees. 2012-13 data and the 2013-14 affordable level have were also restated on this output basis in order to enable comparison.
- These waste tonnage figures include residual waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.
- The cumulative tonnage activity for the year is 20,381 tonnes less than the affordable level.
- Overall waste volumes are 1% higher when compared to last year (based on the restated 2012-13 figures).
- Based on the actual waste tonnage for 2013-14, the overall volume of waste managed this financial year is 694,619 tonnes, which is 20,381 tonnes below the affordable level and equates to a saving of £2.155m. However this saving on waste volumes is offset by other pressures within the service, giving an overall saving against the waste management budget of £0.778m.
- The 2014-15 affordable level was based on the actual activity of the first three quarters of 2013-14. The 2013-14 activity clearly shows an increase in actual waste tonnage in the final quarter which was unexpected. At this stage it is not known whether this increase will continue into 2014-15. The first quarters activity will be reported to Cabinet in September.

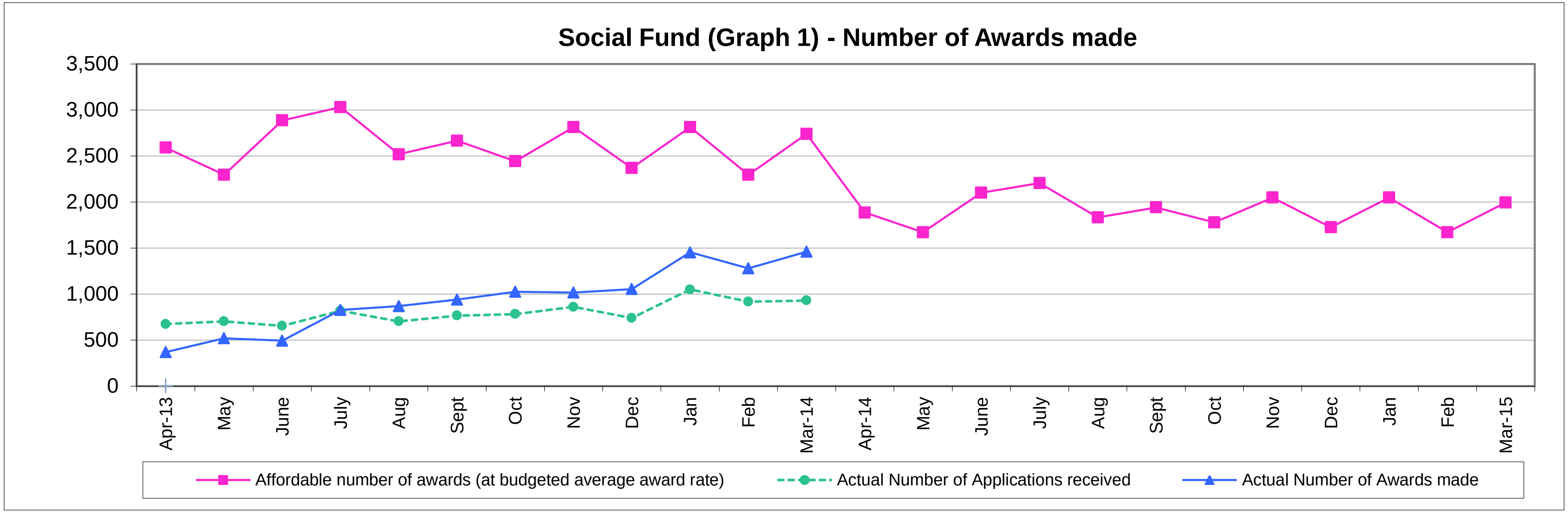
5. CUSTOMER & COMMUNITIES DIRECTORATE

5.1 Number and Value of Social Fund awards made

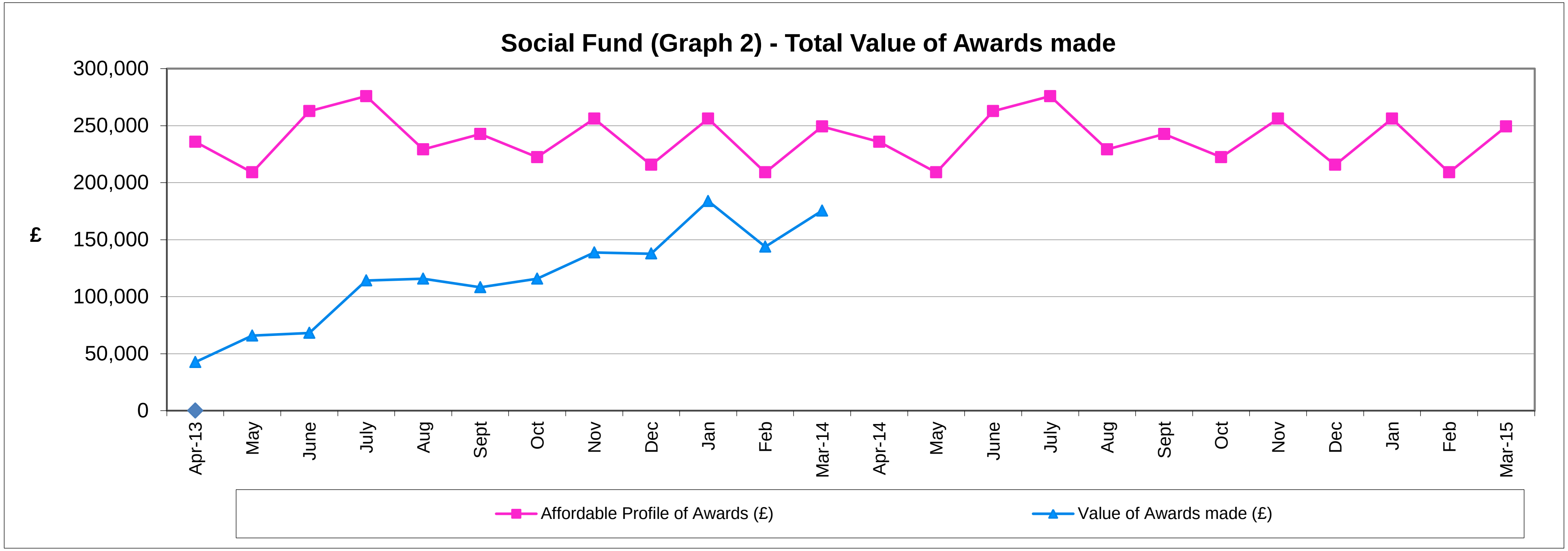
	2013-14							2014-15		
	(a) *	(b)	(c)	(d) * ^	(e) ^	(d) / (a)	(e) / (c)	(a) *	(d) *	(d) / (a)
	Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)	Affordable number of awards (at budgeted average award rate)	Affordable profile of awards (£)	Budgeted average award (£)
Apr	2,591	673	368	235,800	42,620	91	116	1,886	235,800	125
May	2,296	704	520	208,900	65,907	91	127	1,671	208,900	125
Jun	2,887	655	494	262,700	68,201	91	138	2,102	262,700	125
Jul	3,031	818	828	275,800	114,188	91	138	2,206	275,800	125
Aug	2,518	704	869	229,100	115,811	91	133	1,833	229,100	125
Sep	2,666	766	939	242,600	108,237	91	115	1,941	242,600	125
Oct	2,443	783	1,025	222,300	115,778	91	113	1,778	222,300	125
Nov	2,813	861	1,015	256,000	138,738	91	137	2,048	256,000	125
Dec	2,369	738	1,054	215,600	137,748	91	131	1,725	215,600	125
Jan	2,813	1,050	1,453	256,000	183,774	91	126	2,048	256,000	125
Feb	2,296	918	1,278	208,900	143,813	91	113	1,671	208,900	125
Mar	2,739	930	1,460	249,300	175,416	91	120	1,994	249,300	125
	31,462	**9,600**	**11,303**	**2,863,000**	**1,410,231**	**91**	**125**	**22,903**	**2,863,000**	**125**

* Columns (a) and (d) are based on available funding which has been profiled by month and type of award (excluding cash awards) in the same ratio as the previous DWP scheme. As the criteria and awards for this new pilot scheme differ to the DWP scheme, this does not represent the anticipated demand for the new pilot scheme (as demand is unknown), but represents the maximum affordable level should sufficient applications be received which meet the criteria.
One application may result in more than one award, e.g. an award for food & clothing and an award for utilities, hence the number of awards in column (c) may exceed the number of applications in column (b).

