



AGENDA

CABINET

Monday, 15th September, 2014, at 10.00 am Ask for: **Louise Whitaker**
Council Chamber, Sessions House, County Telephone: **(01622)694433**
Hall, Maidstone

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

Please note: this meeting may be filmed for the live or subsequent broadcast via the Council's internet site or by any member of the public or press present. The Chairman will confirm if all or part of the meeting is to be filmed by the Council

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UNRESTRICTED ITEMS

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

1. Introduction/Webcasting
2. Apologies
3. Declaration of Interests by Member in Items on the Agenda for this meeting
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.
4. Minutes of the Meeting held on 7 July 2014 (Pages 3 - 16)
To approve the minutes of the previous meeting as a correct record and sign accordingly.

5. Financial Monitoring Report - Quarter 1 (Pages 17 - 172)

To receive a report of the Deputy Leader & Cabinet Member for Finance and Procurement providing for consideration the monitoring position for both the revenue and capital budget, for Quarter 1 of 2014-15 and seeking agreement to various amendments to the Capital Programme.

6. Performance Monitoring Report - Quarter 1 (Pages 173 - 248)

To receive a report of the Leader & Cabinet Member for Business Strategy, Audit & Transformation setting out for information the Council's performance, as assessed against 40 Key Performance Indicators, for Quarter 1 of the 2014-15 financial year.

Peter Sass
Head of Democratic Services
Friday, 5 September 2014

Please note that any background documents referred to in the accompanying papers may be 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, 7 July 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 P J Oakford, Mr J D Simmonds, MBE and Mr B J Sweetland

UNRESTRICTED ITEMS**67. Declarations of Interest**

(Item 2)

No declarations of interest were received.

68. Minutes of the Meeting held on 2 June 2014

(Item 3)

The minutes of the meeting held on 2 June 2014 were agreed and signed by the Chairman as a true record.

69. Christmas and New Year Flooding 2013-14 - Update

(Item 4 - Report of Cabinet Member for Communities, Mr Mike Hill and Interim Corporate Director of Growth, Environment and Transport, Mike Austerberry)

Cabinet received a report providing a full review of lessons learned from severe weather events, particularly the Christmas and New Year 2013-14 storms and flooding and making recommendations as to how the County Council, in collaboration with its partners, could be better prepared to manage such future events and flood risk.

Cabinet Member for Communities, Mr Mike Hill introduced the report. He reminded members of the extreme conditions experienced over the Christmas and New Year of 2013 – 14 and the resulting flooding and loss of power for over 28,000 homes. He explained that the report to Cabinet was in two parts, each of which would be accompanied by a presentation. The first part of the report focused on the emergency response by KCC and partner agencies and encapsulated feedback from parties involved in that response and from those affected. Mr Hill was, overall, proud of the response, which had involved staff working long hours in difficult circumstances and cancelling Christmas leave to return to work. However, lessons could be learned and to that end the report contained twelve recommendations for improvement. The second part of the report considered long term flood risk management solutions and put forward recommendations to improve protection from flooding in the future.

Paul Crick, Director of Environment, Planning and Enforcement made a presentation to Cabinet regarding the emergency response review and subsequent

recommendations [attached as appendix 1 online]. In particular the presentation referred to the following:

- i. Statistics related to the 2013-14 flooding, namely that:
 - 50,000 sandbags had been provided to try to protect affected properties
 - 32,000 calls had been received by KCC
 - 6km of public rights of way had been left in need of repair, as had many kilometres of public highway
 - A total of 929 properties had been flooded in Kent.
- ii. Identified successes of the emergency response:
 - Staff systems had withstood the pressure of exceptional circumstances
 - No lives had been lost and property had been saved in many instances
 - Staff commitment and resourcefulness
- iii. Identified areas for improvement:
 - Visibility, of all partners, in affected communities
 - Warning and informing
 - Multi agency co-ordination
 - Internal KCC resilience – not relying on a small number of people to work many hours
 - Provision of sandbags & other practical support
 - Individual and community resilience
 - Role and involvement of central government
- iv. 17 recommendations, which related to:
 - Review and enhance KCC resilience
 - Multi agency on scene liaison arrangement – ‘Bronze’ on site liaison must occur more quickly.
 - Review and enhance flood warning arrangements
 - Strengthen multi-agency protocols
 - Creation and implementation of a Countywide, partner-wide emergency response policy.
 - Explore opportunities for contributions from KCC and partners toward future flood resilience programmes.

Andrew Pearce, representing the Environment Agency made a further presentation to Cabinet [attached as appendix 2 online]. In particular he referred to:

- The fact that 60,000 properties in Kent were considered to be at risk of flooding and less than 1000 had flooded during the unprecedented weather. He regarded this as a good return on the financial investment and hard work carried out on flood defences in the County to date.
- The take up rate for the flood warning service, which had increased since 1999 to between 75% and 90% of all targeted residents. The warning system had three stages which each reflected the risk to life and property.
- The timeliness of the final stage (2 hour) alerts had proven to be approximately 90% accurate but not all residents were aware of what action they should take in response to different alerts and to different types of flooding.
- Work had been, and would continue to be, undertaken to clarify further geographical areas at risk of flooding in order that alerts would be even more relevant and enabled residents to take action when necessary.

- Work had begun to repair assets damaged in the floods and were scheduled for completion by November 2014 in order that they could afford protection once again to vulnerable areas during winter. This programme of repair was estimated to cost £7million.
- Flood risk management provided good returns on investment, saving millions of pounds when it successfully defended properties, business and infrastructure as it had on this occasion, albeit not completely.
- The Environment Agency had identified a six year capital programme, consisting of 68 schemes with an approximate cost of £115million. If completed the schemes would offer protection to a further 22,000 properties in Kent. In order to complete the programme, financial contributions were sought and some priority schemes, both coastal and fluvial would not be undertaken unless those contributions were secured.
- The annualised cost of delivering all schemes would be approximately £3million and would attract investment of much higher value whilst also protecting existing homes and businesses.

The Leader requested confirmation from Mr Pearce that should the £40million of contributions required to undertake every scheme identified be put forward by partners, that this would be a comprehensive solution to the potential for future flooding in Kent. Mr Pearce confirmed that if that were the case Kent would be able to make a very strong bid to the national prioritisation scheme for the remainder of the funding.

The Leader continued, seeking to ascertain whether contributions would also be sought from precepting Parish and Borough Councils. Mr Pearce reported that the Environment Agency worked with all relevant parties on a scheme by scheme basis with the ultimate aim of securing contributions for the entire six year programme and therefore creating a position of certainty that would ensure strong representation in national priority scheme, security of investment in specific schemes and enhanced bargaining power with contractors.

The Leader thanked Mr Pearce for his presentation and answers and assured him that the Council would consider the issue of contributions as part of its medium term capital programme. However he regarded the challenge presented by the request from national government to contribute to these schemes as a difficult one owing to recent reductions in both capital and revenue settlements from Whitehall. He considered that statements by Ministers following the flooding had indicated that this kind of commitment would not be necessary and considered it extremely challenging for local government that this was now the case.

Stuart Beaumont, Head of Emergency Planning for Kent County Council, spoke to the item. He spoke of the two areas within which work would be undertaken should the recommendations in the report be approved. These were internal measures and work with partners, in particular:

- i. Internal (KCC) action:
 - Increased capacity and resilience within KCC by ensuring that the recommendations within the report were enacted. To this end a cross-directorate task and finish group would be established and regular update reports would be brought before Cabinet to measure the successful implementation of recommendations.
- ii. External (with partners and communities) action:

- By utilising the Kent Resilience Forum and the newly established Kent Resilience Team many agencies with different responsibilities in emergencies would be brought together to encourage greater co-operation and this work had already begun. In addition a seminar would be held in September for partners in order to build on the issues and recommendations contained within the report and to formulate a 'Plan for winter' which would be adopted in October 2014. The second strand of external action would involve the engagement of communities and residents in order to enhance community resilience. Work was already underway with the Kent Association of Local Councils, Environment Agency, the Fire and Rescue Authority and others to establish and introduce new ways of working with communities to ensure they were strengthened in the event of future flooding.

Stuart Beaumont confirmed at the request of the Leader that an update report detailing work undertaken toward implementation of recommendations discussed would be presented to Cabinet at its October meeting.

Max Tant, KCC Flood Risk Manager, spoke briefly to report that he continued to work with the Environment Agency regarding the priority schemes detailed in Andrew Pearce's presentation and the specific funding requirements for each and would also report to Cabinet the detailed outcomes of these discussions in October.

The Leader reminded the Environment Agency that in order for the Council to have meaningful discussions regarding contributions to flood defences as part of the Medium Term Capital Programme assurances must be forthcoming that sufficient investment would be made in the maintenance of rivers, in line with recommendation 13, so that any flood defence investment was protected and effective and the Environment Agency and others were open and transparent and responded to concerns.

Andrew Pearce confirmed that the Environment Agency had been responding to such queries from members of the public, currently approximately 400 per month, and offered to return to a future meeting to give account of such operations. He acknowledged, following further questioning from the Leader, that it was recognised nationally that as revenue budgets had been reduced and funding had become more scarce, the maintenance of river channels had been negatively affected. However he assured members that assets, such as critical locks, were maintained to the highest operational standards and to support this, this year an additional £1million of funding for revenue and maintenance activities had been secured and enhanced programmes would be in place before the winter.

The Cabinet Member for Corporate and Democratic Services, Mr Gary Cooke, spoke to the item. He referred to comments made by Mr Beaumont about his desire to establish a network of volunteers to help with emergency response efforts. He advised that selection of volunteers within relevant geographical areas would be crucial to the success of such a programme, owing to the difficulties of access that such emergencies inevitably caused. In addition he urged that, where volunteers were also employees of KCC, they were duly rewarded after having been called upon with time off in lieu from their employed posts. Mr Beaumont agreed with the points made.

It was RESOLVED that:

Cabinet Christmas and New Year Flooding 2013-14 – Update 7 July 2014	
1.	That the recommendations as set out in the action plan at annex 1 of the report, be agreed (R1 – R17 below)
R1	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.
R2	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.
R3	Develop a consistent countywide policy & plans for maintaining & providing sandbags and other practical support to individuals & communities at risk of flooding.
R4	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.
R5	Undertake a fundamental review & update of the Floodline Warnings Direct (FWD) Service for communities with high / complex flood risk.
R6	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.
R7	Develop multi-agency arrangements to provide critical 'on scene' liaison & support to affected communities e.g. via multi-agency 'Bronze' / Operational teams.
R8	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.
R9	Streamline & enhance existing multi-agency information management protocols & systems for sharing critical data in the planning for & management of emergencies.
R10	Formalise the recovery management structures developed during Operation Sunrise 4 and adopt these as good practice.
R11	Develop protocols to support emergency responders in deciding when to escalate / de-escalate to / from the 'emergency response' & 'recovery' phases.
R12	Influence Central Government to secure additional financial support in recognition of the severe burden that these incidents have placed on KCC.
R13	EA / Southern Water to respond to queries / concerns regarding the perceived lack of / effectiveness of their rivers & flood management systems / assets
R14	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.
R15	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.
R16	Implement a strategy to encourage greater awareness & take-up of individual & community flood protection measures e.g. property-level protection, sandbags.
R17	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
REASON	
1.	In order that measures can be taken to improve and strengthen flood prevention and response and Cabinet can be kept properly informed of progress toward those ends.
ALTERNATIVE OPTIONS CONSIDERED	None
CONFLICTS OF INTEREST	None
DISPENSATIONS GRANTED	None

70. The Care Act 2014

(Item 5 - Report of Cabinet Member for Adult Social Care and Health, Mr Graham Gibbens and Corporate Director of Families and Social Care, Andrew Ireland)

Cabinet received a report regarding the Care Act 2014 (The Act), which received Royal Assent on 14 May 2014 and which would establish a new legal framework for adult care and support services. The Care Act, the report informed, was widely considered to be the biggest change to care and support law in England since 1948 and would replace over a dozen pieces of legislation with a single consolidated law coming into effect incrementally between April 2015 and April 2016. The report set out for consideration the work already underway to prepare for implementation and an assessment of the main financial and other implications that the Council may face.

The Cabinet Member for Adult Social Care and Health introduced the report. He reported that in an administrative error; the agenda front sheet wrongly referred to The Social Care Act 2014, and should read, as the report, The Care Act 2014. Having clarified this point Mr Gibbens moved to the substantive issues contained within the report and in particular referred to the following:

- i. That he welcomed The Act and the changes and clarification it would bring to the arena of Social Care.
- ii. That the draft regulations had been issued and Councils were asked to respond by August 2014 part of this consultation would address the financial implications of The Act. As was customary with consultation responses in the field of social care, he would invite representatives of the opposition groups to join discussions as KCC's response was finalised.

- iii. The Transformation Programme in Adult Social Care had pre-empted some of the requirements of The Act such as new rights for carers and as such Kent was well positioned for its introduction.
- iv. That the Safeguarding Adults Board would inherit a statutory status and as the Board in Kent had been established for some time this too was a change for which the Council was well prepared.
- v. One further important consideration that would be assessed in due course would be the capability of the Council's IT systems to ensure that they were fit for purpose in the future.

The Leader echoed the positive comments of the Cabinet Member for Adult Social Care and Health, and agreed that The Act was good news for families but reminded members that the positive changes must be financed. The Council was involved in discussions with Central Government to ensure that not only was additional funding made available but that that funding was distributed in a way which reflected the demographics of each geographical area.

Michael Thomas-Sam, Strategic Business Advisor, was in attendance to present to Cabinet. The presentation [attached as appendix 3] particularly drew the attention of members to the following information:

- i. That The Act would replace over forty pieces of current legislation, and would expand the reach of formal social care arrangements, bringing additional people in to the legal care framework.
- ii. The Act would be implemented in two phases:
 - Phase one would be implemented in April 2015 and would include:
 - One new national minimum eligibility criteria, which on inspection of the draft regulations appeared to be very generous.
 - New rights for Carers. KCC would be expected to conduct more carer's assessments and to provide support packages to carers where appropriate.
 - New rights to deferred payment for those in permanent residential care. KCC currently offer this service to residents in Kent but it was expected that the number of people applying would increase.
 - A new emphasis on preventative duties, ensuring that local authorities took responsibility for the provision of information and advice to help those people outside of the formal care system to plan and help themselves.
 - The creation of a statutory framework for the Safeguarding of Adults Board, including statutory responsibilities and required partner membership.
 - Introduction of legal powers to delegate most Social Care functions
 - New duties relating to Social Care for prisoners. These duties were particularly relevant for Kent which had the highest number of prison establishments of any local authority area, with a total of approximately 5000 prisoners at any one time.
 - Phase two (the Dilnott recommendations) would be implemented in April 2016 and would include:
 - A lifetime cap on care costs of £72,000 for those over 65. For those people who develop care needs before the age of 18 that care would be free for as long as they need it and a decision was

- yet to be made in relation to those people who developed care needs between the age of 18 and 65.
 - Changes to the means-test threshold, currently £23,250 would change to £118,000 bringing additional people into the system.
 - Extension of direct payments to those people living in residential care establishments
- iii. The draft regulations would be brought before parliament in October following the consultation to which the Cabinet Member had referred and, should they be approved as expected, local authorities would then have six months to prepare for implementation.
- iv. The changes represented challenges for local authorities, specifically financial challenges, but the exact nature of these challenges would not be known until the regulations were approved.
- v. The government would make additional funding available for local authorities; of particular note were the Better Care Fund of £135m and £60m for the conducting of reviews. The implications for KCC would rest largely on how funds were allocated. 2014/15 funding had been distributed equally regardless of authority size. It was not yet known if this approach would continue but there would be a consultation on what the social care funding formula should be and KCC would strive to influence the debate in order to secure a fair and equitable solution.
- vi. Current projections signalled that all areas of social care commitments for KCC would increase in the next 2 years and work would continue to be undertaken, via the Care Act Implementation Board, to ensure that the service and the Council was prepared for these increases.
- vii. In addition there would be policy choices for Members to make in relation to new functions such as charging and potential delegations of duties.
- viii. That it was important that officers were aware of the wide reaching consequences of the legislation and that all relevant officers; lawyers, practitioners, managers and others, were familiar with The Act before it was implemented.

The Leader thanked Michael Thomas-Sam for his comprehensive presentation. He referred to the financial consequences of the predicted increase in state funded social care service users, to which the presentation had referred, and asserted that the allocation of national funds must recognise the demographics of each area accurately and fairly. He gave as examples the number of people aged 85 and over in Kent being double that of London and the varied wealth profiles of counties such as Surrey and Kent. The Leader concluded by insisting that if the changes were not to damage local authority budgets beyond repair there must be a sufficient national fund that was allocated equitably.

Andrew Ireland, Corporate Director for Families and Social Care joined the debate. He agreed with comments received about the potential financial challenges of The Act and in particular he referred to the large number of self-funders in residential care in Kent for whom the change in the cap could be significant. He also stated that although the position adopted by the Council and its efficiency partner to date had positioned it well to deal with the strategic direction of The Act it would not be until the regulations were approved and published that the full implications for practice would be assessable and at that point issues of training and development for frontline staff would need to be addressed.

Following questions from the Leader regarding plans to inform families in Kent of the changes Michael Thomas-Sam confirmed that a communication plan had been developed to explain to both current and potential social care service users what the impact of The Act might be for them. The plan included meetings with voluntary sector partners, local area meetings for members of the public and web based activity on the KCC website.

The Cabinet Member for Adult Social Care and Health re-joined the debate to report that he had recently attended a very positive meeting with voluntary sector partners, who had been enthusiastic about the changes and eager to help disseminate important messages to their particular clients.

It was RESOLVED that

1. The information contained within the report and presentations be noted.
2. The intention to present a further report to the Adult Social Care and Health Cabinet Committee on 11 July 2014 be noted
3. The implementation plan to be presented to the Adults Transformation Board on 23 July 2014 be distributed to Cabinet Members at that time.

71. 2013-14 Budget Outturn

(Item 6 - Report of the Deputy Leader and Cabinet Member for Finance and Procurement, Mr J Simmonds, and Corporate Director of Finance and Procurement, Andy Wood)

Cabinet received a report providing for consideration, the provisional revenue and capital budget outturn position for 2013-14, which included a final update on key activity data. In addition the report contained a summary of the contribution of each Directorate toward the successful financial outturn reported.

The Deputy Leader and Cabinet Member for Finance and Procurement introduced the report for Members. With regard to the revenue budget he reported the following information:

- i. That £95million of savings had been achieved despite already having made £105million in the two previous years and that delivery of a 14th consecutive balanced budget in such circumstances was a significant achievement.
- ii. That a final underspend of £9.8million excluding schools had been reported after having transferred £4million to reserves with the agreement of Council to support the 2014-15 budget.
- iii. That after rolling forward monies required as a result of rephasing commitments listed within the report, the remaining £4.7million would also be credited to the Economic Downturn Reserve.
- iv. That congratulations were owed to all directorates for the achievement reported.
- v. Individual Directorate performance was as follows:
 - a. Education, Learning and Skills despite continuing pressures had reported a saving of £1.8million
 - b. Specialist Children's Services whilst it continued to experience approximately £3million of underlying pressures had shown some signs of stabilisation, although fostering continued to present particular difficulties.

- c. Adult Social Care had reported significant savings of approximately £18million as a result of the Adult Transformation Programme and work undertaken with the NHS support for social care funds.
- d. Enterprise and Environment had reported a £3million overspend but, as widely reported, had spent £4.9million on 'Find and Fix' to repair highway damage caused by the extreme weather conditions experienced in the winter months.
- e. Customer and Communities had reported an excellent saving of £6.3million largely as a result of clever vacancy management and work with the Libraries and Registration service.
- f. That £3.7million of government funding above that which had been predicted had been received in the financial year and had been committed to the Economic Downturn Reserve.

The Cabinet Member continued to the Capital Budget and reported that:

- a. That the working budget for 2013-14 had been £256million and the actual spend reported was £203million. The individual variances which constituted the overall £53million variance were almost exclusively the result of rephasing and would be rolled over to the 2014-15 budgets.

Corporate Director for Finance and Procurement, Andy Wood spoke to make two points. Firstly, he reiterated the appreciation expressed by the Cabinet Member for the hard work of officers and Members that had ensured the delivery of a successful budget and secondly to remind members that the £9.8million of savings reported, represented approximately 1% of budget and therefore illustrated the fine line that existed between delivering targets and overspending and further evidenced the need for the hard work to be continued.

It was RESOLVED that

Cabinet 2013-14 Budget Outturn 7 July 2014	
1.	That the roll forward of £5.099m of the revenue underspend to fund existing commitments in the 2014-15 budget be agreed.
2.	That the commitment of £4.766million of the 2013-14 underspend to the Economic Downturn Reserve be agreed.
3.	That the rephasing of £53.337m of the 2013-14 capital budget to the 2014-15 capital budget be agreed.
4.	That the provisional outturn position for 2013-14 for both the revenue and capital budgets be noted.
5.	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 be noted.
6.	That the financial 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 be noted
REASON	

1-3	In order that relevant actions to reserve, roll-forward and rephrase spending are authorised and actioned.
4-6	In order that information received is duly noted and effective monitoring maintained.
ALTERNATIVE OPTIONS CONSIDERED	None
CONFLICTS OF INTEREST	None
DISPENSATIONS GRANTED	None

72. 2014/15 Budget - First Exception Report

(Item 7 - Report of the Deputy Leader and Cabinet Member for Finance and Procurement, Mr J. Simmonds and the Corporate Director of Finance and Procurement, Andy Wood)

The Deputy Leader & Cabinet Member for Finance introduced the report for Members. He observed that the first report of the year was slightly disappointing and emphasised the importance of careful budget management particularly in light of the discussion regarding the potential financial implications of The Care Act that had taken place earlier in the meeting. He assured Members that main aim for the administration would be to once again deliver a balanced budget despite this and other challenges.

Mr Simmonds continued; he reported that pressures of £8.39million were reported and although this was a concern it was not unusual for early indications to be somewhat negative.

There were three areas in which significant pressure had arisen. These were:

- £2million on Home to School SEN transport
- £3.3million on Specialist Children's Services and
- £2million on Learning Disability Services

Each pressure had arisen between the setting of the budget in February and the end of the financial year in April. Each Directorate was aware of the issues and had put in place action plans which would seek to stabilise the issues as soon as was possible.

Corporate Director for Finance and Procurement, Andy Wood confirmed at the request of the Leader that the Senior Management Team were committed to managing the reported overspend down in order to deliver a balanced budget. He made one further comment; the spend reported in June was slightly higher than he would have liked and although this alone would not have a significant adverse effect on the budget, he reminded members and officers of the caution with which spending should be undertaken.

Finally Mr Wood, reiterating the comments of the Cabinet Member, expressed concern at the reported pressures but acknowledged that early negative reports were part of a familiar cycle.

It was RESOLVED that the report be noted.

Cabinet 2013-14 Budget – First Exception Report 7 July 2014	
1.	That the initial forecast revenue budget monitoring position for 2014-15, capital budget monitoring position for 2014-15 to 2016-17, and required elimination of the forecast pressure on the revenue budget as the financial year progressed, be noted
2.	That the cash limit adjustments contained in paragraphs 5.2 – 5.5 of the report, be agreed.
REASON	
1	In order that information received is duly noted and effective monitoring maintained.
2	In order that relevant actions to reserve, roll-forward and rephrase spending are authorised and actioned.
ALTERNATIVE OPTIONS CONSIDERED	None
CONFLICTS OF INTEREST	None
DISPENSATIONS GRANTED	None

73. Elective Home Education

(Item 8 - Report of the Cabinet Member for Education and Health Reform, Mr Roger Gough and Corporate Director for Education and Young People's Services)

Cabinet received a report containing a revised Elective Home Education policy for consideration and approval.

The Cabinet Member for Education and Health Reform introduced the report for Cabinet. He described the recent development of the area of Elective Home Education and the growth in the number of children now classed as being educated at home. The draft Elective Home Education Policy therefore dealt with a range of complex and serious issues.

Mr Gough reported that a number of representations had been made in relation to the draft policy, since its publication as part of the Cabinet agenda and as such he proposed a two stage approach to agreement of the document in order that further debate and investigation could take place. The matter would be considered here for noting and returned for further consideration and agreement in the autumn following discussion at Cabinet Committee and further investigation of points raised by members of the public.

The Corporate Director for Education and Young People's Services, Patrick Leeson, was asked to comment. He spoke of the very clear duty on the Local Authorities to ascertain whether children educated at home were receiving a suitable education and described the draft policy as being designed to help and support parents who chose to educate their children at home, to provide that suitable education.

Mr Leeson also commented on the growth in numbers to which Mr Gough had made reference. This growth, he reported, had seen the numbers of children in Kent being educated at home almost double over the last 4-5 years to just under 1400. Of these children approximately one third were aged 14 and 15 and therefore at a critical stage of both their development and their education.

It was important that the policy allowed the Council to assess the suitability of education being received so that where it was needed support could be offered.

To evidence the difficulties that children educated at home sometimes face and the importance of a policy that allowed the Council to properly fulfil its duty to ascertain that children are suitably educated Mr Leeson reported to members:

- That a sizeable number of those children who become home educated are already regarded as needing additional support.
- That 45% of those children home educated had persistent absence in the year before they were removed and overall the average attendance of home schooled children in the year before they became home educated was 59%
- That 15% of home educated children in the County were already known to Children's social services and almost 20% of home educated children go on to become NEET.

Finally Mr Leeson reminded Members that many parents who elected to home educate their children, did so for very principled reasons and delivered an excellent education. The Council's policy would not seek to interfere or intervene where this was the case.

The Leader agreed with the final comments made by Mr Leeson and assured Members that families who provided a suitable education at home for reasons of personal choice need not be concerned by the proposed changes. However the number and age profile of children educated at home in Kent meant that the Council must have in place a policy that allowed identification of those, often vulnerable, young people who were not receiving such an education at home.

Mr Leeson added that in the last year where advice and support has been offered to those families who wished to receive it, 25% of children had now returned to school as a result of particular issues of concern being addressed.

Mr Cooke commented to support the approach of the draft policy as described by the Cabinet Member and Corporate Director and echoed the comments of the Leader; that it would be imperative to the success of the policy that parents were clear that any changes were motivated by a need to fulfil statutory duties and a desire to support families, when that support is wanted. He asked Mr Gough and Mr Leeson to engage with the Elective Home School groups in order to disseminate this message.

It was RESOLVED that the information be noted and the decision deferred until the Autumn.

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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 - 15 September 2014

Subject:

- (1) **REVENUE AND CAPITAL BUDGET MONITORING FOR 2014-15 - QUARTER 1**
- (2) **KEY ACTIVITY MONITORING FOR 2014-15 - QUARTER 1**
- (3) **FINANCIAL HEALTH INDICATORS 2014-15 - QUARTER 1**
- (4) **PRUDENTIAL INDICATORS 2014-15 - QUARTER 1**
- (5) **SUMMARY OF PROPOSED MANAGEMENT ACTION 2014-15 - QUARTER 1**
- (6) **IMPACT ON REVENUE RESERVES**
- (7) **DIRECTORATE STAFFING LEVELS 2014-15 - QUARTER 1**

Classification: **Unrestricted**

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1. SUMMARY

- 1.1 This report provides the budget monitoring position for June 2014-15 for both revenue and capital budgets, including an update on key activity data. This report is presented in the new Directorate structure.
- 1.2 The format of this report is:
 - An executive summary which provides a high level financial summary and highlights only the most significant issues
 - Appendix 1 provides an update on our Financial Health indicators
 - Appendix 2 provides an update on our Prudential indicators
 - Appendix 3 provides a summary of the proposed management action
 - Appendix 4 provides a summary of the proposed capital programme cash limit changes
 - There are seven annexes to this executive summary report, as detailed below:
 - **Annex 1** **Education & Young People's Services**
 - **Annex 2** **Social Care, Health & Wellbeing** - Specialist Children's Services
 - **Annex 3** **Social Care, Health & Wellbeing** - Adults
 - **Annex 4** **Social Care, Health & Wellbeing** - Public Health

- **Annex 5** **Growth, Environment & Transport**
- **Annex 6** **Strategic & Corporate Services**
- **Annex 7** **Financing Items**

1.3 Other items likely to be of particular interest to Members are the impact of the current financial and activity monitoring position on our revenue reserves, as detailed in section 6, and the directorate staffing levels as at the end of June 2014 compared to 1 April 2014, which are provided in section 7.

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the realignment of revenue budgets as detailed in sections 1.2 to 1.3 and table 1a of each of the annex reports.
- iii) **Agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 4.

SUMMARISED REVENUE MONITORING POSITION

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3.1 The net projected variance against the combined directorate revenue budgets is an overspend of £12.427m, before management action, but management action is expected to reduce this to £5.374m. However, there is some minor re-phasing within the Kent Drug & Alcohol Service from our commitment to the pooled budget arrangement, detailed in section 3.7, which will require roll forward to 2015-16, therefore this changes the position to an overspend of £5.386m as shown in the headline table below. Directorates have been tasked with coming up with management action to balance this position as, with the budget savings already required over the medium term, we must avoid going into 2015-16 in an overspending position. Details of the current proposed management actions are provided in Appendix 3 but further work is urgently required to identify actions to eliminate the residual £5.386m forecast pressure. The annexes to this report provide the detail of the overall forecast position which is summarised in Table 1 below.

3.2 In terms of the residual forecast overspend after management action of £5.386m, it is anticipated that there should be an improvement in the position arising from other measures that have only recently commenced, which are now starting to take effect, but were not reflected in the Quarter 1 position submitted by budget managers as it was too early to quantify the effects of these actions.

We also need to look at all areas of spend, to ensure we continue to focus on reducing spend in those areas which will not directly impact on front line services.

3.3 This report does not attempt to explain movements month on month, but explains why we have a forecast variance. However, we will report the headline movement, which for this month is a £3.019m reduction in the forecast overspend (excluding schools), as shown in table 1. This is mainly due to: **E&YP** - unachievable savings relating to integration of adolescent service and shortfall against School Improvement income target, largely offset by underspending on Mainstream Home to School Transport (HTST), SEN HTST recoupment income, reduced capitalisation of pension costs and savings within Children's Centres; **SCH&W (SCS)** - a forecast shortfall in grant funding for the Asylum Service, together with costs of Special Operations; **SCH&W (Adults)** - pressure on Older People & Physical Disability services partially offset by improvement in the position on Learning Disability and Mental Health services and then further offset by management action; **GE&T** - pressure on the waste budgets due to increased tonnage, largely offset by waste contract savings, savings on Concessionary Fares due to reduced journeys being travelled and renewal of fewer passes than budgeted, contract efficiencies and lower than budgeted price increases for Subsidised Bus services; higher than anticipated savings from part night switch off of street lights, increased Registration income and savings on Speed Awareness courses; **FI** - shortfall against the Commercial Services contribution based on first quarter trading is offset by higher than anticipated Business Rate Compensation grant.

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

	Cash Limit	Variance Before Mgmt Action	Management Action - already in place	Net Variance after Mgmt Action	Last Report	Movement
Directorate Totals	+940,313	+12,427	-7,053	+5,374	+8,393	-3,019
Adjustments: - Committed roll forward/ re-phasing (see section 3.7 for detail)		+12	-	+12	-	+12
Underlying position	+940,313	+12,439	-7,053	+5,386	+8,393	-3,007

3.5 **Table 1** Directorate position - net revenue position **before and after** management action together with comparison to the last report

Annex	Directorate	Budget	Net Variance (before mgmt action)	Management Action already in place	Net Variance (after mgmt action)	Last Report	Movement
		£'000	£'000	£'000	£'000	£'000	£'000
1	Education & Young People's Services	82,403.6	+1,290	-500	+790	+1,809	-1,019
2	Social Care, Health & Wellbeing - Specialist Children's Services	127,190.1	+5,220	-2,150	+3,070	+3,350	-280
	Social Care, Health & Wellbeing - Asylum	280.0	+2,304	-	+2,304	-	+2,304
	Social Care, Health & Wellbeing - Special Operations	-	+609	-	+609	-	+609
	<i>Sub Total SCH&W - Specialist Children's Services</i>	<i>127,470.1</i>	<i>+8,133</i>	<i>-2,150</i>	<i>+5,983</i>	<i>+3,350</i>	<i>+2,633</i>
3	Social Care, Health & Wellbeing - Adults	342,987.4	+3,887	-3,700	+187	+2,042	-1,855
4	Social Care, Health & Wellbeing - Public Health	0.0	-	-	-	-	-
5	Growth, Environment & Transport	179,674.3	-1,439	-	-1,439	-	-1,439
6	Strategic & Corporate Services	81,690.7	+703	-703	-	+792	-792
7	Financing Items	126,086.5	-147	-	-147	+400	-547
	TOTAL (excl Schools)	940,312.6	+12,427	-7,053	+5,374	+8,393	-3,019
1	<i>Schools (E&YP Directorate)</i>	-	+3,015	-	+3,015	-	+3,015
	TOTAL	940,312.6	+15,442	-7,053	+8,389	+8,393	-4

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3.6 The **Revenue** Budget Monitoring headlines are as follows:

- Specialist Children's Services (exc. Asylum and Special Operations, see below) still have significant financial pressures being highlighted in 2014-15. The net overspend of £5.220m is partially offset by £2.150m of proposed management action, with the remaining pressure of £3.1m attributable in the main to unachievable savings.
- The position included in this report for Asylum is a pressure of £2.304m, and this reflects the impact of the recent offer from the Home Office now that we no longer receive a Gateway Grant.
- The costs associated with Special Operations within Specialist Children's Services have been shown separately to the normal costs of running the service. These operations currently account for a pressure of £0.609m and these costs will be met from reserves if there is insufficient underspending within KCC overall at year end to offset them.
- The pressure of £3.887m within Social Care, Health & Wellbeing - Adults is largely offset by proposed management action of £3.700m (see Appendix 3 & Annex 3 for further information).

- e) Within Education & Young People's Services, the SEN Home to School Transport budget continues to experience pressure, with a forecast overspend of £2.150m. This is partially offset by recoupment income received from other local authorities whose pupils attend our special schools (£0.475m) and also a continuation from last year of the reduced demand for mainstream home to school transport (£0.716m). Until student numbers requiring transport for the new academic year are confirmed, these forecasts remain provisional and could change. In addition the Directorate is showing a net pressure in relation to an unachievable savings target within the Early Help & Prevention Services division, for the integration of the Adolescent service. There are a number of unrelated savings in other areas of the directorate that partially offset these pressures, with the directorate as a whole forecasting a net pressure after management action and excluding schools of £0.790m.
- f) The Growth, Environment and Transport Directorate is underspending by £1.439m. The most significant services contributing to this position are Concessionary Fares (£0.879m) and Subsidised Bus Routes (£0.628m). However, also within this position is a net pressure on the waste budget of £0.962m (*see item (g) below for further details*), which is largely offset by underspending on highways management, predominately from savings on streetlight energy and speed awareness courses.
- g) Waste tonnage for the first quarter of the year is a cause for concern with a forecast overspend of £2.163m currently reported. This is partially offset by savings predominately from the letting of a new materials recycling facilities contract, giving an overall net waste pressure of £0.962m. The tonnage for quarter 1 was 16,300 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £2.163m assumes 30,500 tonnes above the budgeted level of 675,000 tonnes for the full year. This forecast appears low when comparing to year to date tonnage, but it is believed that part of the increase in waste tonnage over the last 6 months is attributable to the unusual weather conditions (storm damage, and mild and moist conditions advancing the growing season), together with the impact of growth in the economy. The current forecast assumes that the increased tonnage as a result of the unusual weather conditions will not continue throughout the remainder of the year, but there is a risk that if the current trend continues, the overspend as a result of higher waste tonnage will increase.
- h) Until the new school academic year is underway we do not know what the sign-up will be for the Young Person's Travel Card and whether the assumed budget savings as a result of the new scheme are deliverable. There is a risk that take up will not reduce as much as assumed in the budget, due to the revised instalment payment mechanism or that those who do continue with the scheme will be the heavier users leading to a higher average cost per pass.
- i) The forecast for Public Health currently shows an underspend on £0.904m, due to staffing vacancies within the service. In line with government guidelines, this underspend will be transferred to the Public Health reserve, for use in future years.
- j) A shortfall of £1.391m in the dividend from Commercial Services is forecast based on the first quarter's results, new costs of rent payments to KCC and higher than expected costs of closing County Print. This is currently being offset by higher than expected Business Rate compensation grant for the impact of measures introduced by the Government in the 2012 and 2013 Autumn Statements. However, the impact of these measures is likely to materialise as a deficit against the Business Rates collection fund, of which we will receive a share from the District Councils in 2015-16, potentially reducing the funding we have available next year.
- k) Appendix 3 provides some details of the management action. £1.450m of management action that has already been or is certain to be delivered is already reflected in the forecast £12.439m overspending position shown in the headline table on page 3. The remaining £7.053m of proposed management action is by no means certain and an awful lot needs to happen to ensure this is delivered in full.

3.7 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 3 shows that within the current forecast revenue position there is a requirement to roll forward £0.12m to 2015-16. This relates to:

- re-phasing of Kent Drug & Alcohol Service, reflecting our base budget commitment to the pooled partnership budget (see annex 3) +12 k

This roll forward requirement is only included as we have a legal obligation under the pooled budget arrangement. All the time that we are in a overspend position for the authority, roll forwards **will not** be considered unless legally we have no choice.

3.8 Revenue budget virements/changes to budgets

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the budget was set to reflect a number of technical adjustments, including the allocation of the single pay reward scheme funding to units, the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates e.g. the transfer back to GE&T from EY&P of the Freedom Pass/Young Person's Travel Pass budget and refinement of the split between EY&P and SCH&W of the Preventative Services responsibilities.
- In addition, budgets have been realigned to reflect a reallocation of savings and pressures between A-Z service lines in light of the 2013-14 final spend and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier and to present a more accurate gross and income expectation. Further details are provided within the annexes. Some of these adjustments have impacted upon the affordable levels of activity reported in section 2 of the annexes, which have been amended from the levels reported to Cabinet on 7 July in the outturn report. **Cabinet is asked to agree these changes to the cash limits as set out in tables 1a of the annexes.** The variances reflected in this report assume that these cash limit changes are approved.

Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October. Equally the spend related to these roll forwards is not included in this report, so there is no impact upon the overall variance reported.

4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2014-15 Capital Programme is £372.831m. The forecast outturn against this budget is £406.694m giving a variance of +£33.863m. The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 **Table 2** Directorate capital position

Directorate	3 Year Cash Limit £'000	2014-15 Working Budget £'000	2014-15 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education & Young People's Services	227,510	138,738	17,222	16,548	674	1
Social Care, Health & Wellbeing - Specialist Children's Services	-	2,028	-			2
Social Care, Health & Wellbeing - Adults	82,918	77,120	-107	-107		3
Social Care, Health & Wellbeing - Public Health	-	-	-			4
Growth, Environment & Transport	259,191	125,829	16,228	4,042	12,186	5
Strategic & Corporate Services	28,806	29,116	520	520		6
Financing Items	-	-	-			7
TOTAL	598,425	372,831	33,863	21,003	12,860	

4.3 The **Capital** Budget Monitoring headlines are as follows:

- a) The majority of schemes are within budget and on time.
- b) +£21.217m of the £+33.863m variance is due to real variances. These are categorised between:
 - i) those which have no identified funding source,
 - ii) those funded from underspends elsewhere in the capital programme, and
 - iii) those receiving additional external funding.
 - i) **Real variances which have no identified funding source are as follows:**
 - Basic Need Programme 2013-15 (EYP) +£12.075m, of which £3.901m is expected to be funded from developer contributions, and the remaining £8.174m reflects an ongoing pressure on the programme which will be reviewed during the budget setting process.
 - Special Schools Review Phase 2 (EYP) +£0.700m. This pressure will also be reviewed during the budget setting process.
 - ii) **Real variances funded from elsewhere in the capital programme are as follows:**
 - St John's/Kingsmead Primary School, Canterbury (EYP) +£0.857m due to additional window and roof works. This is to be funded from the Annual Planned Enhancement Programme, however this could result in a pressure on this programme later in the year, depending on the level of emergency enhancements required over the winter period.
 - Westwood Relief Strategy - Poorhole Lane Improvement (GET) +£2.566m. Increased scheme costs are due to the relocation of utility works, to be funded from underspends elsewhere on the GET capital programme.

iii) **Real variances receiving additional external funding are as follows:**

Trinity Free School (EYP) +£3.794m. The real variance reflects the expected cost of the Free School in 2014-15, which will be fully grant funded by the Education Funding Agency (EFA).

Highway Major Enhancement (GET) +£8.465m. This reflects additional Pothole Fund Grant of £6.296m, and additional funding for the programme as previously agreed of £2.169m.

TIGER (GET) -£5.500m. There is a risk that the total grant may not be available as originally expected. However, there is a meeting with the Department for Business, Innovation & Skills (BIS) in September with the aim of re-securing this amount.

North Farm, Longfield Road, Tunbridge Wells (GET) +£1.710m. Increased scheme cost due to utility works. To be funded by developer contributions.

The remaining -£3.450m of real variances are made up of a number of real over and underspends on a number of projects across the capital programme. The annexes to this report provide the detail.

- c) +£12.860m of the +£33.863m variance relates to rephasing on a number of projects. The main projects comprising the rephasing are as follows:

Sevenoaks Grammar School (EYP) +£1.206m due to a reprofiling of forecast costs.

Community Learning & Skills Service - Sittingbourne Reprovision (EYP) -£0.482m due to a lack of suitable alternative venues and sites coming forward.

Regional Growth Fund - Expansion East Kent (GET) +£13.293m. This fund is heavily committed and the rephasing relates to expected distributions of grants and loans during the year.

TIGER (GET) +£5.478m. The fund is heavily committed and the rephasing relates to expected distributions of grants and loans during the year.

Sittingbourne Northern Relief Road -£1.825m, East Kent Access Phase 2 -£1.374m and Rushenden Link Road -£0.539m - rephasing due to the retendering of the LCA Part 1 works.

Lorry Park (GET) -£0.830m - further options are being explored hence anticipated start date has been delayed.

Thanet Parkway (GET) -£0.602m - rephasing due to delays in the procurement process.

Swale Transfer Station (GET) -£0.580m - preparatory works only are to be carried out this year with construction to start in 2015-16.

Westwood Relief Strategy - Poorhole Lane Improvement (GET) -£0.524m - detailed design and procurement have taken longer to complete than anticipated.

Escalate (GET) -£0.311m - the forecast has been adjusted according to current actual and pipeline cases in the year.

The remaining -£0.050m rephasing comprises a minor rephasing on a number of projects across the capital programme. The annexes to this report provide the detail.

- d) **Real savings.** Land Compensation and Part 1 Claims (GET) -£0.349m. This amount has been offered up as a saving on prudential borrowing.

- e) **Good News.** KCC has been successful in obtaining £98m Local Growth Fund (LGF) funding and business cases are being worked up for the match funding required. If agreed, these projects will be added to the programme in due course.
- f) **Unreported pressures.** In addition to the reported overspend position on the EYP capital programme, there are emerging pressures on the Priority School Build Programme 1 (PSBP1). The projects in this programme are to be managed and funded by the EFA. However, the EFA are reporting that some costs of delivery should fall to KCC because some schools have been expanded through basic need since the original specification was made in 2011, and some sites have abnormal costs which are not covered by the programme. The pressure is expected to be in the region of £6.5m. This will be discussed as part of the budget setting process.

4.4 Capital budget virements/changes to cash limits

- Any cash limit changes due to virements are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.
- **Cabinet is asked to approve** further changes to the capital programme cash limits resulting from this round of monitoring, which are identified in the actions column in table 2 of the annex reports. For ease of reference these are all summarised in **Appendix 4**.

5. FINANCIAL HEALTH

- 5.1 The latest Financial Health indicators, including cash balances, our long term debt maturity, outstanding debt owed to KCC, the percentage of payments made within 20 days and the recent trend in inflation indices (RPI & CPI) are detailed in **Appendix 1**.
- 5.2 The latest monitoring of Prudential indicators is detailed in **Appendix 2**.

6. REVENUE RESERVES

- 6.1 The table below reflects the projected impact of the current forecast spend and activity for 2014-15 on our revenue reserves:

Account	Balance at 31/3/14 £m	Projected Balance at 31/3/15 £m	Movement £m
Earmarked Reserves	160.8	117.8	-43.0
General Fund balance	31.7	31.7	-
Schools Reserves *	45.7	42.7	-3.0

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

6.2 The reduction of £43.0m in earmarked reserves includes:

▪ Release of previously earmarked reserves (as approved in the 2014-17 MTFP)	£m	-3.0
▪ Budgeted contribution (incl. continuation of collaborative work with DCs to increase council tax yield)		+4.9
▪ Budgeted drawdown of earmarked reserve to support 2014-15 budget		-4.0
▪ Budgeted drawdown from Kingshill Smoothing reserve		-1.0
▪ Use of rolling budget reserve (2013-14 underspend)		-9.9
▪ Budgeted use of reserves to support essential expenditure following reduction in Adoption Reform		-1.3
▪ Budgeted reinstatement of Emergency Conditions reserve		+1.0
▪ Budgeted phased repayment of sums borrowed from long term reserves in 2011-12		+1.3
▪ Budgeted transfer to rolling budget reserve to reflect anticipated revised phasing of Freedom Pass		+1.5
▪ Planned drawdown of Dedicated Schools Grant reserve		-2.4
▪ Planned drawdown of Corporate Restructure reserve		-4.2
▪ Transfer to Economic Downturn reserve of uncommitted 2013-14 rolled forward underspend		+4.8
▪ Drawdown of 2013-14 underspend from Public Health reserve		-2.9
▪ Forecast transfer to Public Health reserve of 2014-15 underspend		+1.1
▪ Forecast transfer to/from Dedicated Schools Grant reserve (unbudgeted)		+0.2
▪ Forecast use of NHS Support for Social Care reserve		-4.4
▪ Forecast transfer to Insurance reserve		+0.2
▪ Forecast use of Flood Repairs reserve (severe weather funding)		-2.8
▪ Planned movement in IT Asset Maintenance reserve		-3.2
▪ Planned movement in Kent Drug & Alcohol Service reserve		-2.5
▪ Planned movement in Dilapidations reserve		-2.2
▪ Impact on rolling budget reserve of current forecast overspend		-5.4
▪ Other forecast movements in earmarked reserves		-8.8
		-43.0

6.3 The reduction of £3m in the schools reserves is due to:

▪ An assumed 44 schools converting to academy status this financial year and taking their accumulated reserves with them, together with 1 school closure	£m	-3.0
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7. STAFFING LEVELS

- 7.1 The following table provides a snapshot of the staffing levels by directorate as at 30 June 2014 compared to the numbers as at 1 April 2014 for the new directorate structure, based on active assignments. However, due to the large number of movements of staff between directorates as a result of the council restructure, direct comparisons between old and new directorates are not possible, so staffing levels as at 31 March 2014 are only provided in total, together with a split of schools and non schools staff. The difference in the right hand columns of the table represent the movement in staffing numbers from 1 April 2014 to 30 June 2014, however there was also a movement between 31 March 2014 and 1 April 2014 of +57.3 FTEs, of which +99.75 were within schools and -42.45 in non school settings. Between 1 April and 30 June 2014 there has been a reduction of 410.83 FTEs, of which 380.41 FTE were in schools and 30.42 FTEs were in non schools settings. The reduction in schools based staff is mainly as a result of schools converting to academies.