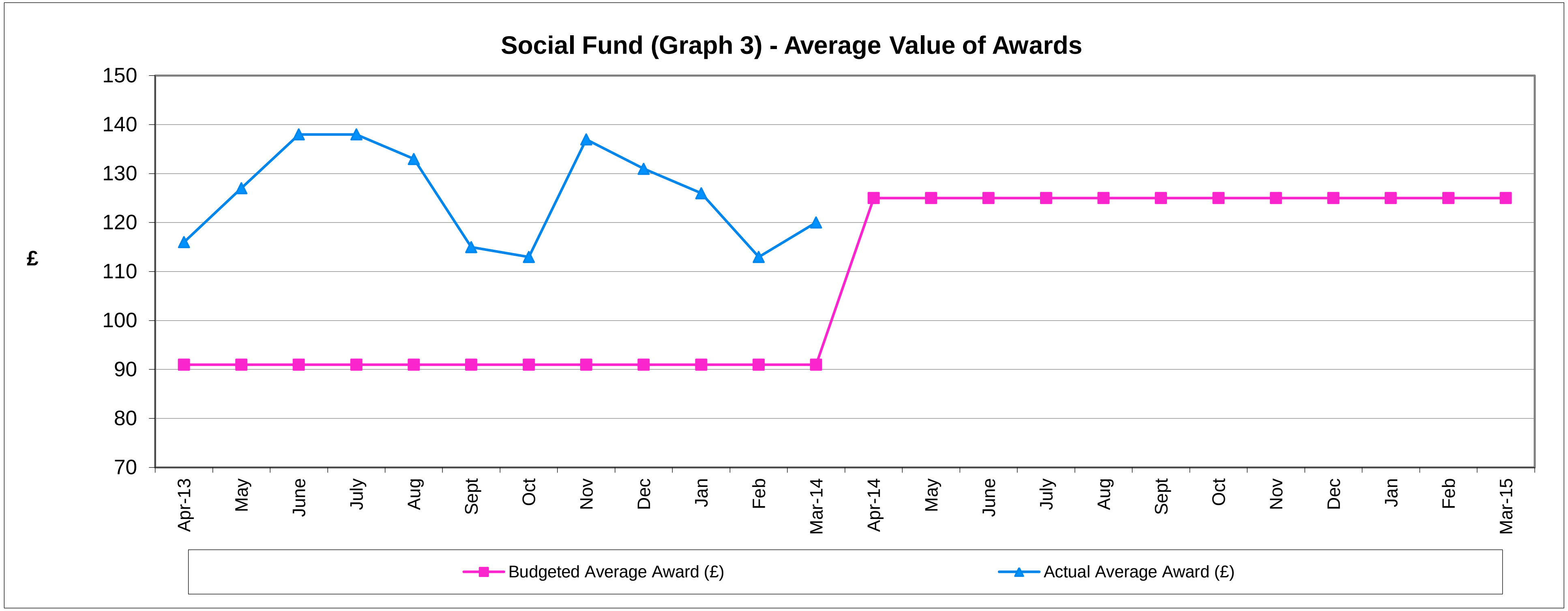
^ The statistical & financial information contained within the table above is based on the numbers of awards approved during the financial year and shows an underspend of £1,452.8k (column d - column e above). Although awards are approved for individuals in dire need, these awards are not always taken up for a variety of reasons. During the year £269.4k of approved awards, mainly for furniture & equipment were not taken up by the clients. Therefore the financial underspend as a consequence of the value of awards actually paid (taken up) is £1,722.2k and this is requested to roll forward to 2014-15, as detailed in Appendix 1 of this report.



Social Fund (Graph 1) - Number of Awards made
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Apr-13
May
June
July
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar-14
Apr-14
May
June
July
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar-15
Affordable number of awards (at budgeted average award rate)
Actual Number of Applications received
Actual Number of Awards made



Social Fund (Graph 2) - Total Value of Awards made
£
300,000
250,000
200,000
150,000
100,000
50,000
0
Apr-13
May
June
July
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar-14
Apr-14
May
June
July
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar-15
Affordable Profile of Awards (£)
Value of Awards made (£)



Comments:

- This is a pilot scheme that commenced in Kent on 1 April 2013 and differs from the Social Fund scheme, previously administered by DWP, in that cash awards are only given in very extreme circumstances e.g. where an individual may be at risk. This scheme offers 4 types of award including food & clothing, white goods, energy vouchers and furniture & equipment and more importantly signposts the individual, whether an award is given or not, to the appropriate service so that they can receive ongoing support. This is an emergency fund to help support the most vulnerable in society. The figures provided in the table and represented in the graphs above reflect a combined average of these 4 types of award.

- Applications are immediately prioritised with the intention that high priority applications should receive the award within 24 hours. However, approval of awards for lower priority cases e.g. applications for furniture from low risk households may be slower. Therefore, actual awards made in any month can exceed the number of applications for the month, either due to the processing of low priority cases from previous months, or as a result of individual applications resulting in multiple awards being granted, as referred to above.

- **Graph 1** above represents the number of individual awards granted, e.g. there could be multiple awards arising from an individual application, compared to (i) the number of applications received and (ii) the affordable number of awards, as calculated using the budgeted average award rate, which is the maximum number of awards that can be afforded, not the anticipated level of demand.
  In previous reports the number of applications received was higher than the number of awards made, which predominately reflected that applications for cash awards were being received in line with the old DWP scheme, but this type of award is not generally offered as part of this pilot scheme. Initially there were also a number of inappropriate referrals being made whereby the applicant did not qualify. However, the number of awards made is now higher than the number of applications received illustrating that some applications result in more than one award e.g. an award for food and clothing and an award for energy vouchers. There is an admin cost involved in assessing the applications received, irrespective of whether they result in an award being made. The budget for this service, as shown in table 1 is £3.469m, with £0.606m being the cost of administering the scheme including signposting applicants to alternative appropriate services, and £2.863m available to award where appropriate (column d in the table above).
  Given the uncertainty about both future levels of demand and government funding, there is a need to ring-fence the funding for awards for the period of the pilot scheme (2013-15) to provide some stability to the service.

- **Graph 2** represents the value of awards made against the maximum profiled funding available.

  The number and value of awards made is significantly lower than the affordable level and reflects the initial take up of this new scheme being low in comparison to the old scheme (which is what the funding, and affordable level, is based upon). The value of awards made is expected to increase as the scheme matures and communication increases about what the new scheme provides and evidence of this is visible in the figures in the table above, where the value of awards made has steadily increased throughout the year to date. In addition, it is anticipated that changes to welfare reform may still impact on the value of awards given in this financial year. However, if applicants are successfully signposted to alternative appropriate services to receive sustained support, and an award is not made, then this will be beneficial to the applicant and would result in an underspend against this scheme, which is still a positive outcome for the pilot.

- **Graph 3** compares the budgeted average award value, based on the anticipated mix and value of awards, to the actual average award. Using DWP data, and excluding cash awards, it was anticipated that the majority of awards for this pilot would be for food & clothing, high volume & low value, and therefore the budgeted average award was set with this in mind. Whilst this has transpired and 48% of the number of awards has been for food & clothing, there has been a higher than expected number of awards for furniture & equipment which have a higher award value, given the nature of the goods. The number of awards for furniture & equipment (incl white goods) accounts for 16% of the number of awards but 54% of the value of awards. Therefore, the actual average award is higher than budgeted due to the apportionment of the award types being different to what was anticipated. The data collected in the current year will inform the allocation of funds to each type of award in future years, should the scheme continue and will provide a meaningful comparison. In December 2013 the service adopted a temporary policy to cope with Christmas demand and the flood emergency. This policy ensured a focus on emergency awards e.g. food, but with a temporary suspension of equipment awards. The cessation of this temporary policy in January has therefore led to an increase in applications and awards, due in part to the impact of processing December applications for equipment in January. The impact of Christmas and the floods has also led to a significant increase in the numbers of the lower value energy awards and food & clothes awards in January, thus the average value of awards has decreased.

6. BUSINESS STRATEGY & SUPPORT DIRECTORATE

6.1 Capital Receipts

The total forecast receipts expected to come in during 2013-14 is £7.642m. This is broken down between the various “pots” as detailed in the tables below.

6.2 Capital Receipts Funding Capital Programme

	2013-14
	£'000
Capital receipt funding required for capital programme	7,005
Banked in previous years and available for use	30,786
Requiring to be sold this year	0
Receipts achieved for 2013-14	3,502
Potential Surplus/(Deficit)	27,283

6.2.1 The total capital receipt funding required to fund projects in the capital programme per the 2013-14 outturn totals £7.005m.

6.2.2 Receipts achieved during 2013-14 for use against schemes in the capital programme will total £3.502m, which leaves a potential surplus on capital receipt funding in the capital programme of £27.283m. The three year capital programme is reliant on £71m of capital receipt funding, therefore any “surplus” receipts achieved in 2013-14 will be needed to fund projects in the future years capital programme.

PEF1

6.2.3 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.

6.2.4 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.

6.2.5 Provisional 2013-14 outturn position

	2013-14
	£000
Opening deficit balance 1 April 2013	-5,560
Receipts	246
Costs	0
Planned acquisitions	0
Reimbursement - Eurokent Access	0
Closing balance	-5,314

6.2.6 The previous table shows the opening balance on the fund as being -£5.560m. With receipts of £0.246m, this results in a closing balance of -£5.314m.

Revenue Position

6.2.7 The balance brought forward at the 1st April 2013 was -£3.285m. The net cost from managing the properties held within the fund for 2013-14 is £0.376m, and with the need to fund costs of borrowing of -£0.467m against the overdraft facility, the PEF1 is showing a £4.128m deficit on revenue, which will be rolled to be met from future income streams.

PEF2

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

6.2.9 Overall Forecast Position on the Fund:

	2013-14
Capital	£000
Opening deficit balance	-6,159
Properties to be agreed into PEF2	0
Purchase of properties	0
Sale of PEF2 properties	3,257
Disposal costs	0
Closing deficit balance	-2,902
Revenue	
Opening balance	-4,787
Net interest payments on borrowing	-320
Holding costs	131
Closing deficit balance	-4,976
Overall deficit closing balance	-7,878

6.2.10 The forecast closing balance on the fund is -£7.878m, within the overdraft limit of £85m.

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

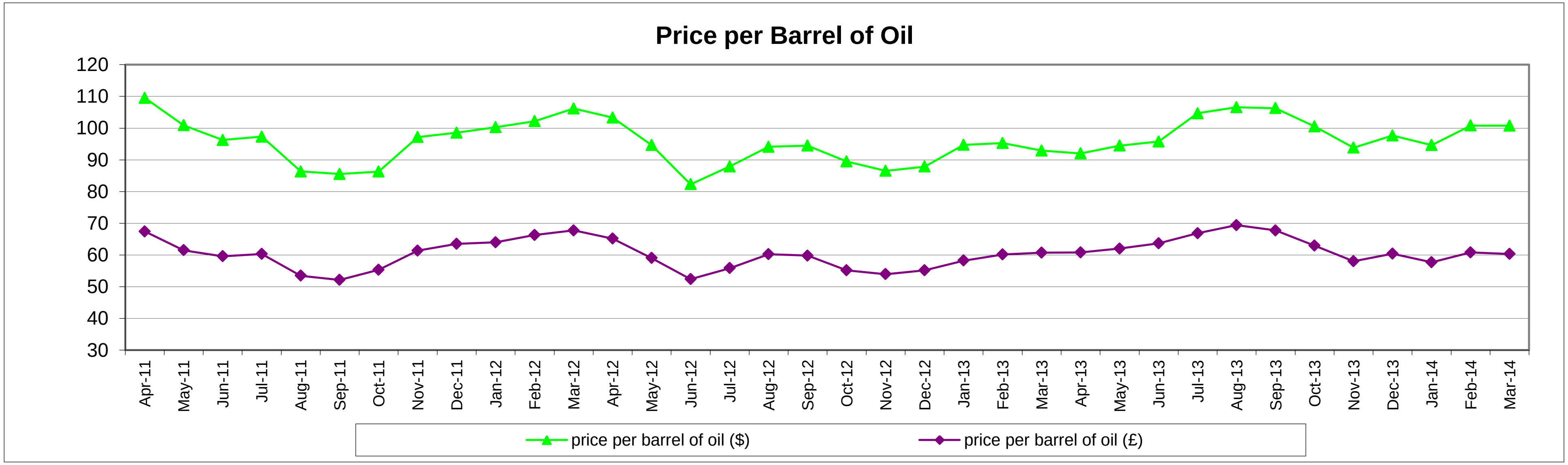
7. FINANCING ITEMS

7.1 Price per Barrel of Oil - average monthly price in dollars:

	Price per Barrel of Oil		
	2011-12 $	**2012-13** $	**2013-14** $
Apr	109.53	103.32	92.02
May	100.90	94.65	94.51
Jun	96.26	82.30	95.77
Jul	97.30	87.90	104.67
Aug	86.33	94.13	106.57
Sep	85.52	94.51	106.29
Oct	86.32	89.49	100.54
Nov	97.16	86.53	93.86
Dec	98.56	87.86	97.63
Jan	100.27	94.76	94.62
Feb	102.20	95.31	100.82
Mar	106.16	92.94	100.80