		31 Mar 14	1 Apr 14	30 Jun 14	30 Sep 14	31 Dec 14	31 Mar 15	Difference	
								Number	%
KCC	Assignment count	39,194	39,278	38,690				-588	-1.50%
	Headcount (inc. CRSS)	33,095	33,195	32,604				-591	-1.78%
	Headcount (excl. CRSS)	29,456	29,522	28,942				-580	-1.96%
	FTE	21,769.82	21,827.12	21,416.29				-410.83	-1.88%
KCC - Non Schools	Assignment count	11,995	11,904	11,920				16	0.13%
	Headcount (inc. CRSS)	11,061	10,994	10,969				-25	-0.23%
	Headcount (excl. CRSS)	9,574	9,512	9,498				-14	-0.15%
	FTE	8,161.92	8,119.47	8,089.05				-30.42	-0.37%
E&YP	Assignment count		2,971	2,974				3	0.10%
	Headcount (inc. CRSS)		2,738	2,707				-31	-1.13%
	Headcount (excl. CRSS)		1,927	1,921				-6	-0.31%
	FTE		1,582.27	1,567.23				-15.04	-0.95%
SCH&W	Assignment count		4,738	4,744				6	0.13%
	Headcount (inc. CRSS)		4,335	4,340				5	0.12%
	Headcount (excl. CRSS)		4,109	4,132				23	0.56%
	FTE		3,509.59	3,527.59				18.00	0.51%
GET	Assignment count		2,366	2,394				28	1.18%
	Headcount (inc. CRSS)		2,175	2,189				14	0.64%
	Headcount (excl. CRSS)		1,698	1,686				-12	-0.71%
	FTE		1,369.11	1,356.50				-12.61	-0.92%
S&CS	Assignment count		1,829	1,808				-21	-1.15%
	Headcount (inc. CRSS)		1,817	1,799				-18	-0.99%
	Headcount (excl. CRSS)		1,794	1,777				-17	-0.95%
	FTE		1,658.50	1,637.73				-20.77	-1.25%
Schools	Assignment count	27,199	27,374	26,770				-604	-2.21%
	Headcount (inc. CRSS)	22,135	22,301	21,727				-574	-2.57%
	Headcount (excl. CRSS)	19,928	20,056	19,488				-568	-2.83%
	FTE	13,607.90	13,707.65	13,327.24				-380.41	-2.78%

CRSS = Staff on Casual Relief, Seasonal or Supply contracts

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.

8. CONCLUSIONS

- 8.1 The overall forecast overspend position, after taking into account the requirements to roll forward, has increased by +£4.046m from +£8.393m to +£12.439m since the initial forecast for the year provided to Cabinet in July. However, management action of £7.053m is proposed, which is expected to reduce this position to +£5.386m, an improvement of £3.007m since the last report. Whilst this improved position from the initial forecast is welcome, the delivery of the proposed management action is by no means certain and there are two risk areas, waste tonnage and Young Person's Travel Pass, where it is likely that the overspend may increase. Bearing these risks in mind and the fact that even assuming delivery of all of the £7.053m management action in full, a £5.386m forecast pressure still remains for the Council, this current position is a real cause for concern, and it is essential that this is managed down to at least a balanced position before the end of the financial year, considering the further substantial budget savings required to balance the 2015-16 budget. The earlier in the financial year that this residual pressure is addressed the more manageable and less painful the required management action is likely to be, hence it is essential that prompt action is taken to address this situation.
- 8.2 There are a number of ongoing emerging issues that will need to be addressed in the 2015-18 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the realignment of revenue budgets as detailed in sections 1.2 to 1.3 and table 1a of each of the annex reports.
- iii) **Agree** the changes to the capital programme cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 4.

10. BACKGROUND DOCUMENTS

None

11. CONTACT DETAILS

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FINANCIAL HEALTH INDICATORS

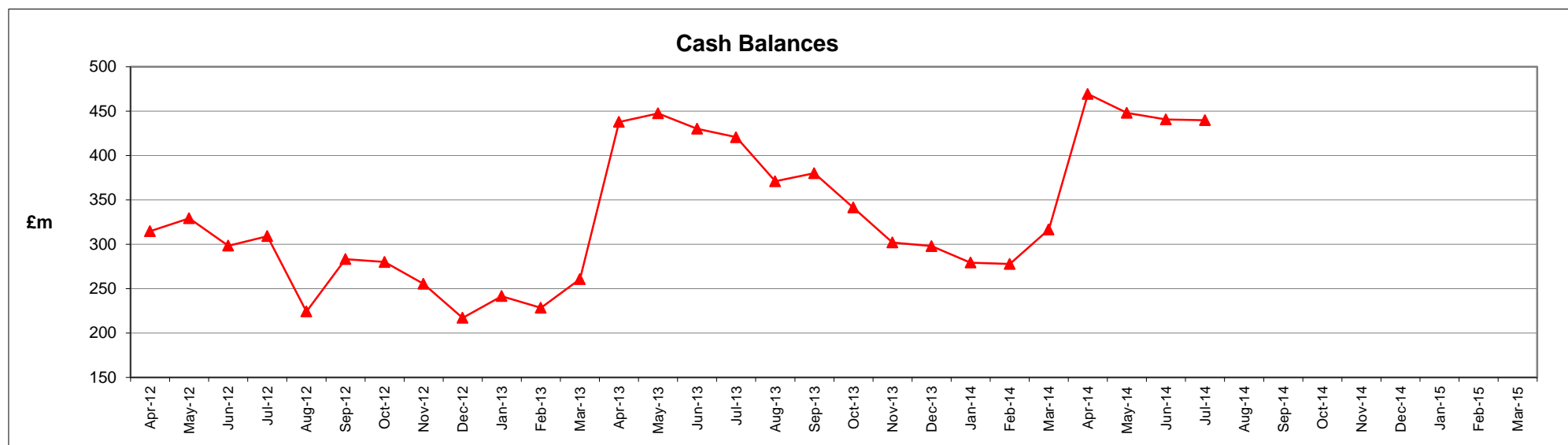
1. CASH BALANCES

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 (£59.61m), 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.

The dip in cash balances in August 2012 reflects the repayment of £55m of maturing PWLB loan, with a further £20m repaid in November 2012.

Central Government Departments (particularly DCLG) are following a similar pattern to last year of front loading revenue grants for 2014-15, where receipts have been heavily weighted towards the beginning of the year (76%) leading to an early peak in managed cash levels. These cash levels are forecast to decline over the course of the year as grant income reduces.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
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
2014-15	469.3	448.2	440.7	439.9								



2. LONG TERM MATURITY

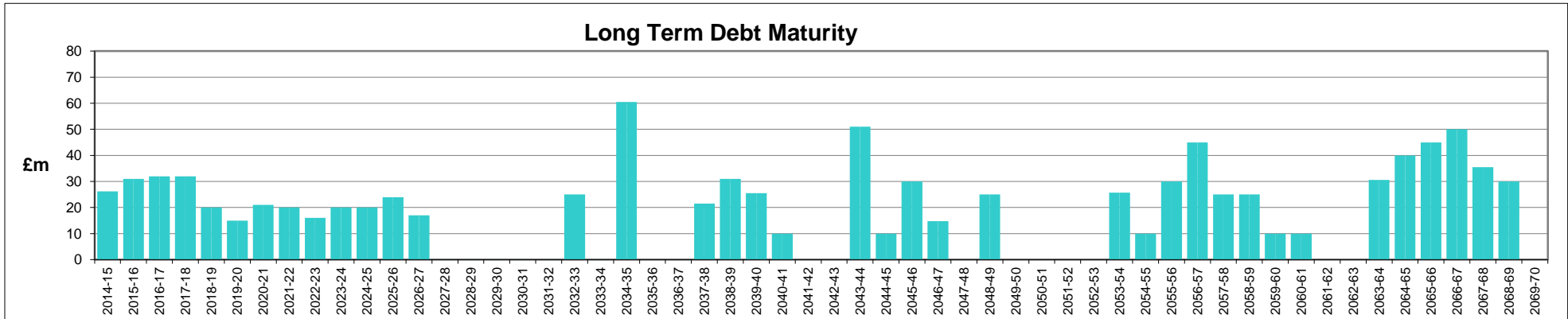
The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £41.405m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) and Magistrates Courts (£0.556m). 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 2014-15 is £26.193m, relating to £24.187m of maturity loans, (£2.187m to be repaid in August and £22m to be repaid in February), and £2.006m of equal instalment of principal loans (£0.006m to be repaid in August, £1m to be repaid in September and £1m to be repaid in March).

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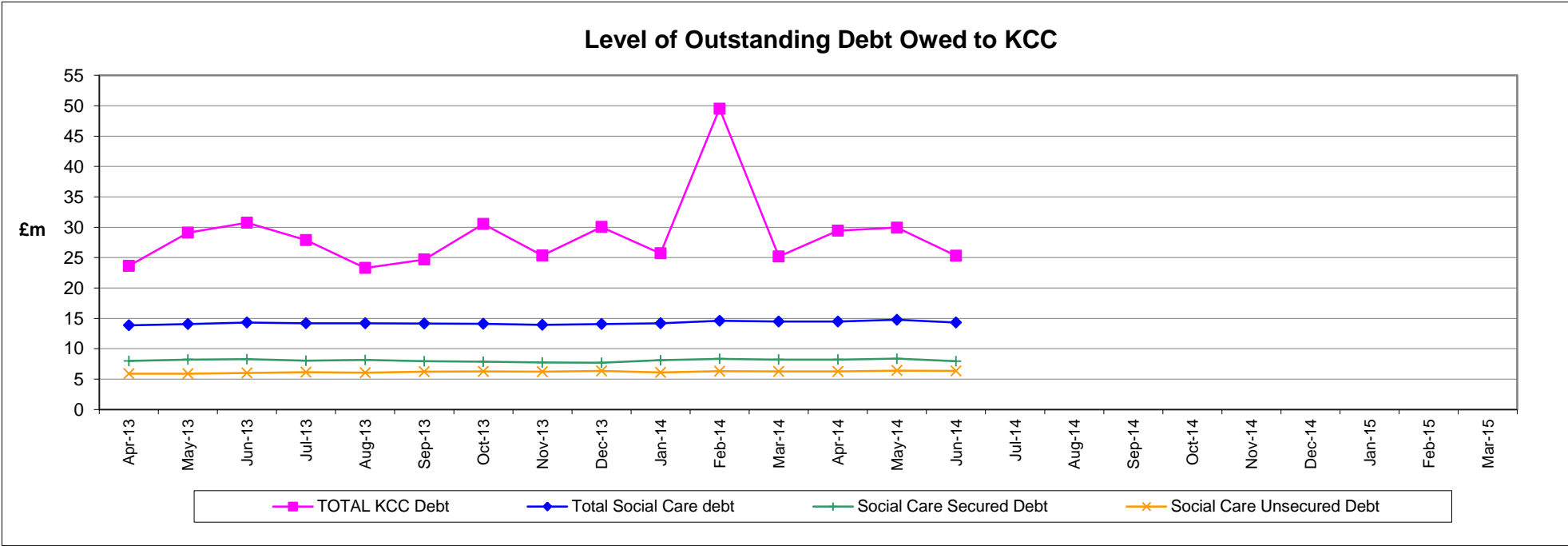
	£m	Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2014-15	26.193	2024-25	20.001	2034-35	60.470	2044-45	10.000	2054-55	10.000	2064-65	40.000
2015-16	31.001	2025-26	24.001	2035-36	0.000	2045-46	30.000	2055-56	30.000	2065-66	45.000
2016-17	32.001	2026-27	17.001	2036-37	0.000	2046-47	14.800	2056-57	45.000	2066-67	50.000
2017-18	32.001	2027-28	0.001	2037-38	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		
2023-24	20.001	2033-34	0.000	2043-44	51.000	2053-54	25.700	2063-64	30.600	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 Debt £m	Social Care Unsecured Debt £m	Total Social Care Debt £m	FSC Sundry Debt £m	TOTAL FSC Debt £m	All other Directorates Debt £m	TOTAL KCC Debt £m
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
Apr 14	8.220	6.270	14.490	8.884	23.374	6.060	29.434
May 14	8.353	6.402	14.755	8.899	23.654	6.276	29.930
Jun 14	7.944	6.346	14.290	7.289	21.579	3.733	25.312
Jul 14			0.000		0.000		0.000
Aug 14			0.000		0.000		0.000
Sep 14			0.000		0.000		0.000
Oct 14			0.000		0.000		0.000
Nov 14			0.000		0.000		0.000
Dec 14			0.000		0.000		0.000
Jan 15			0.000		0.000		0.000
Feb 15			0.000		0.000		0.000
Mar 15			0.000		0.000		0.000



4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

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

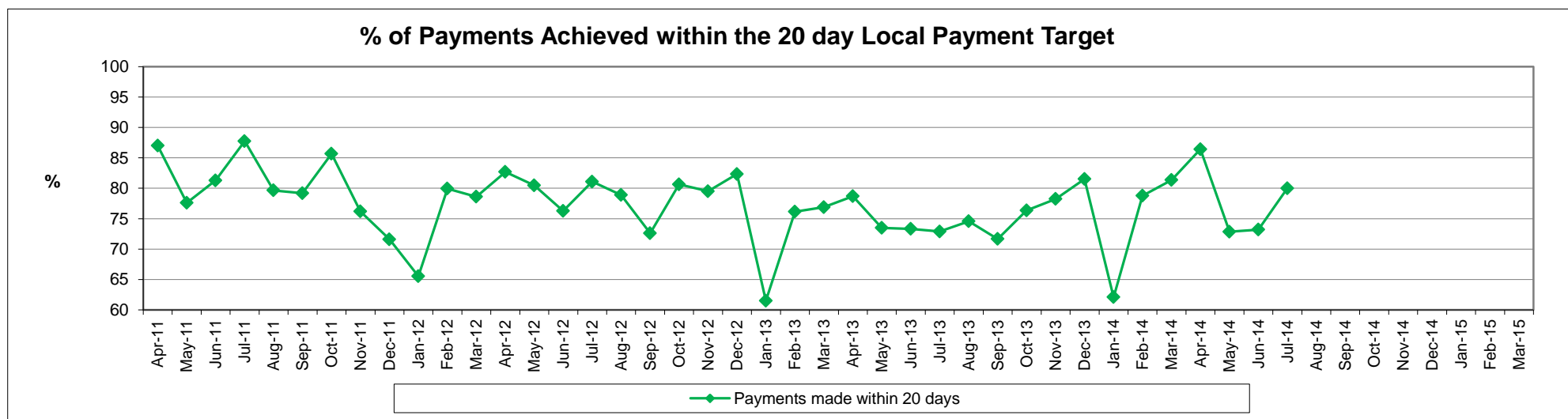
	2011-12	2012-13	2013-14	2014-15
	%	%	%	%
Apr	87.0	82.7	78.7	86.4
May	77.6	80.5	73.5	72.9
Jun	81.3	76.3	73.3	73.2
Jul	87.7	81.1	72.9	80.0
Aug	79.7	78.9	74.6	
Sep	79.2	72.6	71.7	
Oct	85.7	80.6	76.4	
Nov	76.2	79.5	78.2	
Dec	71.6	82.3	81.5	
Jan	65.5	61.5	62.1	
Feb	79.9	76.1	78.8	
Mar	78.6	76.9	81.4	

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 2014-15 year to date figure for invoices paid within 20 days is 78.3%. This compares to overall performance in previous years as follows:

	20 days
	%
2011-12	79.2
2012-13	77.3
2013-14	75.3
2014-15 to date	78.3

* The lower percentages in May/June 2014 were due to invoices arriving late into the payments team, impacting on their ability to pay to terms.

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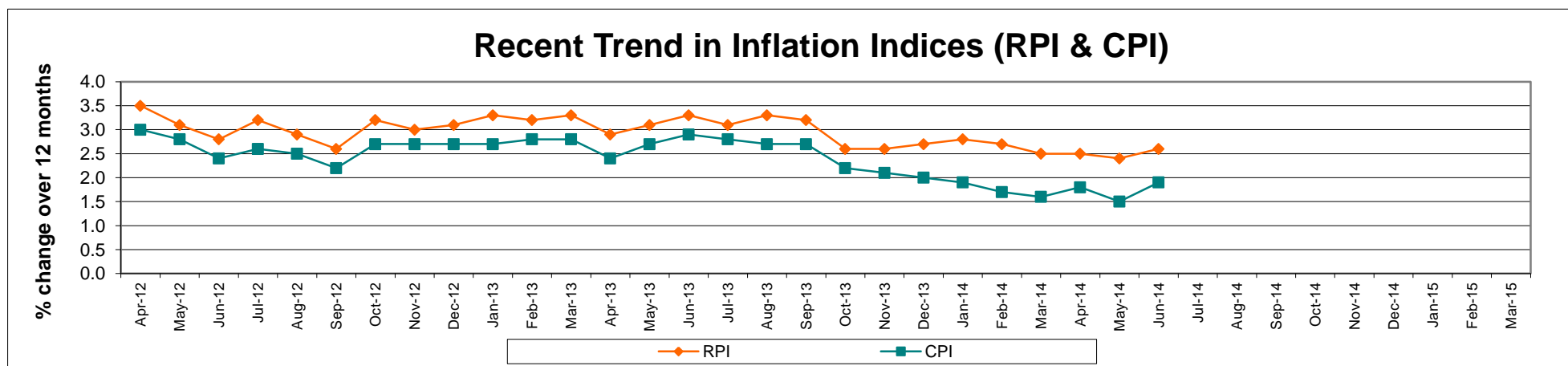
5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

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

Percentage Change over 12 months

	2012-13		2013-14		2014-15	
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
Apr	3.5	3.0	2.9	2.4	2.5	1.8
May	3.1	2.8	3.1	2.7	2.4	1.5
Jun	2.8	2.4	3.3	2.9	2.6	1.9
Jul	3.2	2.6	3.1	2.8		
Aug	2.9	2.5	3.3	2.7		
Sep	2.6	2.2	3.2	2.7		
Oct	3.2	2.7	2.6	2.2		
Nov	3.0	2.7	2.6	2.1		
Dec	3.1	2.7	2.7	2.0		
Jan	3.3	2.7	2.8	1.9		
Feb	3.2	2.8	2.7	1.7		
Mar	3.3	2.8	2.5	1.6		

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2014-15 QUARTER 1 MONITORING OF PRUDENTIAL INDICATORS

1. Estimate of Capital Expenditure (excluding PFI)

Actuals 2013-14	£219.458m
Original estimate 2014-15	£270.967m
Revised estimate 2014-15	£351.374m

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

	2013-14	2014-15	2014-15	2015-16	2016-17
	Actual	Original Estimate	Forecast as at 30-6-14	Forecast as at 30-6-14	Forecast as at 30-6-14
	£m	£m	£m	£m	£m
Capital Financing requirement	1,435.263	1,437.960	1,425.740	1,376.730	1,327.347
Annual increase/reduction in underlying need to borrow	-29.697	-27.001	-9.523	-49.010	-49.383

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

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

Actuals 2013-14	13.62%
Original estimate 2014-15	14.04%
Revised estimate 2014-15	13.75%

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2014-15.

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

	Prudential Indicator	Position as at 30.06.14
	£m	£m
Borrowing	993	969
Other Long Term Liabilities	261	254
	<u>1,254</u>	<u>1,223</u>

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

	Prudential Indicator	Position as at 30.06.14
	£m	£m
Borrowing	1,038	1,010
Other Long Term Liabilities	261	254
	<u>1,299</u>	<u>1,264</u>

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5. Authorised Limit for External Debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the Council. The revised limits for 2014-15 are:

	Authorised limit for debt relating to KCC assets and activities	Position as at 30.06.14	Authorised limit for total debt managed by KCC	Position as at 30.06.14
	£m	£m	£m	£m
Borrowing	1,033	969	1,078	1,010
Other long term liabilities	261	254	261	254
	<u>1,294</u>	<u>1,223</u>	<u>1,339</u>	<u>1,264</u>

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 2014-15

Fixed interest rate exposure	100%
Variable rate exposure	40%

These limits have been complied with in 2014-15

8. Upper limits for maturity structure of borrowings

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	Upper limit	Lower limit	As at 30.06.14
	%	%	%
Upper 12 months	10	0	2.59
12 months and within 24 months	10	0	3.07
24 months and within 5 years	15	0	8.32
5 years and within 10 years	15	0	9.11
10 years and within 20 years	20	5	8.51
20 years and within 30 years	20	5	19.74
30 years and within 40 years	25	10	11.43
40 years and within 50 years	25	10	21.34
50 years and within 60 years	30	10	15.89

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

Indicator	£175.0m
Actual	£58.9m

2014-15 QUARTER 1 SUMMARY OF THE PROPOSED MANAGEMENT ACTION

	Total in Q1 monitoring	Reflected against A-Z Service Lines	Below the line - Shown as management action
	£'000	£'000	£'000
E&YP			
Annual capitalisation of pension costs	-500	-500	
Children's Centres	-1,000	-500	-500
Sub Total E&YP	-1,500	-1,000	-500
SCH&W			
<u>SCS</u>			
Legal Charges	-300	-300	
Staffing - Improvement Budget	-150	-150	
Net reduction in cost of fostering (IFAs to in-house)	-700		-700
Adoption	-100		-100
Leaving Care (post restructure)	-100		-100
Disability - Direct Payments	-100		-100
Disability - Day Care/Short Breaks	-100		-100
Staffing - Agency and Non Social Work	-1,050		-1,050
Sub Total - SCS	-2,600	-450	-2,150
OPPD - Recruit to staff vacancies in order to accelerate the transformation programme which in turn will deliver savings against the current forecast	-2,600		-2,600
LDMH - Review of all current activities and jointly funded arrangements	-1,100		-1,100
Sub Total SCH&W (Children's and Adults)	-6,300	-450	-5,850
S&CS	-703		-703
KCC TOTAL	-8,503	-1,450	-7,053

2014-15 QUARTER 1 SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES

Directorate	Project	2014-15	2015-16	2016-17	Funding	Description
		£'000	£'000	£'000		
Cash limit change due to revised external/grant funding availability/previous decisions:						
EYP	Devolved Formula Capital Grants for Pupil Referral Units (PRUs)	-76			Grant	
EYP	Tenterden Infant School	25			Developer Contribs	
EYP	Trinity Free School, Sevenoaks	3,794	7,000	500	Grant	
SCH&WB (Adults)	Learning Disability Good Day Programme- Community Hubs	13			Developer Contribs	
GET	Cyclopark	6			Developer Contribs	
GET	Marsh Million	50			External - other	
GET	TIGER	-5,500			Grant	
GET	North Farm Longfield Road, Tunbridge Wells	2,300 -590	640		Developer Contribs Capital receipt	
GET	Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	6,296 1,669 500			Grant Revenue Capital receipt	
Cash limit change to cover overspends elsewhere in the capital programme:						
GET	Westwood Relief Strategy - Poorhole Lane Improvement	600 1,055 911			Grant Prudential Prudential/revenue	Overspend to be funded from: £600k Integrated Transport, £911k Mid Kent Joint Waste Project, £350k Growth Without Gridlock & £705k Land compensation & part 1 claims
GET	Integrated Transport Schemes	-600			Grant	To fund overspend on Poorhole Lane
GET	Mid Kent Joint Waste Project	-911			Prudential/revenue	To fund overspend on Poorhole Lane
GET	Growth without Gridlock initiatives	-100	-100	-150	Prudential	To fund overspend on Poorhole Lane
GET	Land compensation & Part 1 claims	-705			Prudential	To fund overspend on Poorhole Lane
S&CS	Integrated Transport Schemes	20			Developer contribs	Overspend funded from OP Strategy
SCH&WB (Adults)	OP Strategy - Transformation / Modernisation	-20			Developer contribs	To fund Modernisation of assets
Other cash limit changes:						
GET	Land compensation & Part 1 claims	-349			Prudential	Real saving
S&CS	New Ways of Working	500			Revenue	Contribution from reserves to Mid Kent Development
EYP	Sevenoaks Grammar Schools	1,206	500	3,100	Capital receipt	To reflect anticipated full project cost
SCH&WB (Adults)	OP Strategy - Transformation / Modernisation	-200 100			Prudential Capital receipt	Overall real saving of £100k due to project not going ahead

EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE
JUNE 2014-15 MONITORING REPORT

1. **REVENUE**

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total (excl Schools) (£k)	+82,404	+1,290	-500	+790
Schools (£k)	-	+3,015	-	+3,015
Directorate Total (£k)	+82,404	+4,305	-500	+3,805

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include technical adjustments where there is no change in policy including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling -£9,411.4k gross and +£9,411.4k income. Significant changes included within this are:

- Adjustment to more accurately reflect the gross and income budget (-£9,911.4k gross and +£9,911.4k income), which predominately reflects where we have received changes to our grant allocations such as DSG.
- Contribution from Public Health grant towards Children's Centres and Youth Offending Service (+£500k gross and -£500k income).

There are also a number of other corporate adjustments which total -£14,602.5k gross and +£4,319.3k income, which are predominately related to the allocation of the single pay reward scheme funding and where responsibilities between the new directorates are still being refined such as the split of Preventative Services responsibilities between E&YP and SCH&W directorates, the return of the Freedom Pass / Young Person's Travel pass budget to GE&T directorate, transfer of Kent Foundation to GE&T directorate and confirmation of the split of Business Transformation Unit between S&CS, E&YP and GE&T directorates.

The overall movements are therefore a reduction in gross of £24,013.9k and income of +£13,730.7k. This is detailed in table 1a.

There has also been a virement of £750k from Mainstream Home to School Transport to SEN Home to School Transport. This virement has impacted upon affordable levels of HTST activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 7 July within the outturn report.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education & Young People's Services									
Delegated Budget:									
Schools & Pupil Referral Units Delegated Budgets	714,636.2	-714,636.2	0.0	704,716.2	-704,716.2	0.0	-9,920.0	9,920.0	0.0
TOTAL DELEGATED	714,636.2	-714,636.2	0.0	704,716.2	-704,716.2	0.0	-9,920.0	9,920.0	0.0
Non Delegated Budget:									
E&YP Strategic Management & directorate support budgets	7,044.9	-9,158.0	-2,113.1	7,065.6	-9,158.0	-2,092.4	20.7	0.0	20.7
Children's Services - Children in Need									
- Children's Centres	13,953.4	-1,160.6	12,792.8	14,531.7	-1,660.6	12,871.1	578.3	-500.0	78.3
- Preventative Services	8,700.3	-2,599.0	6,101.3	5,442.9	-1,331.0	4,111.9	-3,257.4	1,268.0	-1,989.4
	22,653.7	-3,759.6	18,894.1	19,974.6	-2,991.6	16,983.0	-2,679.1	768.0	-1,911.1
Children's Services - Education & Personal									
- 14 - 19 year olds	2,368.5	-1,000.3	1,368.2	2,265.3	-941.0	1,324.3	-103.2	59.3	-43.9
- Attendance & Behaviour	3,344.0	-2,671.4	672.6	3,563.2	-2,785.9	777.3	219.2	-114.5	104.7
- Early Intervention & Prevention	2,699.9	0.0	2,699.9	2,471.8	0.0	2,471.8	-228.1	0.0	-228.1
- Early Years & Childcare	6,569.9	-4,151.1	2,418.8	6,725.2	-4,673.2	2,052.0	155.3	-522.1	-366.8
- Early Years Education	59,875.5	-59,875.5	0.0	60,252.4	-60,252.4	0.0	376.9	-376.9	0.0
- Education Psychology Service	2,916.0	-600.0	2,316.0	2,920.3	-600.0	2,320.3	4.3	0.0	4.3

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Individual Learner Support	8,544.9	-7,579.5	965.4	8,357.5	-7,465.0	892.5	-187.4	114.5	-72.9
- Statemented Pupils	4,309.8	-4,309.8	0.0	4,309.8	-4,309.8	0.0	0.0	0.0	0.0
- Youth Service	7,583.1	-1,995.8	5,587.3	7,609.1	-1,995.8	5,613.3	26.0	0.0	26.0
- Youth Offending Service	5,411.2	-2,524.6	2,886.6	5,382.6	-2,441.9	2,940.7	-28.6	82.7	54.1
	103,622.8	-84,708.0	18,914.8	103,857.2	-85,465.0	18,392.2	234.4	-757.0	-522.6
<u>Children's Services - Other Children's Services</u>									
- Safeguarding	502.7	-150.0	352.7	507.5	-150.0	357.5	4.8	0.0	4.8
<u>Community Services</u>									
- Community Learning & Skills (CLS)	13,458.1	-14,673.6	-1,215.5	13,544.9	-14,673.6	-1,128.7	86.8	0.0	86.8
- Supporting Employment	1,085.4	-335.0	750.4	1,056.2	-335.0	721.2	-29.2	0.0	-29.2
- Troubled Families	1,027.2	-712.0	315.2	1,069.9	-712.0	357.9	42.7	0.0	42.7
	15,570.7	-15,720.6	-149.9	15,671.0	-15,720.6	-49.6	100.3	0.0	100.3
<u>Housing Related Support for Vulnerable People (Supporting People)</u>									
- Young People	3,968.9	0.0	3,968.9	3,968.9	0.0	3,968.9	0.0	0.0	0.0
<u>School & High Needs Education Budgets</u>									
- Exclusion Services	3,324.7	-3,324.7	0.0	3,324.7	-3,324.7	0.0	0.0	0.0	0.0
- High Needs Further Education Colleges - Post 16 year olds	1,951.0	-1,951.0	0.0	1,951.0	-1,951.0	0.0	0.0	0.0	0.0
- High Needs Independent Sector Providers - Post 16 year olds	3,155.0	-3,155.0	0.0	3,155.0	-3,155.0	0.0	0.0	0.0	0.0
- High Needs Independent Special School placements	17,686.0	-17,686.0	0.0	17,686.0	-17,686.0	0.0	0.0	0.0	0.0
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	23,810.0	-23,810.0	0.0	0.0	0.0	0.0
	49,926.7	-49,926.7	0.0	49,926.7	-49,926.7	0.0	0.0	0.0	0.0
<u>Schools Services:</u>									
- High Needs Pupils - Recoupment	905.9	-905.9	0.0	905.9	-905.9	0.0	0.0	0.0	0.0
- Other Schools Services	6,794.5	-6,900.7	-106.2	6,794.5	-6,900.7	-106.2	0.0	0.0	0.0
- Redundancy Costs	1,188.7	-1,188.7	0.0	1,188.7	-1,188.7	0.0	0.0	0.0	0.0
- School Improvement	8,376.7	-5,656.9	2,719.8	8,280.0	-5,148.4	3,131.6	-96.7	508.5	411.8
- Schools Staff Services	2,644.0	-2,541.0	103.0	2,644.0	-2,541.0	103.0	0.0	0.0	0.0
- Teachers & Education Staff Pension Costs	8,328.0	-2,684.0	5,644.0	8,328.0	-2,684.0	5,644.0	0.0	0.0	0.0
	28,237.8	-19,877.2	8,360.6	28,141.1	-19,368.7	8,772.4	-96.7	508.5	411.8

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Transport Services</u>									
- Freedom Pass / Young Person's Travel Pass	13,301.5	-4,596.0	8,705.5	0.0	0.0	0.0	-13,301.5	4,596.0	-8,705.5
- Home to College Transport & Kent 16+ Travel Card	4,705.7	-2,780.0	1,925.7	3,913.7	-1,988.0	1,925.7	-792.0	792.0	0.0
- Mainstream HTST	11,292.3	-20.0	11,272.3	10,542.3	-20.0	10,522.3	-750.0	0.0	-750.0
- SEN HTST	18,222.5	-425.0	17,797.5	18,972.5	-425.0	18,547.5	750.0	0.0	750.0
	47,522.0	-7,821.0	39,701.0	33,428.5	-2,433.0	30,995.5	-14,093.5	5,388.0	-8,705.5
<u>Assessment Services</u>									
- Assessment & Support of Children with Special Education Needs	9,154.0	-6,833.6	2,320.4	9,660.5	-7,326.4	2,334.1	506.5	-492.8	13.7
- Children's Social Care Staffing	4,109.9	-1,672.6	2,437.3	6,018.6	-3,276.6	2,742.0	1,908.7	-1,604.0	304.7
	13,263.9	-8,506.2	4,757.7	15,679.1	-10,603.0	5,076.1	2,415.2	-2,096.8	318.4
<u>Support to Frontline Services</u>									
- Human Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL E&YPS Non Delegated	292,314.1	-199,627.3	92,686.8	278,220.2	-195,816.6	82,403.6	-14,093.9	3,810.7	-10,283.2
TOTAL E&YPS	1,006,950.3	-914,263.5	92,686.8	982,936.4	-900,532.8	82,403.6	-24,013.9	13,730.7	-10,283.2

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Education & Young People's Services							
Delegated Budget:							
Schools & Pupil Referral Units Delegated Budgets	704,716.2	-704,716.2	0.0	+3,015	+3,015	Drawdown from school reserves for 44 expected academy converters	
TOTAL DELEGATED	704,716.2	-704,716.2	0.0	+3,015			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
Non Delegated Budget:							
E&YP Strategic Management & directorate support budgets	7,065.6	-9,158.0	-2,092.4	+1,440	+1,922	Savings target relating to Early Help & Preventative Services Division is held here pending agreement on how this will be delivered; some offsetting savings are reflected in the Early Intervention & Prevention A-Z line below.	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-155	Underspend on legal fees	
					-197	<i>DSG variance - feasibility studies</i>	
					-130	Other minor variances each less than £100k in value	
Children's Services - Children in Need							
- Children's Centres	14,531.7	-1,660.6	12,871.1	-500	-500	Savings from vacancies linked to the service restructure	
- Preventative Services	5,442.9	-1,331.0	4,111.9	0			
	19,974.6	-2,991.6	16,983.0	-500			
Children's Services - Education & Personal							
- 14 - 19 year olds	2,265.3	-941.0	1,324.3	+69			
- Attendance & Behaviour	3,563.2	-2,785.9	777.3	+17	-206	Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£115k)</i>	This saving reflects the DfE changes to regulations, removing discretion from Headteachers to allow 10 days absence and will be reflected in the 2015-18 MTFP
					+272	KIASS Education Welfare staffing pressure <i>(includes a DSG variance of +£209k)</i>	
					-49	Other minor variances	
- Early Intervention & Prevention	2,471.8	0.0	2,471.8	-500	-500	Planned underspend to contribute towards the savings target held in Strategic Management & Directorate support above	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Early Years & Childcare	6,725.2	-4,673.2	2,052.0	+279	+195 <i>DSG variance - one off staffing pressure resulting from the Early Years restructure</i> +84 Other minor variances	
- Early Years Education	60,252.4	-60,252.4	0.0	0		
- Education Psychology Service	2,920.3	-600.0	2,320.3	-136	-146 Traded income from schools for non statutory psychology services +10 Other minor variances	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
- Individual Learner Support	8,357.5	-7,465.0	892.5	-393	-162 Portage service non staffing underspend (<i>includes a DSG variance of -£112k</i>) -183 Former Head of Service and support staffing underspend due to vacancies held pending the restructure and general non staffing underspend (<i>includes a DSG variance of -£122k</i>) -48 Other minor variances	
- Statemented Pupils	4,309.8	-4,309.8	0.0	+158	+120 <i>DSG variance - Increase in Severe Complex Accessibility Funding (SCAF) agreements for nursery pupils due to increased responsibility for 1 to 1 support</i> +38 Other minor variances	
- Youth Service	7,609.1	-1,995.8	5,613.3	+96		
- Youth Offending Service	5,382.6	-2,441.9	2,940.7	-46		
	103,857.2	-85,465.0	18,392.2	-456		
Children's Services - Other Children's						
- Safeguarding	507.5	-150.0	357.5	-15		
Community Services						
- Community Learning & Skills (CLS)	13,544.9	-14,673.6	-1,128.7	0		
- Supporting Employment	1,056.2	-335.0	721.2	0		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
- Troubled Families Programme	1,069.9	-712.0	357.9	0			
	15,671.0	-15,720.6	-49.6	0			
<u>Housing Related Support for Vulnerable People (Supporting People)</u>							
- Young People	3,968.9	0.0	3,968.9	-291	-291	Contract variations & efficiencies	
<u>School & High Needs Education Budgets</u>							
- Exclusion Services	3,324.7	-3,324.7	0.0	0			
- High Needs Further Education Colleges - Post 16 year olds	1,951.0	-1,951.0	0.0	0			
- High Needs Independent Sector Providers - Post 16 year olds	3,155.0	-3,155.0	0.0	0			
- High Needs Independent Special School placements	17,686.0	-17,686.0	0.0	0			
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0			
	49,926.7	-49,926.7	0.0	0			
<u>Schools Services:</u>							
- High Needs Pupils - Recoupment	905.9	-905.9	0.0	0			
- Other Schools Services	6,794.5	-6,900.7	-106.2	-32			
- Redundancy Costs	1,188.7	-1,188.7	0.0	0			
- School Improvement	8,280.0	-5,148.4	3,131.6	+783	+786	Shortfall against budgeted surplus for training & development	
					+160	Shortfall against budgeted surplus for governor training services	
					-104	Increased surplus for other traded services (Clerking and Improving Together Network)	
					-59	Other minor variances	
- Schools Staff Services	2,644.0	-2,541.0	103.0	-64			
- Teachers & Education Staff Pension Costs	8,328.0	-2,684.0	5,644.0	-500	-500	Reduced annual capitalisation costs of pensions	
	28,141.1	-19,368.7	8,772.4	+187			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
<u>Transport Services</u>					£'000		
- Home to College Transport & Kent 16+ Travel Card	3,913.7	-1,988.0	1,925.7	-87			
- Mainstream HTST	10,542.3	-20.0	10,522.3	-716	-716	Fewer than budgeted numbers of pupils travelling	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
- SEN HTST	18,972.5	-425.0	18,547.5	+1,675	+2,150	Higher than budgeted numbers of pupils travelling with overall costs influenced by other factors such as distance and type of travel	This pressure is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-475	Recoupment income for transport provided for other local authority pupils with special needs attending Kent schools	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
	33,428.5	-2,433.0	30,995.5	+872			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	9,660.5	-7,326.4	2,334.1	-143	-123	Staff vacancies <i>(includes a DSG variance of -£79k)</i>	
					-20	Other minor variances	
- Children's Social Care Staffing	6,018.6	-3,276.6	2,742.0	-17			
	15,679.1	-10,603.0	5,076.1	-160			
<u>Support to Frontline Services</u>							
- Human Resources	0.0	0.0	0.0	0			
TOTAL NON DELEGATED	278,220.2	-195,816.6	82,403.6	+1,077			
- <i>Transfer to(+)/from(-) DSG reserve</i>				+213	+213	<i>Transfer to DSG reserves to offset - £101k of DSG variances explained above & other smaller DSG variances</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	278,220.2	-195,816.6	82,403.6	+1,290			
Total E&YPS	982,936.4	-900,532.8	82,403.6	+4,305			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
Assumed Mgmt Action				-500	<p>Whilst the forecast at this stage is showing a £1.3m overspend (exc. schools) initial indications show that there is the potential for a further £0.5m saving across Children's Centres so we would expect the overspend being forecast for E&YP to be nearer to £0.8m. We should have confirmation of this savings within the next month once detailed work is completed on analysing this budget. In particular we want to ensure that this projected saving is not a double count of any part of the £2m saving agreed in the 2014-15 budget.</p> <p>The Directorate is now looking at options to cover the remaining £0.8m pressure (exc schools) and that will be a priority issue for DMT when it meets in early September. Finance staff are currently working to identify possible options for discussion with EYP DMT.</p>	
Total E&YPS Forecast <u>after</u> mgmt action	982,936.4	-900,532.8	82,403.6	+3,805		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2011-12	2012-13	2013-14	2014-15
	as at 31-3-12	as at 31-3-13	as at 31-3-14	projection
Total number of schools	497	463	449	402
Total value of school reserves	£59,088k	£48,124k	£45,730k	£42,715k
Number of deficit schools	7	8	18	9
Total value of deficits	£833k	£364k	£2,017k	£3,640k

Comments:

- The information on deficit schools for 2014-15 has been obtained from the schools 3 year plans completed in spring/early summer 2014 and show 9 schools predicting a deficit at the end of year 1. 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. Schools' Financial Services have been working with these 9 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.
- 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.
- The total number of schools is based on the assumption that 44 schools (including 2 secondary schools and 42 primary schools) will convert to academies before the 31st March 2015. In addition, 4 schools are amalgamating to form 2 new schools and 1 school is closing.
- The estimated drawdown from schools reserves of £3,015k assumes 44 schools convert to academy status. The value of school reserves are very difficult to predict at this early stage in the year and further updates will be provided in future monitoring reports once we have collated the first monitoring returns from LA maintained schools.

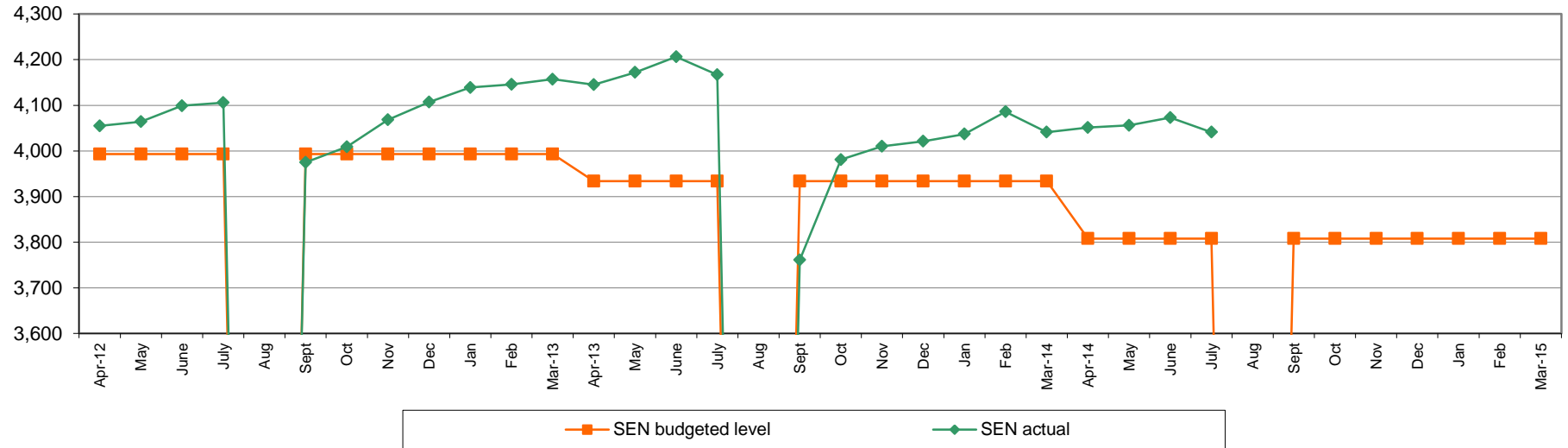
2.2 Number of children receiving assisted SEN and Mainstream transport to schools

	2012-13				2013-14				2014-15			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr	3,993	4,055	17,342	16,757	3,934	4,145	14,667	14,119	3,808	4,051	12,493	11,400
May	3,993	4,064	17,342	16,788	3,934	4,172	14,667	14,119	3,808	4,056	12,493	11,436
Jun	3,993	4,099	17,342	16,741	3,934	4,206	14,667	14,106	3,808	4,073	12,493	11,468
Jul	3,993	4,106	17,342	16,695	3,934	4,167	14,667	14,093	3,808	4,041	12,493	11,307
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,993	3,975	17,342	13,698	3,934	3,761	14,667	10,300	3,808	0	12,493	0
Oct	3,993	4,009	17,342	13,844	3,934	3,981	14,667	11,258	3,808	0	12,493	0
Nov	3,993	4,068	17,342	13,925	3,934	4,010	14,667	11,267	3,808	0	12,493	0
Dec	3,993	4,107	17,342	13,960	3,934	4,021	14,667	11,296	3,808	0	12,493	0
Jan	3,993	4,139	17,342	13,985	3,934	4,037	14,667	11,314	3,808	0	12,493	0
Feb	3,993	4,146	17,342	14,029	3,934	4,086	14,667	11,368	3,808	0	12,493	0
Mar	3,993	4,157	17,342	14,051	3,934	4,041	14,667	11,375	3,808	0	12,493	0

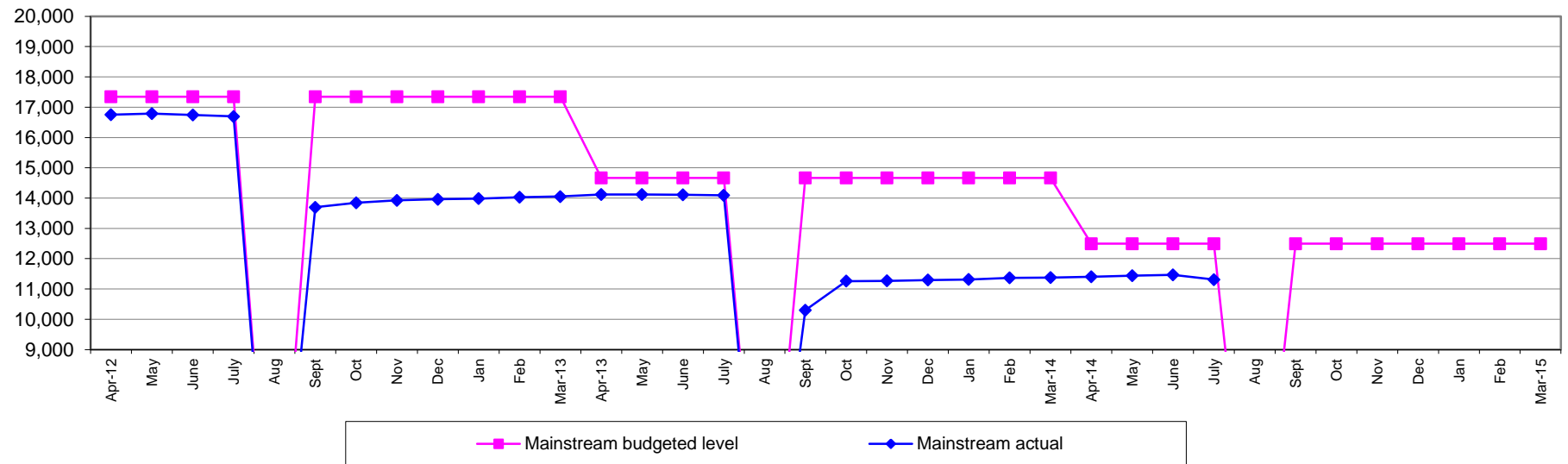
Comments:

- **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. A pressure of +£2,150k is therefore reported in table 1b, which is offset by £475k recoupment income from other Local Authorities for transport of their pupils to Kent schools.
- **Mainstream HTST** – The number of children receiving transport is lower than the budgeted level, therefore an underspend of -£716k is reported in table 1b.

Number of children receiving assisted SEN transport to school



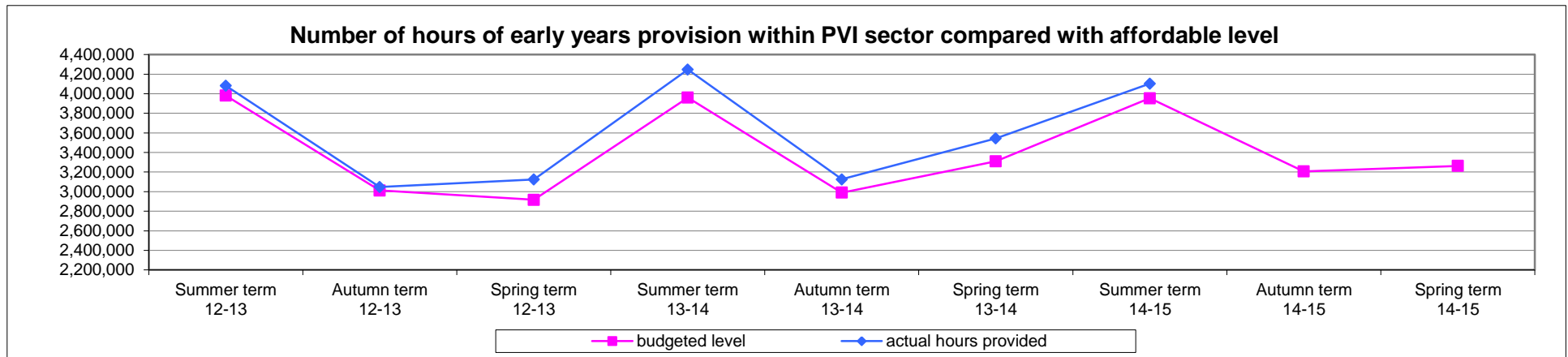
Number of children receiving assisted Mainstream transport to school



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

	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 *
Summer term	3,982,605	4,082,870	3,961,155	4,247,461	3,954,337	4,104,343
Autumn term	3,012,602	3,048,035	2,990,107	3,126,084	3,206,764	
Spring term	2,917,560	3,125,343	3,310,417	3,543,567	3,263,208	
TOTAL	9,912,767	10,256,248	10,261,679	10,917,112	10,424,309	4,104,343

* 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.
- Although the current activity suggests a pressure, the Dedicated School Grant is expected to be adjusted to reflect January 2014 pupil numbers and this will be reflected in the quarter 2 report, hence a breakeven position is currently forecast in table 1b. 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 any pressure or saving will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

3. CAPITAL

3.1 The Education and Young People's Services Directorate has a working budget (excluding schools) for 2014-15 of £138,738k. The forecast outturn against the 2014-15 budget is £155,960k giving a variance of +£17,222k, of which £16,548k is a real variance. £7,644k of this overspend is to be funded from expected developer contributions and additional grant funding, £8,874k will be discussed and reviewed as part of the budget setting process, and £30k from a revenue contribution.

3.2 **Table 2** below details the ELS Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Annual Planned Enhancement Programme	24,000	12,073	-607	-857	Real underspend - grant	Underspend to be used to fund additional costs at St Johns/Kingsmead	Green		
				250	Real overspend - grant	Overspend relates to additional works at Minster Primary.			
Devolved Formula Capital Grants for Pupil Referral Units (PRUs)	329	1,835	-76	-76	Real - grant	£76k paid direct to PRUs	Green		Decrease cash limit by £76k
Individual Projects									
Basic Need Schemes - to provide additional pupil places:									

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Basic Need Programme 2013-15	70,037	51,077	12,075	12,075	£3,901k Real - dev conts £8,174k Real - funding to be determined	£3,901k to be funded from expected developer contributions relating to Knights Park. The remaining £8,174k overspend reflects an ongoing pressure against the basic need programme which will be reviewed in detail during the budget setting process. This includes an estimate of £3,360k for construction inflation.	Amber		
Basic Need Allocations 2015-16 and 2016-17	27,449	0	0				Green		
Goat Lees Primary School, Ashford	13	711	0				Green		
Repton Park Primary School, Ashford		139	0				Green		
Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Future Years	4,000	1,969	-250	-250	Real - grant	Underspend to be used to fund additional costs on the Annual Planned Enhancement Programme.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
St Johns / Kingsmead Primary School, Canterbury	1,112	1,349	857	857	Real - grant	Overspend due to additional window and roof works, to be funded from Annual Planned Enhancement Programme	Amber		
Special Schools Review - major projects supporting the special schools review									
Special Schools Review phase 1	0	670					Green		
Special Schools Review phase 2	56,220	33,706	700	700	Real - funding to be determined	Latest forecast predicts an overspend on this programme, which will be reviewed in detail during the budget setting process.	Amber		
The Wyvern School, Ashford (Buxford Site)		6					Green		
Primary Improvement Programme			36	36	Real - prudential	Overspend to be funded from Unit Review	Amber		
Specialist Schools	185	325					Green		
Academy Projects:									
Astor of Hever (St Augustine's Academy), Maidstone	1,286	1,691					Green		
Dover Christ Church	9,619	7,425					Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
The Duke of York's Royal Military School	4,922	4,778					Green		
Isle of Sheppey Academy	200	0					Green		
The John Wallis C of E Academy	2,146	2,869					Green		
Knowle Academy Sevenoaks	2,767	3,860					Green		
Wilmington Enterprise College	376	230					Green		
Academy Unit Costs		511					Green		
BSF Wave 3 Build Costs		834					Green		
BSF Unit Costs		623					Green		
Other Projects:									
Canterbury Family Centre		37					Green		
Community Learning and Skills Service - Sittingbourne Reprovision	482	482	-482	-482	Rephasing	Lack of suitable alternative venues and sites coming forward has led to delays in the reprovision despite best endeavours.	Amber		
Community Learning and Skills Service - Sevenoaks Reprovision	1,000	50	-50	-50	Rephasing		Green		
Free School Meals Capital Money	2,777	2,777					Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Integrated Youth Service - Youth Hub Reprovision	948	981					Green		
Nursery Provision for Two Year Olds	2,368	2,375					Green		
One-off Schools Revenue to Capital		421					Green		
Platt CEPS		85					Green		
Schools Self Funded projects - Quarryfield /Aldington Eco Centre		11					Green		
Sevenoaks Grammar Schools	13,769	4,334	1,206	1,206	Rephasing	Reprofiling of forecasts	Amber	Full project cost expected to be £19.1m. Awaiting confirmation of scheme by Secretary of State	Increase cash limit by £1,206k in 14-15, £500k in 15-16 and £3,100k in 16-17 - capital receipt funding
Tenterden Infant School			25	25	Real - dev conts	Contribution to ICT suite at school	Green		£25k cash limit change
Trinity Free School, Sevenoaks			3,794	3,794	Real - grant	Free School to be funded by the EFA	Amber	Full project cost expected to be £11.3m, to be funded from grant	Increase cash limit by £3,794k 14-15, £7,000k 15-16 and £500k in 16-17 - grant funding
Unit Review	1,505	322	-36	-36	Real - prudential	Funding to be transferred to Primary Improvement Programme	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Vocational Education Centre Programme		148					Green		
Youth - Modernisation of Assets		34					Green		
Website & Portal Development			30	30	Real - revenue	To be funded through an SLA with schools	Green		
Total	227,510	138,738	17,222	17,222					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
SPECIALIST CHILDREN'S SERVICES
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total excl Asylum (£k)	+127,190	+5,220	-2,150	+3,070
Asylum (£k)	+280	+2,304	-	+2,304
Special Ops (£k)	-	+609	-	+609
Total (£k)	+127,470	+8,133	-2,150	+5,983

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- The reallocation of 2014-15 approved pressures and savings between A-Z service lines which have been reallocated in light of the 2013-14 outturn expenditure and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£1,062.8k gross and -£1,062.8k income. Significant changes included within this are:

- Adjustment to more accurately reflect the gross and income budget (+£909.8 gross and -£909.8k income).
- Allocation of health monies (+£153k gross and -£153k income).

There are also a number of other corporate adjustments which total +£2,273.6k gross and +£336k income, which are predominantly related to the allocation of the single pay reward scheme funding and where responsibilities between directorates are still being refined such as the split of Preventative Services responsibilities between E&YP and SCH&W directorates.

The overall movements are therefore an increase in gross of £3,336.4k and income of -£726.8k. This is detailed in table 1a.

Some of the adjustments have impacted upon affordable levels of activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 7 July within the outturn report.

Table 1a shows:

- The published budget
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
<u>Specialist Children's Services</u>									
Strategic Management & Directorate Support budgets	4,492.4	-175.0	4,317.4	4,918.5	-175.0	4,743.5	426.1	0.0	426.1
<u>Children's Services - Children in Care (Looked After)</u>									
- Fostering	32,817.7	-221.0	32,596.7	33,380.6	-221.0	33,159.6	562.9	0.0	562.9
- Legal Charges	7,735.4	0.0	7,735.4	7,599.9	0.0	7,599.9	-135.5	0.0	-135.5
- Residential Children's Services	14,375.9	-1,799.9	12,576.0	15,886.8	-2,862.7	13,024.1	1,510.9	-1,062.8	448.1
- Virtual School Kent	1,978.2	-718.9	1,259.3	2,114.3	-718.9	1,395.4	136.1	0.0	136.1
	56,907.2	-2,739.8	54,167.4	58,981.6	-3,802.6	55,179.0	2,074.4	-1,062.8	1,011.6
<u>Children's Services - Children in Need</u>									
- Preventative Services	7,531.7	-21.6	7,510.1	10,612.5	-1,289.6	9,322.9	3,080.8	-1,268.0	1,812.8
	7,531.7	-21.6	7,510.1	10,612.5	-1,289.6	9,322.9	3,080.8	-1,268.0	1,812.8
<u>Children's Services - Other Social Services</u>									
- Adoption	9,438.9	-1,319.1	8,119.8	10,788.5	-1,319.1	9,469.4	1,349.6	0.0	1,349.6
- Asylum Seekers	11,883.3	-11,603.3	280.0	11,883.3	-11,603.3	280.0	0.0	0.0	0.0
- Leaving Care (formerly 16+)	5,816.5	0.0	5,816.5	5,303.4	0.0	5,303.4	-513.1	0.0	-513.1
- Safeguarding	4,729.1	-401.3	4,327.8	4,629.8	-401.3	4,228.5	-99.3	0.0	-99.3
	31,867.8	-13,323.7	18,544.1	32,605.0	-13,323.7	19,281.3	737.2	0.0	737.2

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Assessment Services</u>									
- Children's social care	43,635.8	-3,314.3	40,321.5	40,653.7	-1,710.3	38,943.4	-2,982.1	1,604.0	-1,378.1
Total SCH&W (SCS)	144,434.9	-19,574.4	124,860.5	147,771.3	-20,301.2	127,470.1	3,336.4	-726.8	2,609.6

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Specialist Children's Services						
Strategic Management & Directorate Support budgets	4,918.5	-175.0	4,743.5	-285	-287	Underspend on commissioning staffing budget, of which £209k is being held to fund overspend in adults commissioning budget (see annex 3)
					-150	Underspend of staffing funded from the Improvement budget
					+65	Staffing pressure
					-63	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Children's Services - Children in Care (Looked After)						
- Fostering	33,380.6	-221.0	33,159.6	+2,301	+55 In House: Forecast 150 weeks above affordable level +315 In House: Forecast unit cost £5.71 above affordable level +1,000 In House: unachievable savings -6 In House: Other minor variances +1,614 Independent Sector (IFA): Forecast 1,791 weeks above affordable level -384 Independent Sector (IFA): Forecast unit cost -£43.70 below affordable level -112 Independent Sector (IFA): Other minor variances each less than £100k +124 Kinship: unachievable saving -320 Reduction in fostering related payments and kinship placements +15 Other minor variances	This pressure will need to be addressed in the 2015-18 MTFP
- Legal Charges	7,599.9	0.0	7,599.9	-112	+300 Unachievable saving -412 Reduction in legal fees and court charges	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Residential Children's Services	15,886.8	-2,862.7	13,024.1	-1,083	-1,286	Independent Sector residential care: Forecast -412 weeks below affordable level partially due to young people becoming care leavers (see care leavers below)
					-360	Independent Sector residential care: Forecast unit cost -£143.44 below affordable level
					+400	Independent Sector residential care: unachievable saving
					+252	Independent residential care: reduction in income as a result of activity being 412 weeks below affordable level
					-300	Reduction in secure accommodation placements
					+119	Additional activity within residential short breaks unit
					+132	Staffing pressure
					-105	Additional contributions from health for the Preston Skreens health respite unit
					+65	Other minor variances
- Virtual School Kent	2,114.3	-718.9	1,395.4	-14		
	58,981.6	-3,802.6	55,179.0	+1,092		
Children's Services - Children in Need						
- Preventative Services	10,612.5	-1,289.6	9,322.9	+342	+247	Increase in direct payments
					+26	Direct payments: unachievable saving
					+257	Pressure on Independent Sector day care budget for disabled children due to an increase in care packages and price increases from a number of providers
					-140	Additional income from health previously received by external provider
					-48	Other minor variances
	10,612.5	-1,289.6	9,322.9	+342		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Children's Services - Other Social Services						
- Adoption	10,788.5	-1,319.1	9,469.4	+487	-258 Reduction in adoption payments due to fewer children (18+) +183 Increase in costs of commissioned management service +601 Increase in the number of guardianship payments, partly due to a reduction in Kinship placements reported in Fostering above, together with a general increase in the number of guardianship payments -39 Other minor variances	This pressure will need to be addressed in the 2015-18 MTFP
- Asylum Seekers	11,883.3	-11,603.3	280.0	+2,304	-1,025 Underspend relating to under 18 UASC due to costs less than grant receivable +310 Pressure relating to under 18 UASC due to ineligibility +676 Pressure relating to over 18's due to ineligibility, of which £507k relates to All Rights Exhausted (ARE) clients +2,343 Pressure relating to over 18's due to costs exceeding grant receivable (see activity section 2.6) below, of which £409k relates to ARE clients	
- Leaving Care (formerly 16+)	5,303.4	0.0	5,303.4	+598	+629 Additional young people requiring this service in order to provide stability and continuity whilst they continue their education. -31 Other minor variances	This pressure will need to be addressed in the 2015-18 MTFP
- Safeguarding	4,629.8	-401.3	4,228.5	+46	+133 Staffing pressure -110 Underspend on Kent Safeguarding Children Board (KSCB) base budget +23 Other minor variances	
	32,605.0	-13,323.7	19,281.3	+3,435		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Assessment Services</u>							
- Children's social care staffing	40,653.7	-1,710.3	38,943.4	+2,940	+1,440	Pressure on staffing budgets partly due to appointment of agency staff	This pressure will need to be addressed in the 2015-18 MTFP
					+1,500	Unachievable saving	
Total SCH&W (SCS)	147,771.3	-20,301.2	127,470.1	+7,524			
Assumed Mgmt Action				-2,150		The forecast position above is compiled in such a way that it only includes savings that have actually been achieved, and does not assume any to still be achieved. The £2,150k of management action, which affects a number of different service lines, represents the amount of savings the division is committed to achieving before the current financial year end. Once this management action is realised, the saving will transfer above the line against the relevant A to Z service line.	
Total SCH&W (SCS) Forecast after mgmt action	147,771.3	-20,301.2	127,470.1	+5,374			
<u>Memorandum</u> <i>These costs are in addition to the position reported above</i>							
Special Operations				+609	+164	In house fostering: 458 weeks @ £358.63 per week	
					+145	Staffing	
					+40	IFA fostering: 39 weeks @ £1,020.51 per week	
					+230	Residential: 66 weeks @ £3,490.91 per week	
					+30	Interpreter costs	

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

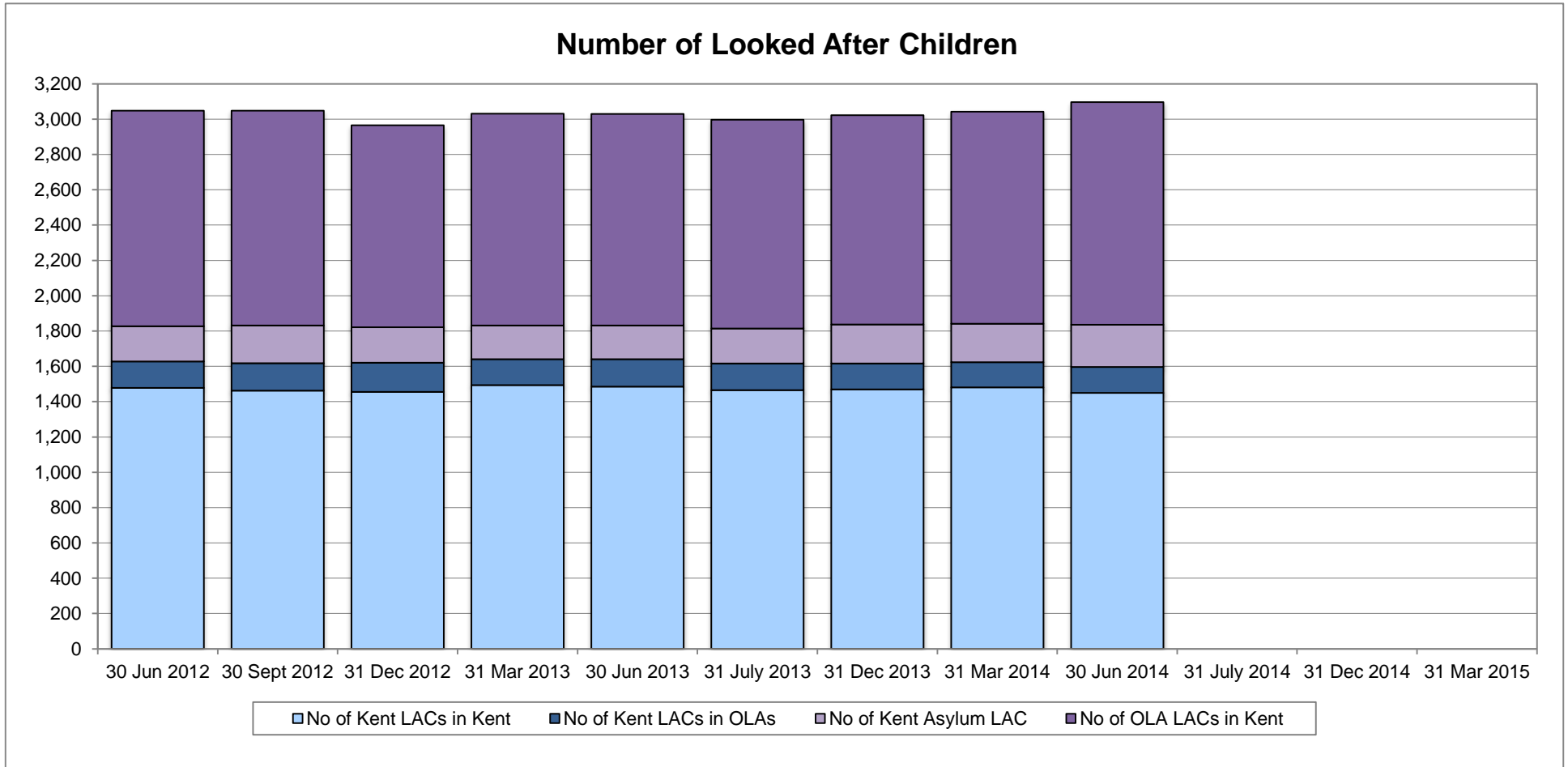
2.1 Number of Looked After Children (LAC) :

		No. of Kent LAC placed in Kent	No. of Kent LAC placed in OLAs	TOTAL NO. OF KENT LAC (excluding Asylum)	No of Kent Asylum LAC	TOTAL NUMBER OF LAC IN KENT	No. of OLA LAC placed in Kent	TOTAL NUMBER OF LAC IN KENT
2012-13	30-Jun	1,478	149	1,627	200	1,827	1,221	3,048
	30-Sep	1,463	155	1,618	214	1,832	1,216	3,048
	31-Dec	1,455	165	1,620	202	1,822	1,144	2,966
	31-Mar	1,494	147	1,641	190	1,831	1,200	3,031
2013-14	30-Jun	1,485	155	1,640	192	1,832	1,197	3,029
	30-Sep	1,465	152	1,617	198	1,815	1,182	2,997
	31-Dec	1,470	146	1,616	221	1,837	1,185	3,022
	31-Mar	1,481	143	1,624	218	1,842	1,200	3,042
2014-15	30-Jun	1,450	147	1,597	238	1,835	1,261	3,096
	30-Sep							
	31-Dec							
	31-Mar							

Comments:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The 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 had reduced by 27 as at quarter 1 of this financial year, there could have been more (or less) during the period.
- Although there is a reduction in the number of LAC, there is still an overall pressure on the SCS budget. After taking into account management action, this pressure primarily relates to non LAC headings such as staffing, leaving care and adoption.

- The OLA LAC information has a confidence rating of 40-45% 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 SCH&W directorate.

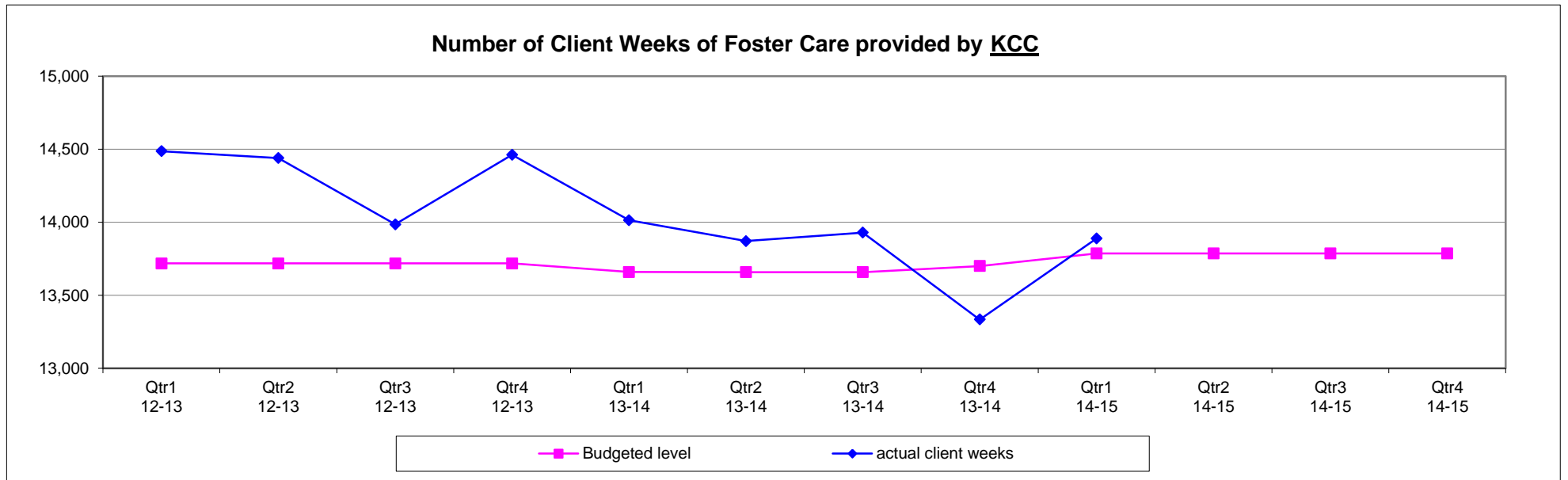


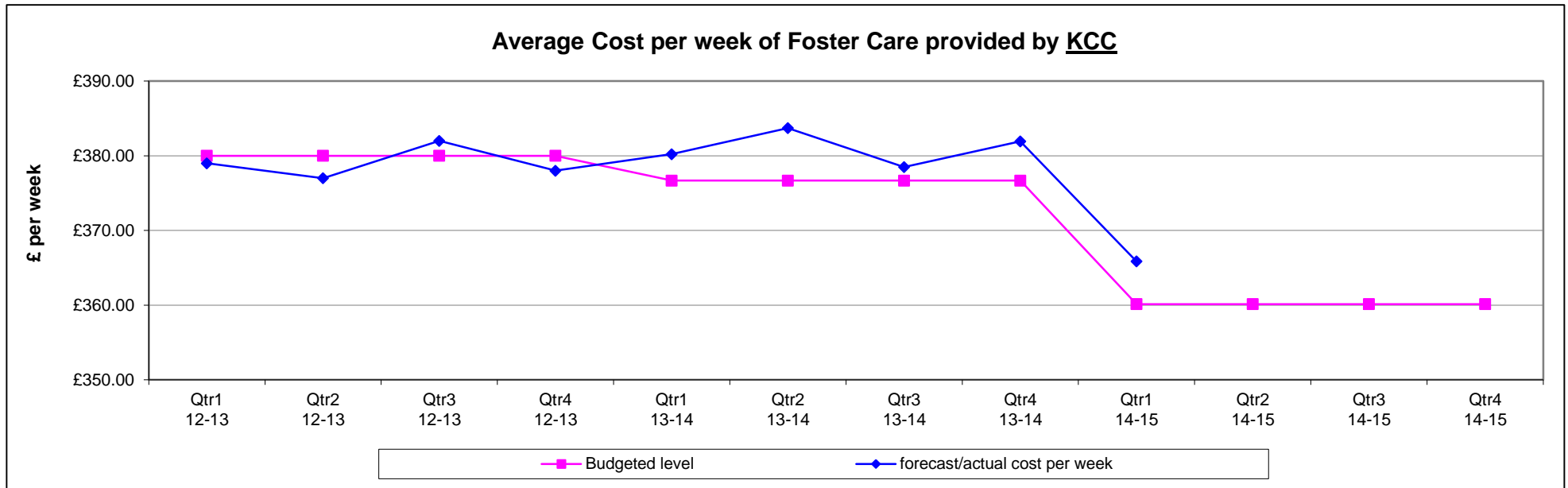
- These numbers include LAC as a result of special operations

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

	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	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	13,718	14,487	£380	£379	13,659	14,014	£376.67	£380.22	13,787	13,889	£360.14	£365.85
Jul to Sep	13,718	14,440	£380	£377	13,658	13,871	£376.67	£383.72	13,787		£360.14	
Oct to Dec	13,718	13,986	£380	£382	13,658	13,929	£376.67	£378.50	13,787		£360.14	
Jan to Mar	13,718	14,462	£380	£378	13,700	13,334	£376.67	£381.94	13,786		£360.14	
	54,872	57,375	£380	£378	54,675	55,148	£376.67	£381.94	55,147	13,889	£360.14	£365.85

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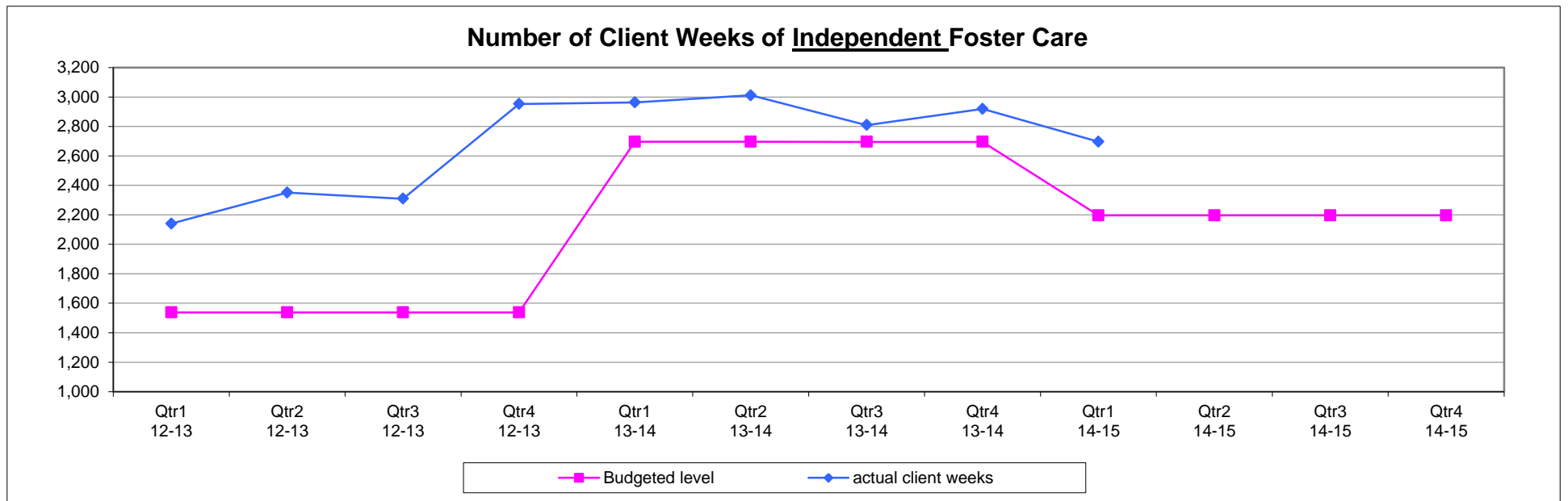
Comments:

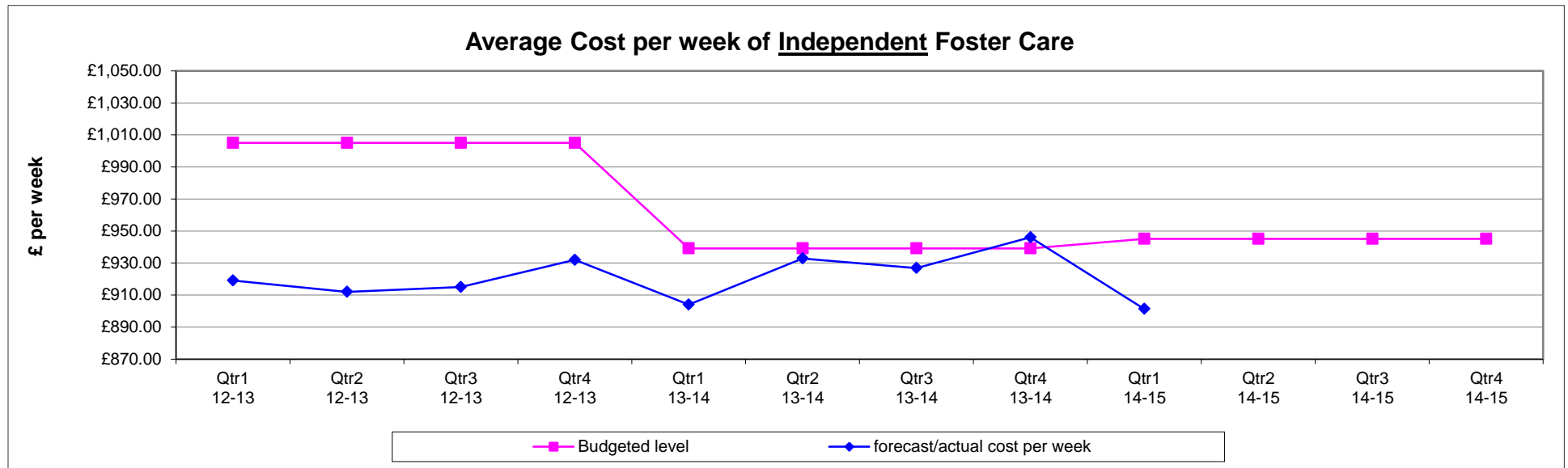
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the affordable weekly cost.
- The 2014-15 budgeted level has changed from what was reported to Cabinet on 7 July in the 2013-14 outturn report, reflecting the realignment of budgets reported in sections 1.2 and 1.3 above.
- The forecast number of weeks is 55,297 (excluding asylum), which is 150 weeks above the affordable level. At the forecast unit cost of £365.85 per week, this increase in activity gives a pressure of £55k, as shown in table 1b. The year to date activity would suggest a higher level of activity for the year than currently forecast, this is because the service is expecting a number of placements to transfer to the Leaving Care service before the end of the financial year.
- The forecast unit cost of £365.85 is +£5.71 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£315k, as shown in table 1b.
- Overall therefore, the combined gross pressure on this service is £370k (£55k + £315k).
- **Special Operations activity of 458 weeks at £358.63 per week is excluded from this indicator**

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

	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	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	1,538	2,141	£1,005	£919	2,697	2,964	£939.19	£904.01	2,197	2,697	£945.07	£901.37
Jul to Sep	1,538	2,352	£1,005	£912	2,697	3,012	£939.19	£932.83	2,197		£945.07	
Oct to Dec	1,538	2,310	£1,005	£915	2,696	2,810	£939.19	£926.83	2,197		£945.07	
Jan to Mar	1,538	2,953	£1,005	£932	2,696	2,919	£939.19	£946.08	2,197		£945.07	
	6,152	9,756	£1,005	£932	10,786	11,705	£939.19	£946.08	8,788	2,697	£945.07	£901.37

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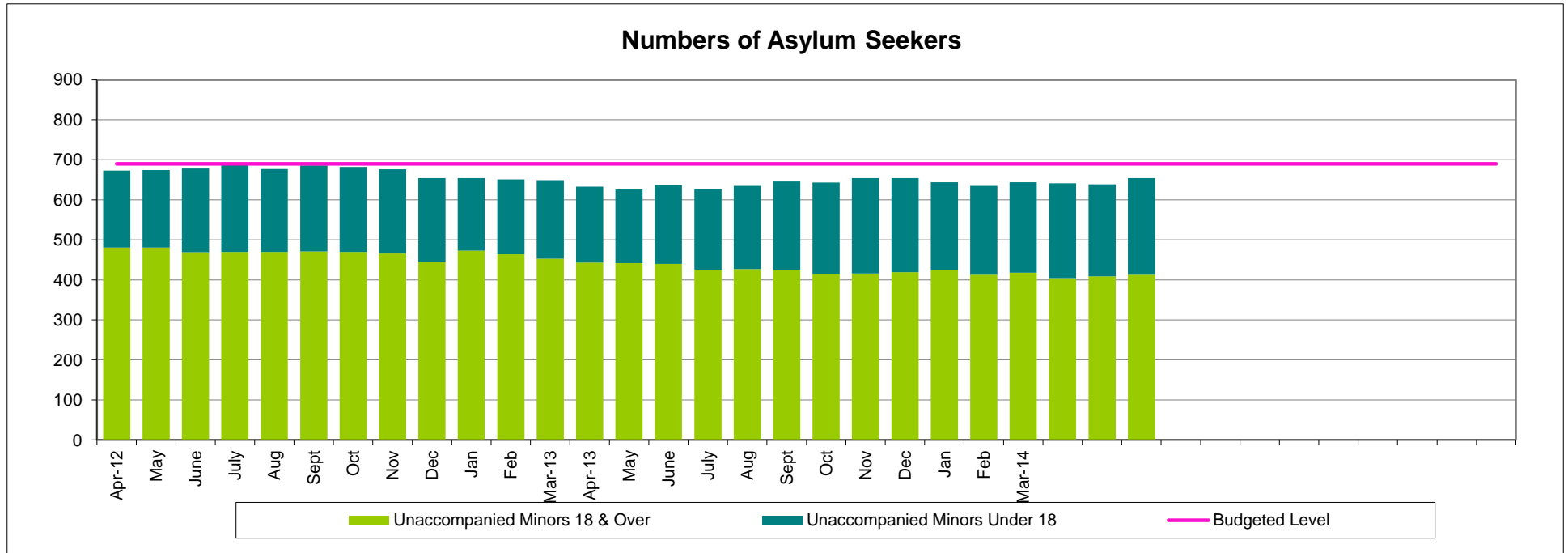


Comments:

- 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 affordable weekly cost.
- The 2014-15 budgeted level has changed from what was reported to Cabinet on 7 July in the 2013-14 outturn report, reflecting the realignment of budgets reported in sections 1.2 and 1.3 above.
- The forecast number of weeks is 10,579 (excluding asylum), which is 1,791 weeks above the affordable level. At the forecast unit cost of £901.37 per week, this increase in activity gives a pressure of £1,614k as shown in table 1b. The year to date activity would suggest a higher level of activity for the year than currently forecast, this is because the service is expecting a number of placements to transfer to the Leaving Care service before the end of the financial year.
- The forecast unit cost of £901.37 is £43.70 below the budgeted level and when multiplied by the budgeted number of weeks, gives a saving of £384k as shown in table 1b.
- Overall therefore, the combined gross pressure on this service is £1,230k (£1,614k - £384k)
- The forecast average unit cost of £901.37 includes some mother and baby placements, which are subject to court orders. These placements often cost in excess of £1,500 per week.
- **Special Operations activity of 39 weeks at £1,020.51 per week is excluded from this indicator**

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2012-13			2013-14			2014-15		
	Under 18	18 & Over	Total	Under 18	18 & Over	Total	Under 18	18 & Over	Total
Apr	192	481	673	190	443	633	237	404	641
May	193	481	674	184	442	626	230	409	639
Jun	209	469	678	197	440	637	241	413	654
Jul	217	470	687	202	425	627			
Aug	207	470	677	208	427	635			
Sep	215	471	686	221	425	646			
Oct	212	470	682	229	414	643			
Nov	210	466	676	238	416	654			
Dec	210	444	654	235	419	654			
Jan	181	473	654	220	424	644			
Feb	187	464	651	222	413	635			
Mar	196	453	649	226	418	644			



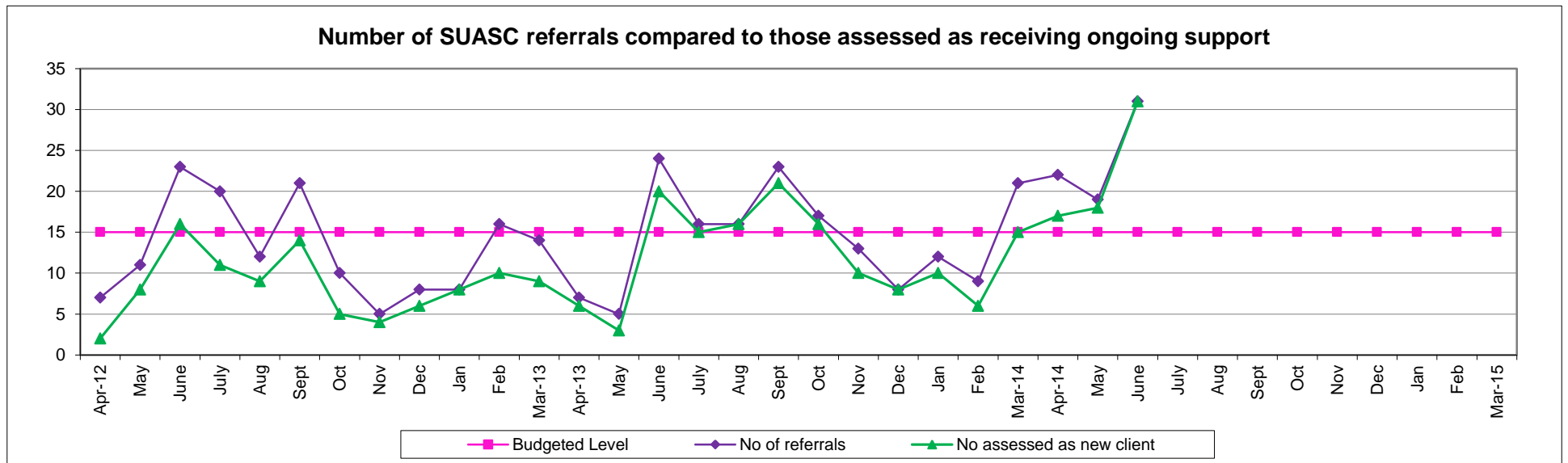
Comments:

- The overall number of children has remained fairly static, with a small increase in June. The number of clients supported is below the budgeted level of 690.
- The budgeted number of referrals for 2014-15 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.
- The number of Asylum LAC shown in table 2.1 above is different to the number of under 18 UASC clients shown within this indicator, due to UASC under 18 clients including both Looked After Children and 16 and 17 year old Care Leavers.

2.5 Number of Unaccompanied Asylum Seeking Children (UASC):

	2012-13			2013-14			2014-15		
	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	7	2	29%	7	6	86%	22	17	77%
May	11	8	73%	5	3	60%	19	18	95%
Jun	23	16	70%	24	20	83%	31	31	100%
Jul	20	11	55%	16	15	94%			
Aug	12	9	75%	16	16	100%			
Sep	21	14	67%	23	21	91%			
Oct	10	5	50%	17	16	94%			
Nov	5	4	80%	13	10	77%			
Dec	8	6	75%	8	8	100%			
Jan	8	8	100%	12	10	83%			
Feb	16	10	63%	9	6	67%			
Mar	14	9	64%	21	15	71%			
	155	102	66%	171	146	85%	72	66	92%

Please note that recent UASC Referrals are assumed to be new clients until an assessment has been completed, which can take up to 6 weeks. Therefore the number of UASC assessed as new clients shown in the table above may change once the assessment has taken place.

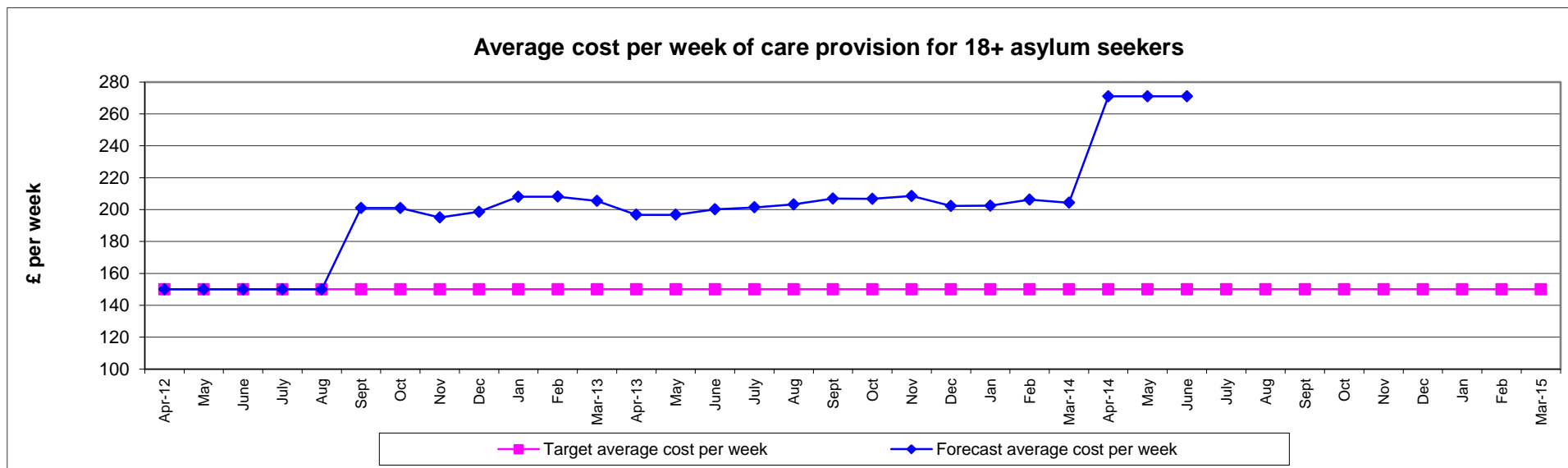


Comments:

- The average number of referrals per month is 24 which is above 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 in 2014-15 is 92%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 22 i.e. a 144% increase.
- 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.
- The information on numbers of Unaccompanied Asylum Seeking Children is provided by the Management Information unit within SCH&W directorate.

	2012-13		2013-14		2014-15	
	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p
Apr	150	150.00	150	196.78	150	271.10
May	150	150.00	150	196.78	150	271.10
Jun	150	150.00	150	200.18	150	271.10
Jul	150	150.00	150	201.40	150	
Aug	150	150.00	150	203.29	150	
Sep	150	200.97	150	206.92	150	
Oct	150	200.97	150	206.74	150	
Nov	150	195.11	150	208.51	150	
Dec	150	198.61	150	202.25	150	
Jan	150	208.09	150	202.49	150	
Feb	150	208.16	150	206.24	150	
Mar	150	205.41	150	204.27	150	

The current forecast average weekly cost for 2014-15 is £271.10, £121.10 above the £150 claimable under the grant rules. This adds £2,343k to the forecast outturn position. The weekly cost has increased significantly since 2013-14. Previously the average weekly cost was based on direct client costs only, as the gateway grant was used for staff and infrastructure costs. We no longer receive a Gateway Grant, so all staff and infrastructure costs have been allocated to age groups. Therefore the increased weekly cost for 2014-15 includes ALL costs associated with 18+.



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.
- 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.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Children's Services has a working budget for 2014-15 of £2,028k. The forecast outturn against the 2014-15 budget is £2,028k giving a variance of +£0k.

3.2 **Table 2** below details the FSC CS Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Transforming Short Breaks	0	431	0	0			Green		
ConTROCC	0	759	0	0			Green		
Early Help Module (EHM)	0	838	0	0			Green		
Total	0	2,028	0	0					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
ADULTS SERVICES
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total (£k)	+342,987	+3,887	-3,700	+187

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- The reallocation of 2014-15 approved pressures and savings between A-Z service lines which have been reallocated in light of the 2013-14 outturn expenditure and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£2,919.4k gross and -£2,919.4k income. Significant changes included within this are:

- Adjustment to more accurately reflect the gross and income budget, incorporating a realignment of direct service budgets between A-Z lines in light of the 2013-14 outturn expenditure and activity, as the budget was set based on forecasts from several months earlier (+£1,531.3k gross and -£1,531.3k income). Included within this is +£1,525.2k gross and -£1,525.2k income for health funding towards the Carers' Strategy to reflect a S256 agreement currently held with CCGs to commission Adult Carers Assessment and Support Services jointly. KCC are the lead partner in this arrangement which has resulted in this budget realignment to reflect health's contribution towards this service.
- Reallocation of health monies (-£153k gross and +£153k income) where further information regarding allocations and spending plans has become available since the budget setting process. This involves an adjustment between A-Z budget lines and an overall gross and income budget transfer to Specialist Children's Services of -£153k gross and +£153k income in respect of health funded services. Further allocations are expected during the year once plans have been finalised.
- Allocation of additional grant monies (+£334.3k gross and -£334.3k income). These comprise adjustments to the health monies to reflect the full allocation of Better Care Fund Preparation and NHS Transfer funding (+£188.8k gross and -£188.8k income) and the Local Reform and Community Voices Grant (+£20.5k gross and -£20.5k income), where estimates were used during the budget setting process, as well as additional funding in the form of the Care Bill Implementation Grant (+£125k gross and -£125k income).

- The reallocation of 2014-15 approved pressures and savings between A-Z service lines to reflect the latest service transformation plans and agreed pricing strategy (+£1,206.8k Gross and -£1,206.8k Income). The realignment of gross and income recognises the fact that some parts of the transformation agenda will affect both spend and income.

There are also a number of other corporate adjustments which total +£1,112.4k gross, which are predominantly related to the allocation of the single pay reward scheme funding, some further centralisation of budgets and where responsibilities between directorates/services are still being refined.

The overall movements are therefore an increase in gross of £4,031.8k and income of -£2,919.4k. This is detailed in table 1a.