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 UK trade info website.
- Fluctuations in oil prices affect many other costs such as heating, travel, and therefore transportation costs of all food, goods and services, and this will have an impact on all services provided by the Council.



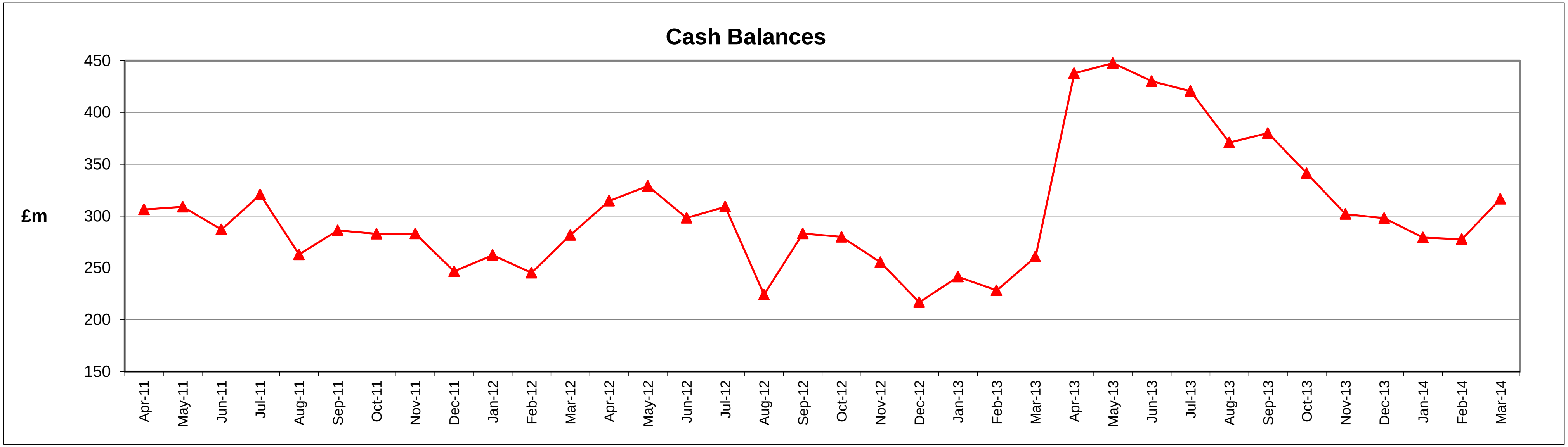
FINANCIAL HEALTH INDICATORS

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 (£12.417m), balances of schools in the corporate scheme (£47.3m), 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.

Central Government Departments (particularly DCLG) changed grant payment profiles for 2013-14. Revenue grant receipts were heavily weighted towards the beginning of the year (76%) leading to an early peak in managed cash levels. These cash levels declined over the course of the year as grant income reduced.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
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
2013-14	437.8	447.6	430.1	420.7	371.0	380.1	341.3	301.9	297.9	279.3	277.7	316.7



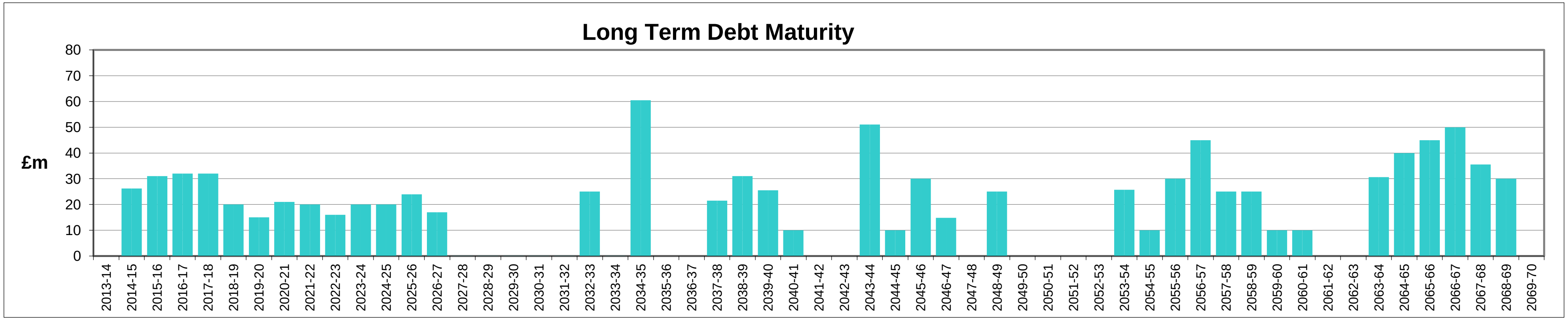
2. LONG TERM MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £41.64m 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 (£0.745m). These bodies make regular payments of principal and interest to KCC to service this debt.

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

The total debt principal to be repaid in 2013-14 was £2.015m, relating to equal instalment of principal loans. £0.015m of this was repaid on 12 August 2013, a further £1m was repaid on 3 September 2013, and the final £1m was repaid on 3 March 2014.

	£m	Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2013-14	0.000	*2023-24*	20.001	*2033-34*	0.000	*2043-44*	51.000	*2053-54*	25.700	*2063-64*	30.600
2014-15	26.193	*2024-25*	20.001	*2034-35*	60.470	*2044-45*	10.000	*2054-55*	10.000	*2064-65*	40.000
2015-16	31.001	*2025-26*	24.001	*2035-36*	0.000	*2045-46*	30.000	*2055-56*	30.000	*2065-66*	45.000
2016-17	32.001	*2026-27*	17.001	*2036-37*	0.000	*2046-47*	14.800	*2056-57*	45.000	*2066-67*	50.000
2017-18	32.001	*2027-28*	0.001	*2037-28*	21.500	*2047-48*	0.000	*2057-58*	25.000	*2067-68*	35.500
2018-19	20.001	*2028-29*	0.001	*2038-39*	31.000	*2048-49*	25.000	*2058-59*	25.000	*2068-69*	30.000
2019-20	15.001	*2029-30*	0.001	*2039-40*	25.500	*2049-50*	0.000	*2059-60*	10.000	*2069-70*	0.000
2020-21	21.001	*2030-31*	0.001	*2040-41*	10.000	*2050-51*	0.000	*2060-61*	10.000		
2021-22	20.001	*2031-32*	0.000	*2041-42*	0.000	*2051-52*	0.000	*2061-62*	0.000		
2022-23	16.001	*2032-33*	25.000	*2042-43*	0.000	*2052-53*	0.000	*2062-63*	0.000	**TOTAL**	**1,010.273**