Some of the adjustments have impacted upon affordable levels of activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 7 July within the outturn report.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Care, Health & Wellbeing - Adult Social Care									
Strategic Management & Directorate Support budgets	6,719.4	-237.2	6,482.2	6,946.5	-394.2	6,552.3	227.1	-157.0	70.1
<u>Support to Frontline Services:</u>									
- Adults Social Care	3,418.2	-32.0	3,386.2	3,972.2	-526.3	3,445.9	554.0	-494.3	59.7

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults & Older People:									
- Direct Payments									
- Learning Disability	16,897.6	0.0	16,897.6	16,927.6	-30.0	16,897.6	30.0	-30.0	0.0
- Mental Health	1,208.3	0.0	1,208.3	1,208.3	0.0	1,208.3	0.0	0.0	0.0
- Older People	6,959.2	0.0	6,959.2	6,767.3	0.0	6,767.3	-191.9	0.0	-191.9
- Physical Disability	10,224.9	0.0	10,224.9	10,238.4	0.0	10,238.4	13.5	0.0	13.5
Total Direct Payments	35,290.0	0.0	35,290.0	35,141.6	-30.0	35,111.6	-148.4	-30.0	-178.4
- Domiciliary Care									
- Learning Disability	1,097.4	0.0	1,097.4	1,087.0	0.0	1,087.0	-10.4	0.0	-10.4
- Older People	28,634.0	-503.1	28,130.9	30,429.1	-2,198.2	28,230.9	1,795.1	-1,695.1	100.0
- Physical Disability	6,867.1	0.0	6,867.1	4,158.1	0.0	4,158.1	-2,709.0	0.0	-2,709.0
Total Domiciliary Care	36,598.5	-503.1	36,095.4	35,674.2	-2,198.2	33,476.0	-924.3	-1,695.1	-2,619.4
- Non Residential Charging									
- Learning Disability	0.0	-3,167.5	-3,167.5	0.0	-3,167.5	-3,167.5	0.0	0.0	0.0
- Older People	0.0	-8,118.3	-8,118.3	0.0	-8,999.4	-8,999.4	0.0	-881.1	-881.1
- Physical Disability / Mental Health	0.0	-1,700.0	-1,700.0	0.0	-1,314.9	-1,314.9	0.0	385.1	385.1
Total Non Residential Charging Income	0.0	-12,985.8	-12,985.8	0.0	-13,481.8	-13,481.8	0.0	-496.0	-496.0
- Nursing & Residential Care									
- Learning Disability	76,363.8	-6,285.4	70,078.4	77,219.8	-6,294.2	70,925.6	856.0	-8.8	847.2
- Mental Health	8,514.1	-953.4	7,560.7	7,628.7	-993.0	6,635.7	-885.4	-39.6	-925.0
- Older People - Nursing	49,453.0	-26,502.6	22,950.4	47,226.3	-24,529.1	22,697.2	-2,226.7	1,973.5	-253.2
- Older People -	78,321.9	-33,781.1	44,540.8	79,797.8	-33,009.1	46,788.7	1,475.9	772.0	2,247.9
- Physical Disability	11,410.3	-1,612.7	9,797.6	11,307.4	-1,558.1	9,749.3	-102.9	54.6	-48.3
Total Nursing & Residential	224,063.1	-69,135.2	154,927.9	223,180.0	-66,383.5	156,796.5	-883.1	2,751.7	1,868.6
- Supported Accommodation									
- Learning Disability	36,670.8	-1,831.7	34,839.1	36,646.7	-1,831.7	34,815.0	-24.1	0.0	-24.1
- Older People	4,575.4	-4,350.0	225.4	4,575.4	-4,350.0	225.4	0.0	0.0	0.0
- Physical Disability / Mental Health	3,074.0	-107.4	2,966.6	3,727.9	-269.4	3,458.5	653.9	-162.0	491.9
Total Supported	44,320.2	-6,289.1	38,031.1	44,950.0	-6,451.1	38,498.9	629.8	-162.0	467.8

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Other Services for Adults & Older People									
- Community Support	3,808.4	-830.8	2,977.6	3,916.1	-851.0	3,065.1	107.7	-20.2	87.5
- Day Care									
- Learning Disability	13,397.4	-177.7	13,219.7	13,264.5	-177.7	13,086.8	-132.9	0.0	-132.9
- Mental Health	1,567.8	-30.2	1,537.6	1,566.8	-30.2	1,536.6	-1.0	0.0	-1.0
- Older People	2,204.0	-45.0	2,159.0	2,242.4	-45.0	2,197.4	38.4	0.0	38.4
- Physical Disability	937.5	0.0	937.5	937.5	0.0	937.5	0.0	0.0	0.0
Total Day Care	18,106.7	-252.9	17,853.8	18,011.2	-252.9	17,758.3	-95.5	0.0	-95.5
- Other Adult Services	6,473.1	-16,044.4	-9,571.3	12,850.0	-21,600.5	-8,750.5	6,376.9	-5,556.1	820.8
- Safeguarding	1,106.7	-261.6	845.1	1,138.4	-282.1	856.3	31.7	-20.5	11.2
- Social Support									
- Carers	9,603.6	-2,906.9	6,696.7	13,173.9	-4,318.2	8,855.7	3,570.3	-1,411.3	2,159.0
- Information & Early Intervention	5,070.5	-697.6	4,372.9	4,819.2	-726.8	4,092.4	-251.3	-29.2	-280.5
- Social Isolation	4,764.3	-2,055.1	2,709.2	4,341.4	-1,940.3	2,401.1	-422.9	114.8	-308.1
Total Social Support	19,438.4	-5,659.6	13,778.8	22,334.5	-6,985.3	15,349.2	2,896.1	-1,325.7	1,570.4
- Support & Assistance	3,418.0	-3,418.0	0.0	3,418.0	-3,418.0	0.0	0.0	0.0	0.0
Total Other Services for A&OP	52,351.3	-26,467.3	25,884.0	61,668.2	-33,389.8	28,278.4	9,316.9	-6,922.5	2,394.4
<u>Housing Related Support for Vulnerable People (Supporting People)</u>									
- Administration	434.1	0.0	434.1	440.0	0.0	440.0	5.9	0.0	5.9
- Adults - Learning Difficulties	3,386.4	0.0	3,386.4	3,386.4	0.0	3,386.4	0.0	0.0	0.0
- Adults - Physical Difficulties	138.5	0.0	138.5	138.5	0.0	138.5	0.0	0.0	0.0
- Adults - Mental Health	2,904.3	0.0	2,904.3	2,904.3	0.0	2,904.3	0.0	0.0	0.0
- Older People	4,199.3	0.0	4,199.3	4,199.3	0.0	4,199.3	0.0	0.0	0.0
- Other Adults	7,508.6	0.0	7,508.6	7,508.6	0.0	7,508.6	0.0	0.0	0.0
Total Housing Related Support for Vulnerable People	18,571.2	0.0	18,571.2	18,577.1	0.0	18,577.1	5.9	0.0	5.9
<u>Public Health:</u>									
- Drug & Alcohol Services	19,025.5	-17,775.5	1,250.0	19,035.2	-17,775.5	1,259.7	9.7	0.0	9.7
<u>Assessment Services</u>									
- Adult Social Care Staffing	42,624.0	-7,681.2	34,942.8	37,868.2	-3,395.4	34,472.8	-4,755.8	4,285.8	-470.0
Total SCH&W (Adults)	482,981.4	-141,106.4	341,875.0	487,013.2	-144,025.8	342,987.4	4,031.8	-2,919.4	1,112.4

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Adult Social Care							
Strategic Management & Directorate Support budgets	6,946.5	-394.2	6,552.3	+18	+106	Legal Charges	
					-88	Other minor variances	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	3,972.2	-526.3	3,445.9	+190	+209	Overspend on strategic commissioning staffing budget from current structure, offset by underspend in Specialist Children's Services strategic commissioning staffing budget (see annex 2)	
					-19	Other minor variances	
<u>Adults & Older People:</u>							
- Direct Payments							
- Learning Disability	16,927.6	-30.0	16,897.6	-173	+284	Forecast +1,030 weeks above affordable level of 61,245 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-29	Forecast average unit cost -£0.48 below affordable level of £276.39	
					+215	One-off direct payments	
					-634	Recovery of unspent funds from clients	
- Mental Health	1,208.3	0.0	1,208.3	-425	-441	Forecast -6,253 weeks below affordable level of 15,479 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-117	Forecast average unit cost -£7.56 below affordable level of £78.06	
					+133	One-off direct payments	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Older People	6,767.3	0.0	6,767.3	+34	+187 Forecast +1,022 weeks above affordable level of 37,421 weeks +101 Forecast average unit cost +£2.71 above affordable level of £180.62 +356 One-off direct payments -637 Recovery of unspent funds from clients +27 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Physical Disability	10,238.4	0.0	10,238.4	+496	+729 Forecast +3,880 weeks above affordable level of 53,511 week -158 Forecast average unit cost -£2.96 below affordable level of £190.96 +636 One-off direct payments -753 Recovery of unspent funds from clients +42 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Direct Payments	35,141.6	-30.0	35,111.6	-68		
- Domiciliary Care						
- Learning Disability	1,087.0	0.0	1,087.0	-266	-190 Forecast -15,144 weeks below affordable level of 72,190 weeks -76 Forecast average unit cost -£1.06 below affordable level of £13.61	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People	30,429.1	-2,198.2	28,230.9	+4,293	+3,560 Forecast +247,066 weeks above affordable level of 1,582,330 weeks +665 Forecast average unit cost +£0.42 above affordable level of £13.99 +250 Estimated under achievement of savings in the domiciliary contract relet process. This is due to the transfer of clients to the new contracts taking longer than planned. -175 Lower usage of Kent Enablement at Home Service (KEAH) than anticipated for Older People clients, but this is more than offset by higher usage than anticipated for PD clients -7 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability	4,158.1	0.0	4,158.1	+1,719	+1,637 -134 +217 -1	Forecast +125,214 weeks above affordable level of 263,527 weeks Forecast average unit cost -£0.51 below affordable level of £13.58 Higher usage of KEAH than anticipated for Physical Disability clients, with the majority of this offset by lower usage than anticipated for Older People clients (see above) Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Domiciliary Care	35,674.2	-2,198.2	33,476.0	+5,746			
- Non Residential Charging							
- Learning Disability	0.0	-3,167.5	-3,167.5	+106	-155 +261	The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report. Non-client income - this relates to specific services being provided for specific individuals. This forecast under-recovery reflects the fact that reimbursements for specific non-residential care services are being provided direct to individual service lines, i.e Supported Accommodation. This will be realigned for the Quarter 2 Report.	Realignment of budget with other community based service headings will need to be addressed in the 2015-18 MTFP along with demographic pressures & savings

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People	0.0	-8,999.4	-8,999.4	-200	-200	The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other older people community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report.	Realignment of budget with other community based service headings will need to be addressed in the 2015-18 MTFP along with demographic pressures & savings
- Physical Disability / Mental Health	0.0	-1,314.9	-1,314.9	-6			
Total Non Residential Charging Income	0.0	-13,481.8	-13,481.8	-100			
- Nursing & Residential Care							
- Learning Disability	77,219.8	-6,294.2	70,925.6	+394	-1,326	Forecast -1,138 weeks below affordable level of 67,697 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+100	Leading to a shortfall in client contributions	
					+1,588	Forecast average unit cost +£23.46 above affordable level of £1,142.45	
					+10	Independent Sector: forecast average unit client contribution +£0.14 below affordable level of -£88.12	
					+22	Other minor variances	
- Mental Health	7,628.7	-993.0	6,635.7	+748	+553	Forecast +911 weeks above affordable level of 12,860 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-36	Leading to an increase in client contributions	
					+182	Forecast average unit cost +£14.13 above affordable level of £592.65	
					+50	Independent Sector: forecast average unit client contribution +£3.91 below affordable level of -£43.52	
					-1	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People - Nursing	47,226.3	-24,529.1	22,697.2	-754	-620	Forecast -1,280 weeks below affordable level of 78,686 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+252	Leading to a shortfall in client contributions	
					-224	Forecast average unit cost -£2.84 below affordable level of £487.05	
					-192	Independent Sector: forecast average unit client contribution -£2.44 above affordable level of -£194.20	
					+30	Other minor variances	
- Older People - Residential	79,797.8	-33,009.1	46,788.7	-2,117	-2,208	Forecast -5,368 weeks below affordable level of 147,739 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+1,039	Leading to a shortfall in client contributions	
					+724	Forecast average unit cost +£4.90 above affordable level of £406.35	
					-1,652	Independent Sector: forecast average unit client contribution -£11.18 above affordable level of -£182.29	
					-137	Lower than anticipated utility, security and equipment costs for in-house units	
					+97	Other minor variances for in-house	
					+20	Other minor variances	
- Physical Disability	11,307.4	-1,558.1	9,749.3	+1,375	+1,841	Forecast +2,186 weeks above affordable level of 13,003 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-240	Leading to an increase in client contributions	
					-354	Forecast average unit cost -£27.24 below affordable level of £869.60	
					+94	Independent Sector: forecast average unit client contribution +£7.26 below affordable level of -£117.23	
					+34	Other minor variances	
Total Nursing & Residential Care	223,180.0	-66,383.5	156,796.5	-354			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Supported Accommodation							
- Learning Disability	36,646.7	-1,831.7	34,815.0	+1,567	-1,260	Forecast -111,827 hours below affordable level of 3,140,305 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+3,423	Forecast average unit cost +£1.09 above affordable level of £10.18	
					-272	In-house services and staffing levels have been reconfigured to reflect reductions in demand	
					-261	This relates to specific services being provided for specific individuals funded by Health or other local authorities and offsets the under-recovery of income on Non-Residential Charging. This forecast under-spend reflects the fact that reimbursements for specific non-residential care services are being provided direct to this A-Z service line instead of the LD Non- Residential Charging A-Z line. This will be realigned for the Quarter 2 Report.	
					-63	Other minor variances	
- Older People	4,575.4	-4,350.0	225.4	+147	+192	Forecast +17,032 hours above affordable level of 16,054 hours The large increase in forecast hours is in part linked to an increase in Adult Placements recorded within the Older People client category rather than in the under 65 physical disability category, but also due to other changes to bring reporting into line with current guidance.	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-45	Forecast average unit cost -£2.77 below affordable level of £14.04	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Physical Disability / Mental Health	3,727.9	-269.4	3,458.5	+530	-43 Mental Health Forecast -3,792 hours below affordable level of 170,188 +133 Mental Health Forecast average unit cost +£0.78 above affordable level of £10.62 +368 Physical Disability Forecast +48,323 hours above affordable level of 232,101 hours +67 Physical Disability Forecast average unit cost +£0.29 above affordable level of £7.33 +5 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Supported Accommodation	44,950.0	-6,451.1	38,498.9	+2,244		
- Other Services for Adults & Older People						
- Community Support Services for Mental Health	3,916.1	-851.0	3,065.1	-236	-158 Various contracts have been reviewed, with the service previously provided by these contracts now provided via Supporting Independence Service (SIS), (reported within Supported Accommodation above), or Direct Payments with a corresponding overall reduction in cost. Plans continue to develop in this area. -78 Other minor variances	
- Day Care						
- Learning Disability	13,264.5	-177.7	13,086.8	+116	+159 In-house services and staffing levels have been reconfigured to reflect changes in demand -43 Other minor variances	
- Mental Health	1,566.8	-30.2	1,536.6	-1		
- Older People	2,242.4	-45.0	2,197.4	-431	-416 Current demand for services provided by the independent sector -15 Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Physical Disability	937.5	0.0	937.5	-42		
Total Day Care	18,011.2	-252.9	17,758.3	-358		
- Other Adult Services	12,850.0	-21,600.5	-8,750.5	-1,338	-1,448	The budget assumes large increases in usage of Telecare as part of the Transformation Programme, although to date demand for Telecare and the forecast average unit cost have been lower than anticipated.
					-924	Capitalisation of Telecare programme of installations (where elements meet the criteria for capital spend). This is partly offset by the variance on drawdown from reserves below
					+453	Drawdown from reserves for 2014-15 lower than initially anticipated. This is offset by a higher than previously anticipated capitalisation of Telecare programme of installations.
					+322	Greater demand for Integrated Community Equipment Store (ICES) than anticipated
					-382	Reduction in forecast requirement in the level of bad debt provision for social care debts
					+516	This variance is offset in Adult Social Care Staffing (below) and relates to the staff who install equipment with respect to Assistive and Adaptive Technology, rather than assessment staff
					+119	Higher than budgeted unit cost for hot meals provided to older people
					+6	Other minor variances
- Safeguarding	1,138.4	-282.1	856.3	+8		This budget will be realigned with Adult Social Care Staffing as part of the 2015-18 MTFP (see contra entry below)

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Social Support						
- Carers	13,173.9	-4,318.2	8,855.7	-753	-615 Lower than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations) +430 Leading to lower than anticipated client income -415 In-house closure of Doubleday Lodge unit as part of the Older People Modernisation Programme -153 Other minor variances each under £100k	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Information & Early Intervention	4,819.2	-726.8	4,092.4	+346	+330 Expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community +16 Other minor variances	
- Social Isolation	4,341.4	-1,940.3	2,401.1	+33		
Total Social Support	22,334.5	-6,985.3	15,349.2	-374		
- Support & Assistance Service (Social Fund)	3,418.0	-3,418.0	0.0	-229	-251 Lower than anticipated demand and lower average unit cost than anticipated based on current known expenditure. +22 Other minor variances	
Total Other Services for Adults & Older People	61,668.2	-33,389.8	28,278.4	-2,527		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Housing Related Support for Vulnerable People (Supporting People)							
- Administration	440.0	0.0	440.0	0			
- Adults - Learning Difficulties	3,386.4	0.0	3,386.4	-34			
- Adults - Physical Difficulties	138.5	0.0	138.5	0			
- Adults - Mental Health	2,904.3	0.0	2,904.3	+12			
- Older People	4,199.3	0.0	4,199.3	-307	-307	Contract variations and efficiencies leading to lower overall cost without a reduction in service	
- Other Adults	7,508.6	0.0	7,508.6	-87			
Total Housing Related Support for Vulnerable People	18,577.1	0.0	18,577.1	-416			
Public Health							
- Drug & Alcohol Services	19,035.2	-17,775.5	1,259.7	-205		Variances primarily due to staffing vacancies and lower associated costs, with cover provided within the team: -213 - Public health funded element (see transfer to reserves below) -12 - KCC funded element, for which roll forward will be required to fund our obligation to the pooled budget arrangement +20 Other minor variances	
- <i>Tfr to(+)/from(-) Public Health reserve</i>				+213	+213	<i>transfer to Public Health reserve of underspending against public health grant</i>	
- Drug & Alcohol Services				+8			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Assessment Services</u>						
- Adult Social Care Staffing	37,868.2	-3,395.4	34,472.8	-854	-516 This variance is offset in Other Adult Services (above) and relates to the staff who install equipment with respect to Assistive and Adaptive Technology, rather than assessment staff	This budget will be realigned with Other Adult Services as part of the 2015-18 MTFP (see contra entry above)
					-408 Delays in the recruitment to vacancies within the Mental Health assessment teams and the usage of locum/agency staff. This is partly due to recent staffing reviews along with general difficulties in recruiting to speciality mental health practitioners	
					+70 Other minor variances	
Total SCH&W (Adults)	487,013.2	-144,025.8	342,987.4	+3,887		

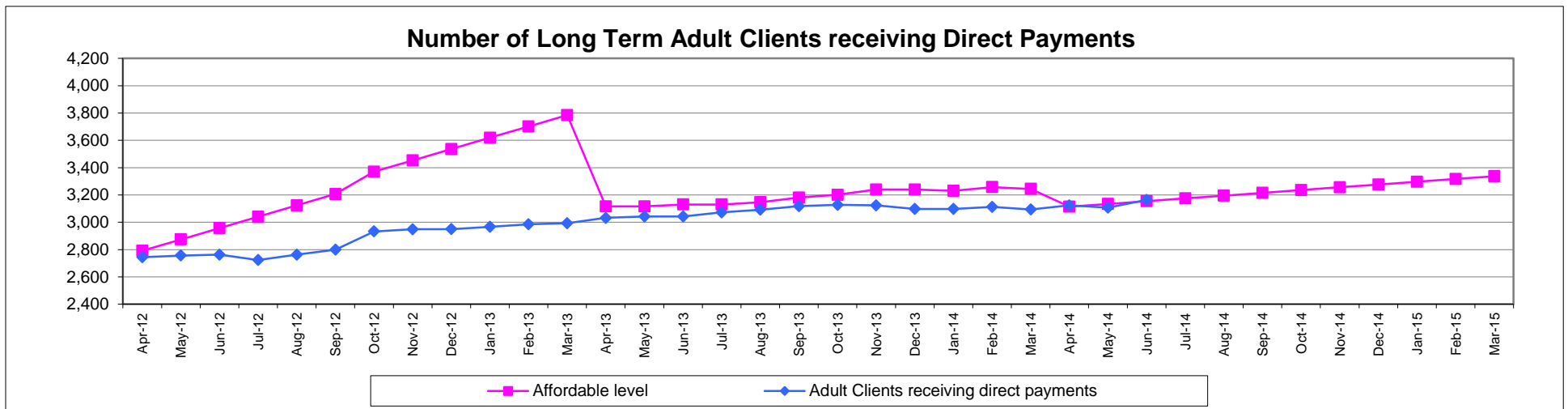
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Assumed Mgmt Action				-3,700	<p>Early indications are that the performance against the transformation savings is showing an improved position. This coupled with recruitment to the new staffing establishment and more extensive application of the transformation agenda means that the OPPD forecast position is likely to improve over the next quarter, and the Directorate is confident that £2,600k of this total management action figure will be achieved.</p> <p>In relation to LDMH services, management action of up to £1,100k will be targeted at overspending teams and services in order to reduce the revenue position. All services will be subject to some review and residential and community based activity will be amended as appropriate. Provision of Direct Payments, Supported Living and Shared Lives care packages will be reduced where possible. Negotiation and agreement with other local authorities for their funding of Ordinary Residence clients is expected to result in further revenue reductions within Kent. Additional emerging pressures will also be managed.</p>	
Total SCH&W (Adults) Forecast <u>after</u> mgmt action	487,013.2	-144,025.8	342,987.4	+187		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	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
Apr	2,791	2,744	169	3,116	3,032	164	3,114	3,124	206
May	2,874	2,756	147	3,116	3,043	169	3,134	3,107	139
Jun	2,957	2,763	133	3,130	3,042	120	3,155	3,164	135
Jul	3,040	2,724	156	3,130	3,072	173	3,175		
Aug	3,123	2,763	167	3,147	3,092	158	3,195		
Sep	3,207	2,799	147	3,181	3,118	134	3,215		
Oct	3,370	2,933	185	3,201	3,127	179	3,235		
Nov	3,453	2,949	119	3,240	3,123	144	3,256		
Dec	3,536	2,950	109	3,240	3,098	159	3,276		
Jan	3,619	2,967	117	3,231	3,097	176	3,297		
Feb	3,702	2,986	127	3,257	3,112	135	3,317		
Mar	3,785	2,992	105	3,244	3,093	121	3,337		
			1,681			1,832			480

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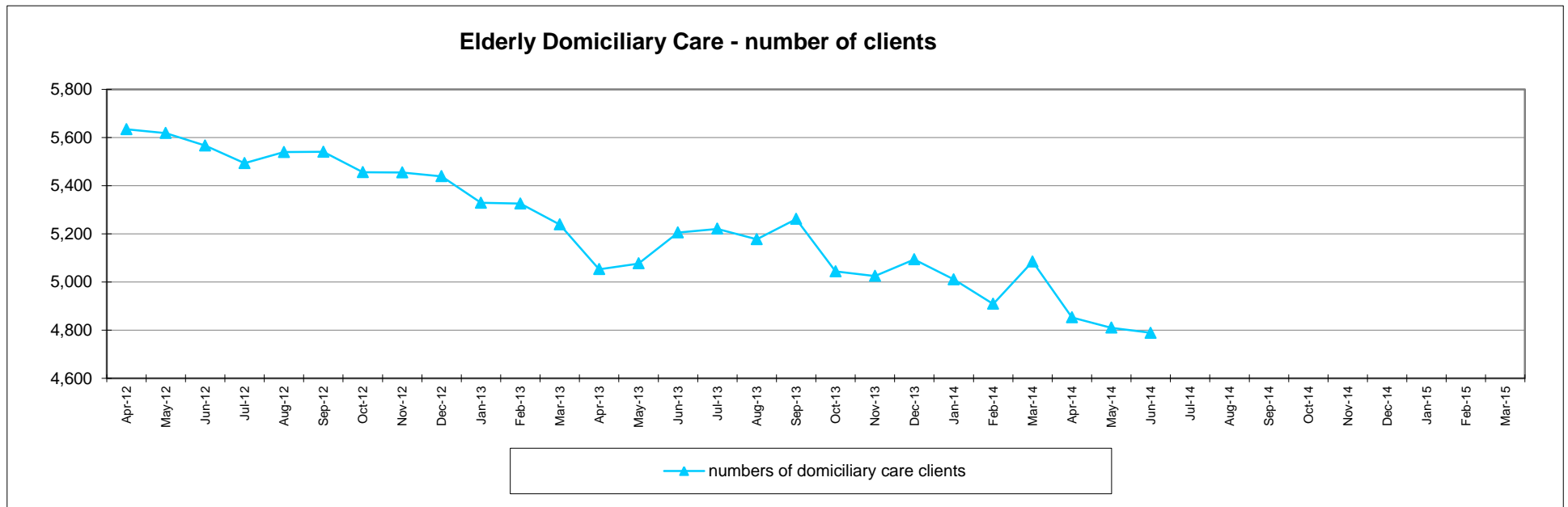


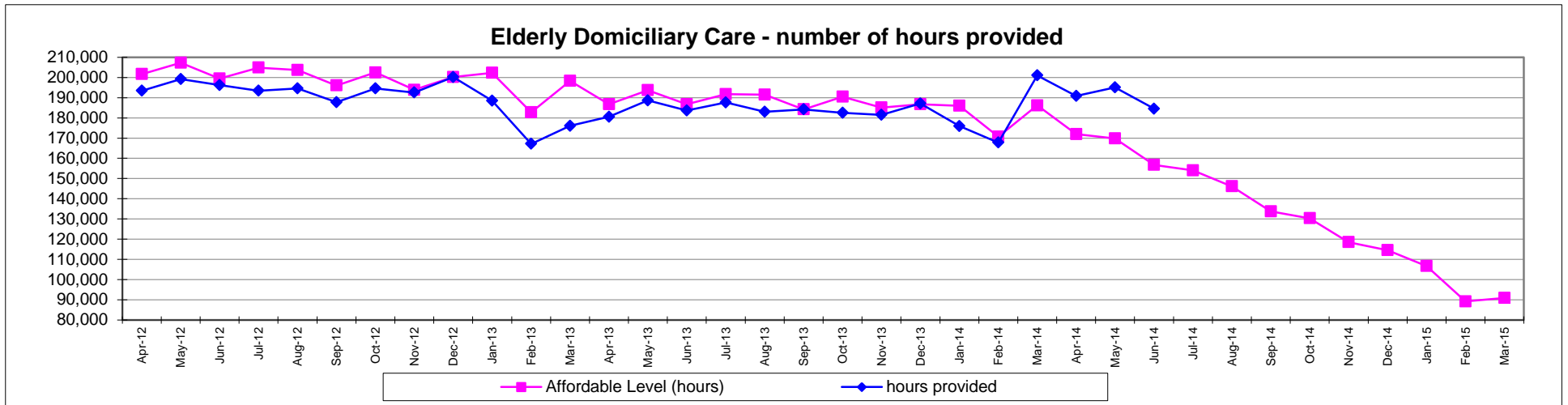
Comments:

- 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.
- Current activity to date compared against the profiled budget would suggest a higher level of activity than currently forecast on this service, but the profile does assume back-loading of the budget profile based on demographic increases. Overall, activity levels are lower than budgeted, but this is not evenly distributed across client groups, each of which have differing unit costs. The net result of this is that current forecast activity would lead to an overspend. This is because the client group with the lowest unit cost (Mental Health) is showing reduced activity, whereas the other client groups, with higher unit costs, are forecasting activity above the budgeted level. However, lower than budgeted unit costs are reducing the impact of this slightly. The overall effect of this across individual client groups is reflected in Table 1b. This position has been offset by recoveries of surplus funds from clients, leading to a small underspend being forecast against the overall direct payments budget, as shown in Table 1b.

2.2 Elderly domiciliary care – 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)	hours provided	number of clients
Apr	201,708	193,451	5,635	186,809	180,585	5,053	171,979	190,804	4,853
May	207,244	199,149	5,619	193,717	188,656	5,077	169,813	195,051	4,810
Jun	199,445	196,263	5,567	186,778	183,621	5,206	156,692	184,572	4,789
Jul	204,905	193,446	5,494	191,791	187,621	5,221	154,016		
Aug	203,736	194,628	5,540	191,521	183,077	5,178	146,118		
Sep	196,050	187,749	5,541	184,242	184,208	5,262	133,761		
Oct	202,490	194,640	5,456	190,446	182,503	5,044	130,322		
Nov	193,910	192,555	5,455	185,082	181,521	5,025	118,474		
Dec	200,249	200,178	5,439	186,796	187,143	5,094	114,525		
Jan	202,258	188,501	5,329	186,006	175,916	5,011	106,627		
Feb	182,820	167,163	5,326	170,695	167,774	4,909	89,174		
Mar	198,277	176,091	5,239	186,184	201,069	5,085	90,829		
	2,393,092	2,283,814		2,240,067	2,203,694		1,582,330	570,427	





Comments:

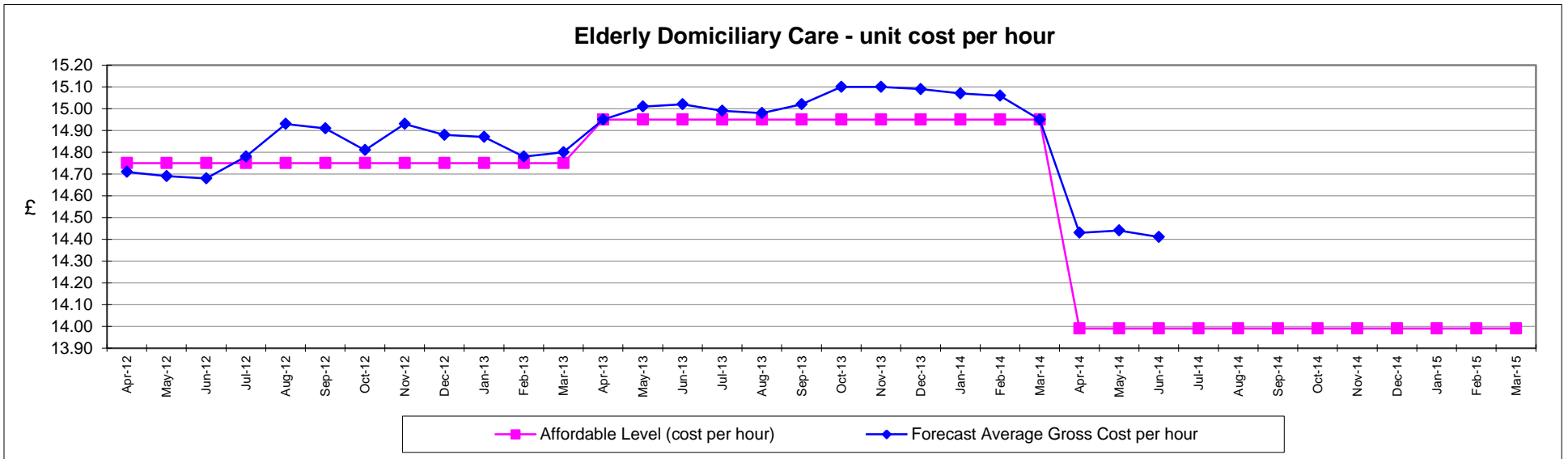
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- The current forecast is 1,829,396 hours of care against an affordable level of 1,582,330, a difference of +247,066 hours. Using the forecast unit cost of £14.41 this reduction in activity reduces the forecast by +£3,560k, as shown in table 1.
- To the end of June 570,427 hours of care have been delivered against an affordable level of 498,484, a difference of +71,943 hours. The budgeted level assumes a continual reduction in client numbers in line with transformation plans and previous years' trends. Current activity suggests that the forecast should be lower on this service when compared to the budgeted profile, but this is reliant on a variety of streams within the Transformation Programme, each of which could exhibit minor variations within the major changes involved. A key example of this is that the transfer of domiciliary clients to a new contract is taking longer than initially planned. Some other streams appear to be below the level anticipated at this stage, but action is being taken to target segments that are not at full capacity or to increase savings on other streams to compensate.
- 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 and 8.3 for 2013-14. For 2014-15, the current actual average hours per client per week is 9.1.

2.3 Average gross cost per hour of older people domiciliary care 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	Forecast Average Gross Cost per Hour £p
Apr	14.75	14.71	14.95	14.95	13.99	14.43
May	14.75	14.69	14.95	15.01	13.99	14.44
Jun	14.75	14.68	14.95	15.02	13.99	14.41
Jul	14.75	14.78	14.95	14.99	13.99	
Aug	14.75	14.93	14.95	14.98	13.99	
Sep	14.75	14.91	14.95	15.02	13.99	
Oct	14.75	14.81	14.95	15.10	13.99	
Nov	14.75	14.93	14.95	15.10	13.99	
Dec	14.75	14.88	14.95	15.09	13.99	
Jan	14.75	14.87	14.95	15.07	13.99	
Feb	14.75	14.78	14.95	15.06	13.99	
Mar	14.75	14.80	14.95	14.95	13.99	

Comments:

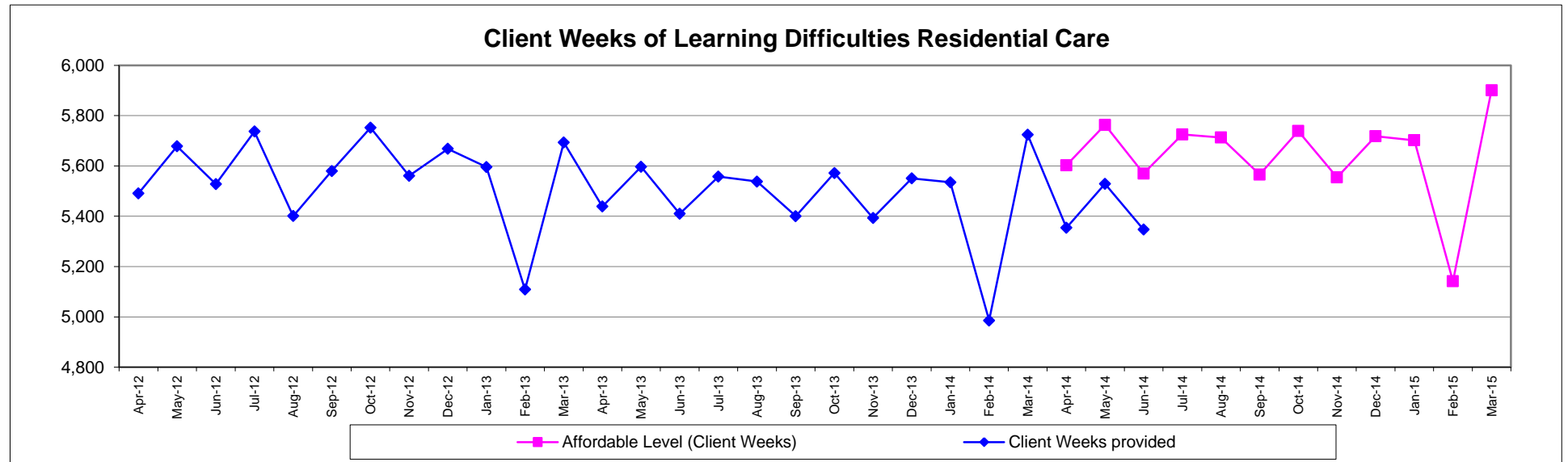
- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The forecast unit cost of +£14.41 is higher than the affordable cost of +£13.99 and this difference of +£0.42 adds +£665k to the position when multiplied by the affordable weeks, as shown in table 1b.
- The drop in affordable unit cost between March and April 2014 represents anticipated cost reductions from the domiciliary contract relet as part of the Transformation Programme. This transfer of clients commenced in June 2014 and will continue in the coming months.



2.4 Number of client weeks of learning disability residential care provided compared with affordable level:

	2012-13	2013-14	2014-15	
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	5,491	5,439	5,603	5,354
May	5,678	5,597	5,763	5,529
Jun	5,528	5,410	5,570	5,347
Jul	5,737	5,558	5,725	
Aug	5,401	5,538	5,713	
Sep	5,580	5,400	5,566	
Oct	5,752	5,572	5,739	
Nov	5,561	5,393	5,555	
Dec	5,668	5,551	5,718	
Jan	5,596	5,535	5,702	
Feb	5,109	4,986	5,142	
Mar	5,693	5,724	5,901	
	66,794	65,703	67,697	16,230

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The client weeks provided prior to April 2014, shown in the table, have been adjusted to form comparable figures. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



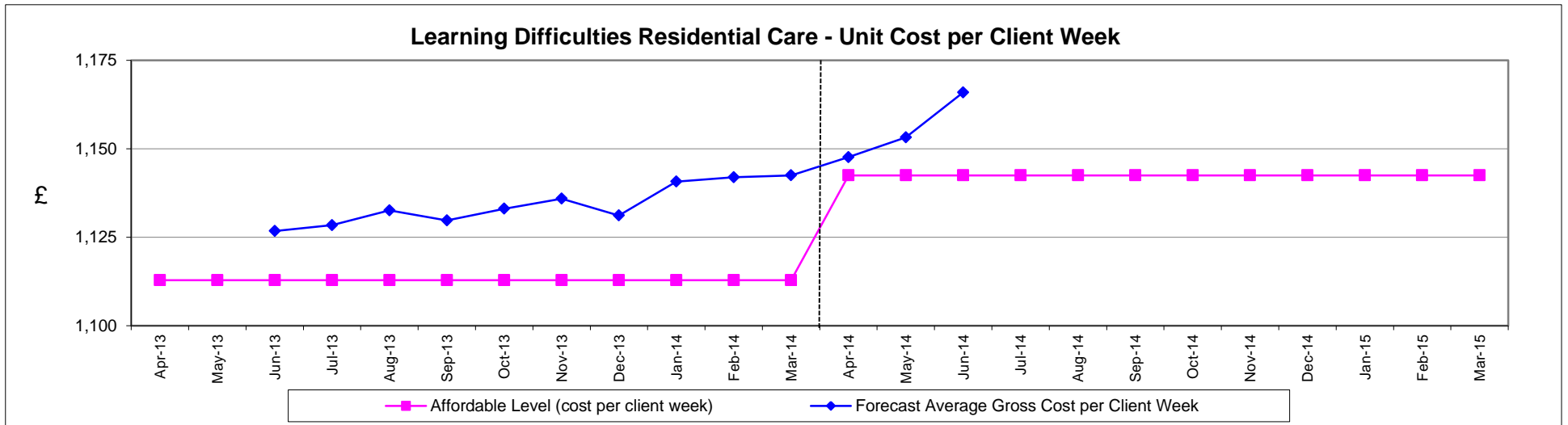
Comments:

- 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 (including preserved rights clients) at the end of 2012-13 was 1,275, at the end of 2013-14 it was 1,254 and at the end of June 2014 it was 1,232. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 66,559 weeks of care against an affordable level of 67,697, a difference of -1,138 weeks. Using the forecast unit cost of £1,165.91, this reduced activity decreases the forecast by -£1,326k, as shown in table 1b.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of June 16,230 weeks of care have been delivered against an affordable level of 16,936, a difference of -706 weeks. The quarter 1 year to date activity suggests a lower level of activity than currently forecast, however, this is mainly due to delays in the recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated. In addition, the forecast assumes that some activity for transitional and provisional clients will, by necessity, need to be backdated due to bespoke contracts that have to be agreed individually with providers.

2.5 Average gross cost per client week of learning disability residential care compared with affordable level

	2012-13	2013-14		2014-15	
	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr		1,112.86		1,142.45	1,147.62
May		1,112.86		1,142.45	1,153.21
Jun		1,112.86	1,126.76	1,142.45	1,165.91
Jul		1,112.86	1,128.39	1,142.45	
Aug		1,112.86	1,132.54	1,142.45	
Sep		1,112.86	1,129.75	1,142.45	
Oct		1,112.86	1,133.04	1,142.45	
Nov		1,112.86	1,135.86	1,142.45	
Dec		1,112.86	1,131.13	1,142.45	
Jan		1,112.86	1,140.70	1,142.45	
Feb		1,112.86	1,141.90	1,142.45	
Mar		1,112.86	1,142.45	1,142.45	

From April 2014 there has been a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The forecast average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. 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. It has not been possible to calculate comparable figures for 2012-13 as the data is not available.



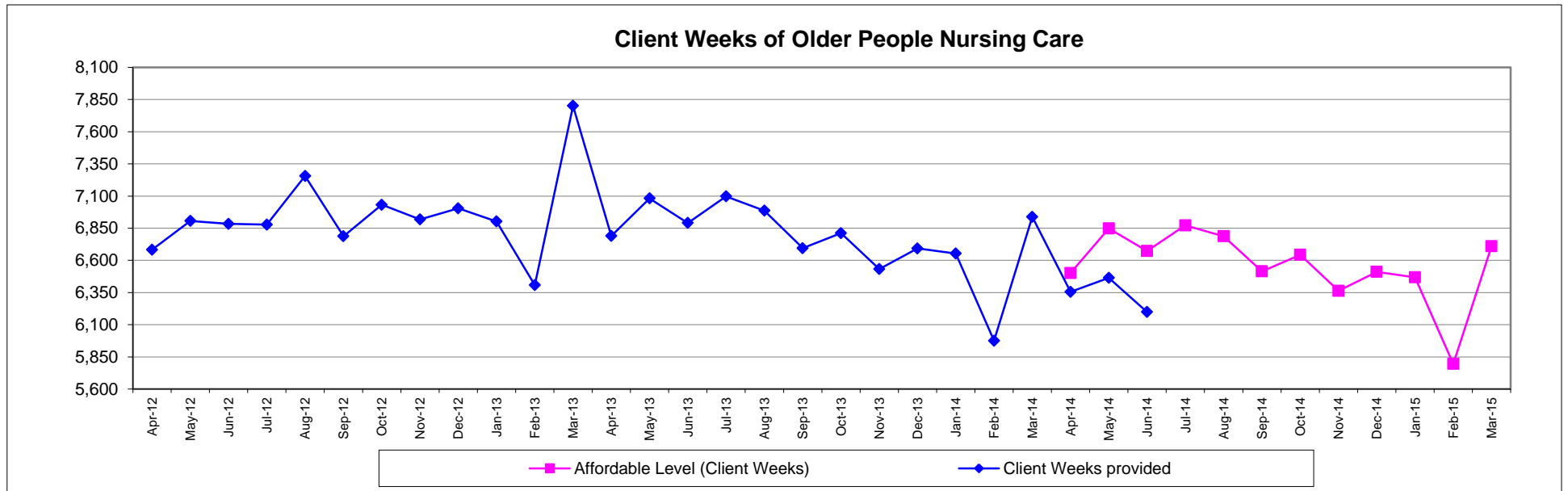
Comments:

- 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 £1,100 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 forecast unit cost of +£1,165.91 is higher than the affordable cost of +£1,142.45 and this difference of +£23.46 adds +£1,588k to the position when multiplied by the affordable weeks, as shown in table 1b.

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

	2012-13	2013-14	2014-15	
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	6,683	6,789	6,502	6,355
May	6,907	7,081	6,848	6,464
Jun	6,884	6,891	6,673	6,199
Jul	6,877	7,097	6,871	
Aug	7,255	6,986	6,788	
Sep	6,788	6,695	6,515	
Oct	7,032	6,812	6,643	
Nov	6,918	6,532	6,363	
Dec	7,004	6,693	6,510	
Jan	6,903	6,653	6,468	
Feb	6,408	5,975	5,795	
Mar	7,801	6,937	6,710	
	83,460	81,141	78,686	19,018

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The client weeks provided prior to April 2014, shown in the table, have been adjusted to form comparable figures. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



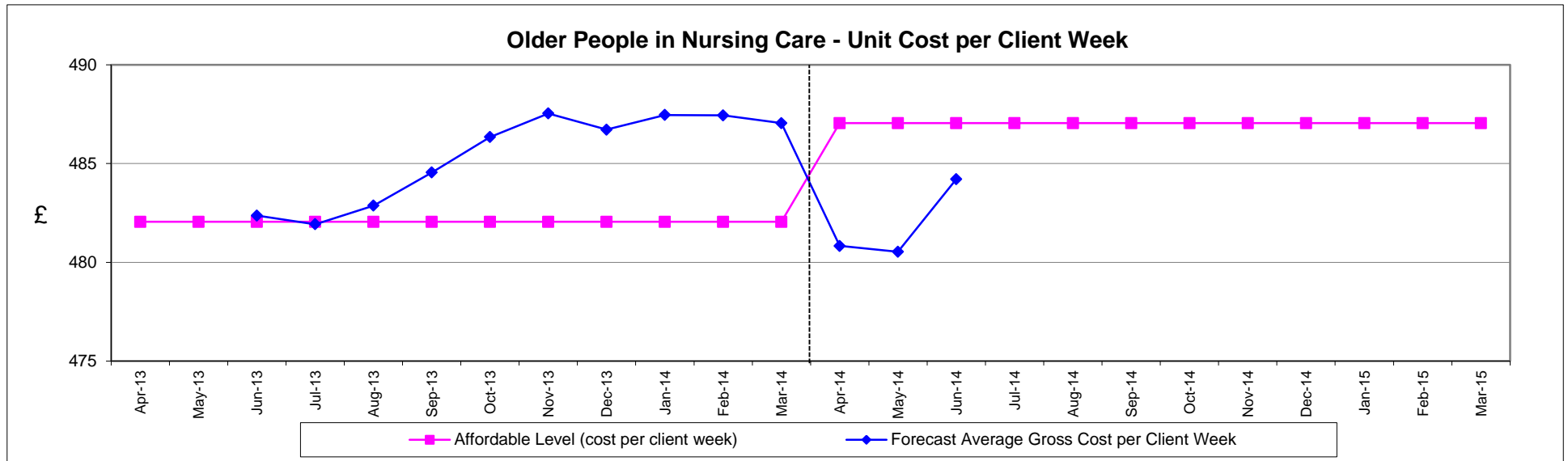
Comments:

- 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 2012-13 was 1,483, at the end of 2013-14 it was 1,423 and at the end of June 2014 it was 1,456.
- The current forecast is 77,406 weeks of care against an affordable level of 78,686, a difference of -1,280 weeks. Using the forecast unit cost of £484.21, this reduced activity decreases the forecast by -£620k, as shown in table 1b.
- To the end of June 19,018 weeks of care have been delivered against an affordable level of 20,023, a difference of -1,005 weeks. The quarter 1 year to date activity suggests a lower level of activity than currently forecast. However, this is mostly due to lower levels of short term placements recorded to date, which is likely to be due to late recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated.
- 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.

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

	2012-13	2013-14		2014-15	
	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr		482.05		487.05	480.83
May		482.05		487.05	480.53
Jun		482.05	482.37	487.05	484.21
Jul		482.05	481.93	487.05	
Aug		482.05	482.87	487.05	
Sep		482.05	484.55	487.05	
Oct		482.05	486.34	487.05	
Nov		482.05	487.54	487.05	
Dec		482.05	486.72	487.05	
Jan		482.05	487.46	487.05	
Feb		482.05	487.44	487.05	
Mar		482.05	487.05	487.05	

From April 2014 there has been a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The forecast average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. 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. It has not been possible to calculate comparable figures for 2012-13 as the data is not available.



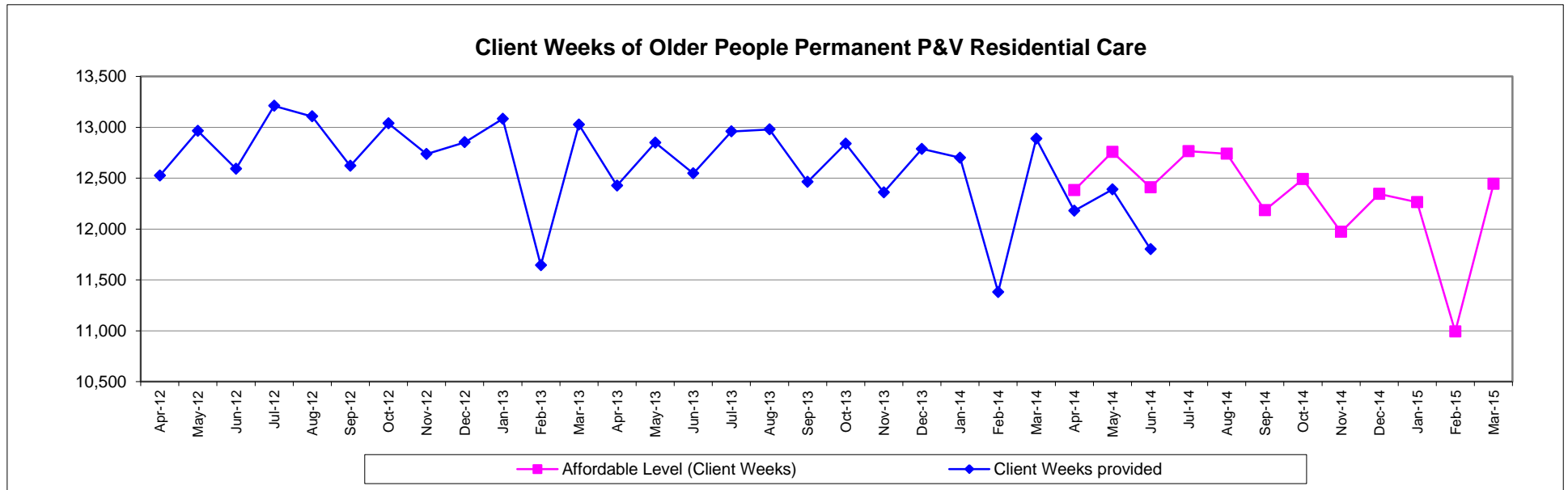
Comments:

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile and in recent months this service has seen an increase of older people requiring this more specialist care.
- The forecast unit cost of +£484.21 is lower than the affordable cost of +£487.05 and this difference of -£2.84 reduces the position by -£224k when multiplied by the affordable weeks, as shown in table 1b.
- The increase in the forecast unit cost in June 2014 is a result of a number of changes around savings being included, corrections and data cleansing following major changes to the coding structure with effect from 1 April 2014 in line with current guidance on financial and activity reporting requirements.

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

	2012-13	2013-14	2014-15	
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	12,525	12,427	12,381	12,179
May	12,963	12,849	12,757	12,388
Jun	12,592	12,547	12,409	11,802
Jul	13,210	12,959	12,764	
Aug	13,107	12,978	12,739	
Sep	12,620	12,463	12,184	
Oct	13,037	12,839	12,490	
Nov	12,737	12,360	11,972	
Dec	12,852	12,787	12,345	
Jan	13,082	12,701	12,264	
Feb	11,644	11,380	10,991	
Mar	13,026	12,887	12,443	
	153,395	151,177	147,739	36,369

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



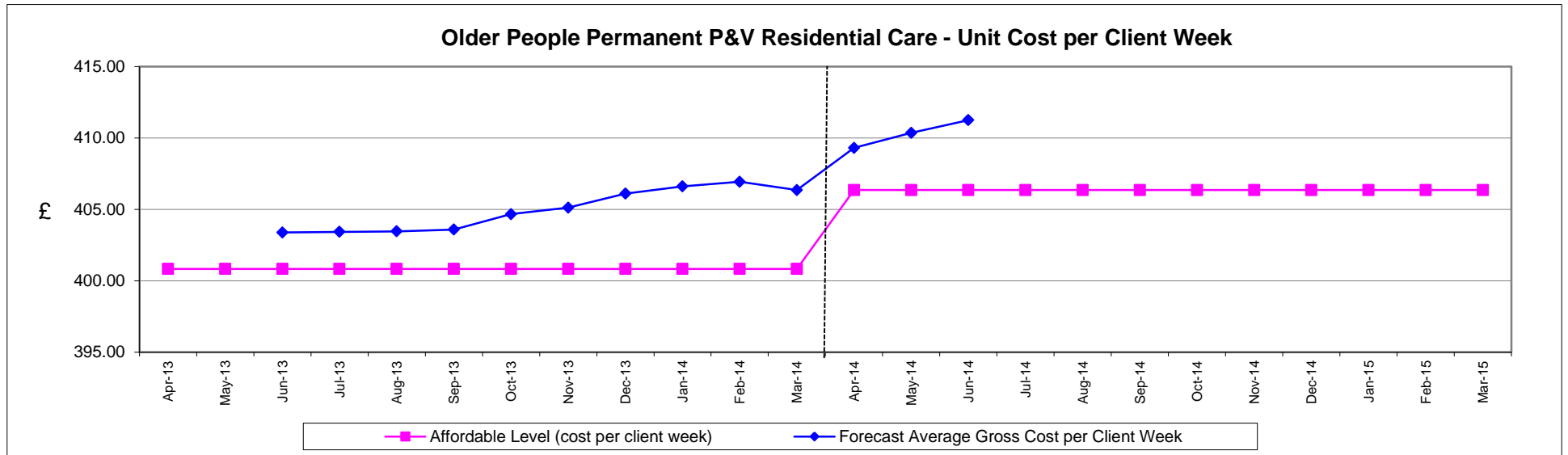
Comments:

- 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 2012-13 was 2,737, at the end of 2013-14 it was 2,704 and at the end of June 2014 it was 2,754 . It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 142,371 weeks of care against an affordable level of 147,739, a difference of -5,368 weeks. Using the forecast unit cost of £411.25, this reduced activity decreases the forecast by -£2,208k, as shown in table 1b.
- To the end of June 36,369 weeks of care have been delivered against an affordable level of 37,547 a difference of -1,178 weeks. The quarter 1 year to date activity suggests a higher level of activity than currently forecast; however, the forecast includes the anticipated effects of the transformation programme that should lead to lower levels of residential activity than would otherwise be expected in the forthcoming months. The profile follows a combination of old year patterns and a gradually reducing profile, incorporating expected reductions, although the nature of the transformation programme means that reductions in spend will not necessarily mirror this pattern precisely.
- We are now making 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.

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

	2012-13	2013-14		2014-15	
	Forecast Average Gross Cost per Client Week £p	Forecast Average Gross Cost per Client Week £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr		400.83		406.35	409.31
May		400.83		406.35	410.36
Jun		400.83	403.38	406.35	411.25
Jul		400.83	403.43	406.35	
Aug		400.83	403.46	406.35	
Sep		400.83	403.59	406.35	
Oct		400.83	404.67	406.35	
Nov		400.83	405.12	406.35	
Dec		400.83	406.10	406.35	
Jan		400.83	406.62	406.35	
Feb		400.83	406.94	406.35	
Mar		400.83	406.35	406.35	

From April 2014 there has been a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. The overall impact of this change has been to increase the overall number of clients whilst increasing the unit cost. 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. It has not been possible to calculate comparable figures for 2012-13 as the data is not available.

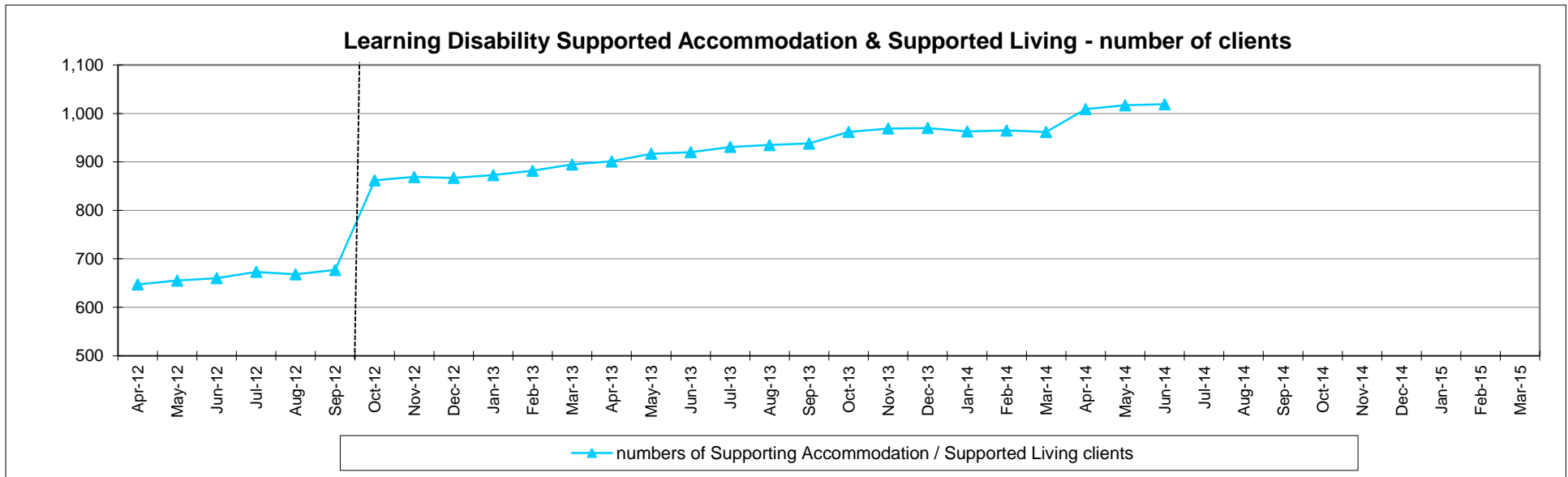


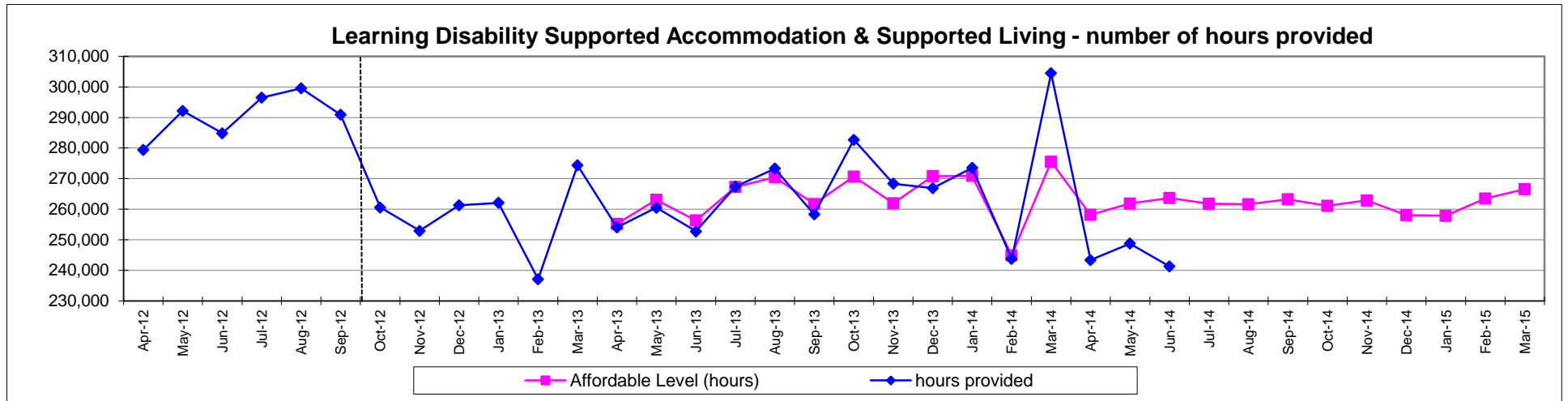
Comments:

- The forecast unit cost of +£411.25 is higher than the affordable cost of +£406.35 and this difference of +£4.90 adds +£724k to the position when multiplied by the affordable weeks, as shown in table 1b.
- This general increasing trend in 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. New cases are likely 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.

2.10 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)	hours provided	number of clients
Apr		279,365	647	255,228	254,067	901	258,147	243,373	1,009
May		292,122	655	263,089	260,503	917	261,879	248,760	1,017
Jun		284,835	660	256,321	252,761	920	263,670	241,285	1,019
Jul		296,532	673	267,255	267,384	931	261,799		
Aug		299,521	668	270,414	273,259	935	261,634		
Sep		290,914	677	261,697	258,323	938	263,266		
Oct		260,574	862	270,697	282,706	962	261,108		
Nov		252,932	869	261,922	268,324	969	262,876		
Dec		261,257	867	270,798	266,913	970	258,041		
Jan		262,070	873	270,874	273,530	963	257,851		
Feb		237,118	882	244,883	243,730	965	263,469		
Mar		274,334	895	275,556	304,457	962	266,565		
		3,291,574		3,168,734	3,205,957		3,140,305	733,418	





Comments:

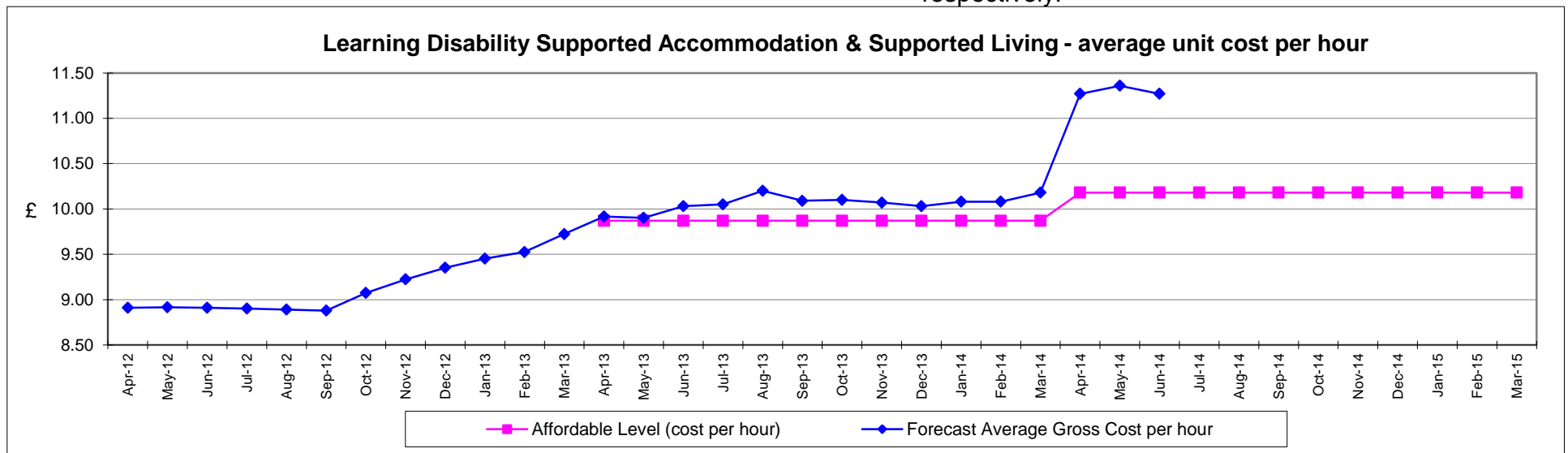
- This indicator changed in 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The level 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 is 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 is shown on 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 current forecast is 3,028,478 hours of care against an affordable level of 3,140,305, a difference of -111,827 hours. Using the forecast unit cost of £11.27, this reduced activity decreases the forecast by -£1,260k, as shown in table 1.
- To the end of June 733,418 hours of care have been delivered against an affordable level of 783,696, a difference of -50,278 hours. The forecast number of hours reflects an increase in activity expected in future months which is also reflected in the profile of the budgeted level. However, the quarter 1 year to date activity still suggests a lower level of activity than currently forecast, which is mainly due to a delay in the recording of transitional and provisional clients on the activity database. 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.

2.11 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	Forecast Average Gross Cost per Hour £p
Apr		8.91	9.87	9.92	10.18	11.27
May		8.92	9.87	9.90	10.18	11.36
Jun		8.91	9.87	10.03	10.18	11.27
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 forecast unit cost of +£11.27 is higher than the affordable cost of +£10.18 and this difference of +£1.09 adds +£3,423k when multiplied by the affordable hours, as shown in table 1b. Prior to April 2014, sessions were treated as varying length blocks, but this estimate has been revised as part of the overall changes in reporting requirements. The equivalent unit costs for April-June 2014 would have been £10.64, £10.76 and £10.68 respectively.

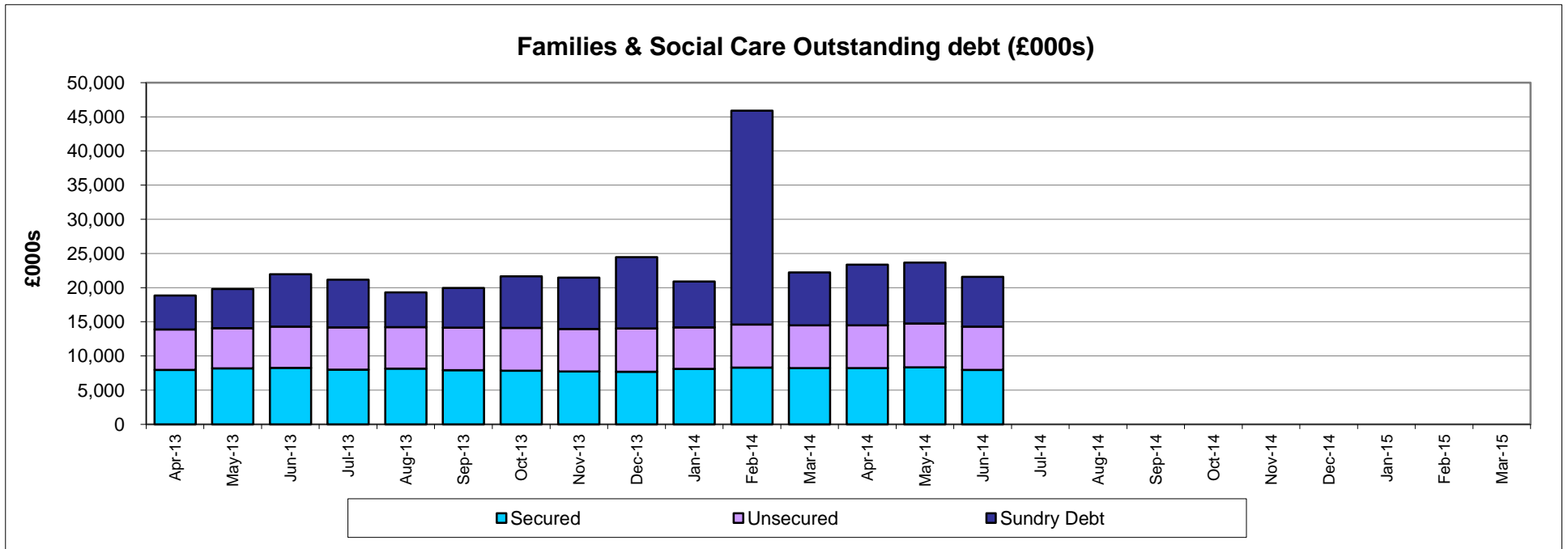


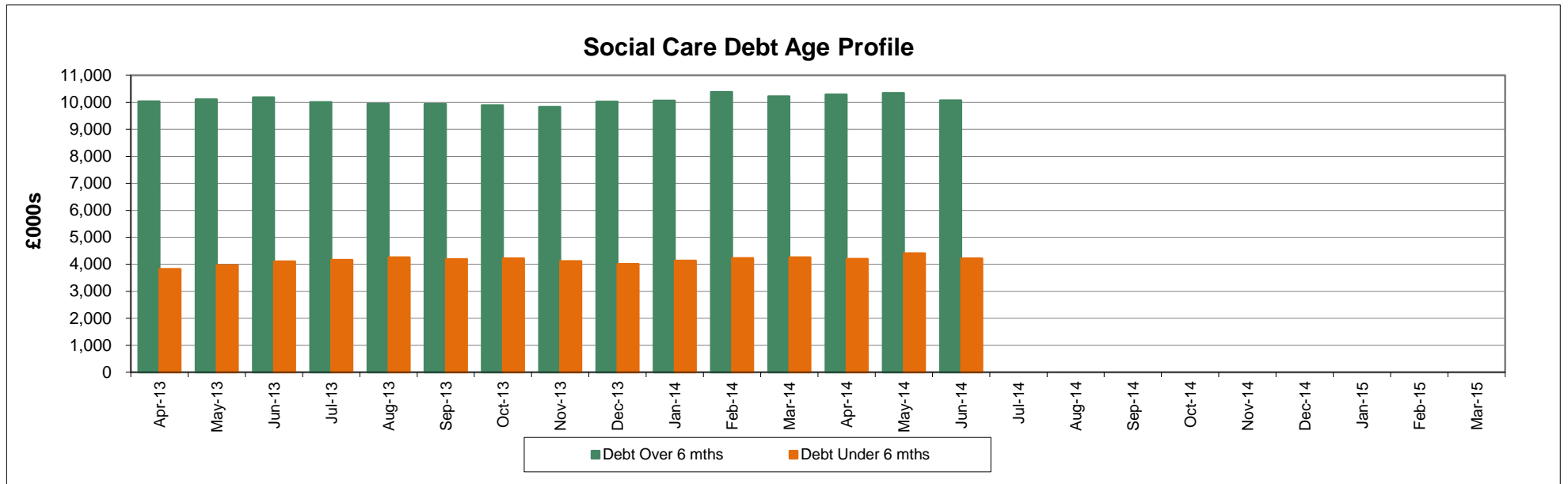
2.12 SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of June was £21.579m compared with March's figure of £22.238m (reported to Cabinet in July) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £7.289m of sundry debt compared to £7.753m in March. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is £14.290m relating to Social Care (client) debt which is a small reduction of £0.195m from the last reported position to Cabinet in July. 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)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
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
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
Apr-14	23,374	8,884	14,490	10,288	4,202	8,220	6,270
May-14	23,654	8,899	14,755	10,342	4,413	8,353	6,402
Jun-14	21,579	7,289	14,290	10,071	4,219	7,944	6,346
Jul-14							
Aug-14							

	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
	Sep-14						
Oct-14							
Nov-14							
Dec-14							
Jan-15							
Feb-15							
Mar-15							





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

Social Care debt by Customer Credit Status	March £000s	June £000s	Movement £000s
Secured	8,213	7,944	-269
Unsecured - Deceased/Terminated Service	1,783	1,768	-15
Unsecured - Ongoing	4,491	4,580	89
Health (Unsecured)	-2	-2	0
TOTAL	14,485	14,290	-195

Unsecured debt by Client Group	March £000s	June £000s	Movement £000s
Older People/Physical Disability	5,890	5,906	16
Learning Disability	284	342	58
Mental Health	100	100	0
Health	-2	-2	0
TOTAL	6,272	6,346	74

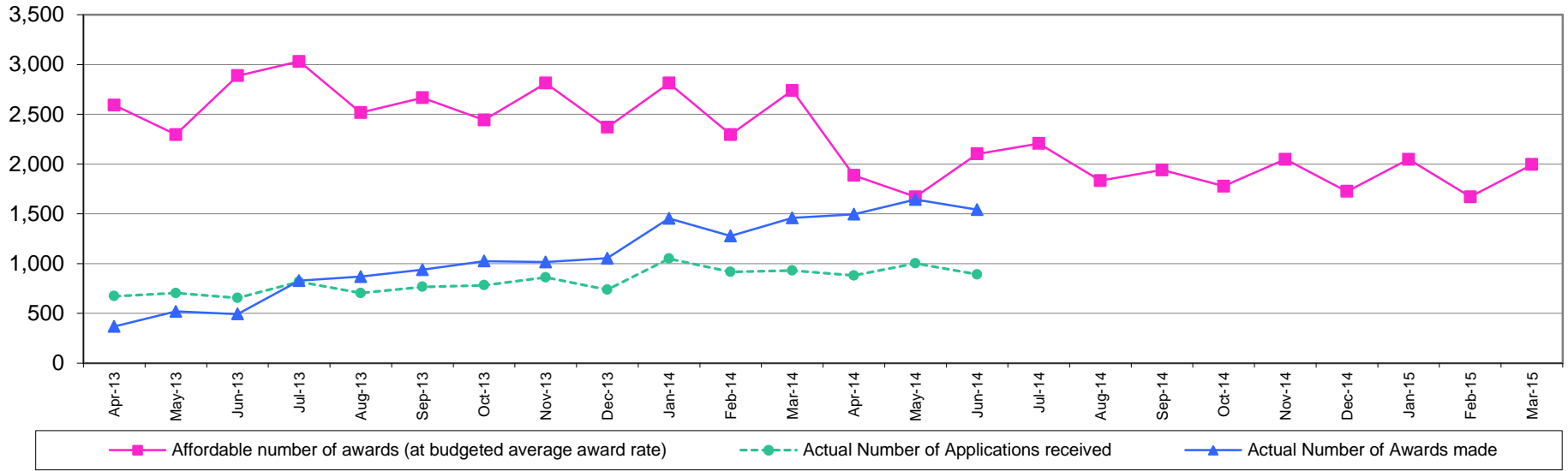
2.13 Number and Value of Social Fund awards made

		(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)
		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 (£)
2013-14	Apr	2,591	673	368	235,800	42,620	91	116
	May	2,296	704	520	208,900	65,907	91	127
	Jun	2,887	655	494	262,700	68,201	91	138
	Jul	3,031	818	828	275,800	114,188	91	138
	Aug	2,518	704	869	229,100	115,811	91	133
	Sep	2,666	766	939	242,600	108,237	91	115
	Oct	2,443	783	1,025	222,300	115,778	91	113
	Nov	2,813	861	1,015	256,000	138,738	91	137
	Dec	2,369	738	1,054	215,600	137,748	91	131
	Jan	2,813	1,050	1,453	256,000	183,774	91	126
	Feb	2,296	918	1,278	208,900	143,813	91	113
	Mar	2,739	930	1,460	249,300	175,416	91	120
			31,462	9,600	11,303	2,863,000	1,410,231	91
2014-15	Apr	1,886	880	1,496	235,800	145,043	125	97
	May	1,671	1,003	1,644	208,900	160,674	125	98
	Jun	2,102	891	1,541	262,700	151,071	125	98
	Jul	2,206			275,800		125	
	Aug	1,833			229,100		125	
	Sep	1,941			242,600		125	
	Oct	1,778			222,300		125	
	Nov	2,048			256,000		125	
	Dec	1,725			215,600		125	
	Jan	2,048			256,000		125	
	Feb	1,671			208,900		125	
	Mar	1,995			249,300		125	
			22,904	2,774	4,681	2,863,000	456,788	125

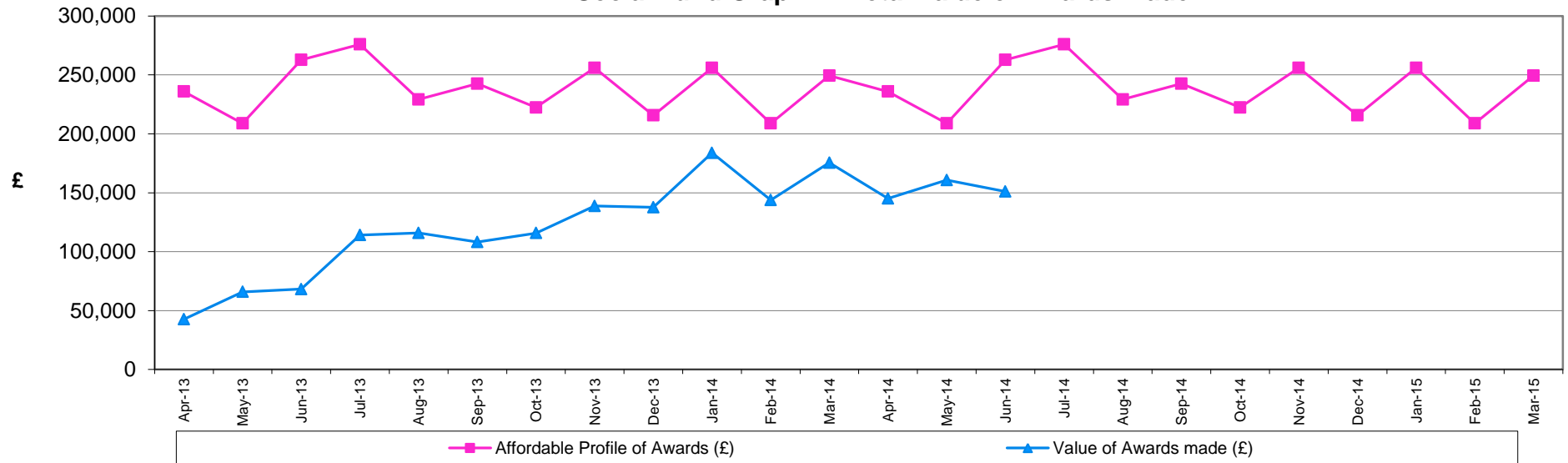
* Columns (a) and (d) are based on available funding which has been profiled by month and type of award (excluding cash awards) in the same ratio as the previous DWP scheme. As the criteria and awards for this pilot scheme differ to the DWP scheme, this does not represent the anticipated demand for the pilot scheme, but represents the maximum affordable level should sufficient applications be received which meet the criteria. *(As the data for 2013-14, the first year of our pilot scheme, includes increasing levels of activity as the service commenced, it will not represent a typical year and therefore has not been used to profile the 2014-15 budget in column d of the table)*

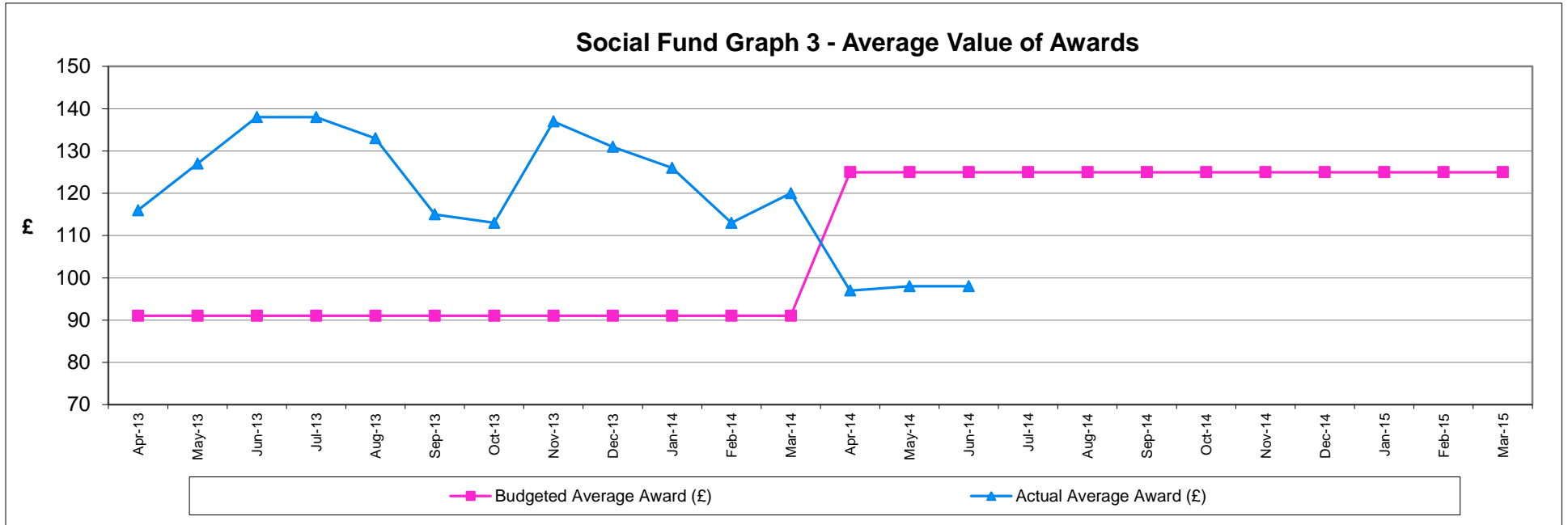
One application may result in more than one award, e.g. an award for food & clothing and an award for utilities, hence the number of awards in column (c) may exceed the number of applications in column (b).

Social Fund Graph 1 - Number of Awards made



Social Fund Graph 2 - Total 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, (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 the early months of 2013-14 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 £3.418m, with £0.555m 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).

Because of the uncertainty about both future levels of demand and government funding, the funding for awards in 2013-14 was ring-fenced and rolled forward to 2014-15 to provide some stability to the service. **This roll forward of £1,722.2k was approved by Cabinet in July and will be reflected in the cash limits and the affordable level for this indicator in the next report.** *(The table above shows an underspend of £1,452.8k in 2013-14 (column d - column e), which is based on the number of awards approved during the financial year. Although awards are approved for individuals in dire need, these awards are not always taken up for a variety of reasons. During 2013-14 £269.4k of approved awards, mainly for furniture and equipment, were not taken up by clients. Therefore the financial underspend as a consequence of the value of awards actually paid (taken up) in 2013-14 was £1,722.2k).*

- 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 current take up of this scheme being low in comparison to the old DWP scheme (which is what the funding, and affordable level, is based upon). The graph illustrates that the value of awards made is showing a steadily increasing trend since the inception of this pilot scheme and this is expected to continue to increase as the scheme matures and communication increases about what the scheme provides. In addition, it is anticipated that changes to welfare reform may still impact on the value of awards given. 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 for 2013-14 was set with this in mind at £91. The affordable average award value was revised for 2014-15 to match the actual average award value for 2013-14 of £125. This increase in the budgeted average award value from £91 to £125 reflects a higher than expected number of awards in 2013-14 for furniture & equipment which have a higher award value.

To the end of June, on average, award values in 2014-15 have been lower with an average of £98 currently reported. In the first quarter of 2014-15, 37% of the number of awards have been for food & clothing, compared to 49% for 2013-14. Furniture & equipment (incl white goods) accounts for 39% of the number of awards but 57% of the value of awards (the percentages were 19% and 54% respectively, indicating an increasing number falling into this category, but also a shift to lower value items of furniture and equipment). As a result, the actual average award is lower than budgeted due to the apportionment of the award types being different to what was anticipated.

The awards figures for December 2013-14 include the impact of both energy and food awards being issued for 14 days rather than the normal 7 days to cover the Christmas period. Also, there was a higher number (and value) of cash awards made in December 2013, which included emergency payments to households evacuated because of the flooding.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Adult Services has a working budget for 2014-15 of £77,120k. The forecast outturn against the 2014-15 budget is £77,013k giving a variance of -£107k.

3.2 **Table 2** below details the FSC Adult Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Home Support Fund	6,600	2,200	0	0			Green		
Individual Projects									
Kent Strategy for Services for Older People (OP):									
Community Care Centre - Ebbsfleet	0	0	0	0			Green		
Community Care Centre - Thameside Eastern Quarry	0	0	0	0			Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
OP Strategy - Transformation / Modernisation	6,978	6,209	-120	-120	Real underspend: £20k developer contributions £200k prudential Real overspend: £100k capital receipts	Wyllie Court - £200k of telecare now not part of this development. £20k developer contributions vired to Corporate Landlord MOA budget to fund work at Minnis Day Centre. £100k capital receipts reinstated.	Green		Cash limit adj: Reduce prudential £200k in 14/15. Reduce dev cons £20k 14/15. Increase cap rec by £100k in 14/15
Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:									
Learning Disability Good Day Programme-Community Hubs	2,182	1,467	13	13	Real - developer contributions		Green		Increase cash limit by £13k dev cons
Learning Disability Good Day Programme-Community Initiatives	679	759	0	0			Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Active Care / Active Lives Strategy:									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	63,000	63,000					Green		
Developing Innovative and Modernising Services:									
Information Technology Projects	2,507	2,507	0	0			Green		
Lowfield St (formerly Trinity Centre, Dartford)	972	978	0	0			Green		
Total	82,918	77,120	-107	-107					

1. Status:

Green – on time & within budget;

Amber – either delayed completion date or over budget;

Red – both delayed completion & over budget.

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
PUBLIC HEALTH
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
Total (£k)	-	-904	+904	-

1.2 The cash limits which the Service is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Service would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- The Public Health budget was set without the benefit of having a full year's worth of expenditure, as the responsibilities had only transferred from Health in April 2013; budgets have now been realigned between A-Z lines in view of the 2013-14 outturn. The division was also reviewing and re-negotiating a number of its contracts at the time the A to Z analysis of budgets was completed and now needs to reflect the outcomes of these.

There are also a number of other adjustments which total -£805.6k gross and +£805.6k income; these relate to contributions to services in other directorates funded by the Public Health Grant as follows: the Six Ways to Wellbeing Project within Arts Development in GE&T directorate, and investment in Children's Centres and a contribution towards Youth Offending within E&YP directorate.

In addition the revised budget includes the draw down of the full amount (£2,906k) of the 2013-14 underspend held within the Public Health reserve to support investment in services.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£273k gross and -£273k income; this relates to a receipt in advance from 2013-14 and changes in the level of health income.

The overall movements are therefore an reduction in gross of -£532.6k (-805.6+273) and income of +£532.6k (+805.6-273). This is detailed in table 1a.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments,
- The total value of the adjustments applied to each A-Z budget line.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
Social Care, Health & Wellbeing - Public Health									
Strategic Management & Directorate Support Budgets	170.1	-170.1	0.0	170.1	-170.1	0.0	0.0	0.0	0.0
<u>Public Health:</u>									
- Children's Public Health Programmes	6,050.4	-6,050.4	0.0	6,024.5	-6,024.5	0.0	-25.9	25.9	0.0
- Drug & Alcohol Services	1,642.8	-1,642.8	0.0	752.2	-752.2	0.0	-890.6	890.6	0.0
- Obesity & Physical Activity	2,572.4	-2,572.4	0.0	2,794.8	-2,794.8	0.0	222.4	-222.4	0.0
- Public Health - Mental Health Adults	831.5	-831.5	0.0	912.1	-912.1	0.0	80.6	-80.6	0.0
- Public Health Staffing, Advice & Monitoring	4,780.5	-4,780.5	0.0	4,887.4	-4,887.4	0.0	106.9	-106.9	0.0
- Sexual Health Services	12,397.9	-12,397.9	0.0	11,996.7	-11,996.7	0.0	-401.2	401.2	0.0
- Targeting Health Inequalities	5,366.3	-5,366.3	0.0	6,116.1	-6,116.1	0.0	749.8	-749.8	0.0
- Tobacco Control & Stop Smoking Services	4,388.0	-4,388.0	0.0	4,013.4	-4,013.4	0.0	-374.6	374.6	0.0
	38,029.8	-38,029.8	0.0	37,497.2	-37,497.2	0.0	-532.6	532.6	0.0
Total SCH&W (Public Health)	38,199.9	-38,199.9	0.0	37,667.3	-37,667.3	0.0	-532.6	532.6	0.0

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Public Health							
Strategic Management & Directorate Support Budgets	170.1	-170.1	0.0	-11			
<u>Public Health:</u>							
- Children's Public Health Programmes	6,024.5	-6,024.5	0.0				
- Drug & Alcohol Services	752.2	-752.2	0.0				
- Obesity & Physical Activity	2,794.8	-2,794.8	0.0				
- Public Health - Mental Health Adults	912.1	-912.1	0.0				
- Public Health Staffing, Advice & Monitoring	4,887.4	-4,887.4	0.0	-893	-893	<i>Underspend due to vacancies</i>	
- Sexual Health Services	11,996.7	-11,996.7	0.0				
- Targeting Health Inequalities	6,116.1	-6,116.1	0.0				
- Tobacco Control & Stop Smoking Services	4,013.4	-4,013.4	0.0				
	37,667.3	-37,667.3	0.0	-904			
- <i>trf to(+)/from(-) Public Health reserve</i>				+904	+904	<i>Transfer of underspend on staffing to reserve</i>	
Total SCH&W (Public Health)	37,667.3	-37,667.3	0.0	0			

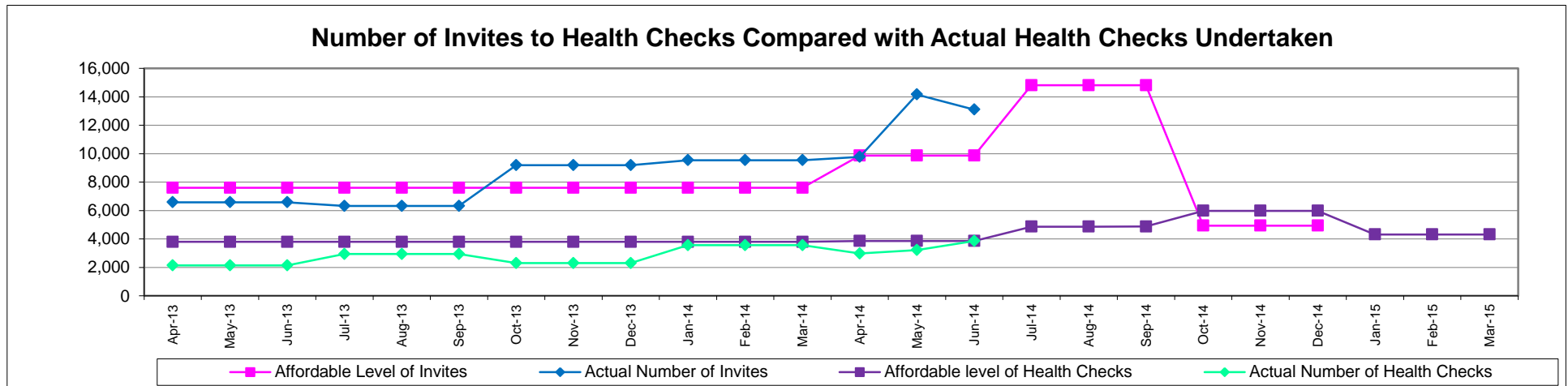
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of Health Check invites compared to number of Health Checks undertaken

	2013-14				2014-15			
	Invites		Checks		Invites		Checks	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr					9,877	9,776	3,860	2,984
May	22,810	19,761	11,405	6,455	9,877	14,169	3,860	3,225
Jun					9,878	13,108	3,862	3,865
Jul					14,816		4,874	
Aug	22,810	18,996	11,405	8,836	14,816		4,875	
Sep					14,816		4,876	
Oct					4,939		5,987	
Nov	22,810	27,608	11,405	6,924	4,939		5,988	
Dec					4,938		5,989	
Jan					0		4,324	
Feb	22,811	28,639	11,406	10,709	0		4,325	
Mar					0		4,325	
TOTAL	91,241	95,004	45,621	32,924	88,896	37,053	57,145	10,074

Comments:

- As can be seen from the difference in total budgeted activity for invites and checks, not all people invited for a health check attend a check and there is often a delay between the invite and the health check taking place.
- The invites planned activity is weighted towards the early part of the year to give time for the follow-up process to maximise the number of people attending a health check.
- The total planned number of invites is based on eligible population.

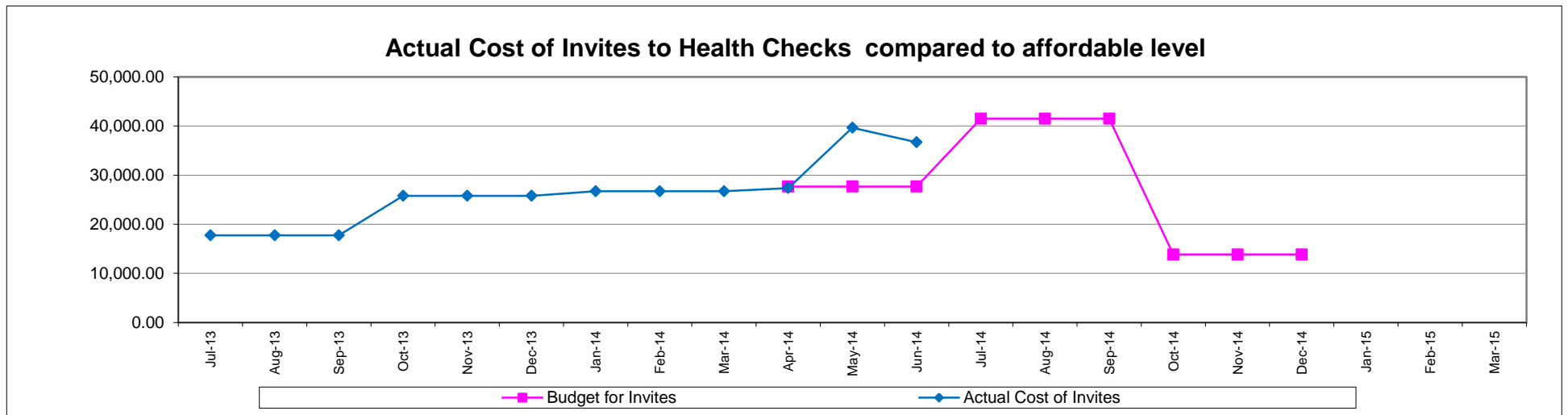


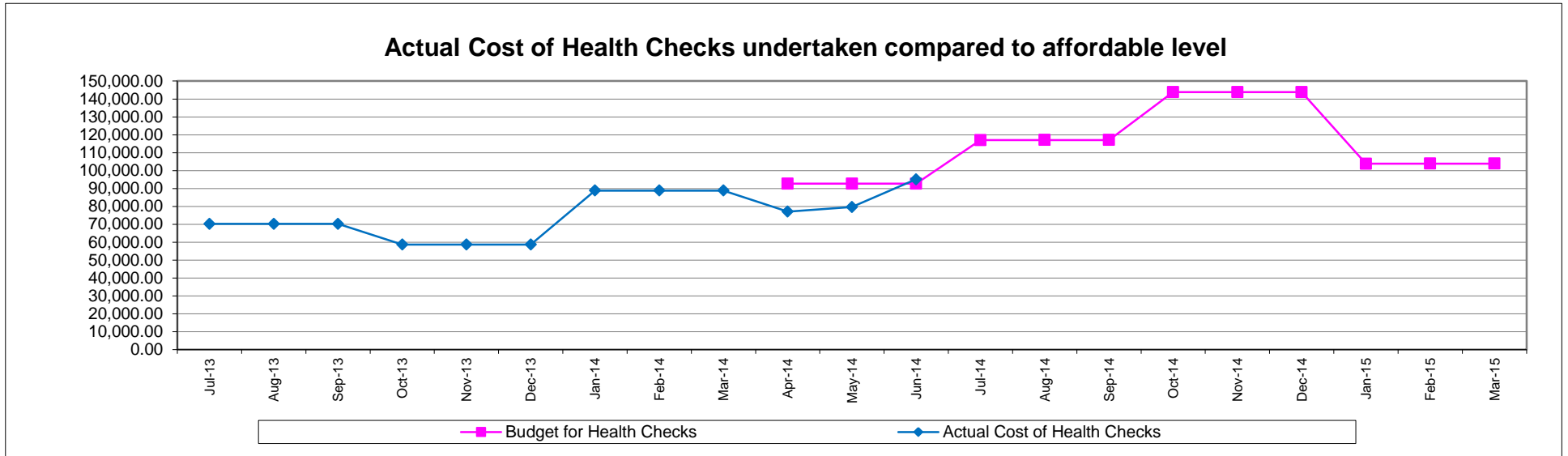
2.2 Cost of Health Check invites and Health Checks undertaken compared to budget

	2013-14 *		2014-15 #			
	Invites	Checks	Invites		Checks	
	actual cost (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)
Apr			27,656	27,373	92,700	77,081
May	0	0	27,656	39,673	92,700	79,696
Jun			27,658	36,702	92,748	95,130
Jul			41,485		117,052	
Aug	53,189	210,746	41,485		117,076	
Sep			41,485		117,100	
Oct			13,829		143,781	
Nov	77,302	175,920	13,829		143,805	
Dec			13,826		143,829	
Jan			0		103,843	
Feb	80,189	266,524	0		103,869	
Mar			0		103,869	
TOTAL	210,680	653,190	248,909	103,748	1,372,372	251,907

* In 2013-14 the service was initially commissioned on a block contract basis. From the second quarter this was amended to a performance basis, with specific activity budgets set for the year, with payments being related to the level of activity provided.

Health check activity for the first two months of 2014-15 was below budget, but activity in the second quarter is expected to be higher than budgeted, with the overall forecast for the full year currently on budget.





Comments:

- The NHS Health Checks programme is monitored closely with a focus on performance and contract management. The targets for 2014-15 are more stretching, providers are expected to deliver significantly more checks during the year. The target for invites is weighted towards the first part of the year to give time for the follow-up process to maximise the number of health checks that are delivered in year.
- The budget for Health Checks is made up of a fixed cost element £465,756 and a performance element £1,621,281. The performance element is shown in the activity data above, with as budget of £248,909 for invites and £1,372,372 for health checks (totalling £1,621,281).
- The budgeted activity level for invites is based on the eligible population. The budgeted activity level for health checks is higher in 2014-15 as the provider is expected to make up for the underperformance in the previous year.

GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Directorate Total (£k)	+179,674	-1,439	-	-1,439

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include technical adjustments where there is no change in policy including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£921.5k gross and -£921.5k income. Significant changes included within this are:

- Additional funding in respect of the Low Carbon Plus ERDF Competitiveness Programme within Environmental Management (+£745k gross and -£745k income).
- Contribution from the Public Health Grant towards the Six Ways to Wellbeing Project within Arts Development (+£120k gross and -£120k income).

There are also a number of other corporate adjustments which total +£13,419.8k gross and -£4,655.3k income, which are predominantly related to the allocation of the single pay reward scheme funding, some further centralisation of budgets, transfer of funding to Financing Items for the directorate funded prudential borrowing costs and where responsibilities between directorates are still being refined such as the return of the Freedom Pass / Young Person's Travel pass budget to GE&T directorate from E&YP, the transfer of Kent Foundation budget from E&YP and confirmation of the split of Business Transformation Unit between S&CS, E&YP and GE&T. Also included within this are two virements from the Financing Items budget to Regeneration & Economic Development Services as detailed below:

- £25k for a grant to Kent Savers Credit Union
- £75k for a grant towards the Folkestone Memorial Arch

The overall movements are therefore an increase in gross of £14,341.3k and income of -£5,576.8k. This is detailed in table 1a.

Table 1a shows:

- The published budget,
- The proposed budget following technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.

- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
Growth, Environment & Transport									
Strategic Management & Directorate Support budgets	4,531.9	-193.6	4,338.3	4,773.5	-93.6	4,679.9	241.6	100.0	341.6
<u>Children's Services - Education & Personal</u>									
- 14 - 19 year olds	0.0	0.0	0.0	111.9	-59.3	52.6	111.9	-59.3	52.6
<u>Community Services:</u>									
- Arts Development (incl. grant to Turner Contemporary)	2,123.5	0.0	2,123.5	2,361.8	-230.0	2,131.8	238.3	-230.0	8.3
- Community Safety	430.6	-55.2	375.4	437.3	-55.2	382.1	6.7	0.0	6.7
- Community Wardens	2,652.2	0.0	2,652.2	2,689.8	0.0	2,689.8	37.6	0.0	37.6
- Gypsies & Travellers	662.3	-430.0	232.3	666.1	-430.0	236.1	3.8	0.0	3.8
- Libraries, Registration & Archives	18,248.8	-5,199.7	13,049.1	18,526.2	-5,256.7	13,269.5	277.4	-57.0	220.4
- Sports Development	1,880.3	-1,093.0	787.3	1,894.2	-1,094.0	800.2	13.9	-1.0	12.9
	25,997.7	-6,777.9	19,219.8	26,575.4	-7,065.9	19,509.5	577.7	-288.0	289.7
<u>Environment:</u>									
- Country Parks	1,495.7	-990.7	505.0	1,532.9	-1,023.7	509.2	37.2	-33.0	4.2
- Countryside Access (incl. Public Rights of Way)	2,539.6	-820.1	1,719.5	2,629.4	-885.1	1,744.3	89.8	-65.0	24.8
- Environment Management	3,966.9	-1,725.8	2,241.1	4,678.9	-2,414.6	2,264.3	712.0	-688.8	23.2
	8,002.2	-3,536.6	4,465.6	8,841.2	-4,323.4	4,517.8	839.0	-786.8	52.2

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Highways:</u>									
- Highways Maintenance									
- Adverse Weather	3,214.9	0.0	3,214.9	3,214.9	0.0	3,214.9	0.0	0.0	0.0
- Bridges & Other	2,212.3	-257.0	1,955.3	2,242.3	-221.9	2,020.4	30.0	35.1	65.1
- General maintenance & emergency response	12,372.2	-475.8	11,896.4	12,397.0	-475.8	11,921.2	24.8	0.0	24.8
- Highway drainage	2,992.4	0.0	2,992.4	2,962.4	0.0	2,962.4	-30.0	0.0	-30.0
- Streetlight maintenance	4,277.5	-154.0	4,123.5	3,831.5	-154.0	3,677.5	-446.0	0.0	-446.0
	25,069.3	-886.8	24,182.5	24,648.1	-851.7	23,796.4	-421.2	35.1	-386.1
- Highways Management:									
- Development Planning	2,117.5	-2,101.4	16.1	2,117.5	-2,135.2	-17.7	0.0	-33.8	-33.8
- Highways Improvements	1,617.7	-33.3	1,584.4	1,596.7	-33.3	1,563.4	-21.0	0.0	-21.0
- Road Safety	3,065.7	-2,139.0	926.7	3,062.9	-2,146.4	916.5	-2.8	-7.4	-10.2
- Streetlight energy	5,689.5	0.0	5,689.5	5,689.5	0.0	5,689.5	0.0	0.0	0.0
- Traffic management	5,473.0	-3,406.6	2,066.4	5,304.7	-3,363.2	1,941.5	-168.3	43.4	-124.9
- Tree maintenance, grass cutting & weed control	3,361.5	0.0	3,361.5	3,361.5	0.0	3,361.5	0.0	0.0	0.0
	21,324.9	-7,680.3	13,644.6	21,132.8	-7,678.1	13,454.7	-192.1	2.2	-189.9
<u>Planning & Transport Strategy:</u>									
- Planning & Transport Policy	990.8	0.0	990.8	1,000.6	0.0	1,000.6	9.8	0.0	9.8
- Planning Applications	1,079.7	-600.0	479.7	1,094.4	-600.0	494.4	14.7	0.0	14.7
	2,070.5	-600.0	1,470.5	2,095.0	-600.0	1,495.0	24.5	0.0	24.5
<u>Regeneration & Economic</u>									
- Regeneration & Economic Development Services	5,489.9	-1,765.8	3,724.1	5,633.7	-1,765.8	3,867.9	143.8	0.0	143.8
<u>Regulatory Services</u>									
- Coroners	3,669.7	-1,105.5	2,564.2	3,672.2	-1,105.5	2,566.7	2.5	0.0	2.5
- Emergency Planning	726.5	-169.0	557.5	740.5	-169.0	571.5	14.0	0.0	14.0
- Trading Standards (incl. Kent Scientific Services)	3,776.3	-955.8	2,820.5	3,807.0	-939.8	2,867.2	30.7	16.0	46.7
	8,172.5	-2,230.3	5,942.2	8,219.7	-2,214.3	6,005.4	47.2	16.0	63.2
<u>Schools Services</u>									
- Other Schools Services	413.4	0.0	413.4	416.4	0.0	416.4	3.0	0.0	3.0

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transport Services:									
- Concessionary Fares	17,006.0	-27.0	16,979.0	17,006.0	-27.0	16,979.0	0.0	0.0	0.0
- Freedom Pass / Young Person's Travel Pass	0.0	0.0	0.0	13,301.5	-4,596.0	8,705.5	13,301.5	-4,596.0	8,705.5
- Subsidised Bus Routes	10,362.1	-2,454.0	7,908.1	10,362.1	-2,454.0	7,908.1	0.0	0.0	0.0
- Transport Operations	1,271.4	-214.5	1,056.9	1,271.4	-214.5	1,056.9	0.0	0.0	0.0
- Transport Planning	561.4	-228.0	333.4	561.4	-228.0	333.4	0.0	0.0	0.0
	29,200.9	-2,923.5	26,277.4	42,502.4	-7,519.5	34,982.9	13,301.5	-4,596.0	8,705.5
Waste Management									
- Waste Commissioning & Contract Management	1,332.2	0.0	1,332.2	1,353.9	0.0	1,353.9	21.7	0.0	21.7
- Recycling & Diversion from Landfill:									
- Household Waste	7,897.2	-1,982.0	5,915.2	7,897.2	-1,982.0	5,915.2	0.0	0.0	0.0
- Partnership &	498.0	-168.0	330.0	500.7	-168.0	332.7	2.7	0.0	2.7
- Payments to Waste Collection Authorities (DCs)	6,601.0	-102.0	6,499.0	6,241.0	-102.0	6,139.0	-360.0	0.0	-360.0
- Recycling Contracts & Composting	8,111.0	-992.0	7,119.0	8,111.0	-992.0	7,119.0	0.0	0.0	0.0
	23,107.2	-3,244.0	19,863.2	22,749.9	-3,244.0	19,505.9	-357.3	0.0	-357.3
- Waste Disposal:									
- Closed Landfill Sites & Abandoned Vehicles	568.0	-30.0	538.0	568.0	-30.0	538.0	0.0	0.0	0.0
- Disposal Contracts	31,131.0	-156.0	30,975.0	31,131.0	-156.0	30,975.0	0.0	0.0	0.0
- Haulage & Transfer Stations	9,947.0	-75.0	9,872.0	9,947.0	-75.0	9,872.0	0.0	0.0	0.0
- Landfill Tax	4,651.0	0.0	4,651.0	4,651.0	0.0	4,651.0	0.0	0.0	0.0
	46,297.0	-261.0	46,036.0	46,297.0	-261.0	46,036.0	0.0	0.0	0.0
Total GE&T	201,009.6	-30,099.8	170,909.8	215,350.9	-35,676.6	179,674.3	14,341.3	-5,576.8	8,764.5

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Growth, Environment & Transport							
Strategic Management & Directorate Support budgets	4,773.5	-93.6	4,679.9	+438	+385	Savings held centrally but being achieved through underspends within other budget headings (primarily - £196k in Community Wardens and - £132k in Sports Development).	This pressure is expected to be on-going and will need to be addressed in the 2015-18 MTFP
					+53	Other minor variances	
<u>Children's Services - Education & Personal</u>							
- 14 - 19 year olds	111.9	-59.3	52.6	-1			
<u>Community Services:</u>							
- Arts Development (incl. grant to Turner Contemporary)	2,361.8	-230.0	2,131.8	-34			
- Community Safety	437.3	-55.2	382.1	0			
- Community Wardens	2,689.8	0.0	2,689.8	-139	-196	Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).	This saving is expected to be on-going and will need to be addressed in the 2015-18 MTFP
					+57	Other minor variances	
- Gypsies & Travellers	666.1	-430.0	236.1	-4			
- Libraries, Registration & Archives	18,526.2	-5,256.7	13,269.5	-318	-192	Increased Registration Service income primarily from ceremonies and nationality checking service	This additional income is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					-79	Increased Libraries & Archives income primarily from audio visual hire, fines and sale of old stock	
					-47	Other minor variances	
- Sports Development	1,894.2	-1,094.0	800.2	-132	-132	Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).	This saving is expected to be on-going and will need to be addressed in the 2015-18 MTFP
	26,575.4	-7,065.9	19,509.5	-627			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Environment:</u>							
- Country Parks	1,532.9	-1,023.7	509.2	-25			
- Countryside Access (incl. Public Rights of Way)	2,629.4	-885.1	1,744.3	-20			
- Environment Management	4,678.9	-2,414.6	2,264.3	-53			
	8,841.2	-4,323.4	4,517.8	-98			
<u>Highways:</u>							
- Highways Maintenance							
- Adverse Weather	3,214.9	0.0	3,214.9	0			
- Bridges & Other Structures	2,242.3	-221.9	2,020.4	0			
- General maintenance & emergency response	12,397.0	-475.8	11,921.2	+134	+130	Additional out of hours costs incurred in repairing damage caused by the severe wet weather and storms	
					+4	Other minor variances	
- Highway drainage	2,962.4	0.0	2,962.4	0			
- Streetlight maintenance	3,831.5	-154.0	3,677.5	-70			
	24,648.1	-851.7	23,796.4	+64			
- Highways Management:							
- Development Planning	2,117.5	-2,135.2	-17.7	-62			
- Highways Improvements	1,596.7	-33.3	1,563.4	-89			
- Road Safety	3,062.9	-2,146.4	916.5	-346	-458	Lower than budgeted average cost per attendee for Speed Awareness courses	This net saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					-272	Reduced costs of Speed Awareness courses due to lower than budgeted number of attendees	
					+442	Reduced income for Speed Awareness courses due to fewer attendees	
					-58	Other minor variances	
- Streetlight energy	5,689.5	0.0	5,689.5	-172	-172	Greater than budgeted savings achieved from part night switch-off energy saving initiative	This saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Traffic management	5,304.7	-3,363.2	1,941.5	-156		Small variances on gross (-£57k) and income (-£99k) budgets	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Tree maintenance, grass cutting & weed control	3,361.5	0.0	3,361.5	+45	+120	Additional weed treatment	This pressure is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					-75	Other minor variances	
	21,132.8	-7,678.1	13,454.7	-780			
<u>Planning & Transport Strategy:</u>							
- Planning & Transport Policy	1,000.6	0.0	1,000.6	-1			
- Planning Applications	1,094.4	-600.0	494.4	0			
	2,095.0	-600.0	1,495.0	-1			
<u>Regeneration & Economic</u>							
- Regeneration & Economic Development Services	5,633.7	-1,765.8	3,867.9	+62			
<u>Regulatory Services</u>							
- Coroners	3,672.2	-1,105.5	2,566.7	-2	+124	Delay in implementation of new staffing model has had an adverse impact on income target	
					-103	Long Inquest costs lower than expected	
					-23	Other minor variances	
- Emergency Planning	740.5	-169.0	571.5	-12			
- Trading Standards (incl. Kent Scientific Services)	3,807.0	-939.8	2,867.2	-15			
	8,219.7	-2,214.3	6,005.4	-29			
<u>Schools Services</u>							
- Other Schools Services	416.4	0.0	416.4	+3			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Transport Services:</u>						
- Concessionary Fares	17,006.0	-27.0	16,979.0	-879	-611 Reduced bus operator costs due to reduced number of journeys being taken -376 The budget to fund the bulk renewal of the bus passes, which happens every five years, is £376k; this was last done in 2012-13 meaning that aside from passes for new applicants this budget will remain fully underspent this year. +150 It has been agreed that it is now more appropriate to set up a smoothing reserve with a fixed annual contribution, which is then fully drawn down every five years to fund the bulk renewal of passes. The annual contribution to reserves required is £75k and the renewal takes place in four years time. For this year only a £150k transfer to reserves is required, representing a two year contribution for 2013-14 and 2014-15. -42 Other minor variances	This saving is expected to be ongoing and will need to be reflected in the 2015-18 MTFP An annual net saving of £301k will be reflected in the 2015-18 MTFP (£376k less £75k annual contribution to reserves)

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Freedom Pass / Young Person's Travel Pass	13,301.5	-4,596.0	8,705.5	0		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 new criteria impacting from September, and hence there are a number of variables that could impact on this budget. Current estimates suggest 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 next academic year. As an indicator, the activity reported for the April to June period shows a reduction in the passes issued against budget but a higher number of journeys travelled.	
- Subsidised Bus Routes	10,362.1	-2,454.0	7,908.1	-628	-544	Additional savings from negotiation of lower than budgeted prices and greater contract efficiencies	This saving is expected to be ongoing and will need to be reflected in the 2015-18 MTFP
					-84	Staff vacancies	
- Transport Operations	1,271.4	-214.5	1,056.9	+75			
- Transport Planning	561.4	-228.0	333.4	0			
	42,502.4	-7,519.5	34,982.9	-1,432			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Waste Management							
- Waste Commissioning & Contract Management	1,353.9	0.0	1,353.9	+80			
- Recycling & Diversion from Landfill:							
- Household Waste Recycling Centres	7,897.2	-1,982.0	5,915.2	-298	-199	The amounts to be paid in recycling bonuses to contractors are expected to be lower than budget primarily as a result of a change of contractor at two sites, where under the terms of the new contract no bonuses are payable.	
					-80	Underspend due to contract changes at Dunbrik and North Farm Household Waste Recycling Centres	
					-19	Other minor variances	
- Partnership & development	500.7	-168.0	332.7	-26			
- Payments to Waste Collection Authorities (DCs)	6,241.0	-102.0	6,139.0	0			
- Recycling Contracts & Composting	8,111.0	-992.0	7,119.0	-550	+571	Forecast increase of +17,300 tonnes of hardcore, wood, garden and food waste, and other materials; the higher volume of waste has generated a small amount of additional income which is also included within this variance.	
					-1,076	Savings resulting from the new Materials Recycling Facilities contract	The full year effect of saving from new waste contracts will need to be reflected in the 2015-18 MTFP
					-102	Actual price of in-vessel composting is lower than budgeted	
					+57	Other minor variances	
	22,749.9	-3,244.0	19,505.9	-874			

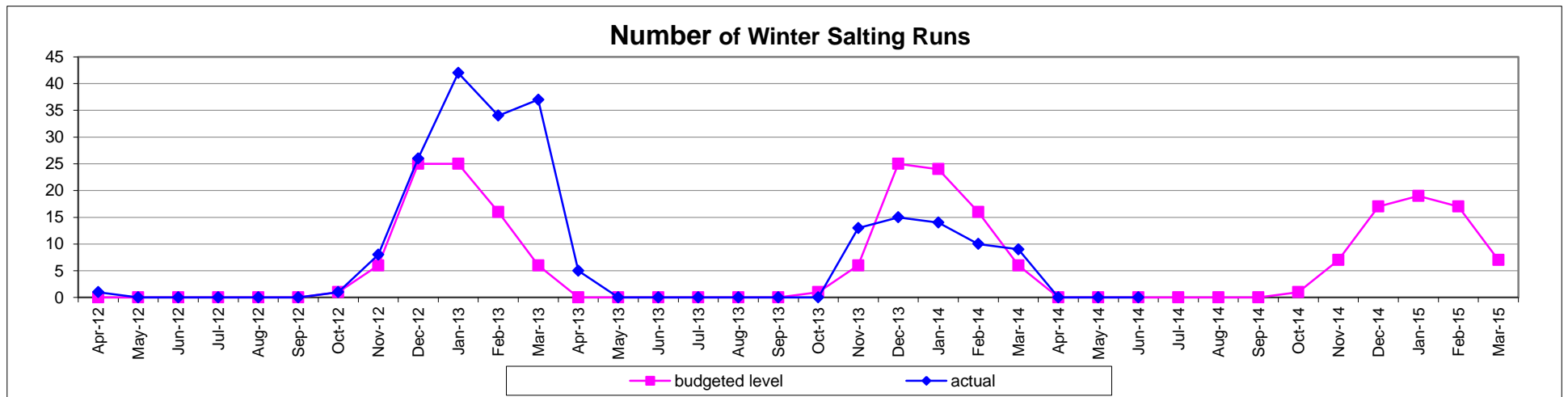
Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Waste Disposal:							
- Closed Landfill Sites & Abandoned Vehicles	568.0	-30.0	538.0	-7			
- Disposal Contracts	31,131.0	-156.0	30,975.0	+1,524	+1,325	Additional +11,500 tonnes of residual waste to be sent to the Allington Waste to Energy plant	
					+94	Forecast increased tonnage of residual waste to be sent to landfill (+1,700 tonnes)	
					+105	Other minor variances	
- Haulage & Transfer Stations	9,947.0	-75.0	9,872.0	+98	+32	Additional haulage fees due to higher volume of waste	
					+66	Other minor variances	
- Landfill Tax	4,651.0	0.0	4,651.0	+141	+141	Forecast increase in the volume of waste sent to landfill due to an overall increase in residual waste (+1,700 tonnes).	
	46,297.0	-261.0	46,036.0	+1,756			
Total GE&T	215,350.9	-35,676.6	179,674.3	-1,439			
Assumed Mgmt Action							
Total Forecast <u>after</u> mgmt action	215,350.9	-35,676.6	179,674.3	-1,439			

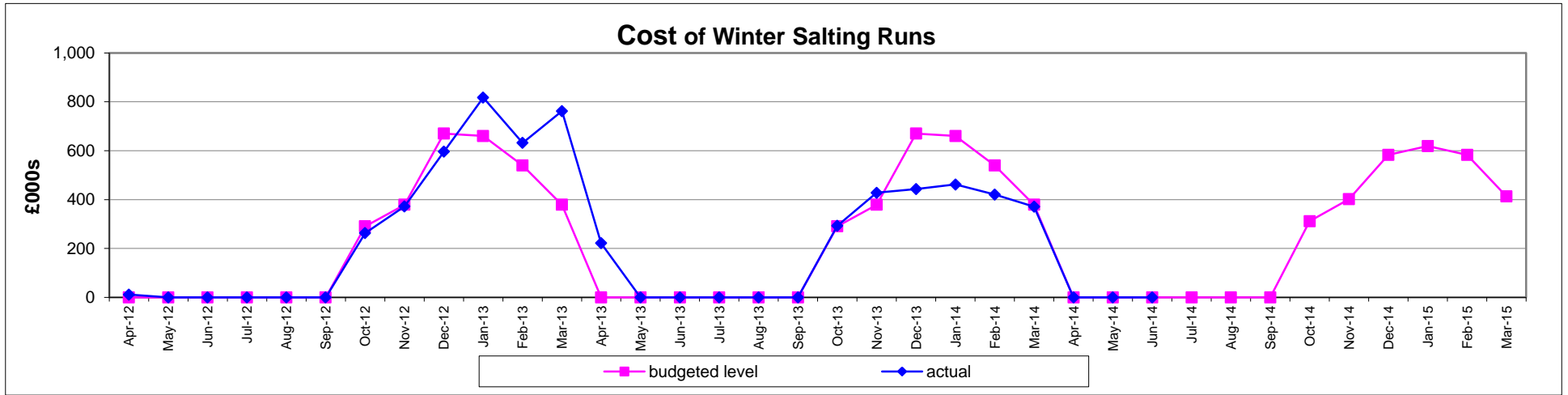
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs

	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	
	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000
Apr	-	1	-	12	-	5	-	222	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	1	291	263	1	-	291	293	1	-	311	-
Nov	6	8	379	372	6	13	379	428	7	-	402	-
Dec	25	26	670	596	25	15	670	443	17	-	583	-
Jan	25	42	660	817	24	14	660	462	19	-	619	-
Feb	16	34	540	632	16	10	540	421	17	-	583	-
Mar	6	37	379	762	6	9	379	371	7	-	414	-
	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.





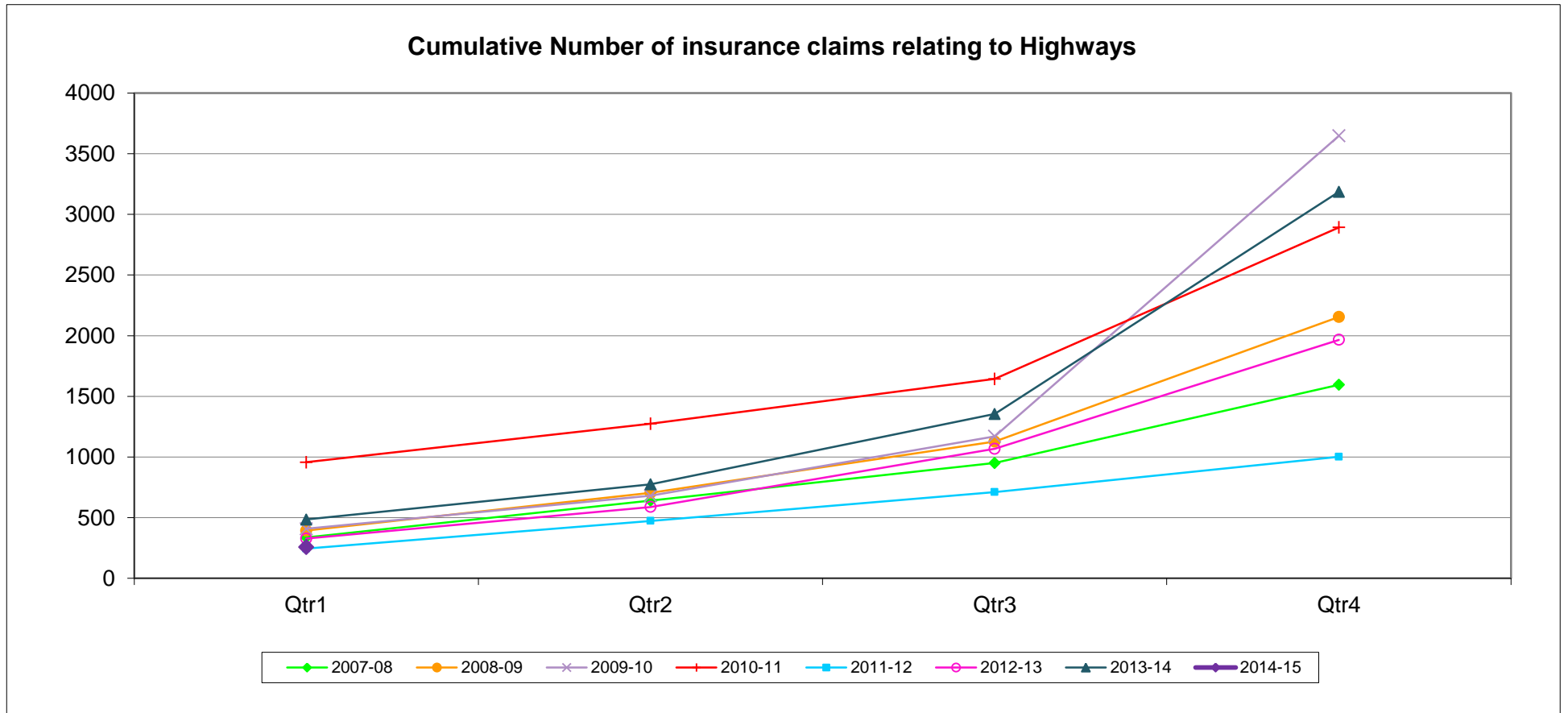
Comments:

- As a result of the prolonged hard winter which extended into April 2013, unbudgeted salting runs were required at the start of last financial year resulting in additional expenditure of £222k. 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 was 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. The 2014-15 budgeted level of runs is lower than either of the last two years as the contract has changed with a greater proportion of the total cost per run now being fixed, resulting in fewer overall runs being affordable.
- 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.

2.2 Number of insurance claims arising related to Highways

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	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	Cumulative no. of claims
Apr to Jun	337	393	408	956	245	327	484	257
Jul to Sep	640	704	680	1,273	473	588	775	
Oct to Dec	950	1,128	1,170	1,643	710	1,068	1,354	
Jan to Mar	1,595	2,155	3,647	2,893	1,001	1,966	3,185	

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Comments:

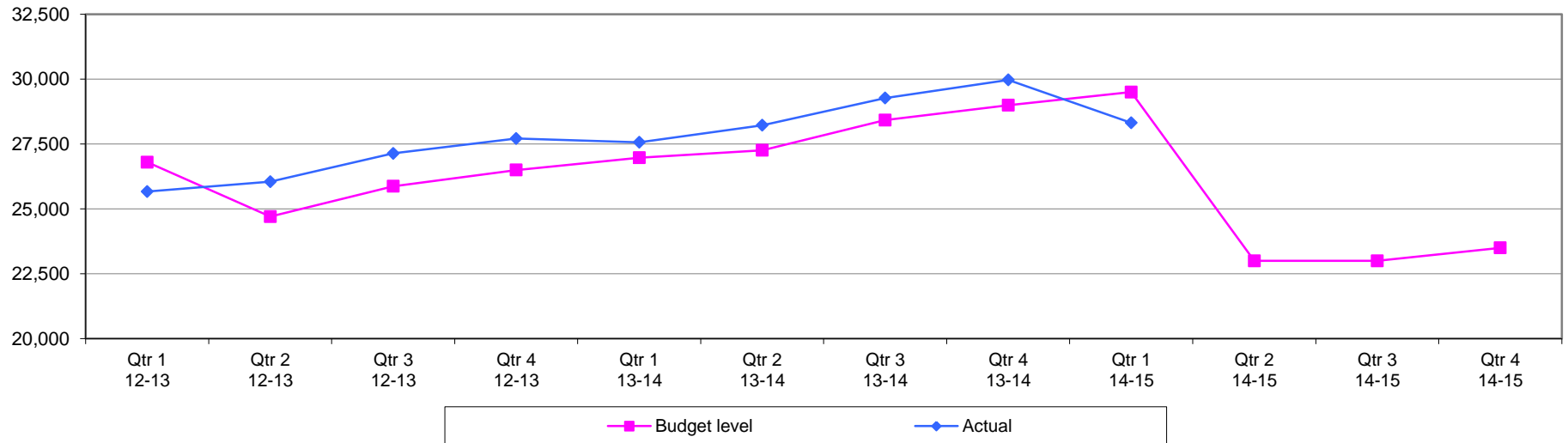
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have three years to pursue an injury claim and six years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 30 June 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 may 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. Claim numbers for both 2011-12 and 2012-13 have increased since the 2013-14 outturn report presented to Cabinet on 7 July 2014 as new claims have been received relating to incidents occurring during these two years, as explained above. Claim numbers were again high in 2013-14, probably due to the particularly adverse wet weather conditions and the consequent damage to the highway. However, additional funding has been made available 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 claims received over the past 12 months where it is considered that we do not have any liability, of about 91%.

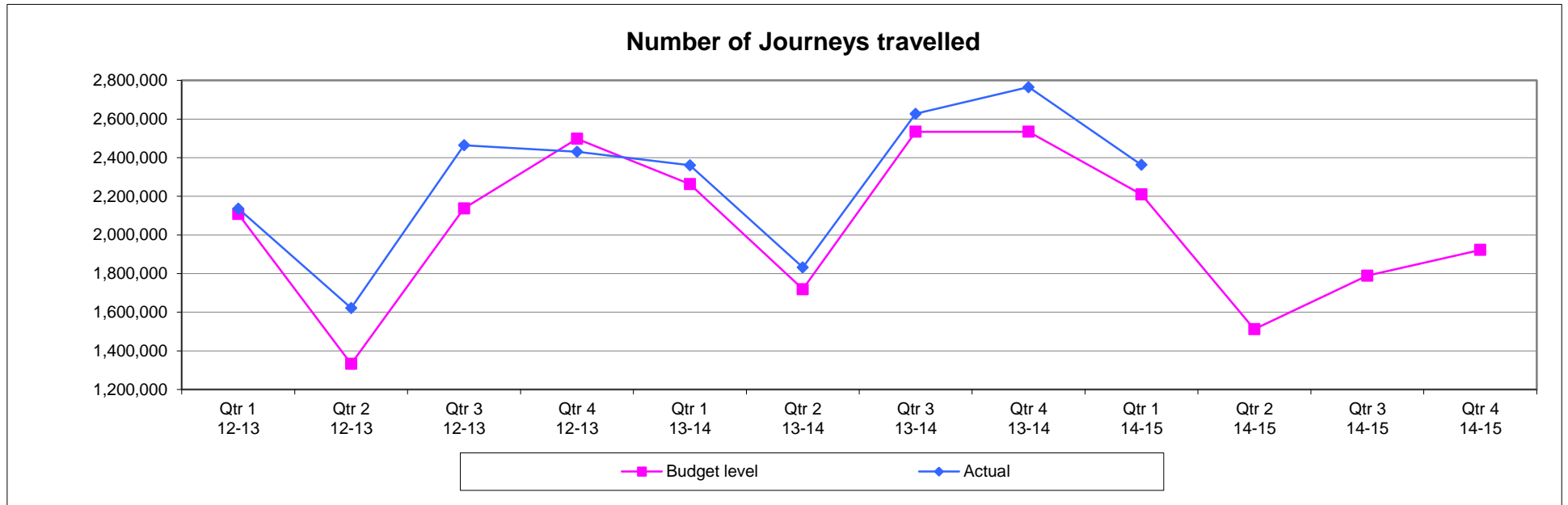
2.3 Young Persons Travel Pass (formerly Freedom Pass)

	2012-13				2013-14				2014-15			
	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)
Qtr 1	26,800	25,668	2,108	2,136	26,970	27,571	2,263	2,361	29,500	28,322	2,210	2,363
Qtr 2	24,703	26,051	1,333	1,621	27,260	28,227	1,719	1,832	23,000		1,512	
Qtr 3	25,877	27,141	2,137	2,464	28,420	29,272	2,534	2,627	23,000		1,789	
Qtr 4	26,500	27,711	2,498	2,431	29,000	29,972	2,534	2,765	23,500		1,922	
			8,076	8,652			9,050	9,585			7,433	2,363

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

Number of Freedom Passes/Young Persons Travel Passes in issue





Comments:

- 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 £800k 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 above figures do not include journeys travelled relating to free home to school transport as these costs are met from the Education & Young People Directorate budget and not from the Freedom Pass/Young Persons Travel Pass budget.
- The above figures show that the current number of passes in issue is below the budgeted number, however there is a higher than budgeted number of journeys being travelled. Also, until we have more knowledge of the take up for the new academic year, it is difficult to quantify the impact of the changes to the scheme, so a balanced position is currently forecast.
- The reduction in the budgeted number of journeys for 2014-15 is as a result of changes to the scheme, agreed by County Council in February 2014, to restrict travel to between the hours of 6am and 7pm, Monday to Friday, between 1 September and 31 July; meaning the pass is no longer valid during the school summer holidays or at weekends. As a result of these changes it is anticipated that the number of passes in issue will reduce and this is reflected in the 2014-15 budgeted number of passes shown in the table above.

2.4 Waste Tonnage

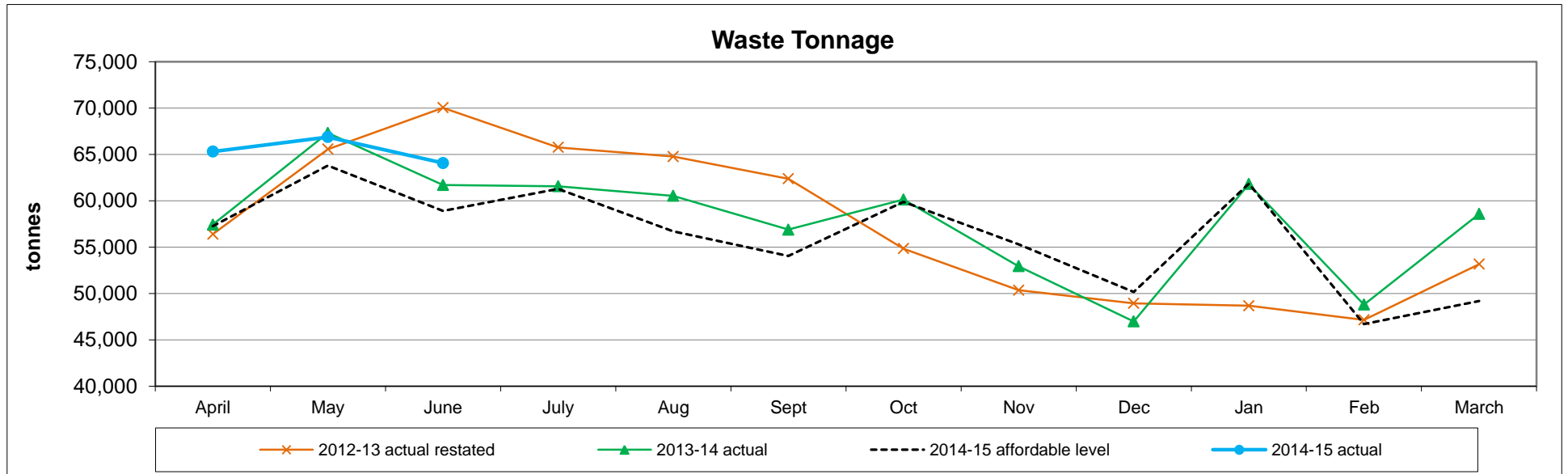
	# 2012-13 restated	2013-14 restated	2014-15	
	Waste Tonnage	Waste Tonnage	Affordable Level ^	* Waste Tonnage
Apr	56,390	57,423	57,246	65,302
May	65,562	67,314	63,802	66,859
Jun	70,033	61,701	58,899	64,064
Jul	65,764	61,563	61,282	
Aug	64,760	60,519	56,684	
Sep	62,377	56,884	54,032	
Oct	54,837	60,127	59,881	
Nov	50,344	52,934	55,294	
Dec	48,925	46,979	50,167	
Jan	48,668	61,791	61,844	
Feb	47,135	48,801	46,682	
Mar	53,150	58,583	49,187	
	687,945	694,619	675,000	196,225

^ 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 .

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.

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Comments:

- From 2013-14 Waste tonnage data is based on waste outputs from transfer stations rather than waste inputs to our facilities. This is 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. All the data presented in the table above has been 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 overall volume of waste managed in 2013-14 was 694,619 tonnes, which was 20,381 tonnes below the affordable level and equated to a saving of £2.155m. However this saving on waste volumes was offset by other pressures within the service, giving an overall saving against the waste management budget of £0.778m.
- The actual tonnage in 2013-14 of 694,619 tonnes was far higher than the forecast figure of 676,900 tonnes based on actuals to January and reported to Cabinet in April. This unexpected increase in volume in the final quarter of 2013-14 has continued into 2014-15, with cumulative tonnage activity for the first three months of the year approximately 16,300 tonnes more than the affordable level for the same period; the 2014-15 affordable level is based on the actual activity of the first three quarters of 2013-14. This increase in waste tonnage is reflected in the current financial forecast in table 1b of this annex.
- Based on the actual waste tonnage for April and May and forecasts for June to March, the overall volume of waste to be managed this financial year is expected to be approximately 705,500 tonnes, which is 30,500 tonnes above the affordable level and equates to a pressure of £2.163m. However this pressure on waste volumes is partially offset by other savings within the service, as detailed in table 1b, giving an overall pressure against the waste management budget of £0.962m. The service believes that the increase in waste tonnage experienced over the last six months can be explained by two separate issues: Firstly, climatic: the extraordinarily mild and moist winter and spring has led to a very favourable and advanced growing season, leading to high levels of organic waste. In addition, large volumes of broken fence panels etc were evident in the early part of the year as a result of repairs to winter storm damage. Secondly, the growth in the UK economy has led to increased waste arising across the UK, but particularly in the south east, where economic activity is greatest, in particular in house purchases and renovations.
- The figures in Table 1b of section 1.4 are based on actual activity for April and May, with estimates for the remaining months; the division has recently received figures for June and early indications suggest a revised forecast tonnage of 707,200 which may result in an increased financial pressure reported next month. Overall waste volumes are currently 5.2% higher for the first three months when compared with the same period for last year.

3. CAPITAL

3.1 The Growth, Environment and Transport Directorate has a working budget for 2014-15 of £125,829k. The forecast outturn against the 2014-15 budget is £142,057k giving a variance of +£16,228k.

3.2 **Table 2** below details the GET Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Country Parks Access and Development	180	77	0	0			Green		
Library Modernisation Programme	1,095	782	0	0			Green		
Management and Modernisation of Assets - Vehicles	430	141	0	0			Green		
Public Rights of Way	2,505	1,023	0	0			Green	Following the floods of winter 2013 this programme is under significant pressure, but spend will be restricted to the allocated budget.	
Public Sports Facilities Improvement - Capital Grant	300	100	0	0			Green		
Village Halls and Community Centres - Capital Grants	725	325	0	0			Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	83,582	31,259	8,465	8,465	Real: Grant 6,296; Revenue 1,669; Cap Receipt 500;	The variance represents the additional grant awarded by the DfT and an additional sum from KCC to clear the back log of drainage works caused by the extreme weather. This has been committed for resurfacing and prevention works.	Amber	Programme is amber due to real variance. This is due to additional funding for which a cash limit adjustment is requested.	Increase cash limit: £6,296k grant, £1,669k revenue and £500k capital receipt
Integrated Transport Schemes under £1 million	11,346	5,599	-600	-600	Real: Grant	This planned underspend on the IT programme is requested to help fund the overspend on the Poorhole Lane scheme.	Green		Decrease cash limit by £600k grant
Member Highway Fund		1,117	0	0					
Land compensation and Part 1 claims arising from completed projects	1,213	1,315	-1,054	-1,054	Real: Prudential	Budget review has identified an underspend of £1,054k. £705k of this is requested to help fund the overspend on Poorhole Lane, and the balance of £349k is a real saving.	Green		Decrease cash limit by £1,054k prudential

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Major Schemes - Preliminary Design Fees	450	680	0	0			Green		
Individual Projects									
Cheesemans Green Library, Ashford	0	0	0	0			Green		
Dartford Library Plus	434	434	0	0			Green		
Kent History & Library Centre	0	104	0	0			Green		
New Community Facilities at Edenbridge	0	43	0	0			Green		
Southborough Hub	250	125	0	0			Green		
Tunbridge Wells Library	0	10	0	0			Green		
Broadband	21,850	14,991	0				Green		
Cyclopark	0	29	6	6	Real - External Funding Dev Cont		Green		Increase cash limit by £6k Dev Cont
Empty Property Initiative	7,500	2,972	10	10	Real - Revenue		Green		
Eurokent Road (East Kent)	69	71	0	0			Green		
Folkestone Heritage Quarter	300	402	0				Green		
Incubator Development	0	442	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
LIVE Margate	2,656	5,076	0				Green		
Marsh Million	200	283	50	50	Real - External funding other		Green		Increase cash limit by £50k Ex Other
No Use Empty - Rented Affordable Homes	250	563	0				Green		
Old Town Hall, Gravesend	58	15	0				Green		
Payers Park	0	500	0				Green		
Regeneration Fund Projects	2,006	2,861	0				Green		
Regional Growth Fund - Expansion East Kent	21,000	9,867	13,293	13,293	Rephasing	The fund is heavily committed, and hence currently quite a lot of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green		
Regional Growth Fund - Journey Time Improvement (JTI)	4,556	330	0				Green		
Rural Broadband Demonstration Project	1,315	675	0				Green		
Swale Parklands	0	48	0				Green		
Tram Road/Tontine Street Road Works	0	13	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
TIGER	16,000	10,296	-22	-22	Re-phasing - grant +5,478 Real - grant -5,500	We have a review meeting with BIS in Sept where we hope to secure the further £5.5m as we had originally in principle secured. The fund is heavily committed, and hence currently quite a lot of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green		Decrease cash limit by £5,500k Grant
Escalate	5,400	5,500	-311	-311	Re-phasing - grant	The forecast has been adjusted according to current actual and pipeline cases in current year.	Green		
Energy and Water Efficiency Investment Fund - External	431	235	0	0			Green		
Energy Reduction and Water Efficiency Investment - KCC	292	172	0	0			Green		
Sandwich Sea Defences	1,875	1,515	0	0			Green		
Coldharbour Gypsy site		41	0	0			Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):									
Mid Kent Joint Waste Project		911	-911	-911	Real : Pru/Rev	Scheme complete. Savings due to type and number of containers used and lower price than originally estimated. Underspend requested to fund Poorhole lane.	Green		Decrease cash limit by £911k prudential/rev
HWRC - Tonbridge and Malling	300		0	0			Green		
HWRC - West Kent	600	600	-600	-600	Real : Prudential	Existing site's lease is now extended therefore no new project is needed. Underspend to be held to offset emerging pressures elsewhere in the GET capital programme.	Green		
TS/HWRC - Ashford	50	50	0	0			Green		
TS/HWRC - Swale	3,380	1,880	-580	-580	Rephasing	Preparatory works to be carried out in this financial year with construction due to start in 15-16.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Kent Highway Services									
Weather Damage - Major Patching	0	1,516	0	0			Green		
Carriageway Collapse-Emergency works	0	1,119	0	0			Green		
A228 Colts Hill Strategic Link - Major Road Scheme	0	0	0	0					
Ashford Ring Road		94	0				Green		
East Kent Access Phase 2 - Major Road Scheme	3,447	2,011	-1,374	-1,374	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Growth without Gridlock initiatives	350	100	-100	-100	Real: Prudential	The remaining budget is requested to go towards the overspend on Poorhole Lane. Over the three year period this totals £350k.	Green		Decrease cash limit by £350k prudential: £100k 14-15, £100k 15-16 & £150k 16-17
Kent Thameside Strategic Transport Programme	11,526	1,479	0	0			Green		
Lorry Park	14,620	1,080	-830	-830	Rephasing	Further options are being explored hence the start date has been delayed.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
North Farm Longfield Road, Tunbridge Wells	4,275	4,344	1,710	1,710	Real - Ex developer; +£2,300k Real - Cap Receipt - £590k	Increased scheme cost due to increased utility works as reported to PAG. The additional expenditure will be funded from the Developer Contributions.	Green		Increase cash limit by £2,300k dev cont in 14-15, £640k dev cont in 15-16 and decrease cash limit by £590k cap receipt in 14-15
Rushenden Link (Sheppey) - major road scheme	749	694	-539	-539	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Sandwich Highways Depot	3,000	0	0	0			Green		
Sittingbourne Northern Relief Road - major road scheme	2,722	2,395	-1,825	-1,825	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Street Lighting Column - Replacement Scheme	2,500	1,804	0	0			Green		
Street Lighting Timing - Invest to Save	1,817	1,512	0	0			Green		
South East Maidstone Strategic Link - Major Road Scheme	0	0	0	0					
Thanet Park Way	2,600	1,642	-602	-602	Rephasing	The rephasing is due to delays in the procurement process. The delay has an impact on the initial delivery time scale.	Amber		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Westwood Relief Strategy - Poorhole Lane Improvement	1,727	1,820	2,042	2,042	Real: £600k grant, £1,055k prudential, £911k prud/rev. -£524k rephasing	The increased scheme cost was due to the relocation of utility works and this additional expenditure is offset by the real underspends against LCA Part 1, Growth Without Gridlock, Mid Kent Joint Waste Programme and the IT programme.	Red	The expected overspend on the project as a whole is £2,566k, of which, £2,042k is in 2014-15. The project has been delayed by two months with completion expected May 2015.	Increase cash limit in 14-15: £600k grant, £1,055k prudential, £911k prud/rev.
Ashford's Future Schemes									
A28 Chart Road, Ashford	16,600	0	0	0			Green		
Drovers Roundabout junction	192	242	0	0			Green		
Orchard Way Railway bridge, Ashford	0	0	0	0					
Victoria Way	468	505	0	0			Green		
Total	259,191	125,829	16,228	16,228					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

STRATEGIC & CORPORATE SERVICES DIRECTORATE
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+81,691	+703	-703	-

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, reflect technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£1,073.9k gross and -£1,073.9k income.

There are also a number of other corporate adjustments which total +£480.8k gross/net, which are predominantly related to the allocation of the single pay reward scheme funding, some further centralisation of budgets, transfer of funding to Financing Items for the directorate funded prudential borrowing costs and where responsibilities between directorates are still being refined following the authority wide directorate restructure which took effect from 1 April 2014, such as the split of the Business Transformation Unit between S&CS, GE&T and E&YP directorates .

The overall movements are therefore an increase in gross of £1,554.7k and an increase in income of -£1,073.9k, giving a net impact of +£480.8k. This is detailed in table 1a.

Table 1a shows:

- The published budget,
- The proposed budget following technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
Strategic & Corporate Services									
Strategic Management & Directorate Support Budgets	4,013.7	-5,089.3	-1,075.6	3,585.7	-5,089.3	-1,503.6	-428.0	0.0	-428.0
<u>Community Services</u>									
- Contact Centre & Citizens Advice Help Line	3,497.8	-1,411.4	2,086.4	3,569.4	-1,524.1	2,045.3	71.6	-112.7	-41.1
- Gateways & Customer Relationship	2,613.1	-57.0	2,556.1	2,665.2	-57.0	2,608.2	52.1	0.0	52.1
- Local Healthwatch & NHS Complaints Advocacy	1,340.4	-766.0	574.4	1,281.5	-706.0	575.5	-58.9	60.0	1.1
	7,451.3	-2,234.4	5,216.9	7,516.1	-2,287.1	5,229.0	64.8	-52.7	12.1
<u>Local Democracy</u>									
- Community Engagement	406.4	0.0	406.4	415.3	0.0	415.3	8.9	0.0	8.9
- County Council Elections	570.0	0.0	570.0	570.0	0.0	570.0	0.0	0.0	0.0
Local Member Grants	2,100.0	0.0	2,100.0	2,100.0	0.0	2,100.0	0.0	0.0	0.0
Partnership arrangements with District Councils	2,463.2	0.0	2,463.2	2,463.2	0.0	2,463.2	0.0	0.0	0.0
	5,539.6	0.0	5,539.6	5,548.5	0.0	5,548.5	8.9	0.0	8.9
<u>Support to Frontline Services</u>									
- Business Strategy	3,211.5	-82.0	3,129.5	3,263.5	-82.0	3,181.5	52.0	0.0	52.0
- Communications & Consultation	2,615.4	-11.0	2,604.4	2,775.4	-131.0	2,644.4	160.0	-120.0	40.0
- Democratic & Members	3,809.3	-128.7	3,680.6	3,835.1	-128.7	3,706.4	25.8	0.0	25.8
- Finance & Procurement	19,448.3	-7,761.9	11,686.4	19,657.2	-7,761.9	11,895.3	208.9	0.0	208.9
- Human Resources	15,633.0	-6,579.1	9,053.9	15,632.9	-6,430.6	9,202.3	-0.1	148.5	148.4
- Information, Communications & Technology	34,700.3	-17,440.0	17,260.3	34,880.0	-17,336.2	17,543.8	179.7	103.8	283.5
- Legal Services & Information Governance	10,051.8	-12,407.9	-2,356.1	10,068.3	-12,407.9	-2,339.6	16.5	0.0	16.5
- Property & Infrastructure	31,728.5	-5,258.5	26,470.0	32,994.7	-6,412.0	26,582.7	1,266.2	-1,153.5	112.7
	121,198.1	-49,669.1	71,529.0	123,107.1	-50,690.3	72,416.8	1,909.0	-1,021.2	887.8
Total S&CS	138,202.7	-56,992.8	81,209.9	139,757.4	-58,066.7	81,690.7	1,554.7	-1,073.9	480.8

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Strategic & Corporate Services							
Strategic Management & Directorate Support Budgets	3,585.7	-5,089.3	-1,503.6	-55			
<u>Community Services</u>							
- Contact Centre & Citizens Advice Help Line	3,569.4	-1,524.1	2,045.3	+576	+165	In the current year there has been an increase in the number and duration of calls to the Contact Centre, resulting in a need to increase staffing levels to maintain performance.	Management action has been taken to improve performance and efficiencies and thus keep additional staff to a minimum.
					+390	The service transferred to S&CS with a previous year saving of -£573k and a further -£213k saving for 2014-15 in the base budget. Delivery was focussed on reducing staffing levels but has not been entirely possible because of the unanticipated effect on performance/ outputs, as described above.	Management action underway to address the savings targets by reviewing the way these can be delivered. Future strategy is focussed on moving customer contact to a web based solution which will yield further efficiencies.
					+21	Other minor variances	
- Gateways & Customer Relationship	2,665.2	-57.0	2,608.2	-26			
- Local Healthwatch & NHS Complaints Advocacy	1,281.5	-706.0	575.5	0			
	7,516.1	-2,287.1	5,229.0	+550			
<u>Local Democracy</u>							
- Community Engagement	415.3	0.0	415.3	+267	+301	The service transferred to S&CS with an existing saving of £327k based on an anticipated service review which should have happened in the previous financial year.	A review is currently being undertaken which will be subject to a Member decision on scoping the future nature of the service.
					-34	Other minor variances	
- County Council Elections	570.0	0.0	570.0	0			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Local Member Grants	2,100.0	0.0	2,100.0	+9			
- Partnership arrangements with District Councils	2,463.2	0.0	2,463.2	-40			
	5,548.5	0.0	5,548.5	+236			
<u>Support to Frontline Services</u>							
- Business Strategy	3,263.5	-82.0	3,181.5	-82			
- Communications & Consultation	2,775.4	-131.0	2,644.4	-274	-282	Staff vacancies	
					+8	Other minor variances	
- Democratic & Members	3,835.1	-128.7	3,706.4	-7			
- Finance & Procurement	19,657.2	-7,761.9	11,895.3	-44	+329	Delay in reduction in Support Services and related activities pending the outcome of Facing the Challenge review	
					-193	Staffing vacancies	
					-180	Other minor variances individually below £100k	
- Human Resources	15,632.9	-6,430.6	9,202.3	-136	-112	Staffing vacancies	
					-24	Other minor variances	
- Information, Communications & Technology	34,880.0	-17,336.2	17,543.8	-7			
- Legal Services & Information Governance	10,068.3	-12,407.9	-2,339.6	+221	-807	Staff vacancies	
					+1,144	Reduction in income resulting from market conditions and difficulties in recruiting staff with specialist knowledge	
					-116	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Property & Infrastructure Support	32,994.7	-6,412.0	26,582.7	+301	+300	Property Group budget for 2014-15 has a £300k savings target which depends on service changes and reviews taking 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.	Action to address through working with service directorates to identify opportunities.
					+1	Other minor variances	
	123,107.1	-50,690.3	72,416.8	-28			
Total S&CS	139,757.4	-58,066.7	81,690.7	+703			
Assumed Management Action				-703		The Directorate is working to deliver a break even position by the end of the financial year. This includes all divisions being tasked with delivering in year savings and efficiencies in non-critical areas of expenditure to reduce the overall pressure on the Directorate as a whole. Recognising the support and enabling role which the directorate has, some savings and management action are dependent on other parts of the organisation e.g. Property Group who are working with services to suggest possible asset rationalisations.	
Total S&CS Forecast <u>after</u> mgmt action	139,757.4	-58,066.7	81,690.7	0			

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts

The total forecast receipts expected to be banked during 2014-15 is £29.040m. With the imminent closure of PEF1 and PEF2 all receipts achieved will now go towards funding the capital programme. Finance and Property colleagues are undergoing discussions to resolve any ongoing implications from the closure of the two funds.