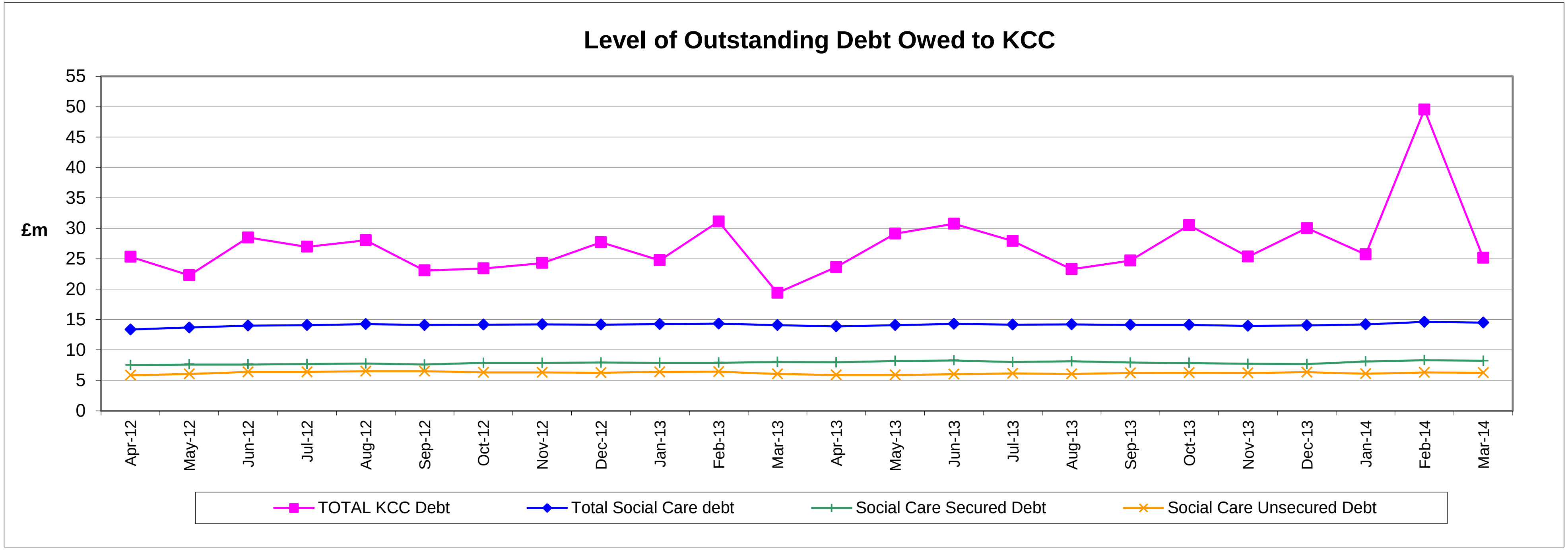
3. OUTSTANDING DEBT OWED TO KCC

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 £m	Social Care Unsecured £m	Total Social Care Debt £m	FSC Sundry Debt £m	**TOTAL FSC Debt £m**	All other Directorates £m	**TOTAL KCC Debt £m**
Apr 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**
Jun 12 #	7.615	6.384	13.999	4.133	**18.132**	10.353	**28.485**
Jul 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**
Sep 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**
Mar 13	8.025	6.066	14.091	1.895	**15.986**	3.392	**19.378**
Apr 13	7.969	5.895	13.864	4.995	**18.859**	4.771	**23.630**
May 13	8.197	5.879	14.076	5.713	**19.789**	9.331	**29.120**
Jun 13	8.277	6.017	14.294	7.662	**21.956**	8.787	**30.743**
Jul 13	8.015	6.153	14.168	6.978	**21.146**	6.746	**27.892**
Aug 13	8.141	6.063	14.204	5.116	**19.320**	3.960	**23.280**
Sep 13	7.931	6.205	14.136	5.814	**19.950**	4.746	**24.696**
Oct 13	7.867	6.246	14.113	7.533	**21.646**	8.870	**30.516**
Nov 13	7.728	6.219	13.947	7.524	**21.471**	3.865	**25.336**
Dec 13	7.694	6.350	14.044	10.436	**24.480**	5.553	**30.033**
Jan 14	8.103	6.091	14.194	6.685	**20.879**	4.820	**25.699**
Feb 14	8.321	6.289	14.610	31.278	**45.888**	3.633	**49.521**
Mar 14	8.213	6.272	14.485	7.753	**22.238**	2.927	**25.165**

Note:

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.


Level of Outstanding Debt Owed to KCC
£m
55
50
45
40
35
30
25
20
15
10
5
0
Apr-12
May-12
Jun-12
Jul-12
Aug-12
Sep-12
Oct-12
Nov-12
Dec-12
Jan-13
Feb-13
Mar-13
Apr-13
May-13
Jun-13
Jul-13
Aug-13
Sep-13
Oct-13
Nov-13
Dec-13
Jan-14
Feb-14
Mar-14
TOTAL KCC Debt
Total Social Care debt
Social Care Secured Debt
Social Care Unsecured Debt

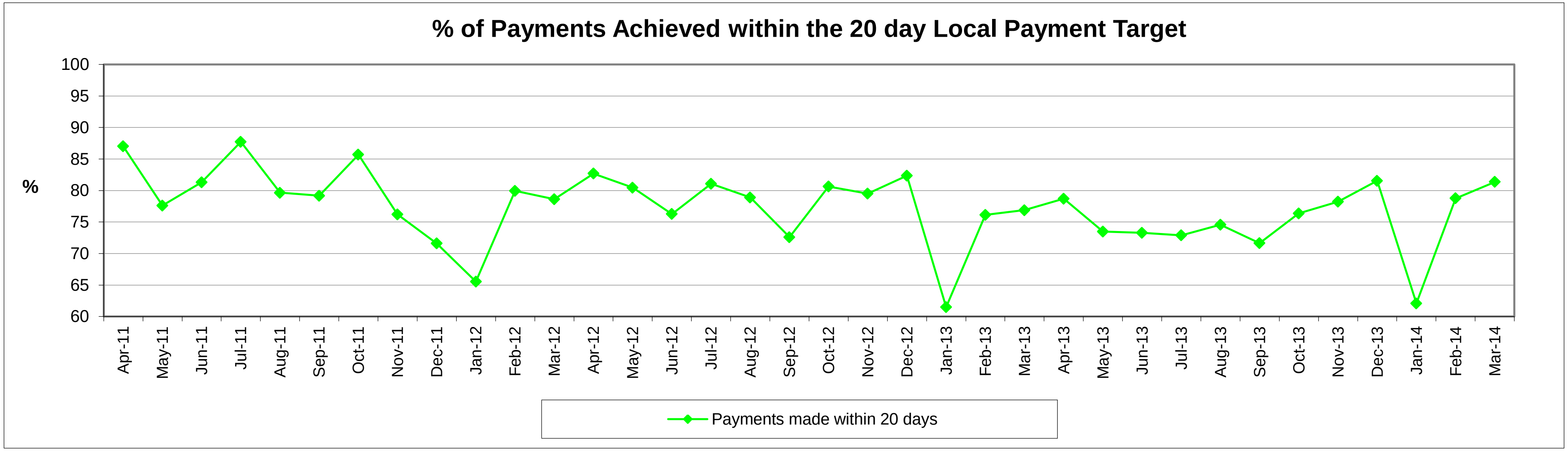
4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however

	2011-12 %	2012-13 %	2013-14 %
Apr	87.0	82.7	78.7
May	77.6	80.5	73.5
Jun	81.3	76.3	73.3
Jul	87.7	81.1	72.9
Aug	79.7	78.9	74.6
Sep	79.2	72.6	71.7
Oct	85.7	80.6	76.4
Nov	76.2	79.5	78.2
Dec	71.6	82.3	81.5
Jan	65.5	61.5	62.1
Feb	79.9	76.1	78.8
Mar	78.6	76.9	81.4

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 2012-13 due to snow. The 2013-14 figure for invoices paid within 20 days was 75.3%. This compares to overall performance in previous years as follows:

	20 days %
2011-12	79.2
2012-13	77.3
2013-14	75.3

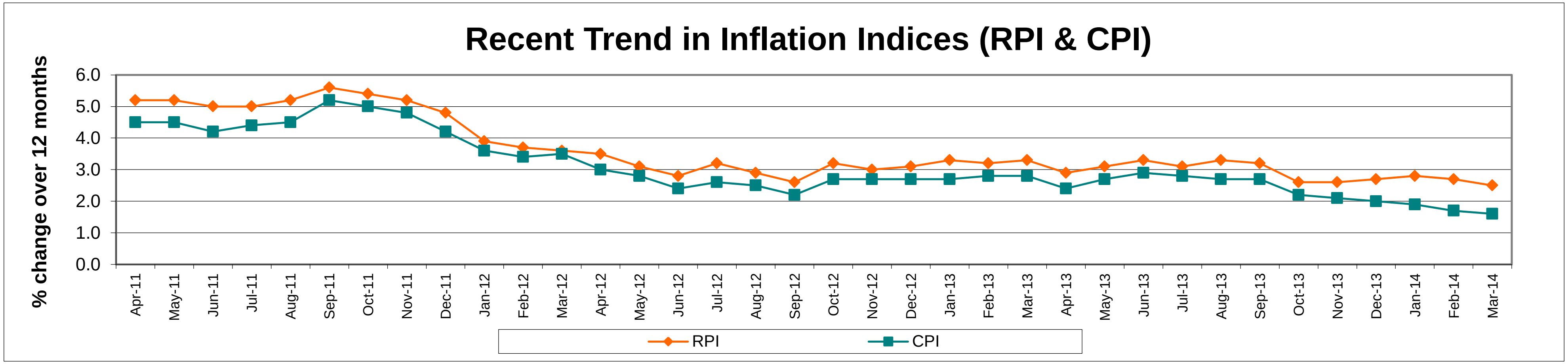


5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

In the UK, there are two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government's

Percentage Change over 12 months

	2011-12		2012-13		2013-14	
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
Apr	5.2	4.5	3.5	3.0	2.9	2.4
May	5.2	4.5	3.1	2.8	3.1	2.7
Jun	5.0	4.2	2.8	2.4	3.3	2.9
Jul	5.0	4.4	3.2	2.6	3.1	2.8
Aug	5.2	4.5	2.9	2.5	3.3	2.7
Sep	5.6	5.2	2.6	2.2	3.2	2.7
Oct	5.4	5.0	3.2	2.7	2.6	2.2
Nov	5.2	4.8	3.0	2.7	2.6	2.1
Dec	4.8	4.2	3.1	2.7	2.7	2.0
Jan	3.9	3.6	3.3	2.7	2.8	1.9
Feb	3.7	3.4	3.2	2.8	2.7	1.7
Mar	3.6	3.5	3.3	2.8	2.5	1.6



2013-14 FINAL MONITORING OF PRUDENTIAL INDICATORS

1. Estimate of Capital Expenditure (excluding PFI and schools)

Actuals 2013-14	£203.244m	
Original estimate 2013-14	£286.571m	
Revised estimate 2013-14	£253.429m	(this includes the rolled forward re-phasing from 2012-13)

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

	2012-13	2013-14	2013-14
	Actual	Original Estimate	Actual as at 31-3-14
	£m	£m	£m
Capital Financing requirement	1,464.961	1,483.590	1,435.263
Annual increase/reduction in underlying need to borrow	-30.912	-2.825	-29.698

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

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

Actuals 2012-13	14.55%
Original estimate 2013-14	13.42%
Actual 2013-14	13.62%

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

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

	Prudential Indicator	Position as at 31.3.14
	£m	£m
Borrowing	993	969
Other Long Term Liabilities	1,134	1,155
	2,127	2,124

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

	Prudential Indicator	Position as at 31.3.14
	£m	£m
Borrowing	1,040	1,010
Other Long Term Liabilities	1,134	1,155
	2,174	2,165

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

	Authorised limit for debt relating to KCC assets and activities	Position as at 31.3.14	Authorised limit for total debt managed by KCC	Position as at 31.3.14
	£m	£m	£m	£m
Borrowing	1,033	969	1,080	1,010
Other long term liabilities	1,134	1,155	1,134	1,155
	2,167	2,124	2,214	2,165

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

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 2013-14

Fixed interest rate exposure	100%
Variable rate exposure	30%

These limits have been complied with in 2013-14

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 31.3.14
	%	%	%
Upper 12 months	10	0	0.00
12 months and within 24 months	10	0	2.59
24 months and within 5 years	15	0	9.40
5 years and within 10 years	15	0	9.11
10 years and within 20 years	15	5	10.50
20 years and within 30 years	20	5	14.70
30 years and within 40 years	20	10	12.95
40 years and within 50 years	25	10	17.88
50 years and within 60 years	30	10	22.88

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

Indicator	£30.0m
Actual	£22.2m

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

To: CABINET – 7 July 2014

Subject: **REVENUE & CAPITAL BUDGET MONITORING REPORT 2014-15**

Classification: **Unrestricted**

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1. Summary

1.1 This is the first budget monitoring report for 2014-15. This report reflects the position for each of the Directorates based on the major issues arising from the 2013-14 outturn, which is also on the agenda for this meeting. These are issues which were either not addressed in the 2014-15 budget build because they came to light after the 2014-15 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 2014-15 budget was calculated.