2.2 Capital Receipts Funding Capital Programme

	2014-15
	£'000
Capital receipt funding required for capital programme	48,158
Banked in previous years and available for use	32,881
Receipts from other sources*	2,743
Requiring to be sold this year	12,534
Forecast receipts for 2014-15	<u>29,040</u>
Potential Surplus/(Deficit)	16,506

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2014-15 totals £48.158m. Taking into account receipts banked in previous years which are available for use, receipts from other sources, and on the assumption the forecast receipts are achieved in 2014-15, there is a forecast "surplus" of capital receipt funding by the end of the year. It should be noted that any surplus would be a result of timing differences between when the receipts are achieved and when the spend is incurred in the capital programme. Any surplus receipts would therefore be required to fund future capital expenditure.

2.2.2 PEF1 and PEF2 have served their original purpose and work is underway to close these two funds as mentioned in paragraph 2.1 above.

3. CAPITAL

3.1 The working budget for the Strategic & Corporate Services Directorate for 2014-15 is £29,116k. The forecast outturn against the 2014-15 budget is £29,636k giving a variance of +£520k.

3.2 **Table 2** below details the S&CS Directorate Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Corporate Property Strategic Capital	5,300	2,650	0				Green		
Disposal Costs	750	250	0				Green		
Modernisation of Assets	5,626	6,773	20	20	Real - External Dev Cont		Green		Increase cash limit by £20k
Individual Projects									
Connecting with Kent	282	651	0				Green		
Customer Journey Programme (Facing the Challenge)	990	709	0				Green		
Enterprise Resource Programme	0	209	0				Green		
Gateways (Programme Rollout)	296	296	0				Green		
HR System	160	160	0				Green		
Innovative Schemes Fund	2,000	926	0				Green		
New Ways of Working	12,400	13,738	500	500	Real - Revenue	Contribution from reserves to the Mid Kent Development	Green		Increase cash limit by £500k
Property Asset Management System	0	90	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Replacement and Enhancement of Core Website (Facing the Challenge)	412	560	0				Green		
Swanley Gateway (Programme Rollout)	490	950	0				Green		
Sustaining Kent - Maintaining the Infrastructure	0	1,054	0				Green		
Winter Gardens Rendezvous site	100	100	0				Green		
S&CS Directorate	28,806	29,116	520	520					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

FINANCING ITEMS
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+126,087	-147	-	-147

1.2 The cash limits **upon which the variances in this report are based**, include technical adjustments where there is no change in policy including the allocation of £3,873k of the single pay reward scheme funding to directorates based on the 2013-14 performance assessments and the transfer of £1,289k funding from directorates for the directorate funded prudential borrowing costs. In addition there have been two virements from the Financing Items budget to Regeneration & Economic Development Services as detailed below:

- £25k for a grant to Kent Savers Credit Union
- £75k for a grant towards the Folkestone Memorial Arch

The overall movement is therefore a reduction in gross of £2,684k. The impact on the A-Z budgets is detailed in table 1a.

Table 1a shows:

- The published budget,
- The budget following these technical adjustments,
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financing Items									
Audit Fees	314.0	0.0	314.0	314.0	0.0	314.0	0.0	0.0	0.0
Carbon Reduction Commitment	1,000.0	0.0	1,000.0	1,000.0	0.0	1,000.0	0.0	0.0	0.0
Commercial Services (net contribution)	0.0	-7,691.0	-7,691.0	0.0	-7,691.0	-7,691.0	0.0	0.0	0.0
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	2,352.0	0.0	2,352.0	0.0	0.0	0.0
Contribution to/from Reserves	5,254.1	0.0	5,254.1	5,254.1	0.0	5,254.1	0.0	0.0	0.0
Insurance Fund	4,679.0	0.0	4,679.0	4,679.0	0.0	4,679.0	0.0	0.0	0.0
Modernisation of the Council	3,500.0	0.0	3,500.0	3,500.0	0.0	3,500.0	0.0	0.0	0.0
Net Debt Charges (incl Investment Income)	126,883.5	-8,514.0	118,369.5	128,072.5	-8,514.0	119,558.5	1,189.0	0.0	1,189.0
Other	939.0	-36.0	903.0	939.0	-36.0	903.0	0.0	0.0	0.0
Unallocated	4,090.0	0.0	4,090.0	216.9	0.0	216.9	-3,873.1	0.0	-3,873.1
Underspend rolled forward from previous years	-4,000.0	0.0	-4,000.0	-4,000.0	0.0	-4,000.0	0.0	0.0	0.0
Total Financing Items	145,011.6	-16,241.0	128,770.6	142,327.5	-16,241.0	126,086.5	-2,684.1	0.0	-2,684.1

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Financing Items							
Audit Fees	314.0	0.0	314.0	0			
Carbon Reduction Commitment Levy	1,000.0	0.0	1,000.0	0			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Commercial Services (net contribution)	0.0	-7,691.0	-7,691.0	+1,391	+1,391	shortfall in dividend from Commercial Services based on first quarter's results, new costs of rent payments to KCC and higher than expected costs of closing County Print	
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	0			
Contribution to/from Reserves	5,254.1	0.0	5,254.1	+224	+224	Transfer to Insurance reserve of surplus on Insurance Fund (see below)	
Insurance Fund	4,679.0	0.0	4,679.0	-224	-224	Forecast surplus on Insurance Fund following negotiations concerning long term exposure/Period of Time claims during RSA insurance policy years 1996-2001, which has achieved a significant reduction in liabilities	
Modernisation of the Council	3,500.0	0.0	3,500.0	0			
Net Debt Charges (incl Investment Income)	128,072.5	-8,514.0	119,558.5	+400	+400	Impact of continued low interest rates on our cash balances and investments	
Other	939.0	-36.0	903.0	0			
Unallocated	216.9	0.0	216.9	-1,938	-1,905	Additional Business Rate compensation grant, above the budgeted level, for reimbursement of impact of measures introduced in the 2012 and 2013 Autumn Statements	
					-33	Business Rates flood relief grant	
Total Financing Items	142,327.5	-16,241.0	126,086.5	-147			
Assumed Management Action							
Total Fin Items Forecast <u>after</u> mgmt action	142,327.5	-16,241.0	126,086.5	-147			

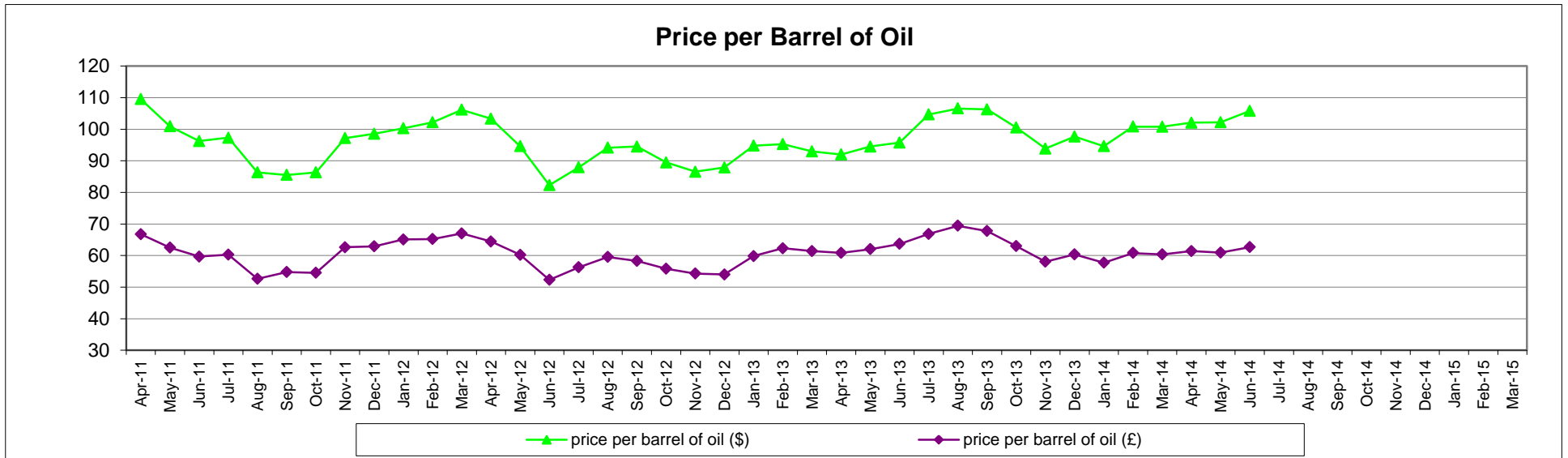
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	Price per Barrel of Oil		
	2012-13	2013-14	2014-15
	\$	\$	\$
Apr	103.32	92.02	102.07
May	94.65	94.51	102.18
Jun	82.30	95.77	105.79
Jul	87.90	104.67	
Aug	94.13	106.57	
Sep	94.51	106.29	
Oct	89.49	100.54	
Nov	86.53	93.86	
Dec	87.86	97.63	
Jan	94.76	94.62	
Feb	95.31	100.82	
Mar	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.



From: Paul Carter - Leader and Cabinet Member for Business Strategy, Audit & Transformation
David Cockburn – Corporate Director Business Strategy and Support

To: **Cabinet – 15 September 2014**

Subject: Quarterly Performance Report, Quarter 1 2014/15

Classification: Unrestricted

Summary: The purpose of the Quarterly Performance Report is to inform Cabinet about key areas of performance for the authority.

Recommendation(s):

Cabinet is asked to NOTE the Quarter 1, 2014/15 Quarterly Performance Report.

1. Introduction

- 1.1 The Quarterly Performance Report (QPR) is a key mechanism within the Performance Management Framework for the Council.
- 1.2 The report has been updated for the new financial year to take account of the Top Tier re-alignment and the publication of the new Directorate Strategic Priority Statements.
- 1.3 The QPR now includes 40 Key Performance Indicators (KPIs), up from 35 last year.
- 1.4 The report continues to include a range of other essential management information including:
 - Updates on Corporate Risks,
 - Activity Indicators, which track service demand and other external factors,
 - Staffing information.
- 1.5 The number of activity indicators has increased to 41, up from 29 last year.
- 1.6 Although there are more indicators included in the report this year compared to last year, the overall report size has been reduced by 28 pages (from 100 pages to 72 pages). This has been achieved by using a simplified layout and with more focused commentary to support the indicator data tables and graphs.

2. Quarter 1 Performance Report

- 2.1 The KCC Quarterly Performance Report for Quarter 1 2014/15 is attached at Appendix 1.
- 2.2 An executive summary of results against Target for Key Performance Indicators (KPIs), and progress against actions for High rated Corporate Risks is provided at the start of Appendix 1.
- 2.3 Results against Target for KPIs are assessed using a Red/Amber/Green (RAG) status.
- 2.4 Of the 40 Key Performance Indicators included in the report, the RAG statuses are as follows:
 - 25 Green - target currently being achieved or exceeded.
 - 10 Amber – acceptable results, often ahead of last year or above national average.
 - 5 Red - performance below pre-defined Floor Standards.
- 2.5 Overall net Direction of Travel in the quarter was positive with twenty-two (22) KPIs showing improvement and twelve (12) showed a fall in performance.
- 2.6 Clear actions are in place to improve performance where indicators have a Red status.
- 2.7 There are currently five Risks which are rated as High Risk and clear actions are in place to reduce the risk level for each of these.

3. Recommendation(s)

Recommendation(s):

Cabinet is asked to NOTE the Quarter 1, 2014/15 Quarterly Performance Report.

4. Contact details

Report Author:

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Kent County Council

Quarterly Performance Report

Quarter 1

2014/15

Produced by: KCC Business Intelligence
E-mail: performance@kent.gov.uk
Phone: 01622 221985



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Key to KPI Ratings used

This report includes 40 Key Performance Indicators (KPIs), where progress is assessed against Targets which are set at the start of the financial year through the Council's Strategic Priority Statements. Progress against Target is assessed by RAG (Red/Amber/Green) ratings. Progress is also assessed in terms of Direction of Travel (DoT) through use of arrows.

GREEN	Target has been achieved or exceeded
AMBER	Performance at acceptable level, below Target but above Floor
RED	Performance is below a pre-defined Floor Standard *
↑	Performance has improved relative to targets set
↓	Performance has worsened relative to targets set
↔	Performance has remained the same relative to targets set
N/A	Not available

* Floor Standards represent the minimum level of acceptable performance.

Key to Activity Indicator Graphs

Alongside the Key Performance Indicators this report includes a number of Activity Indicators which present demand levels for services or other contextual information.

Graphs for activity indicators are shown either with national benchmarks or in many cases with Upper and Lower Thresholds which represent the range we expect activity to fall within. Thresholds are based on past trends and other benchmark information.

If activity falls outside of the Thresholds, this is an indication that demand has risen above or below expectations and this may have consequences for the council in terms of additional or reduced costs.

Activity is closely monitored as part of the overall management information to ensure the council reacts appropriately to changing levels of demand.

Data quality note

All data included in this report for the current financial year is provisional unaudited data and is categorised as management information. All current in-year results may therefore be subject to later revision.

Executive Summary (1)

Customer Services and Contact

KPI Summary	GREEN	AMBER	RED
Customer Services and Contact	2	1	1
TOTAL	2	1	1

The percentage of calls answered by Contact Point (KCC's call centre) was behind target during the last quarter, due to increased length of call duration and staff shortages. Despite this the caller satisfaction with Contact Point advisors remained very high. Complaints handling and percentage of residents feeling informed both improved in the quarter.

Call volumes handled by Contact Point continue to show reductions over time with increased digital take-up and use of the web-site by residents. However, average handling time for calls have been constantly increasing over time as routine simple enquiries and transactions are dealt with online, and with Contact Point now dealing with a higher proportion of more complex calls for services such as Adult Social Care and Specialist Children's Services.

Top three Services for contacts to Contact Point

Figures in thousands of telephone calls	3 months to June 2014	12 Months to June 2014
Adult Social Care	42	140
Highway Services	28	125
Specialist Children's Services	27	90

Top three Transactions completed online – 3 months to June 2014

	Number of transactions completed	Percentage completed Online/Digital
Renew a library book (count of books renewed)	185,444	95%
Report a Highways Fault	23,729	43%
Book a Birth/Death Registration appointment	8,493	50%

Executive Summary (2)

Growth, Environment and Transport

KPI Summary	GREEN	AMBER	RED
Economic Development	2	1	
Environment, Planning and Enforcement			1
Highways and Transportation	4		
Waste Management	2		
Libraries, Registration and Archives	1	1	
TOTAL	9	2	1

Economic Development: Cumulative committed job creation from the Regional Growth Fund and other Economic Development activity remains ahead of target, as does approval of applications for the Expansion East Kent Fund. Although approval of applications for the Tiger and Escalate schemes was lower than expected in the most recent quarter, there are sufficient applications in the pipeline to bring this combined scheme back on track during the next quarter. There are good signs of economic recovery across a range of external context indicators.

Environment, Planning and Enforcement: Business mileage for all KCC staff showed an increase during the last financial year compared to a target set for a 5% reduction, which has had a negative impact on our achievement of carbon emission reductions.

Highways and Transportation: Operational targets for timeliness of Highways Maintenance works continues to be ahead of target as does resident satisfaction with routine works and programmed schemes. Following an exceptionally high level of requests for maintenance works during the quarter to March 2014, work in progress levels are now back within the expected normal range due to extra activity in the quarter to June to address the previous high levels of demand.

Waste Management: Performance for diversion of waste from landfill and recycling levels achieved at Household Waste Recycling Centres both remain ahead of target. Waste tonnage however has increased for the third consecutive quarter and is now above expected levels.

Libraries, Registration and Archives: Results for the new satisfaction surveys for Libraries, Registration and Archives were ahead of target for Registrations but behind target for Libraries. Visitor numbers and book issues have both been low and below expectations so far this year, with the number of ceremonies conducted at similar levels to last year.

Executive Summary (3)

Education and Young People's Services

KPI Summary	GREEN	AMBER	RED
Education Quality and Standards	2	1	1
Education Planning and Access	1		
Early Help and Preventative Services	2	2	
TOTAL	5	3	1

Education Quality and Standards: Provisional results for Key Stage 2 show significant improvement compared to last year and Kent pupils now appear to be achieving at higher levels than the national average. The percentage of schools which are Good or Outstanding continues to improve ahead of target. The percentage of Early Years settings which are Good or Outstanding also improved to ahead of target. NEET levels for 16-18 year olds have risen, with an increase in those whose educational status is Not Known. Apprenticeship starts for 16-18 year olds decreased during 2012/13 and the full year figures for the 2013/14 academic year are not yet available. The percentage of young people aged 18 to 24 claiming Job Seekers Allowance reduced to 3.6% at the end of June, down from the peak of 7.5% in 2012.

Education Planning and Access: The percentage of SEN statements issued within 26 weeks improved each quarter last year and results for the first quarter of this year remain above target. The number of children with statements of SEN in Kent at the end of June was 7,279 which is a 2.2% increase on the same time last year. There are currently 152 children from other local authorities placed in Kent special schools, down from 160 last March. There continues to be annual increases in the number of Reception year children (trend since 2007/08) and the Year 7 admissions are now set to increase as this previous trend of Primary increases starts to move into Secondary stage education.

Early Help and Preventative Services: Team Around the Family cases (TAFs) which are closed with either outcomes achieved or to single agency support has increased and is now on target. The number of open TAFs continues to increase with the number of Common Assessment Frameworks (CAFS) fluctuating about the 1,000 level. The percentage of Children in Need cases stepped down to preventative services remains constant at 18%, just below target. New registrations at Children's Centres were around 3,000 per quarter over the last 12 months, which is down from the higher levels previously seen. Permanent exclusions for pupils continue to decrease ahead of target. The number of first time entrants to the youth justice system has risen this quarter, following a relatively stable level for the previous year.

Executive Summary (4)

Social Care, Health and Well Being

KPI Summary	GREEN	AMBER	RED
Children's Safeguarding	1	1	1
Corporate Parenting	2	1	
Adult Social Care	3	2	1
Public Health	3		
TOTAL	9	4	2

Children's Safeguarding: There continues to be high vacancy rates for qualified social workers, with 20.1% of the posts being filled by Agency staff. The percentage of Case File Audits judged as adequate or better declined in the quarter following work to ensure consistent judgements are being applied. Referrals to the service reduced slightly in the quarter but remain high and the number of Children in Need cases also decreased, remaining within the expected range. The number of children with Child Protection Plans increased slightly and numbers are at the higher end of the expected range. The number of children who become subject to a Child Protection Plan for a second or subsequent time continues to be at optimal best practice levels.

Corporate Parenting: The adoption rate at 25.2% for the first quarter of the year was significantly ahead of target. The percentage of children in KCC Foster Care is above target and use of Independent Fostering Agencies decreased this quarter. Placement stability for children who have been in care for more than two and a half years is currently below target. The number of Kent Children in Care reduced by 27 in the quarter to 1,597, and the number of Children in Care placed in Kent by other Local Authorities increased to 1,261.

Adult Social Care: Challenging stretch targets have been set for the year to drive continuous performance improvement. There has been good improvement in the number of contacts resolved at first point of contact, although the rating for the indicator dropped from Green to Amber, due to the level of the stretch target for this indicator. The number of clients with a Telecare service and the number of enablement referrals both continue to increase ahead of target. There was a significant reduction in new admissions for older people to residential and nursing care in the quarter. Results for the new indicator for Promoting Independence Reviews completed were significantly below target and this is expected to improve to target level from October.

Public Health: Targets for delivery of NHS Health Checks, smoking quits and access to sexual health (GUM) services were all met. There has been with a reduction in the gap in premature mortality between Thanet and Sevenoaks in recent years. Teenage pregnancy (under-18 year old conceptions rate) continues to reduce and the proportion of children within the healthy weight range was higher in Kent than national proportions in 2012 and 2013.

Executive Summary (5)

Corporate Risks

	Low Risk	Medium Risk	High Risk
Current risk level	0	9	5
Target risk level	4	10	0

A summary of mitigating actions for current High Risk areas is provided below with further details of progress against mitigating actions for all corporate risks provided later in this report.

Management of adult social care demand: The Care Act is likely to have considerable impact on demand for services. A Care Act Programme has been established to ensure KCC is well placed to deliver its new responsibilities and that Kent residents who need social care, their carers and local providers are able to take advantage of the new developments. Initial analysis has also been conducted to identify the likely extent of demand for Deprivation of Liberty Assessments, another potential source of increased demand.

Management of demand on specialist children's services: A programme to deliver integrated Early Help and Preventative Services for 0-19 year olds and their families is underway. Diagnostic work has been conducted with the aid of an efficiency partner, aiming to ensure an improved and measurable impact of Early Help Services on Specialist Children's Services demand. A design phase is now being developed.

Future operating environment for local government: Local authorities nationally are facing increasing pressures as public sector austerity measures will continue well into the next parliament. KCC's response is its "Facing the Challenge" Transformation Programme, which is continuing apace with progress updates regularly reported to County Council. Work undertaken so far includes completion of phase 1 service reviews and market engagement, the launch of a new Leadership and Management Framework to address identified gaps in key skills and the establishment of four change portfolios to enable a clear and single view of all the change activity taking place across the council.

Health & Social Care Integration - Better Care Fund (BCF): Government announced in July 2014 that over 25% of the total BCF monies are being held back and ring-fenced to support acute hospital trusts where BCF activity fails to achieve targets to reduce emergency hospital admissions, which moves the burden of risk from hospitals into other sectors such as social care. KCC is assessing the implications of this change and will contribute to the integrated plan being submitted to the Kent Health and Wellbeing Board in September.

Delivery of 2014/15 savings: With public sector austerity measures ongoing, KCC still needs to make ongoing year-on-year savings to balance its books, which is becoming increasingly challenging. Management action plans are being devised to address potential budget issues in several areas.

Customer Service and Contact - Overview	
Cabinet Member	Bryan Sweetland
Director	Barbara Cooper (Interim)

The percentage of calls answered by Contact Point (KCC's call centre) was behind target during the last quarter, due to increased length of call duration and staff shortages. Despite this the caller satisfaction with Contact Point advisors remained very high. Complaints handling and percentage of residents feeling informed both improved in the quarter.

Indicator Description	Previous Status	Current Status	DOT
Percentage of phone calls to Contact Point which were answered	GREEN	RED	↓
Caller satisfaction with Contact Point advisors	AMBER	GREEN	↑
Percentage of complaints responded to within timescale	AMBER	AMBER	↑
Percentage of residents who feel informed about council services	AMBER	GREEN	↑

To address staff shortages in Contact Point, recruitment has been undertaken for replacement staff, with 12 new staff employed, and following induction and training they will be fully deployed on call answering in August.

There is acknowledgement that current transformation activity across the council is increasing telephone contact volumes in the short term for some service areas, with a need to better coordinate internal and external public messages to minimise additional contacts being generated. Meetings have been held with key services, to improve the quality and timeliness of communication regarding proposed changes to services. The Unified Communications programme and the relocation of staff under the New Ways of Working programme are also having an impact on call volumes being handled by Contact Point in the short term, as staff direct-dial phone numbers change.

Current technology supporting Contact Point is outdated and a new Cloud telephony system has been procured and is currently in the implementation phase. This will improve caller experience, call quality and the resilience of the service, including increasing the potential for home working.

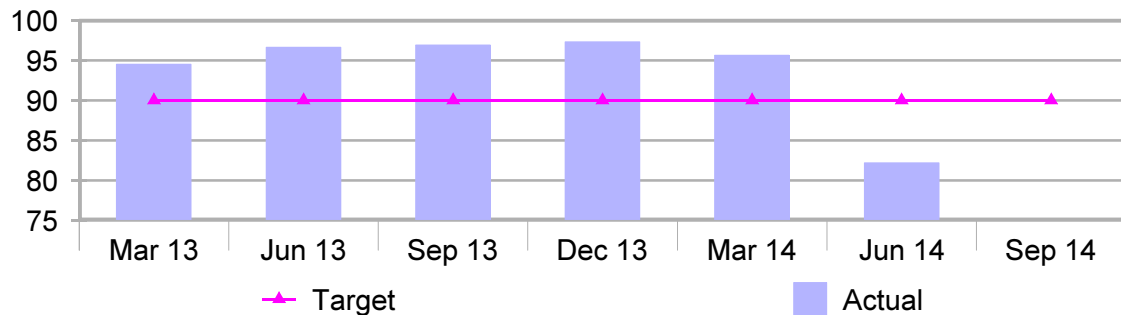
An End to End Customer Services review is in hand to identify where improvements can be made to reduce call volumes and call handling times, by making better use of technology, both on the KCC web-site and within internal business processes. Any follow up actions will be taken forward in the context of a new council-wide Customer Service Policy, currently being drafted for County Council approval.

Contact Point and Digital Services together form Lot 3 of a Notice for Competitive Dialogue, placed in the Official Journal of the European Union (OJEU). The Pre-Qualification Questionnaire stage closed on 31st July.

Customer Service and Contact - KPIs

Percentage of phone calls to Contact Point which were answered

RED
↓

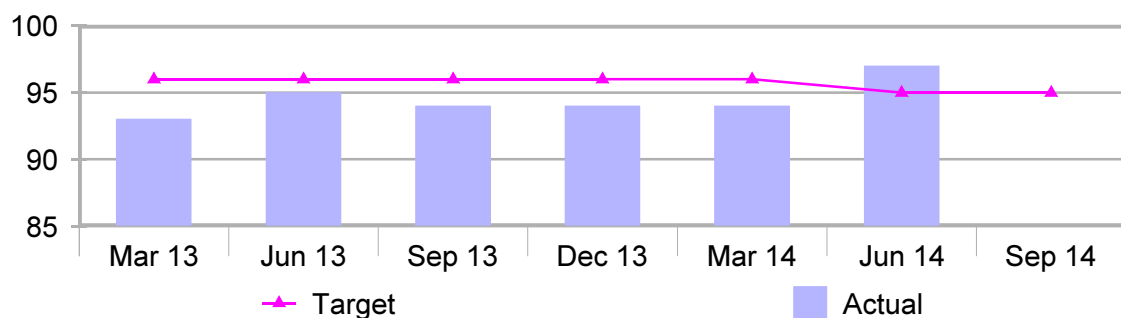


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	95%	97%	97%	97%	96%	82%	
Target	90%	90%	90%	90%	90%	90%	90%

Our performance in call answering at Contact Point was at a low level behind target in the quarter. Performance was affected by long call duration and a current staff shortage. There was continuing high demand for services such as highways and increasing contacts resulting from consultation exercises and service changes such as the HomeCare re-tender for Adult Social Care. Additional staff have been recruited to ensure sufficient resource is available to match current demand levels and performance should improve from August.

Percentage of callers to Contact Point who rated the advisor who dealt with their call as good ***

GREEN
↑



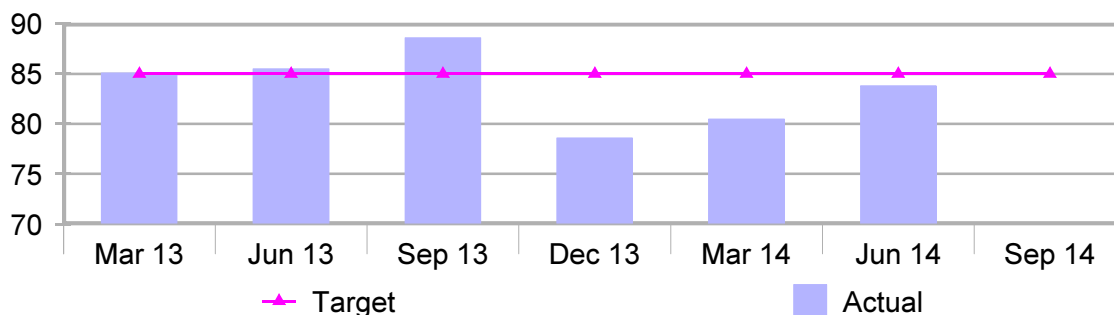
	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	93%	95%	94%	94%	94%	97%	
Target	96%	96%	96%	96%	96%	95%	95%

Despite the low answer rate by Contact Point in the quarter, customer satisfaction with the Advisor remains very high. There has been a great deal of feedback relating to the excellence of the Advisors for their customer service skills and knowledge of Council services.

*** Note that the indicator definition has changed this year. Last year callers were asked about the overall service delivered, but for this year the question is specifically about the Contact Point advisor.

Customer Service and Contact - KPIs

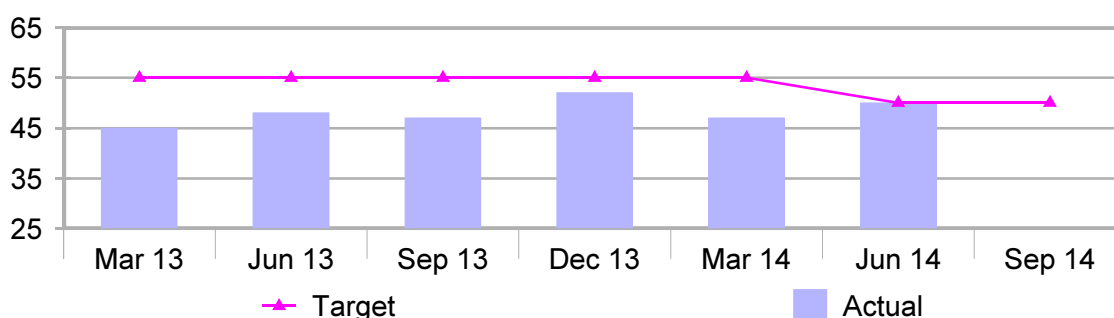
Percentage of complaints responded to within timescale

AMBER
↑

	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	85%	86%	89%	79%	81%	84%	
Target	85%	85%	85%	85%	85%	85%	85%

Complaints are now being responded to close to the target level after two quarters of lower performance on this indicator.

Percentage of residents who feel informed about council services

GREEN
↑

	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	45%	48%	47%	52%	47%	50%	
Target	55%	55%	55%	55%	55%	50%	50%

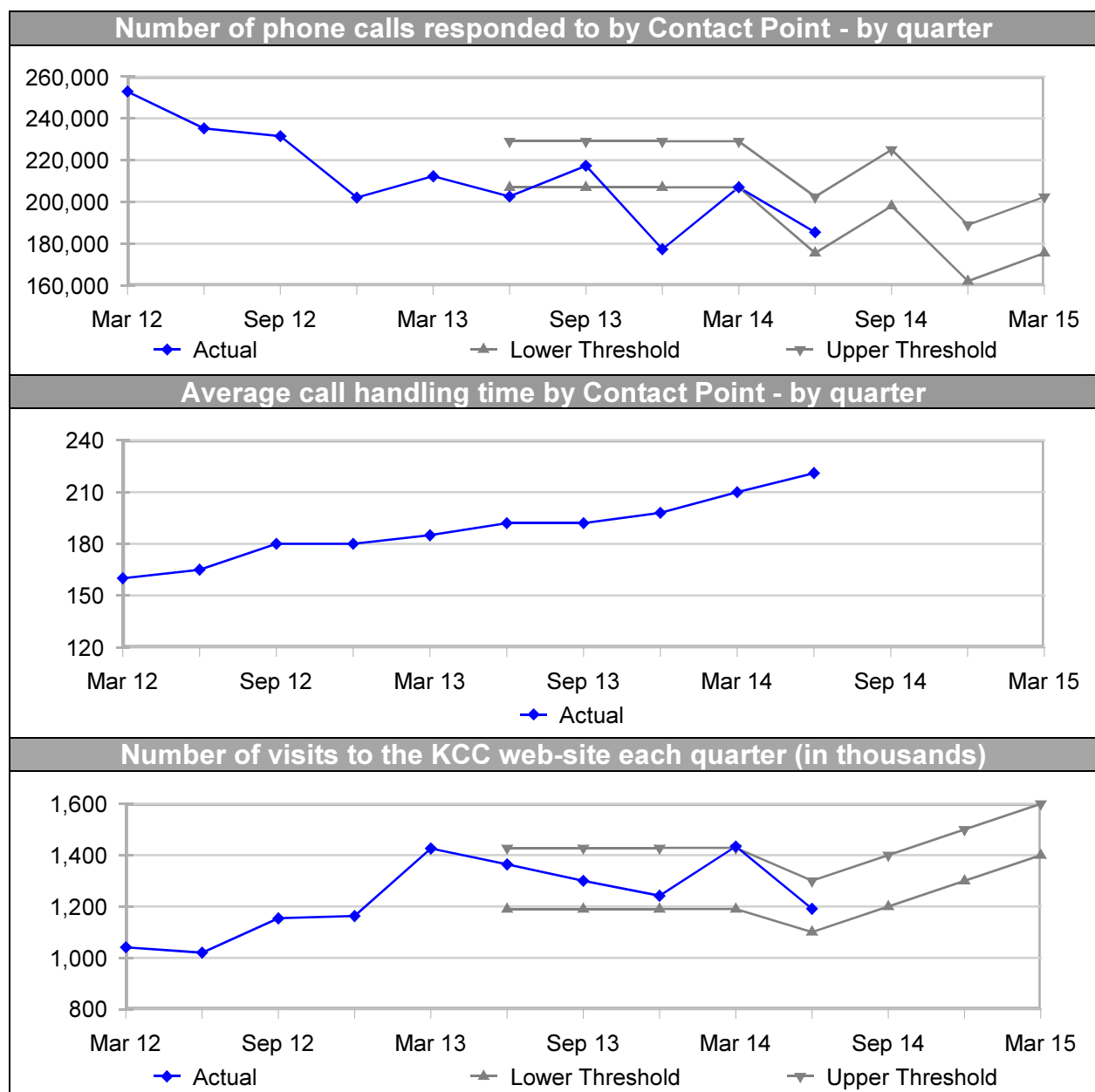
The percentage of residents who feel informed increased in the quarter and was at the target level set for the year. 16-24 year-olds feel much more informed than any other age group.

Results are from a telephone tracker survey with a sample size of 600 residents each quarter. Data is weighted by demographic information.

Customer Service and Contact – Contact Activity

Call volumes handled by Contact Point continue to show reductions over time with increased digital take-up and use of the KCC web-site by residents. However average handling time for calls have been constantly increasing over time as routine simple enquiries and transactions are dealt with online, and with Contact Point now dealing with a higher proportion of more complex calls. Average call handling time per call increased 15% in the last 12 months, whereas the number of calls handled only reduced by 8.5% (this quarter compared to same quarter last year).

Website visitor numbers in the quarter were at their lowest level since the quarter to December 2012. Reasons for this are currently unknown, although there is evidence from some services that residents are finding the information they want more quickly on our new website which went live in March, reducing the need for repeat visits. We expect the web-site visits to show increased traffic as the year progresses and further enhancements are made to the online offer.



Customer Service and Contact – Contact Activity

Number of phone calls and e-mails to Contact Point by service area (thousands)

Note that figures for the period July to September 2013 are not directly comparable to the subsequent figures as the phone numbers were changed in October 2013.

Although Contact Point dealt with 12.7% less enquiries than the previous quarter and on an annual basis overall contacts were down 6.8% year on year, as noted above, average call handling times have increased 15% year on year.

Nearly all services are experiencing reduced telephone volumes year on year, with the major exceptions being Adult Social Care and Children's Social Care, where for both services the digital offer is currently very limited. Both services are now also dealing with fewer phone calls directly and more phone calls for these services are now initially being handled within Contact Point. The increase in Adult Social Care calls volumes in the last two quarters has also been driven by the Home Care tender, with many calls being received specifically on this issue.

Service area	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Total	Prev. Year
Adult Social Care	36	25	37	42	140	116
Highway Services	30	30	39	28	125	110
Children's Social Services	14	23	27	27	90	53
Main Enquiry Line	21	16	17	12	67	85
Education and Early Years	16	14	14	15	59	85
Registration Services	16	15	15	11	57	71
Libraries and Archives	20	13	12	10	54	82
Blue Badges	11	8	9	9	38	48
Transport Services	17	7	7	6	37	49
Other services	11	9	9	7	37	70
Speed awareness	9	8	9	9	34	28
Adult Education	12	7	7	5	32	33
Waste & recycling	5	4	4	4	17	19
Total Calls (thousands)	217	177	207	185	787	849
e-mails handled	9	10	14	8	41	39
Total Contacts (thousands)	226	187	221	193	828	888

Numbers will not add exactly due to rounding.

Previous year data is for the 12 months to June 2013.

Phone calls for the Social Fund (KSAS) are not included in the above figures.

Out of hours calls are allocated 75% to children's social care, 15% for Highways and 10% Other.

Customer Service and Contact – Digital Takeup

The table below shows the digital/online transaction completions for Key Service Areas during the quarter April 2014 to June 2014.

Transaction type	Percentage Online	Transactions Completed
Renew a library book **	95%	185,444
Report a Highways Fault	43%	23,729
Book a Birth/Death Registration appointment	50%	8,493
Book a Speed Awareness Course ***	75%	7,003
Apply for or renew a Blue Badge	27%	6,535
Apply for a Young Person's Travel Pass	77%	4,464
Report a Public Right of Way Fault	48%	2,470
Apply for a Concessionary Bus Pass ****	13%	1,647
Apply for a HWRC recycling voucher	85%	888
Apply for Regional Growth Fund loan *****	100%	695

** Library issue renewals transaction data is currently based on individual loan items and not count of borrowers.

*** Speed Awareness transaction data is for April and May only.

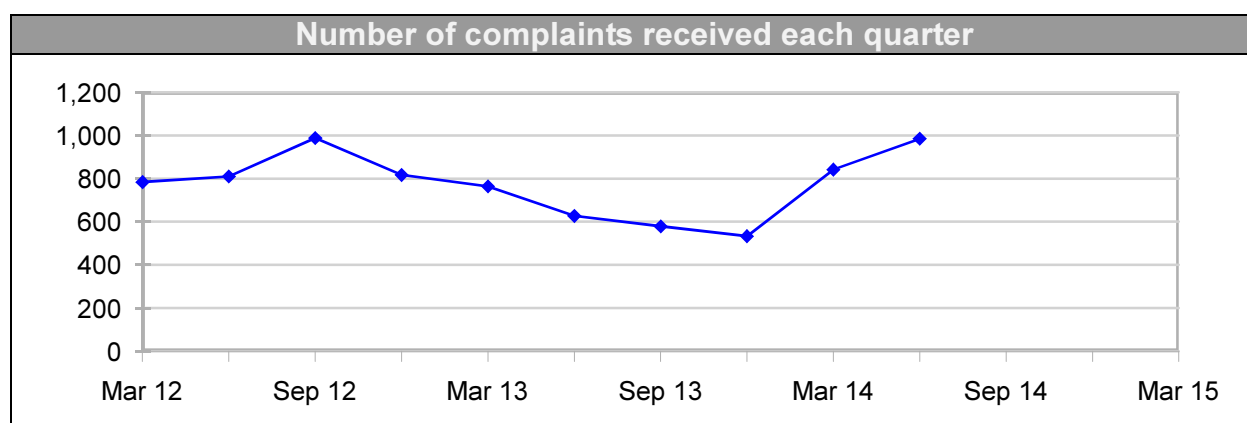
**** Concessionary Bus pass transaction data is for June only.

***** Regional Growth Fund figures are cumulative since the start of the scheme.

Customer Service and Contact – Complaints monitoring

After showing a reduction quarter on quarter for over a period of a year, the numbers of complaints received have been increasing in the last two quarters and are now close to the previous peak period of the quarter to September 2012.

Increases in complaints are driven mostly by Highways and Transportation which generates the most complaints from residents. Following the flooding earlier in the year and the damage to the highway network we have also received a high volume of complaints relating to processing of insurance claims from residents for damage caused as a result of the poor condition on the road network.



On a rolling 12 month basis, for the year to June 2014 the number of complaints showed a 13.9% increase compared to the year to March 2014.

Service	12 mths to Mar 14	12 mths to Jun 14	Quarter to Mar 14	Quarter to Jun 14
Highways and Transportation	1,069	1,189	416	380
Insurance Claims	27	175	0	161
Adult Social Services	387	452	122	149
Waste Management	211	269	69	113
Specialist Children's Services	332	295	73	52
Libraries, Archives and Registrations	205	186	56	47
Adult Education	103	108	13	18
Country parks	23	32	4	18
Education Services	24	30	7	8
Gateways and Contact Point	54	47	30	4
KSAS	30	33	20	3
Finance/procurement	27	26	17	0
Youth Services	24	16	0	0
Other Services	65	81	15	32
Total Complaints	2,581	2,939	842	985

Customer Service and Contact – Complaints monitoring

Complaints analysis by service area

Highways & Transportation - There was an 8.7% decrease in the number of complaints received in this quarter. The issues this quarter related to vegetation, the Safe and Sensible Street lighting scheme, and accessing the National Driver Alertness courses. The service also received 90 compliments in the same period down from 134 the previous quarter.

Insurance claims – Complaints were up in the quarter due to a substantial increase in the number of pothole claims being received which were subsequently rejected.

Adult Social Services – Complaints were up in the quarter with key issues relating to disputed decisions, an incorrect billing-run and poor communications with relatives and service users. Other complaints related to quality of service delivery. The service had 190 compliments in the quarter up from 165 the previous quarter.

Specialist Children's Services – Complaints were down 28.7% in the quarter. The majority of complaints this quarter were around disputed decisions concerning looked after children. Other main themes raised were around information, i.e. lack of or incorrect information. Lack of support was the next issue raised, followed by financial assessments. There were 13 compliments in the quarter down from 19 the previous quarter.

Economic Development - Overview	
Cabinet Member	Mark Dance
Director	Barbara Cooper

Committed job creation which will result from Regional Growth Fund (RGF) and other activity continues to be ahead of expectations, now at 5,938 jobs created or safeguarded since April 2013, with most of these RGF jobs to be delivered by March 2016.

Indicator Description	Previous Status	Current Status	DOT
Jobs committed to be created and safeguarded by Regional Growth Fund and other funds	GREEN	GREEN	↑
Percentage of Expansion East Kent funds committed at Board approval stage	GREEN	GREEN	↑
Percentage of Tiger and Escalate loan funds committed at Board approval stage	AMBER	AMBER	↑

Loan approval in the quarter was high for Expansion East Kent at £5.0 million, with the scheme well on target to approve sufficient loans to fully utilise the fund within the scheme lifetime. Loans approved for Tiger and Escalate at £2.5m in the quarter, although encouraging was insufficient to bring the scheme into the target trajectory to utilise all of the funds by the scheme end date of March 2015. However with over £5m of pipeline applications for Tiger and Escalate, the forecast is that the scheme will be back on trajectory for quarter 2.

The general state of the Kent economy continues to show good improvement with JSA claimant rates now down to levels not seen since 2008.

Positive news in the quarter was the Government announcement on the 7 July of the Local Growth Fund allocations for Local Enterprise Partnerships (LEPs). The South East LEP allocation includes £6m to support a Kent and Medway Growth Hub which was a proposal in the Strategic Economic Plan.

Ashford district is now included within the Expansion East Kent programme, which means that all Kent districts now have access to Regional Growth Fund (RGF) loan funding programmes.

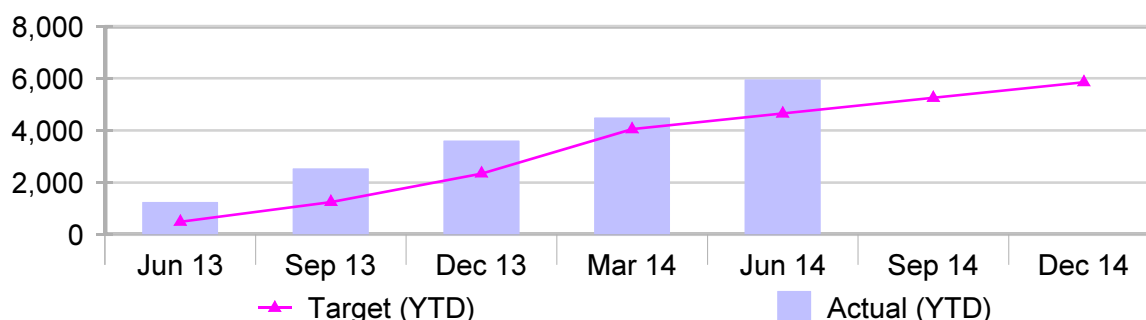
On 23rd July, two additional financial support products within the programme were launched. These products are:-

- Small Business Boost Fund - a loan scheme specifically to support small businesses and will cover Ashford, Canterbury, Dover, Shepway and Thanet. The scheme will offer 0% interest free loans of up to £50,000 to help start-ups, small businesses and social enterprises develop new or expand existing products or services. The loans must lead to jobs growth.
- The Discovery Park Incubator Scheme - an equity scheme to help attract new technology based companies to the Discovery Park Enterprise Zone with a particular focus on sustainable energy and life science businesses.

Economic Development - KPIs

Committed jobs to be created or safeguarded through Regional Growth Fund and other schemes (cumulative since April 2013)

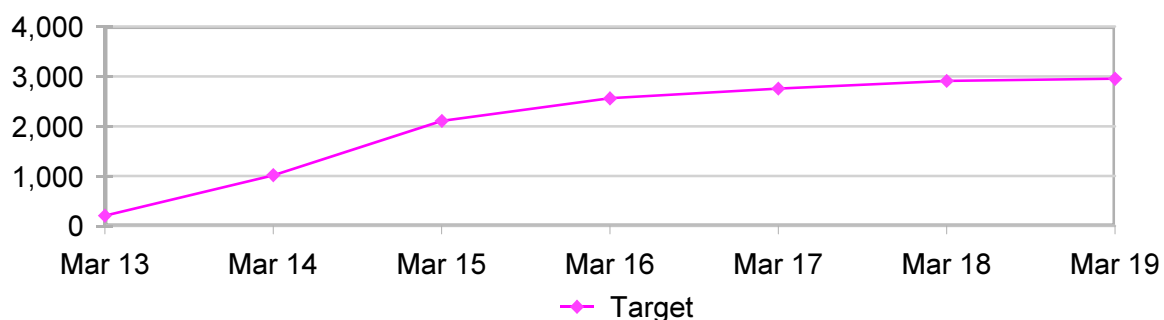
GREEN
↑



	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14
YTD	1,243	2,532	3,603	4,477	5,938		
Target	500	1,250	2,350	4,050	4,650	5,250	5,850

Committed jobs will convert to actual jobs for RGF once funds are released and utilised by the businesses who receive the loan. The indicator includes jobs committed from Regional Growth Fund schemes, Escalate, Marsh Million and the activity of Locate In Kent. Job creation from the Regional Growth Fund is identified at contract stage. The RGF committed jobs will be realised between 2013 and 2019 with the majority delivered by March 2016.

Profile of expected dates for jobs to be created/safeguarded for RGF funds which have reached full contract stage



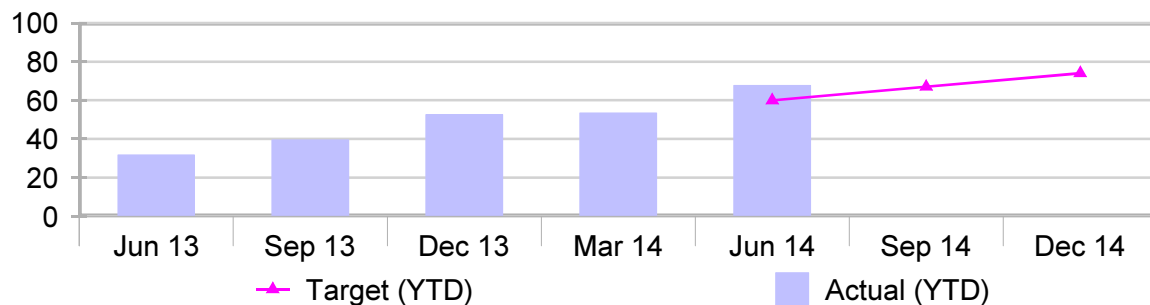
	Mar 13	Mar 14	Mar 15	Mar 16	Mar 17	Mar 18	Mar 19
Total	205	1,018	2,106	2,560	2,755	2,909	2,951
Annual	205	814	1,088	453	195	154	42

So far the RGF applications which have reached full contract stage have committed to create/safeguard nearly 3,000 jobs. On this basis with 60% of funds so far approved by the Board we can expect over 5,000 to be ultimately created/safeguarded by RGF loans (not including any recycling of loan funds following re-payment).