1.2 The report provides initial forecasts for both the revenue and capital budgets.

1.3 Cabinet is 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 2014-15, as any residual pressures rolled forward into 2015-16 will only compound an already challenging 2015-16 budget position. This early forecast pressure of over £8m is very clearly a concern, and needs to be managed down to at least a balanced position. However, it is not unusual for the first forecast of the year to be on the pessimistic side, and the first quarters spend and activity information will provide a more solid foundation for future forecasts.

2. Recommendations:

Cabinet is asked to:

2.1 **Note** the initial forecast revenue budget monitoring position for 2014-15 and capital budget monitoring position for 2014-15 to 2016-17, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

2.2 **Agree** the capital cash limit adjustments as requested in paragraphs 5.2 – 5.5.

3. Introduction:

3.1 This is the first budget monitoring report for 2014-15 and contains a high level strategic view of material pressures and savings for each Directorate. Overall the net projected revenue variance for the Council is a pressure of £8.393m. The pressures and savings highlighted in this report are largely informed by the actual activity outturn position at the end of the 2013-14 financial year, and also by each Directorates' initial assessment of the achievability of their 2014-15 savings. In total £81m of saving requirements were included in the approved budget for this year.

3.2 The forecasts show the vast majority of the £81m 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 Directorate will be made as appropriate. As this is the first monitoring report of the year, equivalent saving plans have not yet been sufficiently developed. It is our expectation that once these alternative plans are finalised and agreed then the forecast pressure will reduce.

3.3 Details of issues faced within the revenue budget are provided in section 4 and those faced within the capital programme are provided in section 5.

4. 2014-15 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: 2014-15 Revenue Pressures and Savings:

Directorate	£m	Pressure/Saving
Education & Young People's Services	+1.809	+£2.1m pressure on SEN Home to School Transport. Potential pressure from integration of adolescent services also highlighted in section 4.2. -£0.291m underspend on Supporting People (Youth)
Social Care, Health and Wellbeing – Specialist Children's Services (SCS)	+3.350	A combination of base pressures following the 2013-14 outturn (£1.211m) and current assessment of delayed delivery of 2014-15 savings (£2.139m).
Social Care, Health and Wellbeing – Adults	+2.042	+£2.541m pressure relates to increased demand for a number of Learning Disability services. This is partly offset by a -£0.409m underspend on Supporting People (Adults) and a small underspend of -£0.090m in the Mental Health service.
Growth, Environment and Transport	0.0	A number of potential unquantified pressures are highlighted below in section 4.4. These are partially offset by a -£1.000m saving from re-tendered waste contracts.
Strategic and Corporate Services	+0.792	+£0.327m Community Engagement, +£0.300m Property and +£0.165m Contact Centre
Financing Items	+0.400	+£0.400m Impact of low interest rates on our return on cash balances, partially offset by re-phasing of capital programme.
Total	**+8.393**	

4.2 Education and Young People's Services Directorate:

4.2.1 The initial forecast indicates a pressure of £2.1m which relates to Transport Services, which is partially offset by a forecast underspend of £0.291m on Supporting People (Youth).

4.2.2 Home to School Transport (SEN) – there is a forecast pressure on this budget of £2.1m as the number of children travelling is consistently higher than the budgeted number although 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. This early forecast is based largely on the 2013-14 outturn and a more accurate forecast will not be available until the start of the 2014-15 academic year which will be reported to Cabinet in December 2014.

4.2.3 Early Help & Prevention – as part of the 2014-15 MTFP a saving of -£1.922m was allocated to the directorate for a reduction in staffing from the integration of adolescent services. The new Early Help and Prevention Division is in the early stages of the process of restructuring to achieve this and other staff savings but at this early stage of the financial year it looks likely that there will be a pressure as the full saving may not be realised in 2014-15. The Directorate is currently looking at other short term one-off measures that could be used to help balance the budget.

4.3 Social Care, Health and Wellbeing Directorate:

4.3.1 The initial forecast for Social Care, Health and Wellbeing Directorate indicates an overall pressure of £5.392m, as outlined in further detail below:

4.3.2 Specialist Children's Services:

4.3.2.1 The initial forecast for Specialist Children's Services (excluding Asylum Service) suggests that there is a current pressure of £3.350m. It is estimated that £2.139m of this pressure relates to allocated savings in the budget not taking place as originally planned, making the in-year savings less than budgeted. The remaining £1.211m relates to the underlying base pressure that has been carried forward from 2013-14, due to the outturn being higher than estimated at the time of setting the 2014-15 budget. Most of this pressure is in relation to placement costs. A management action plan is currently being worked on to look at additional in-year savings that can be made to help alleviate the overall pressure. It is anticipated that within the Quarter One monitoring report an update on this work can be included.

4.3.2.2 In relation to the Asylum service we are still in negotiations with the Home Office following the cessation of the Gateway Grant being made available to the Council. It is hoped that we have reached a settlement on the UASC's (Under 18's) which means that we are fully funded based on our current costs of supporting those young people who we are eligible to claim for. However no settlement has been agreed on the grant level for the Care Leavers, which still remains at the national figure of £150 per week which is not adequate to cover the direct costs of support. In addition to this the Gateway Grant was used to fund the infrastructure costs for the Care Leavers Service. At this present time, no additional offer has been made by the Home Office to increase the £150 per week. Kent is also working closely with officers from the Home Office in relation to those young people deemed as ineligible, for whom we still bear a significant cost to support them. At this point in the year we are not forecasting a pressure on this service on the basis that our negotiations with the Home Office will result in all costs being met, although this may well prove to be overly optimistic.

4.3.3 Adult Social Care:

4.3.3.1 The initial forecast for Adults Services suggests that there is likely to be a pressure of £2.042m. This is mainly in relation to Learning Disability which has an initial pressure of £2.541m highlighted, which is partially offset by a forecast underspend of £0.409m on Supporting People (Adults) and a small forecast underspend on Mental Health of £0.090m.

4.3.3.2 The pressure on Learning Disability relates mainly to residential and supported living accommodation, an increase in activity for respite to support carer's and an increase in the number of people receiving day services. Also, the forecast for new known service users, including those young people coming through transition into adult social care, has exceeded the budgeted amount estimated. This is largely because of the complexity of their needs as well as an increase in the needs of current individuals already known to KCC, in particular due to physical deterioration, dementia and long term conditions. This is compounded because the population of people with a learning disability are living longer and their carer's are elderly and no longer able to support the needs of their disabled children.

4.3.3.3 There is also evidence of an increase in the number of people who are now choosing to live away from the family setting and move to their own accommodation, with a support package to meet their social needs, in a number of inclusive settings in local communities. These greater expectations are not only from young people coming through transition, but also from individuals who would have traditionally continued to live at home with their parents.

4.3.3.4 In addition to this, we are seeing direct expenditure within the forecast, for individuals for whom we are jointly working with the National Health Service Executive (NHSE) and Clinical Commissioning Groups (CCG's) in order to meet the Winterbourne Joint Improvement Programme, with the aim to discharge service users currently in assessment and treatment centres or inappropriately placed in hospital services who are deemed ready for discharge or are no longer receiving treatment.

4.3.3.5 There also continues to be the ongoing and increasing pressure of the impact of Ordinary Residents in Kent, which continues to be requested and agreed because of the legal challenge from a number of other local authorities.

4.3.3.6 As Phase One of the Adults Transformation Programme is covering the whole of the Older Persons and Physical Disability Services, it is assumed at this initial stage of the year that those services budgets will be in a balanced position at the end of 2014-15. Reviews are ongoing with the Transformation partner Newton Europe, to ensure that all savings proposed are on track to be achieved. It is anticipated that the quarter one monitoring position will include a more detailed financial position against each of the services falling within the Transformation Programme.

4.4 <u>Growth, Environment and Transport:</u>

4.4.1 The initial forecast indicates potential unquantified pressures, as well as forecast underspends in the region of £1.0m, that had not been taken into account at the time the 2014-15 budget was approved at County Council in February 2014:

4.4.2 Following the tidal surge in December 2013, the floods over Christmas and the subsequent months of recovery, there is an as yet unquantified pressure in relation General Maintenance & Emergency Flood Response. These events impacted on the highways network (including potholes and drainage), public rights of way, waste tonnage, country parks and weed control/vegetation clearance. Severe Weather Grant Scheme funding of £8.6m was received late in 2013-14 for maintenance of the highways network (only) and very recently we have been notified that we will receive £6.3m from the "Pothole Fund".

4.4.3 Freedom Pass/Young Persons Travel Pass – the budget for this scheme was reduced considerably in 2014-15, due in part to an increased fee payable to acquire the pass, as well as an assumed reduction in cost as there would be a number of people who no longer thought the pass to be cost effective for their needs. The pass can also now be purchased in two instalments, with the scheme really only impacting from September e.g. the new academic year, and hence there are a number of variables that could impact on this budget. We are estimating that the take-up will not reduce as much as originally modelled between September and February, due to the revised instalment payment mechanism. At this stage, and until September/October, it is difficult to quantify what impact these variables may have as the first instalment of passes will not be acquired until July-August and in advance of the academic year.

4.4.4 The levels of waste tonnage in the first three quarters of 2013-14 suggested that the budget could be reduced for the coming year and the budget for 2014-15 was reduced to a capacity of 675,000 tonnes accordingly. Due to a variety of reasons the outturn for the year, with an unexpected upturn in quarter four, was 694,600 and therefore if this upward trend continues then a pressure on the 2014-15 budget could ensue. It is too early to predict the first quarter's tonnage to establish whether this trend is continuing, but if the outturn for 2014-15 matched that of 2013-14, then there could be a significant overspend at the year end, of anything up to £1.5m. At this stage, it is too difficult to predict the year's outturn but this will be revisited monthly and is part of the authority's performance indicators.

4.4.5 This potential pressure can be partially offset as a result of a number of the waste contracts being re-tendered in 2014 and it is likely that circa £1m of saving per annum can be achieved, in one instance turning a net cost for a contract to an income stream for the authority, by turning waste into an energy source. This, combined with other contracts being re-commissioned is likely to generate a two-year saving in the region of £1m per annum but whether this can be sustained longer term is not known at this stage due to assumptions around activity, inflation and other factors.

4.5 Strategic and Corporate Services:

4.5.1 The Directorate starts the year with a number of pressures to manage:

4.5.2 Contact Centre +£0.165m: At the end of the last financial year the Contact Centre had a deferred savings target of £0.573m. In the current year, there has been an increase in the number and duration of calls to the Contact Centre, resulting in a temporary need to increase resources, leading to a pressure of +£0.165m. A full management review is currently underway covering the operational framework and end to end processes.

4.5.3 Community Engagement +£0.327m: Prior to the organisational realignment in April 2014, under the previous Directorate arrangements a budget reduction of £0.327m took place in the Community Engagement team, leaving the current level of resources in the team, under-funded. A review of functions and roles of staff within the Community Engagement teams is currently being undertaken with particular emphasis on how each role meets the needs of the organisation moving forward. Extensive consultation with all groups likely to be impacted has delayed the delivery of this savings target until later in the year, creating an in-year pressure.

4.5.4 Property Group +£0.300m: Property Group budget for 2014-15 has £0.300m savings within it, which depend on service changes and reviews to take place in other parts of the Authority in order to enable the overall property portfolio to reduce. The service reviews are outside the control of Property Group although the savings will accrue here.

4.6 Financing Items budgets:

4.6.1 The continued low interest rate on savings and investments, partially offset by the re-phasing of last year's capital programme, means that we are forecasting a pressure of £0.400m at this stage. All other budget lines within Financing Items are forecast to budget, although this may prove optimistic in relation to the financial return from Commercial Services. The outcomes of an internal review of the Commercial Services businesses will inform a more accurate forecast for the year, at the end of the first quarter, but early indications are that we could see a shortfall compared to target in excess of £1m.

5. 2014-15 CAPITAL MONITORING POSITION

5.1 The three year capital programme (2014-15 to 2016-17) has an approved budget of £537.256m (excluding schools and PFI). The forecast outturn against this budget is £596.773m giving a variance of +£59.517m. £51.825m of this is due to rephasing. The outturn report has a total of £53.337m requested roll forwards, however £1.512m of these were against future anticipated overspends on the old Enterprise & Environment Directorate, which are not yet forecast in this exception report. If the roll forwards are agreed, once the cash limits have been updated, the revised variance will become +£7.692m. Variances of over £0.100m are detailed below:

5.2 **Controcc & Early Help Module (EMH) – Social Care, Health & Wellbeing – Specialist Children's Services:** +£2.429m real variance due to the addition of two systems projects. These are to be funded by a £1m underspend in 2013-14 on transforming short breaks (TSB3), and an underspend on Adults. A cash limit adjustment is requested.

5.3 **Older Persons Strategy – Social Care, Health & Wellbeing – Adults:** -£1.429m real variance to fund the Controcc and EHM in Specialist Children's Services above. A cash limit adjustment is requested.

5.4 **Highway Major Enhancement – Growth, Environment & Transport:** +£2.503m real variance. This reflects the remainder of the additional capital Severe Weather funding which was awarded in the last financial year to be spent by the end of April 2014. A cash limit adjustment is requested.

5.5 **Integrated Transport Schemes – Growth, Environment & Transport:** +£0.550m real variance. This relates to additional S106 contributions for the improvements at West Malling station. A cash limit adjustment is requested.

5.6 **New Ways of Working – Strategic & Corporate Services:** +£3.665m re-phasing. This variance relates to the timing of income streams in relation to the transfer of Gibson Drive between Liberty and KCC, which is not expected until later years.

5.7 The £7.7m forecast variance on the capital programme will be resolved by approval of the cash limit adjustments requested above, which as detailed, are to be funded by £2.503m severe weather funding, £1m underspend to be rolled forward from 2013-14 and £0.550m additional S106 contributions. The remaining £3.6m, as detailed in paragraph 5.6 above, is due to a phasing issue of income streams between Liberty and KCC in relation to the transfer of Gibson Drive, which is not expected until future years.

6. RECOMMENDATIONS

Cabinet is asked to:

6.1 **Note** the initial forecast revenue and capital budget monitoring position for 2014-15, and that the revenue forecast pressure needs to be eliminated by year end.

6.2 **Agree** the capital cash limit adjustments as requested in paragraphs 5.2 – 5.5 above.

7. BACKGROUND DOCUMENTS

2013-14 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 for Education, Learning and Skills

To: Cabinet - 7July 2014

Subject: Elective Home Education Policy

Classification: Unrestricted

Electoral Divisions: All

Summary: This report sets out the background and the rationale for the revised Elective Home Education (EHE) policy which is attached as an appendix to this report.

Recommendations: Cabinet is asked to approve the revised Elective Home Education Policy.

1. Introduction

1.1 Elective Home Education (EHE) is the term used to describe parents' decisions to provide education for their children at home instead of sending them to school. Parents are legally responsible for ensuring that their children receive a 'suitable' education. The role of the Local Authority is to provide support for home educating families (at a level decided by local authorities themselves) and if families wish it; and to intervene with families if the local authority is given reason to believe that a child is not receiving a suitable education.

1.2 There has been a significant increase in EHE registrations - from 793 in 2008 to 1326 in 2013-14. New referrals are being received at an average of 65 per month. In response to this increased demand there has been a renewed focus on engaging with families earlier. Current practice has shown that some families have been using EHE as a last resort and were not choosing this option pro-actively.

1.3 Kent County Council recognises that many parents who elect to educate their child(ren) at home do so to an extremely high standard and this is to be commended.

1.4 However, in undertaking our evaluation of current policy, safeguarding and educational risks were found. These concerns were recognised by KCC's Integrated Children's Services Board, who recommended that the Elective Home education policy be reviewed to ensure more robust approaches are put in place.

2. Bold Steps for Kent and Policy Framework

2.1 The ‘Bold Steps for Education’ priorities particularly relevant to EHE are to:

- Promote and champion educational excellence and positive educational outcomes for all children and young people;
- Ensure every child has fair access to all schools and other educational provision;
- Make the most effective and efficient use of the available resources to support improved educational outcomes for children and young people;
- Support vulnerable pupils, including looked after children and pupils with special educational needs and disabilities so that they achieve well and make good progress;
- Support greater choice for parents and families by commissioning a sufficient and diverse supply of places in strong schools and quality early years settings.

3. Education risks

3.1 KCC’s current interpretation of legislation and guidance results in EHE Officers making contact with registered home educating parents and offering to visit homes to advise and provide support. However, parents may refuse this offer and provide alternative evidence of education. They may choose to meet EHE Officers at an alternative venue, or choose not to engage. There is some risk therefore that children who are not visited may not be receiving a suitable or any planned education. This means the LA is not able to ascertain whether a suitable education is being provided in these cases.

3.2 KCC officers may only intervene where there is evidence or a strong belief that a child or young person is not receiving a suitable education.

3.3 In addition to the significant increase in EHE registration, there are also disproportionate numbers of adolescents leaving schools to be home educated. The profile of young people taken off roll for Home Education suggests this is being used as an alternative to addressing vulnerabilities and learning needs that could have been supported through earlier interventions:

- 2% of EHE pupils received a permanent exclusion prior to being taken off roll, which is a higher proportion of the cohort than for all Kent pupils, 0.6% of whom received a permanent exclusion. 14% of EHE pupils receive one or more fixed term exclusions in comparison with 5% of all Kent pupils who received one or more fixed term exclusions. 6% of EHE pupils received multiple fixed term exclusions during the academic year in which they were taken off roll from school.

- A high percentage of EHE pupils have poor attendance at school which gets worse during the year in which they are taken off roll. Average attendance for this cohort reduces from 79% to 69% in the academic year prior to the year in which they were taken off roll to become home educated. Persistent Absence of EHE pupils (that is absence of 15% or higher) shows the same trend: 45% of EHE pupils were persistently absent from school in the academic year prior to the year in which they were taken off roll and the persistent absence rate increases to 62% in the academic year during which they were taken off roll. In these cases their educational progress and attainment has already been damaged.

3. Safeguarding risks

3.1 Families who choose to home educate at the time a child reaches statutory school age do not have to register as EHE with the local authority. Families with children who are reported and registered as a Child Missing Education can inform KCC that they are home educating and may refuse a home visit.

3.2 Although there is no evidence that children who are EHE are at any more of a safeguarding risk, it is the case that universal systems in place to safeguard young people that are embedded in schools are not necessarily available to children who are educated at home. There is a risk that these young people have less access to agencies that would carry out safeguarding functions and duties. The current policy is such that the voice of the child is not routinely heard.

3.3 The proposed policy provides a clearer basis for protocol in relation to children known to Specialist Children's (Social Care) Services (SCS) when they are withdrawn from school to be home educated. It also clarifies the arrangements for reviewing a situation where an existing home educated child becomes known to SCS.

- 13% of EHE pupils were known to SCS at the point of being taken off roll or prior to being taken off roll from school. The cohort known to SCS consists of those with Child Protection status – 5%; Child in Need status – 5%; and Child in Care – 3%.
- 16% of EHE pupils who were known to SCS returned to school in the same academic year in which they left.

4. Key Policy Changes

4.1. The key policy changes are set out below.

4.2 In order for parents to satisfy KCC that they are providing a suitable education an EHE Officer will request to meet with the family and the child to discuss the education provision. Evidence at this meeting could include a report about the education provided, an assessment by a qualified third party or by showing samples of their child's learning supported with input from the child. Parents should provide evidence of a suitable education that would, on the balance of probabilities, convince a reasonable person that a suitable education is being provided for the age and ability of the child.

4.3 Should the offer of a visit be declined the LA will not be able to state that a suitable education is being offered. The LA will also record that there has been no opportunity to speak to the child regarding their education. In this case the child's name will be added to the Children Missing Education register until such time as it becomes possible to ascertain that they are receiving suitable education. This information will also be made available for the KCC Children's Social Services Teams.

4.4 When the EHE officer is satisfied that a parent is complying with their Section 7 of the Education Act 1996 duty, the EHE officer and family will agree a date for the next annual review of educational provision. Parents may contact the EHE team during this period for advice and support.

4.5 Following contact with the parent and child the EHE officer will write to parents within four weeks summarising the matters discussed/presented and will provide any additional information or advice requested by parents.

4.6 If it appears that a child is not receiving a suitable education, the EHE officer will offer advice and support to help enhance the education being provided and agree a follow up visit to monitor progress.

4.7 If it appears to the EHE officer that a child is still not receiving an 'efficient' and 'suitable' full-time education, the officer will write to the parent stating that this appears to be the case, the reasons for their opinion and inviting them to respond. Parents will be given 15 working days to reply. Their reply should address the question of whether they are providing a 'suitable education' with reference to their own philosophy, and/ or educational provision.

4.8 The EHE Team will only take legal action against the parent as a last resort, after all reasonable avenues have been explored to bring about a resolution of the situation.

4.9 "If it appears to a local education authority that a child of compulsory school age in their area is not receiving suitable education, either by regular attendance or otherwise, they shall serve a notice in writing on the parent requiring him to satisfy them within the period specified in the notice that the child is receiving such education". [Section 473(1) of the Education Act 1996]

4.10 If it appears to KCC that an appropriate education is not taking place then a magistrate may be requested to issue a School Attendance Order. At any stage following the issue of the Order, parents may present evidence to KCC that they are now providing a suitable education and apply to have the Order revoked. If this is refused, parents can choose to refer the matter to the Secretary of State. If KCC prosecutes parents for not complying with the Order, then it will be for a court to decide whether the education being provided is suitable and efficient. The court can revoke the Order if it is satisfied that the parent is fulfilling their duty. It can also revoke the Order where it imposes an Education Supervision Order.

5. Conclusions

5.1 The current policy has been revised to state that the evidence for the provision of a suitable education will be based on a home visit with the child present. This will ensure that informed decisions have been made and that a judgement on suitability of provision can be made.

5.2 Where there has been no engagement with KCC officers the education provision will not be deemed suitable. It will be registered that the family and child have not been seen, and the child's name will be added to the Children Missing Education register .

5.3 Children 'Missing Education' who are registered EHE should remain on the Children Missing Education register until the Local Authority is satisfied that suitable education is being provided, including through a home visit which involves engagement with the child.

5.4 The policy has also been revised to ensure that particular consideration is given where children whose suitable education is not known and who have not been seen are notified to Specialist Children's Services.

Recommendations

Cabinet is asked to approve the revised Elective Home Education Policy.

Appendix 1
KCC Elective Home Education Policy

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Kent County Council

DRAFT ELECTIVE HOME EDUCATION POLICY

1. Introduction

Elective Home Education (EHE) is the term used by the Department for Education (DfE) to describe parents' decisions to provide education for their children at home instead of sending them to school. This is different to home tuition provided by a Local Authority or education provided by a Local Authority other than at a school. It is recognised that parents may choose home education for a variety of reasons

Parents are responsible for ensuring that their children receive a suitable education. The Local Authority (LA) recognises that parents have the right to choose to educate their child at home rather than at school. Where parents choose to home educate, the parents and the LA need to work together, recognising each other's rights and responsibilities and establish and maintain a positive dialogue in the interests of the child to ensure that a high quality education is received and children are safeguarded. The LA supports positive engagement through identifying a range of opportunities for families to access via their website.

Many families make a pro-active decision to home educate. It is also recognised that some families may feel that electing for home education is the only available option when it appears that school issues cannot be resolved or where personal circumstances mean that attending school is problematic. The EHE team work closely with families, schools and a range of services at an early stage to support families in these situations to ensure that they are making informed choices.

Where young people are entering EHE during Key Stage 4, particular attention will be given to ensuring appropriate pathways are discussed with relevant parties. There is an expectation that clear plans will be in place for achieving recognised qualifications at age 16 and securing progression to post 16 learning or employment with training, and, recognising the vulnerability of becoming NEET (not in education, employment or training) for young people who exit school at this late stage. This might include opportunities to continue to take examinations in school.

It is vital that parents and children choose a type of education that is right for them, and it is important that EHE officers understand and are supportive of many differing approaches or "ways of educating" which are all feasible and legally valid. The role of the EHE Team is to respond to concerns that a child is not receiving a full time education suitable to his or her age, ability and aptitude and, where appropriate, provide support and information for parents. It is not the role of the EHE

Team to tell parents how to educate their children or to ensure registration at school.

2. Purpose

This document aims to clarify for schools, parents, carers, guardians and related agencies, the policy and procedures to be observed when a parent elects to home educate their child. The policy sets out parents' rights to educate their children at home, together with the legal duties and responsibilities of Headteachers and the LA. It also sets out the arrangements the LA will make in order to carry out its legal duty i.e. if it appears that a child of compulsory school age is not receiving 'suitable education' or may not be safeguarded from risk to their safety, health and wellbeing.

3. Context

This policy has been drafted within the context of the following:

- The Children Act 1989
- The Education Act 1996
- The Education Act 2002
- The Children Act 2004
- Elective Home Education Guidelines For Local Authorities (DCSF 2007)
- Working Together to Safeguard Children (DfE, March 2010)
- Information and Policies of other Local Authorities
- 'Support for Home Education', House of Commons Education Select Committee Report (Dec. 2012), Volumes I and II
- Kent and Medway Inter-Agency Threshold Criteria for Children in Need (March 2011)

4. The law relating to elective home education

Parents

The responsibility for a child's education rests with the parents. In England, education is compulsory, but school is not. Parents may decide to exercise their right to home educate their child from a very early age and so the child may not have been previously enrolled at school. KCC pro-actively engages with families including where children may never have been registered at a school. Parents may also elect to home educate at any other stage up to the end of compulsory school age at 16 years.

Section 7 of the Education Act 1996 provides that:

"The parent of every child of compulsory school age shall cause him to receive efficient full-time education suitable -
(a) to his age, ability and aptitude, and

(b) to any special educational needs he may have, either by regular attendance at school or otherwise."

An "efficient" and "suitable" education is not defined in the Education Act 1996 but "efficient" has been broadly described in case law[1] as an education that "achieves that which it sets out to achieve", and a "suitable" education is one that "primarily equips a child for life within the community of which he is a member, rather than the way of life in the country as a whole, as long as it does not foreclose the child's options in later years to adopt some other form of life if he wishes to do so".

In summary, the current law and formal guidance from the DfE requires the LA to seek to know all pupils who are electively home educated and to take action to ascertain whether a suitable and efficient education is not taking place and to take certain actions if this is not the case.

Article 2 of Protocol 1 of the European Convention on Human Rights states that:

"No person shall be denied the right to education. In the exercise of any functions which it assumes in relation to education and to teaching, the State shall respect the right of parents to ensure such education and teaching is in conformity with their own religious and philosophical convictions."

Parents must comply with notices served by the LA under Section 473 (1) of The Education Act 1996, if it appears that parents are not providing a suitable education

5. Schools

It is important that schools are satisfied that parents are fully informed of the expectations and implications of home educating before committing to making this important decision. The LA recommends that parents are given contact details and advised to seek advice from the LA's EHE Team before formally asking the school to remove the child from the school roll. Schools must not seek to persuade parents to educate their child at home, nor should parents elect to educate their children at home as a way of avoiding an exclusion from school or because the child has a poor attendance record. In these situations both the school and parents should seek advice and support from the LA's EHE Team. Support for the family may be offered through the LA's Early Help and Preventative Service where families are considering home education as means of addressing wider unmet needs or unresolved issues. There should be a presumption that

[1] Mr Justice Woolf in the case of R v Secretary of State for Education and Science, ex parte Talmud Torah Machzikei Hadass School Trust (12 April 1985)

problems with school, or about the school, can be resolved if the parents are acting to home educate for these reasons.

There is an expectation that schools will have had a thorough discussion with parents and signposted them to support and guidance before making any formal decision. When a school receives written notification from a parent of their intention to home educate their child, it is the responsibility of the school to:

- Invite the parents to discuss any issues or concerns that could be resolved to enable the child to continue to be educated at school in a way which meets the parents' expectations
- If the parents' decision is firmly to home educate, to acknowledge this in writing and delete the child's name from the school register. The LA requires the school to do this within 3 working days of receiving the parents' letter. **Howeve**r in the interest of the family, recommended good practice would be to allow a period of 10 school days to reflect on their decision having sought further advice and support.
- Inform the LA immediately of removal of the child's name from the register following the above. (Section 12 [3] of the "The Education [Pupil Registration] Regulations 2006)
- Ensure that the pupil file is retained in accordance with usual procedures until requested by a receiving school. The parent may request a copy of the file.

6. Role and duties of the Local Authority

In December 2012 the House of Commons Education Select Committee produced a report, 'Support for Home Education'. It stated that:

"The role of the local authority is clear with regard to home education. They have two duties: to provide support for home educating families (at a level decided by local authorities themselves), and if families wish it; and to intervene with families if the local authority is given reason to believe that a child in not receiving a suitable education."

Local Authorities have a duty to try and identify children not receiving a suitable education. Section 436A of the Education Act 1996, *"requires all local authorities to make arrangements to enable them to establish (so far as it is possible to do so) the identities of children residing in their area who are not receiving a suitable education."*

Local Authorities have a duty to establish whether a child who is being educated at home (under section 7 of the Education Act 1997) is not receiving suitable education, "*where it is known that they are home educated and where the place that they are being educated is known*".

The (DfE) definition of suitable education refers to, "*efficient full-time education suitable to her/his age, ability and aptitude and to any special educational needs the child may have.*"

Section 437/443 of the Education Act 1996 says that it is, *"the LA's duty to ensure that the arrangements being made for (your)/(a) child's education are suitable, and to take certain actions if it appears that this is not so."*

Case law (Phillips v Brown, 1980) established that an LA may make enquiries of parents who are educating their children at home to establish that a suitable education is being provided. DfE guidelines state that parents are under no duty to respond to such enquiries, *"but it would sensible for them to do so".*

KCC policy is to require a response to the request to engage with the LA to establish the suitability of education.

The view of the House of Commons Education Select Committee Report in 2012 and the summary of duties placed upon LAs, drawn from the DfE Guidance on EHE for LAs, provides the basis for how KCC defines and carries out its role. In order to determine the suitability of education and wellbeing of the child and to adequately plan for support for families, KCC policy is to:

- Maintain a register of children being educated at home. This is a list of the children known to the LA only and therefore not an exhaustive list of all children educated at home in Kent. Families who have children who have never been on roll may also register to access advice and support.

- Require every child whose parent(s) elect to home educate to participate in a meeting with an EHE officer and the child at a mutually convenient time and place in order to satisfy the LA of the suitability of the education provision proposed. To ensure that the critical voice of the child is heard and to establish education suitability the LA will request that both the child and evidence of learning are seen. Education will not be recorded as suitable if this is not facilitated.

- Publish information about EHE arrangements for parents who wish to educate their child at home. The information will be posted on the County Council website and can be sent out on request to those enquiring about educating children at home.

- Employ EHE Officers who are available to liaise with parents. Officers can offer support and guidance relating to the parents' plans for their child's education.

- For the KCC EHE Team to explore the options for access/signposting to other LA services and facilities for parents, within available resources, and to also seek to ensure EHE children have appropriate access to services and facilities from other agencies that would generally be delivered via school.

- To ensure that if a child has a statement of Special Educational Needs, the legal duty to ensure that the child's needs are met is fulfilled and annual reviews are undertaken for those children who have a statement of Special Educational Needs. (Refer to SEN section).

- Under Section 175 (1) of the Education Act 2002, KCC EHE officers, along with all employees, have a responsibility to ensure all children are safeguarded and their welfare promoted throughout their work. Officers must act upon any concerns that a child may be at risk of significant harm, in accordance with KCC's child protection procedures, which can be accessed through the Kent Safeguarding Children Board website –www.kscb.org.uk.

7. Procedural Guidance

Parents and schools may contact the KCC EHE Team for advice at any stage in a child's education. If a child is registered at a Maintained or Independent school, and the parents elect to home educate, they must inform the school in writing. Schools are advised to refer families to the KCC EHE Team to ensure they are fully informed of the process prior to receiving formal notification of intention to withdraw the child from school.

Schools are strongly advised to offer to meet with the parents to discuss and resolved any issues about school and the child's needs that might influence the parents' decision to continue with their child's attendance at school or to home educate.

Once a school receives written confirmation from the parents to home educate their child, the school must acknowledge the parents' letter in writing and remove the child's name from the school roll within 3 working days. **Howeve**r in the interest of the family, recommended good practice would be to allow a period of 10 school days to reflect on their decision having sought advice and support.

It must be made clear to parents who choose to educate their children at home that they must be prepared to assume full financial responsibility for that education. This includes examination fees. Schools must then inform the KCC EHE Team immediately using the EHE 1 Form.

If KCC is made aware of a child being home educated within Kent, the child's details will be added to the central EHE database. An officer will make contact with the parent and share information and guidance on a range of issues including the local offer of available services.

Initial contact will be made with a family within two weeks of de-registration from school. Further visits will be arranged once education provision is established. Families may also be contacted by a LA Officer if a referral has been made to the Children Missing Education Team to establish that education is being provided at home in order to close that referral.

In order for parents to satisfy KCC that they are providing a suitable education an EHE Officer will request to meet with the family and the child to discuss the education provision. Evidence at this meeting could include a report about the education provided, an assessment by a qualified third party or by showing samples of their child's learning supported with input from the child. Parents should provide evidence of a suitable education that would, on the balance of probabilities, convince a reasonable person that a suitable education is being provided for the age and ability of the child.

Should the offer of a visit be declined the LA will not be able to state that a suitable education is being offered. The LA will also record that there has been no opportunity to speak to the child regarding their education. In this case the child's name will be added to the Children Missing Education register until such time as it becomes possible to ascertain that they are receiving suitable education. This information will also be made available for the KCC Children's Social Services Teams.

When the EHE officer is satisfied that a parent is complying with their Section 7 of the Education Act 1996 duty, the EHE officer and family will agree a date for the next annual review of educational provision. Parents may contact the EHE team during this period for advice and support.

Following contact with the parent and child the EHE officer will write to parents within four weeks summarising the matters discussed/presented and will provide any additional information or advice requested by parents.

If it appears that a child is not receiving a suitable education, the EHE officer will offer advice and support to help enhance the education being provided and agree a follow up visit to monitor progress.

If it appears to the EHE officer that a child is still not receiving an 'efficient' and 'suitable' full-time education, the officer will write to the parent stating that this appears to be the case, the reasons for their opinion and inviting them to respond. Parents will be given 15 working days to reply. Their reply should address the question of whether they are providing a ‘suitable education’ with reference to their own philosophy, and/ or educational provision.

The EHE Team will only take legal action against the parent as a last resort, after all reasonable avenues have been explored to bring about a resolution of the situation.

“If it appears to a local education authority that a child of compulsory school age in their area is not receiving suitable education, either by regular attendance or otherwise, they shall serve a notice in writing on the parent requiring him to satisfy them within the period specified in the notice that the child is receiving such education”. [Section 473(1) of the Education Act 1996]

If it appears to KCC that an appropriate education is not taking place then a magistrate may be requested to issue a School Attendance Order. At any stage following the issue of the Order, parents may present evidence to KCC that they are now providing a suitable education and apply to have the Order revoked. If this is refused, parents can choose to refer the matter to the Secretary of State. If KCC prosecutes parents for not complying with the Order, then it will be for a court to decide whether the education being provided is suitable and efficient. The court can revoke the Order if it is satisfied that the parent is fulfilling their duty. It can also revoke the Order where it imposes an Education Supervision Order.

LAs have general duties to make arrangements to safeguard and promote the welfare of children (section 175 of the Education Act 2002 and for other functions in sections 10 and 11 of the Children Act 2004). EHE officers, along with all employees of KCC, have a responsibility to ensure all children are safeguarded and their welfare promoted throughout their work:

“A local authority shall make arrangements for ensuring that their education functions are exercised with a view to safeguarding and promoting the welfare of children”.

These powers allow local authorities to insist on seeing children in order to enquire about their welfare where there are grounds for concern (sections 17 and 47 of the Children Act 1989).

EHE officers will reflect on the implications of these responsibilities and consult with their manager on those occasions when access to children educated at home is denied, and consider contacting KCC’s Central Referral Unit (Central Duty Team) on those occasions where there is uncertainty about the welfare of the child. EHE officers will explain the reasons for any welfare concerns to the parents.

8. Children with a Statement of Special Educational Needs

Parents' right to educate their child at home applies equally where a child has special educational needs (SEN).This right is irrespective of whether the child has a Statement of SEN or not.

Parents can request that they make their own arrangements to home educate their child under section 7 of the Education Act 1996. They should make their request to the SEN Assessment and Placement team at KCC, who will review the case and decide whether the home education programme is appropriate to meet their child's special educational needs. If agreed, the local authority will amend the Statement of SEN to reflect that parents have made their own arrangements to home educate and arrange for the child to be removed from the roll of the school.

Where a child has a Statement of SEN and parents have made their own arrangements to home educate, certain duties will remain the responsibility of the local authority. This will require LA consultation with parents to ensure that the needs identified in the Statement of SEN are being met.

If the parents' arrangements are suitable the LA is relieved of its duty to arrange the provision specified in the Statement of SEN. The LA would expect the parents to be able to demonstrate the provision that is being made to meet the child's needs, as outlined in the Statement of SEN. If home education results in provision which falls short of meeting the child's learning needs, then the parents are not making 'suitable arrangements' and the Local Authority could not conclude that it is absolved of the responsibility to arrange the provision in the Statement of SEN.

Even if the local authority is satisfied, the local authority retains a duty to ensure the child's needs are met, to maintain the Statement of SEN and to review it annually, following the procedures set out in the Code of Practice for SEN. Parents and the child should always be involved in the annual review process.

Parents can ask the LA to arrange home education (or part of it) for a child with a statement. The request will be considered against the relevant legislation (section 319 Education Act 1996):

(1) Where a local education authority are satisfied that it would be inappropriate for—

(a) the special educational provision which a learning difficulty of a child in their area calls for, or

(b) any part of any such provision, to be made in a school, they may arrange for the provision (or, as the case may

be, for that part of it) to be made otherwise than in a school.

(2) Before making an arrangement under this section, a local education authority shall consult the child's parent.

If the local authority agrees to arrange home education the child's statement will be amended to include the home education programme.

If a child is registered at a school under arrangements made by the local authority the parent cannot de-register them to be home educated without LA agreement. Parents should first contact the SEN Assessment and Placement Team at KCC.

9. Reviewing procedures and practices

Kent County Council will review this policy and practice in relation to EHE on a regular basis. The initial review will be within 12 months of the first date of publication, and thereafter at least every two years.

10. Contact details

For enquiries relating to this policy, please contact the Elective Home Education Team at educationathome@kent.gov.uk

Further information can be found on the Elective Home Education page of Kent County Council's website www.kent.gov.uk

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