Economic Development - KPIs

Percentage of Expansion East Kent funds with Board approval to progress to Contract Stage (cumulative since start of the scheme)

GREEN
↑

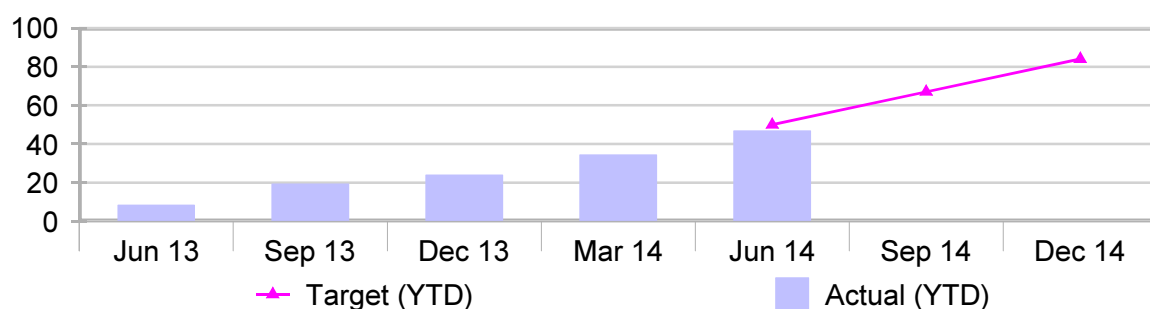


	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14
YTD	32%	40%	53%	54%	68%		
Target					60%	67%	74%

The amount of loans to the scheme is showing a steady increase ahead of expectations. At the end of June £23.6m out of the available £35m fund had reached Board approval stage with 1,886 jobs committed to be created/safeguarded. To date £9.7m of the agreed loans had been released. At the end of June there were also pipeline applications valued at £6.5m with the potential for a further 641 jobs to be created/safeguarded. Direct private sector investment leverage of £42.2m has also been generated to date.

Percentage of Tiger/Escalate loan funds with Board approval to progress to Contract Stage (cumulative since start of the scheme)

AMBER
↑



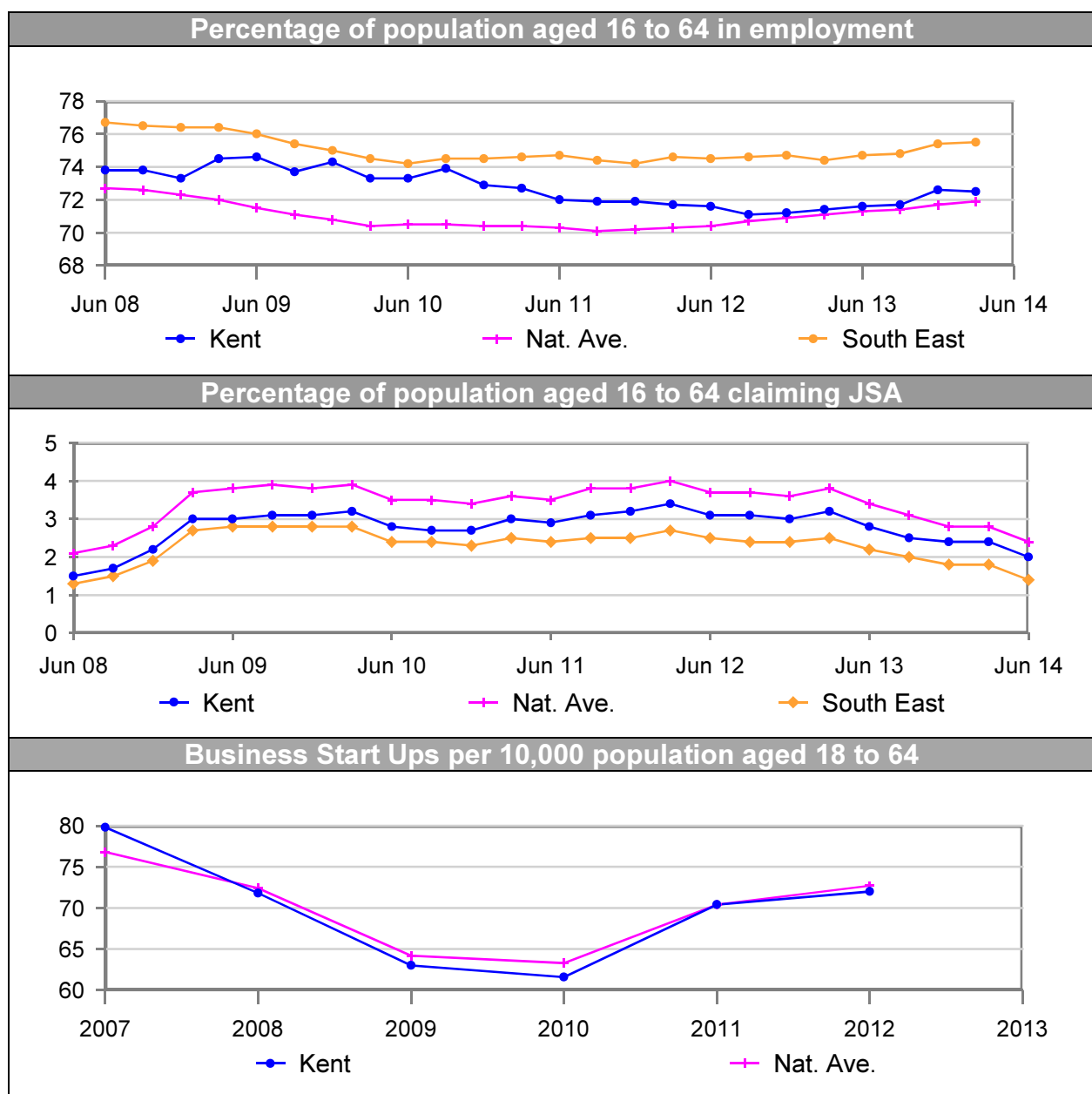
	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14
YTD	8%	19%	24%	34%	47%		
Target					50%	67%	84%

The amount of loans to the scheme is showing a steady increase, but this is behind expectations. At the end of June £9.4m out of the available £20m fund had reached Board approval stage with 1,089 jobs committed to be created/safeguarded. To date £4.0m of the agreed loans had been released. At the end of June there were also pipeline applications valued at £5.6m with the potential for a further 766 jobs to be created/safeguarded, so the forecast for the next quarter is positive. Direct private sector investment leverage of £15.4m has also been generated to date.

Economic Development – Activity Indicators

The following indicators provide information on the general state of the Kent economy in comparison to the regional and national averages.

Employment rates continue to show an encouraging increase both nationally and in Kent after a number of years of decline and stagnation during the global recession. Employment rates in Kent remain above the national average and below the regional average. Similarly JSA claimant counts have shown significant reduction over the last 15 months and have now returned to levels not seen since 2008. Business start-up data for 2013 will not be available until the autumn.



Environment, Planning and Enforcement - Overview	
Cabinet Member	David Brazier
Director	Paul Crick

Business mileage for all KCC staff increased during last financial year against a target for reduction, which has had a negative impact on our carbon emissions reduction target. All services have committed to reducing business mileage in line with the annual 5% reduction target and this is included in their annual Sustainability & Climate Change action plans for 2014/15. Some services have highlighted that due to a focus on increasing traded services and transformation support (e.g. ICT) they may struggle to achieve a decrease.

Indicator Description	Previous Status	Current Status	DOT
Business mileage per member of staff (FTE basis)	RED	RED	↑

This has been an exciting first quarter for this completely new Division, which saw the coming together of a very broad range of strategic and frontline services encompassing the Transport and Development Planning services, Planning Applications, Sustainability and Climate Change, Flood Risk and Natural Environment, Heritage Conservation, Regulatory Services, Community Safety, Gypsy and Traveller unit, Sport and Physical Activity unit, Country Parks and Emergency Planning.

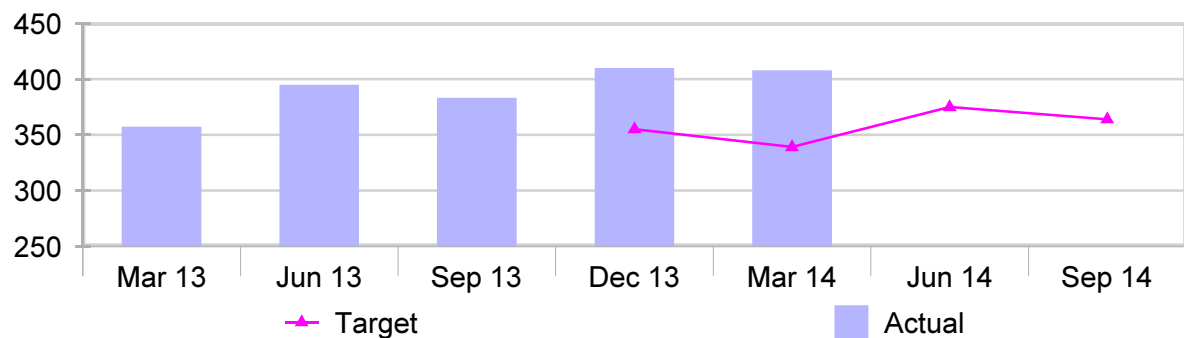
As part of the “Facing the Challenge” Kent Scientific Services was part of the first tranche of reviews, and during this quarter it was agreed that the service should continue as an in-house service with an emphasis on adopting a more commercial model. Work has begun on the two reviews in Phase 2 Community Safety and Regulatory Services, and Countryside Access (including Country Parks) with terms of reference agreed and the review managers appointed.

Positive news in the quarter was the Government announcement on the 7 July of the Local Growth Fund allocations for Local Enterprise Partnerships (LEPs). The South East LEP allocation includes £6m to support a Kent and Medway Growth Hub which was a proposal in the Strategic Economic Plan.

Environment, Planning and Enforcement - KPIs

Business mileage per member of KCC staff (full time equivalent basis) per quarter

RED
↑



	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	357	395	383	410	407		
Target				355	339	375	364

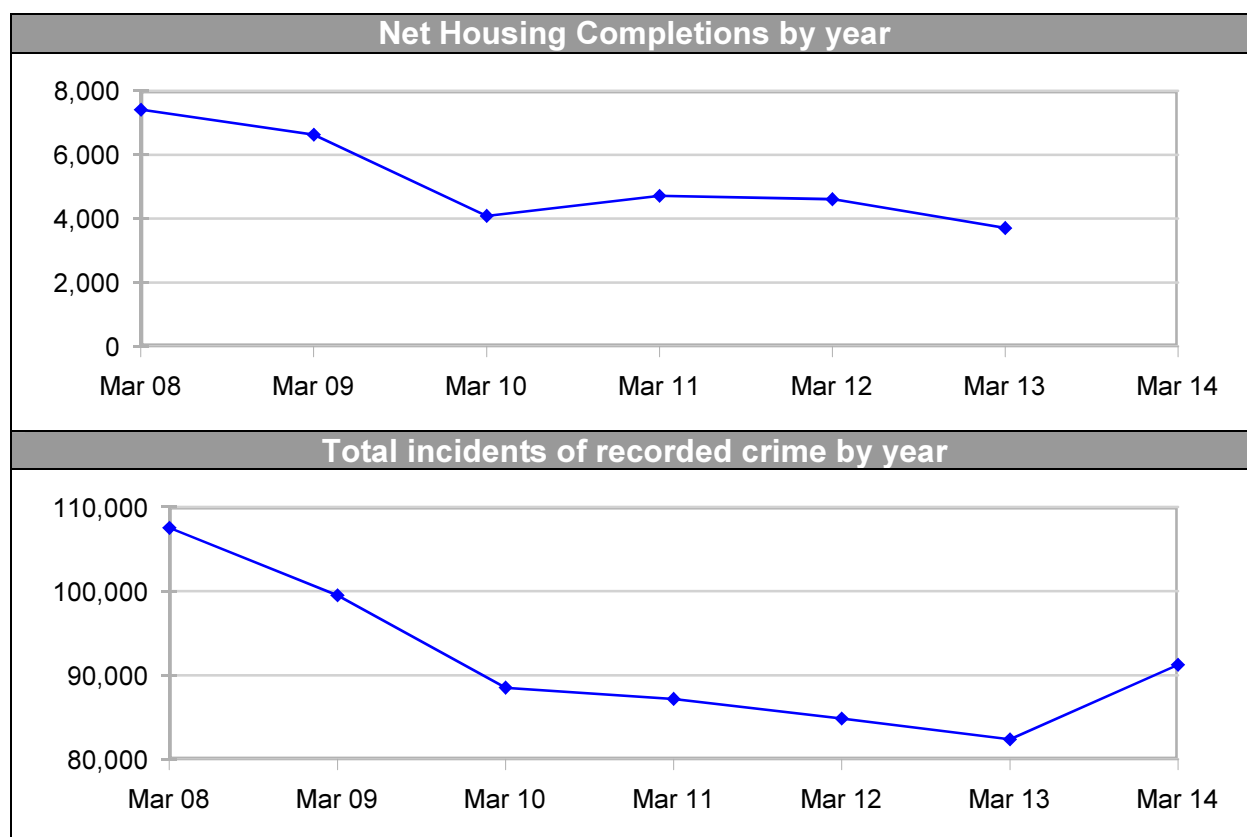
The annual target is for a 5% reduction in business mileage. This was previously applied at the total mileage level, but for 2014/15 the target is now being applied across the County Council at the per FTE level. In the year to March 2014 there was a 9% increase at the FTE level (0.8% increase at the total level). Reasons for the increase included: ICT staff engaged on Unified Communication project, Finance staff providing an increase in services sold to schools, increases due to Public Health staff transferring in from the NHS, and increases due to the winter storms and flooding affecting Highways, emergency planning, community safety and social care.

Environment, Planning and Enforcement – Activity Indicators

The following indicators provide information on some of the external context and factors within which the Division operates.

The number of annual Housing completions remains below the pre-recession levels and reached a low in the year to March 2013. Data for the year to March 2014 will be available during autumn.

Total incidents of recorded crime have been on a downward trajectory for several years but showed an increase in the last year for the first time since the year to March 2007.



Highways and Transportation - Overview	
Cabinet Member	David Brazier
Director	John Burr

Performance remains above target for our four key measures and work in progress levels are now just within the expected range, following an exceptional increase in the previous quarter as a result of the flooding in the early part of the year.

Indicator Description	Previous Status	Current Status	DOT
Percentage of routine potholes repaired in 28 days	GREEN	GREEN	↑
Percentage of routine highway repairs reported by residents completed within 28 days	GREEN	GREEN	↔
Percentage of satisfied callers for Kent Highways 100 call back survey	GREEN	GREEN	↓
Resident satisfaction with completed Highways schemes (survey)	GREEN	GREEN	↓

A challenging first quarter of 2014/15 has seen significant efforts to keep up with customer demand and repair roads after the damage caused by the wet winter weather. We have been successful in bids to central government from the Pothole Repair Fund, the Local Sustainable Transport Fund and the Local Growth Fund (including £10.2m for A28 Chart Road, £4.5m for Maidstone's Bridge Gyratory improvements and a host of other local improvements).

We are now engaged in Phase 2 of the Facing the Challenge Programme via the SEN Assessment Support and Transport service change project and this is moving forward well. We have recently appointed a new Head of Public Transport, Phil Lightowler and he will take up his post in September.

We delivered three of our 2014/15 Strategic Priority Statement priorities in this quarter including publishing a new Casualty Reduction Strategy, delivered an increased surface dressing programme to seal roads we have repaired after the wet winter damage and implemented the new Combined Community Grant. The new Young Persons Travel Pass was launched in June. A successful re-tendering process for both soft landscaping and road resurfacing work will deliver improved service at no increased cost.

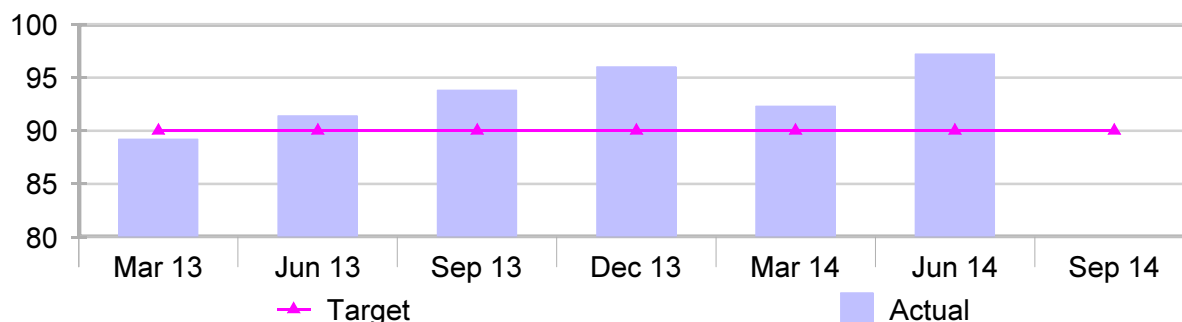
We are in the final stages of delivering a key phase of the Safe and Sensible Streetlighting project which will deliver significant energy and carbon savings. The next phase is to develop proposals to convert the entire stock of streetlights to LED with control mechanisms that will deliver a further 60% energy and carbon savings, less faults, less customer contacts and significantly reduced maintenance costs.

Within the major capital programme, local pinch fund schemes at Poorhole Lane, Thanet and North Farm, Tunbridge Wells will start on site in the summer and are due to be completed in May 2015. We are working with the Highways Agency and DfT to reach agreement on the delivery programme, with the Highways Agency promoting the full junction scheme.

Highways and Transportation - KPIs

Percentage of routine pothole repairs within 28 days

GREEN
↑

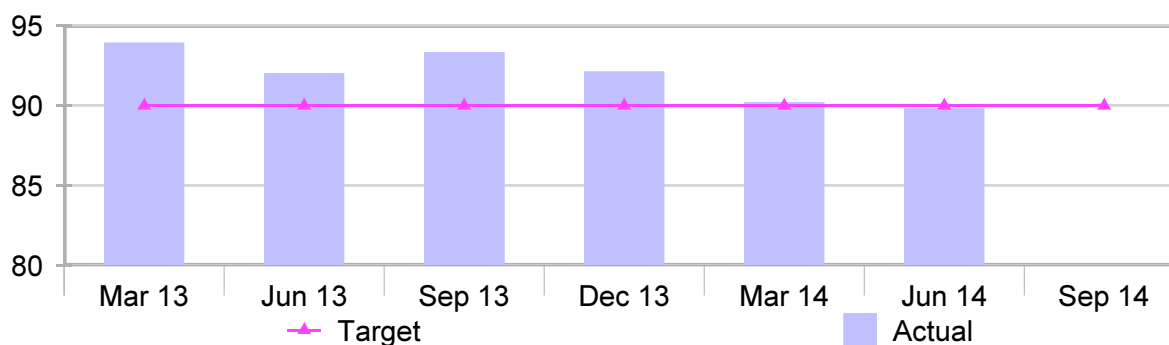


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	89%	91%	94%	96%	92%	97%	
Target	90%	90%	90%	90%	90%	90%	90%

The good result for the quarter was assisted by the recent improved dry weather conditions. The latest Find and Fix programme was delivered by the end of May with the full £3 million spend being achieved. Repairs to potholes will continue to be delivered with a focus on quality first time permanent repairs. Additional grant funding from the government by way of the Severe Weather Grant and the Pothole grant will see further highway repairs delivered throughout the coming months.

Percentage of routine highway repairs reported by residents completed within 28 days

GREEN
↔



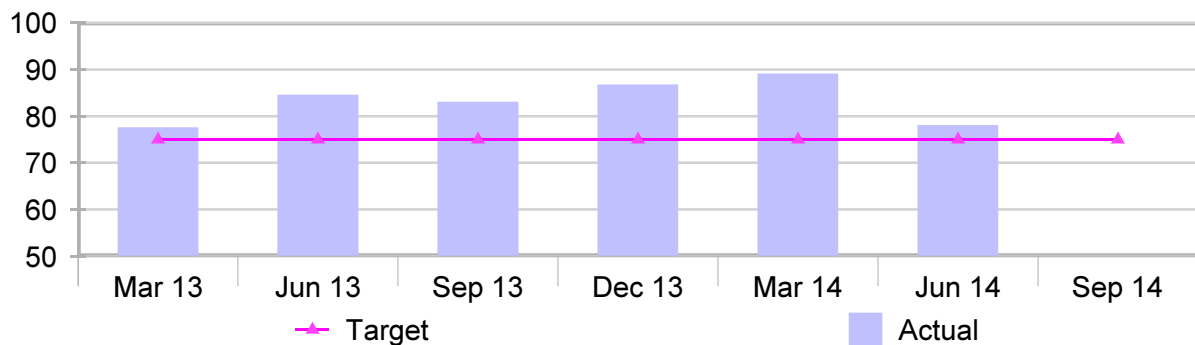
	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	94%	92%	93%	92%	90%	90%	
Target	90%	90%	90%	90%	90%	90%	90%

Performance remained just on target for the quarter despite the recent high demand levels and large volumes of work to complete. We will continue to monitor this indicator on a weekly basis to ensure that any issues arising are addressed and to ensure no further slippage from target.

Highways and Transportation - KPIs

Percentage of satisfied callers for Kent Highways and Transportation, 100 call back survey

GREEN
↓

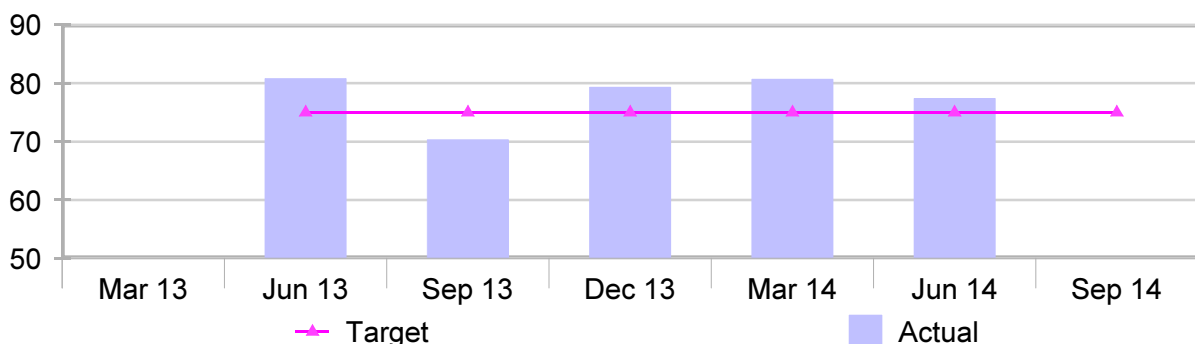


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	78%	84%	83%	87%	89%	78%	
Target	75%	75%	75%	75%	75%	75%	75%

Performance remains above target but is lower than the last quarter with this quarter's result reflecting the seasonal focus of the survey towards soft landscape issues as enquiries about this service increase at this time of year. Customers have not been completely satisfied with our response to grass, weeds and hedge/tree enquiries. We are working hard with land owners, as well as our own contractors, to ensure high quality work and that, where necessary, vegetation is managed appropriately by the land owner. We are planning a second weed spray later in the year.

Resident satisfaction with completed Highways schemes (survey)

GREEN
↓

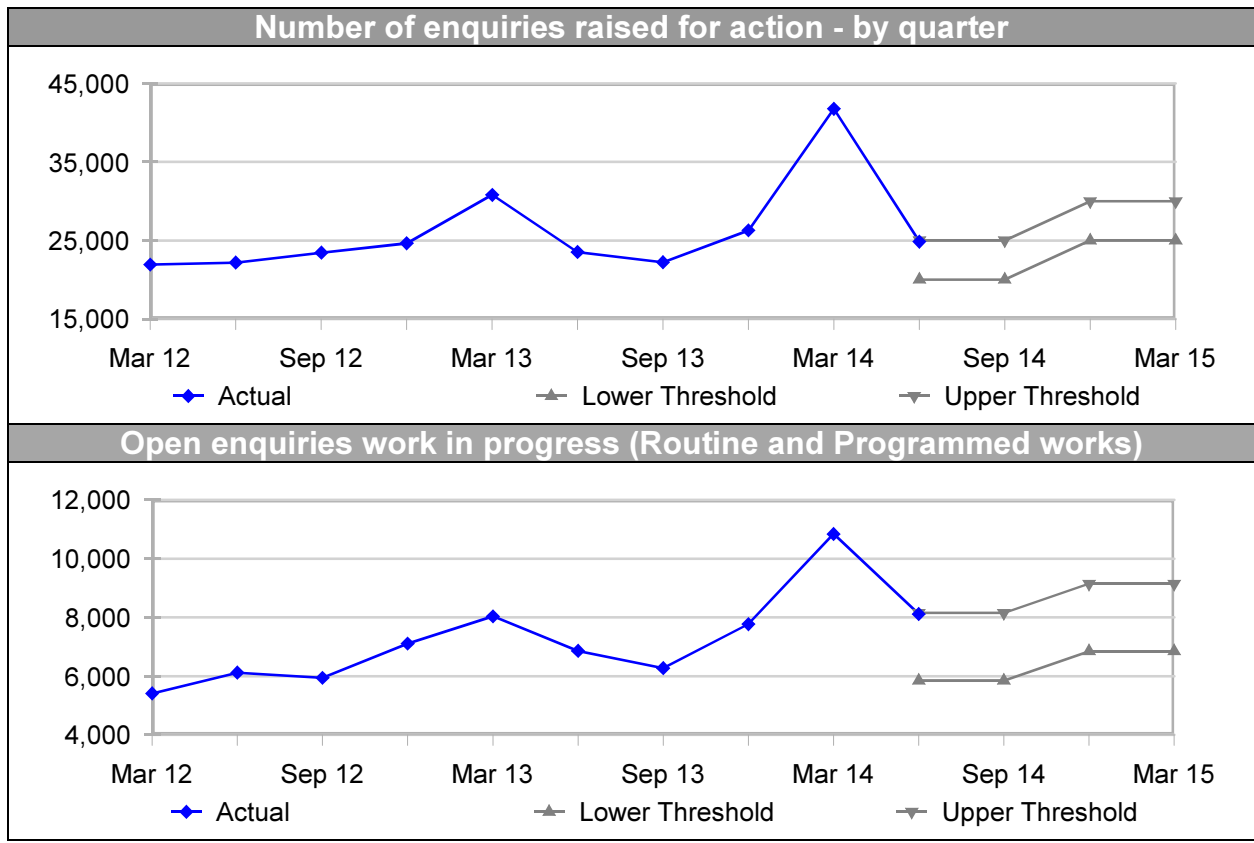


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual		81%	70%	79%	81%	77%	
Responses		551	61	518	373	53	

Satisfaction continues to be above the 75% target level. The volume of survey cards returned from residents in this quarter was low and we are working closely with our contractor Amey to ensure a representative sample of schemes are selected for survey and that the response rates from residents are increased. Each quarter a sample of sites where repair schemes have been completed, such as roadway resurfacing, or junction improvements are selected for resident surveys to obtain views on the information provided, and the speed and quality of the works.

Highways and Transportation – Activity Indicators

Customer demand in the quarter was at the higher end of expectations but significantly down from the exceptional high level seen in the previous quarter. Current enquiries are mainly due to soft landscaping issues but also for potholes repairs following the wet winter. We have worked hard to reduce the number of outstanding and unresolved customer enquiries and work in progress has fallen considerably from 10,845 to 8,117 over the last quarter. Ensuring we meet our customer standard response times remains a key focus for all staff and we recognise we still have more to do to reduce the level of work in progress into the middle of expected range.



Waste Management - Overview	
Cabinet Member	David Brazier
Director	John Burr

Performance remains above target for our two key measures, with demand levels currently increasing. Total waste tonnage collected has been increasing for three consecutive quarters.

Indicator Description	Previous Status	Current Status	DOT
Percentage of municipal waste recycled or converted to energy and not taken to landfill	GREEN	GREEN	↑
Percentage of waste recycled and composted at Household Waste Recycling Centres	GREEN	GREEN	↑

Local growth in waste tonnage is reflected across the country, and is likely to be a function of both the continued economic growth in the UK, and the extremely favourable growing conditions during the unusually mild and moist first half of 2014 which had a big impact on composting tonnage.

Despite this increase in waste tonnage, our systems for diverting waste for use as a resource coped well, with levels of recycling and composting continuing to improve as a proportion of overall waste, with a decline in waste disposed of at landfill. The percentage of municipal waste not taken to landfill has risen in the quarter, and at 85.6% is above target. This is in large part due to the improvement in performance at the Allington energy from waste (EfW) plant, where the operators have made significant investments in recent months in order to improve operational efficiency. The percentage of waste recycled and composted at our own Household Waste Recycling Centres continues to improve, rising to 72.3% which was also above target.

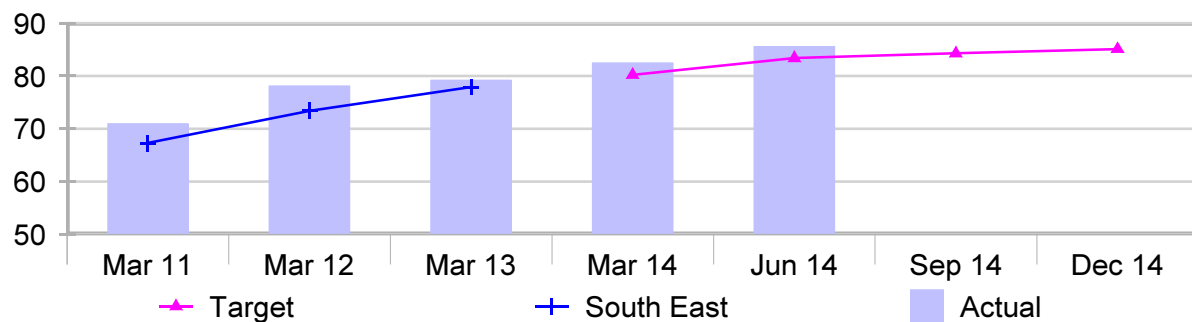
We have been engaged in a number of key procurements during the quarter, with innovative contracts driving reduced prices for the processing of both garden waste and mixed recyclables to deliver the savings requirements set out in the medium term financial plan. Our key Strategic Priorities Statement project to mobilise a new range of contracts for 12 of our Household Waste Recycling Centres and Waste Transfer stations is on track with the evaluation of tenders currently taking place and with award anticipated in August 2014. Progress on our other key projects such as the redevelopment of the Sittingbourne Household Waste Recycling Centre is moving forward well. We are also developing satisfaction surveys of customers who use our Household Waste Recycling Centres to help us understand and improve the customer experience and results will be reported later in the year.

The new organisational structure and maximising the benefits of the merger with Highways & Transportation will take a big step forward in September when the Waste Management team will move to Invicta House to work alongside Highways & Transportation colleagues.

Waste Management - KPIs

Percentage of municipal waste recycled or converted to energy and not taken to landfill

GREEN
↑

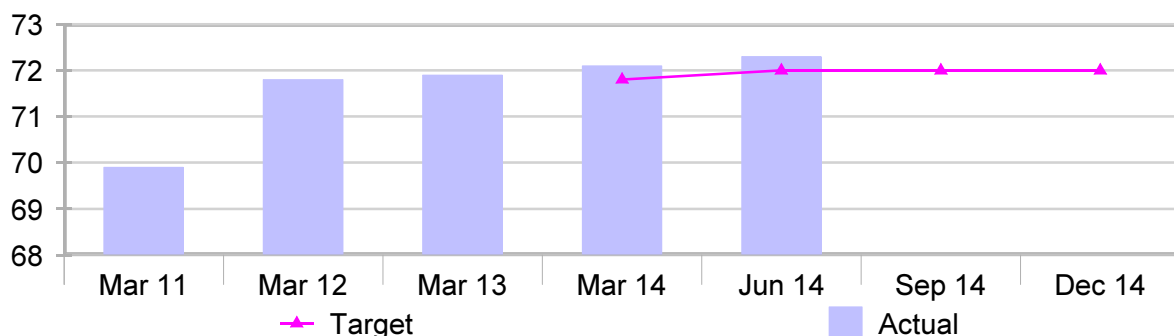


	Mar 11	Mar 12	Mar 13	Mar 14	Jun 14	Sep 14	Dec 14
Actual	71%	78%	79%	83%	86%		
Target				80%	83%	84%	85%

Further improvements in recycling performance are anticipated through the new Gravesham Borough Council (GBC) kerbside collection scheme, which commenced in June 2014. An increase of 10% in diversion from landfill within the district is anticipated. New contracts for Household Waste Recycling Centres commencing in November 2014 will prioritise diversion of waste from landfill, and a measurable further improvement in performance is anticipated.

Percentage of waste recycled and composted at Household Waste Recycling Centres (HWRC)

GREEN
↑

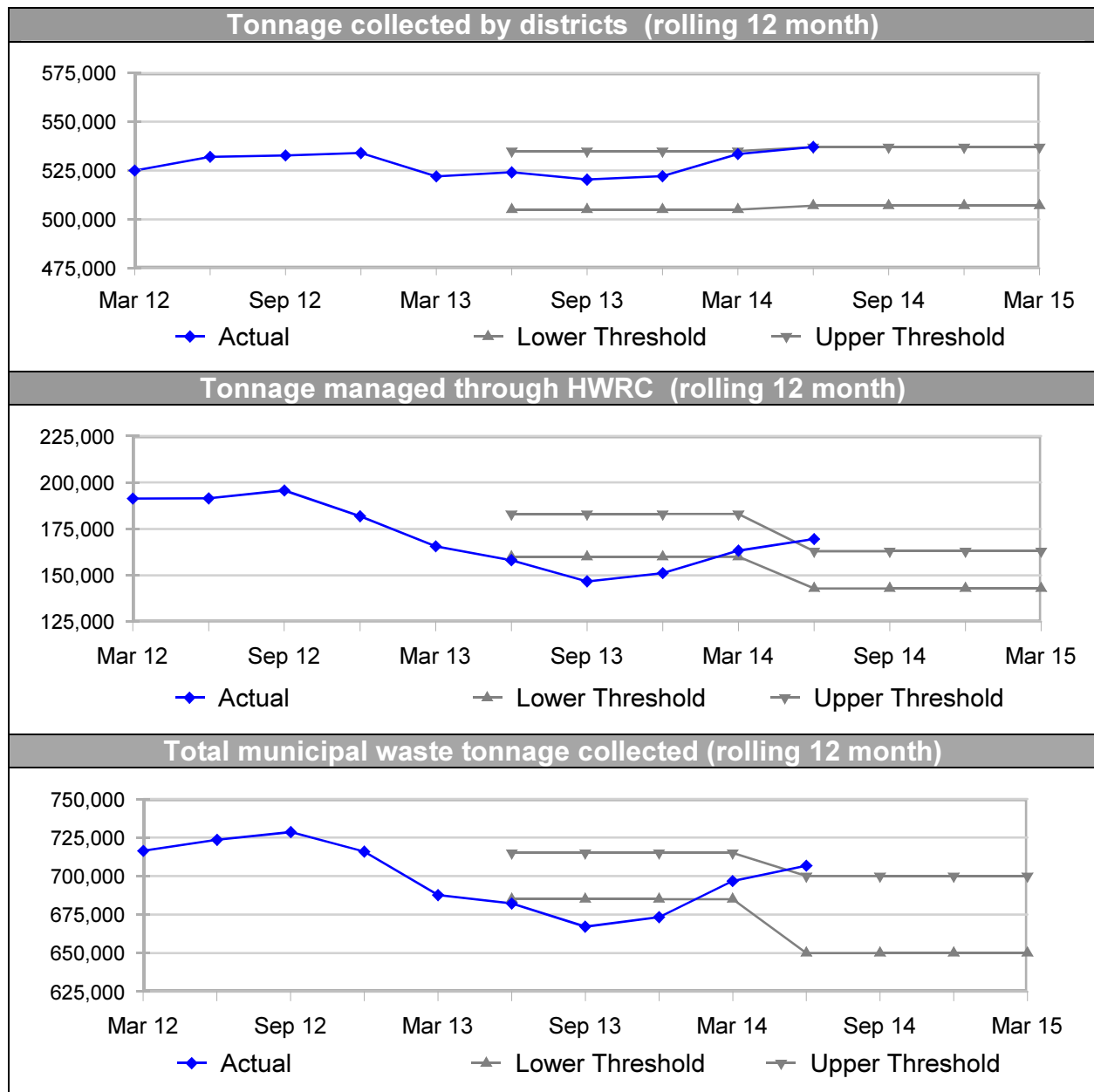


	Mar 11	Mar 12	Mar 13	Mar 14	Jun 14	Sep 14	Dec 14
Actual	69.9%	71.8%	71.9%	72.1%	72.3%		
Target				71.8%	72%	72%	72%

Despite a significant increase in HWRC tonnage, opportunities for recycling and composting were maximised, enabling an improvement in recycling and composting performance.

Waste Management – Activity Indicators

The trend in 2013 for a reduction in waste tonnages has been reversed both from the collection by District Councils and our own Household Waste Recycling Centres. Whilst some of the recent increase is attributable to an unseasonably mild winter, and a warm and wet spring, there is clear evidence of change in the long-term trend which broadly matches the upturn in the economy. This increase in tonnage puts more pressure on us to ensure recycling levels are maintained to reduce the impact of waste to landfill.



Libraries, Registrations and Archives - Overview	
Cabinet Member	Mike Hill
Head of Service	Cath Anley

We have recently launched new customer satisfaction surveys in for all areas of our service. Satisfaction rates to date are:

Libraries and Archives	91.7% (surveys received since 1 st March 2014)
Birth and Death Registration	97.0% (surveys received since 1 st April 2014)
Ceremonies	100.0% (surveys received since 1 st April 2014)

Indicator Description	Previous Status	Current Status	DOT
Satisfaction with Libraries and Archives	New indicator	AMBER	
Satisfaction with Birth and Death registrations	New indicator	GREEN	

The slow but relatively steady transfer from traditional library usage (physical visits and issues) to use of our online services continues. However, library issues and visits were lower in the quarter than expected, with issue levels seriously affected by our inability to supply libraries with new stock due to the premise move of our business support team.

Work has continued to review Library, Registration and Archive services, with particular focus on ensuring that services deliver what our customers want as efficiently as possible. Major pieces of work that support this are: the Future Library Service Review, the Market Testing Review as part of Facing the Challenge, a review of ICT business systems that support our work to deliver better digital access for customers and better integration with other KCC systems; and the service review of Registration Services.

In May this year we achieved our best ever result when we were reassessed for the Customer Service Excellence Award on behalf of the Cabinet Office.

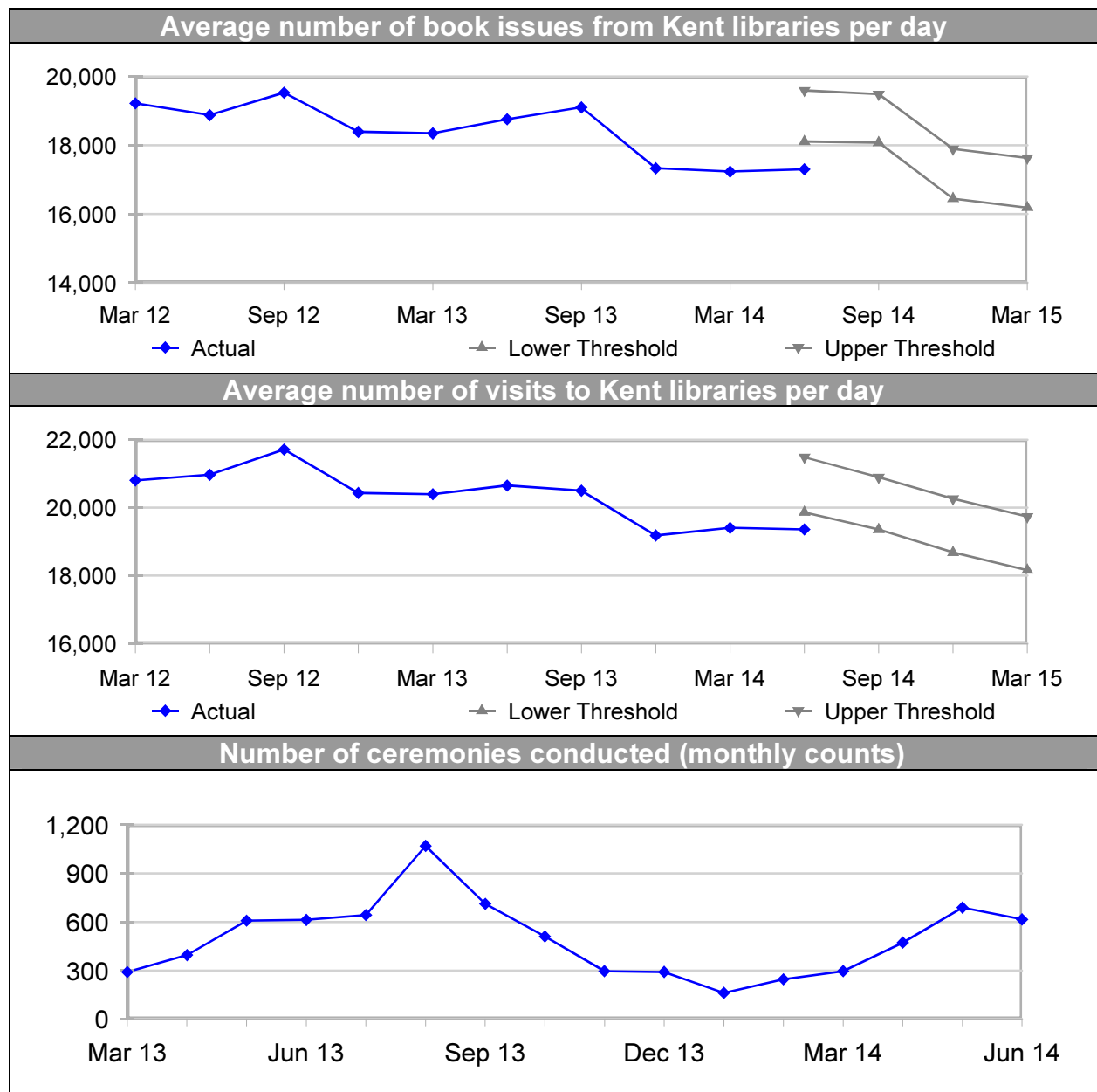
As part of New Ways of Working, during the first quarter of the year we have been moving part of our business support activity from Kings Hill, Gibson Drive, to new much smaller and more cost effective premises. Delays have meant that we have been required to vacate the old premises but have not been able to transfer all teams into the new premises. This has meant we have been unable to send new books to our branches for some weeks and we believe this has reduced our volume of issues.

Following the launch of the new KCC web-site in March, Libraries, Registration and Archives now have 33 pages down from 952 and we have seen a noticeable reduction in site traffic for the service. What is unclear is whether the reduction in web hits is because customers are finding what they want more quickly, or because they cannot find what they want. We have seen no increase in customer complaints on this subject and phone call volumes have not increased, which indicates that the former is more likely. There has also been a significant increase in the percentage of on-line Registration bookings from 39% in April to 57% in June, indicating that the new web-site is helping to drive digital take-up.

Libraries, Registrations and Archives – Activity Indicators

Although we anticipated a continued decrease in issues and visits (the latter as our digital offer improves), our issues have been seriously affected by our inability to supply our libraries with new stock during this quarter (see above).

The number of ceremonies conducted at just over 600 a month is running at a similar rate to the same time last year.



Education Quality and Standards - Overview	
Cabinet Member	Roger Gough
Director	Sue Rogers

The percentage of schools which are Good or Outstanding continues to improve, ahead of the target trajectory and the percentage of Early Years settings which are Good or Outstanding has improved ahead of target in the quarter. The percentage of 16-18 year olds who are NEET has risen since last quarter to 6.3% and this is partly due to a rise in the Not Knowns. Apprenticeship starts for 16-18 year olds decreased slightly for last academic year and full year figures for the current academic year are not yet available. The percentage of young people aged 18 to 24 claiming Job Seekers Allowance was at 3.6% at the end of June, down from the peak of 7.5% in 2012.

Indicator Description	Previous Status	Current Status	DOT
Percentage of schools with Good or Outstanding Ofsted inspection judgements	GREEN	GREEN	↑
Percentage of Early Years settings with Good or Outstanding Ofsted inspection judgements	AMBER	GREEN	↑
Percentage of 16-18 years olds not in education, employment or training (NEETs)	AMBER	RED	↓
Apprenticeship starts for 16-18 year olds	AMBER	AMBER	↓

The School Improvement Service continues to focus on Narrowing the Gap for Kent's most vulnerable groups, especially those in receipt of Pupil Premium, as well as encouraging the developing collaborative groups of schools to have more impact on their own schools' development and improvement. Priority continues to be given to improving the number of schools rated outstanding and good, reducing the number of schools in an Ofsted category of concern, and raising attainment at all key stages.

The key priorities for the Early Years and Childcare Service are ensuring the availability of Free Early Education places for Two Years Olds, supporting as many providers as possible to be good or outstanding, improving outcomes for all children and narrowing achievement gaps in the Early Years Foundation, and introducing and supporting the establishment of collaborations of early years providers to support their continuous improvement.

The Skills & Employability Service continues to give priority to increasing participation for all young people to age 18, through apprenticeships, vocational and technical education provision. Work is underway to review processes for data collection and verification of the destination and participation status for young people up to age 18, to reduce the number of Not Knowns and the amount of individual tracking required. The first KIASS Re-engage programmes are underway this summer in all districts and these will provide young people with a single point of access to a tailored range of opportunities available from training providers, employers and other KCC partners. Places will be available for those who are NEET or identified by schools/colleges as being 'at risk' of NEET.

Education Quality and Standards – Pupil Attainment	
Cabinet Member	Roger Gough
Director	Sue Rogers

Pupil Attainment – Annual Figures

This section will be updated when 2014 attainment results become available. Early provisional figures for 2014 have been added for Key Stage Two.

Indicator Description	Previous Year	Current Year	DOT
Percentage of pupils achieving 5+ A*- C GCSE, including English and Maths	63.1%	NA	
Percentage of pupils achieving level 4 and at Key Stage 2 in Reading, Writing and Maths	74%	79%	↑
Attainment gap for children with Free School Meals at Key Stage 4 (GCSE)	34.5%	NA	
Attainment gap for children with Free School Meals at Key Stage 2	25%	NA	

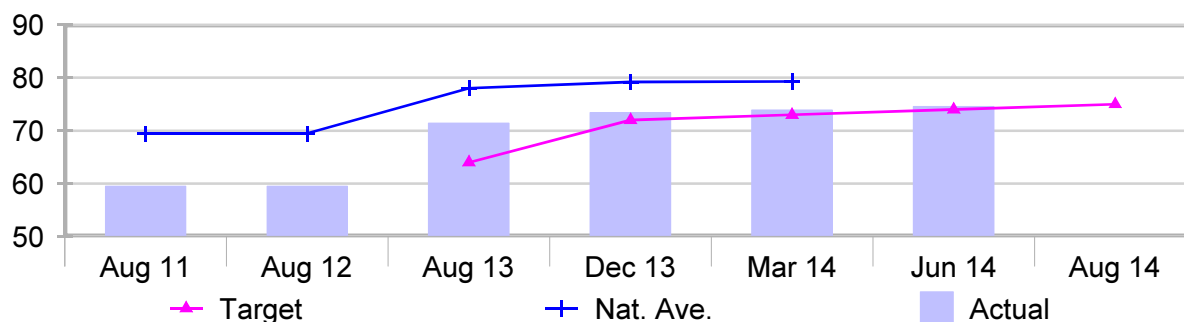
Early provisional figures for KS2 show a 5% rise in Kent to 79%, 1% above an early provisional national figure of 78%. Both these figures are subject to change once further results become available.

For 2013, results at GCSE improved by 1.8% to 63.1%. Kent also saw a significant reduction in the number of secondary schools below floor standard, down from 15.3% to 6.3%. Key Stage 2 pupil attainment improved by 2% to 74%, which was 1% behind the national average of 75%. The achievement gap for children with Free School Meals increased in the year at Key Stage 4 and was unchanged at Key Stage 2.

Education Quality and Standards - KPIs

Percentage of schools with Good or Outstanding Ofsted inspection judgements

GREEN
↑

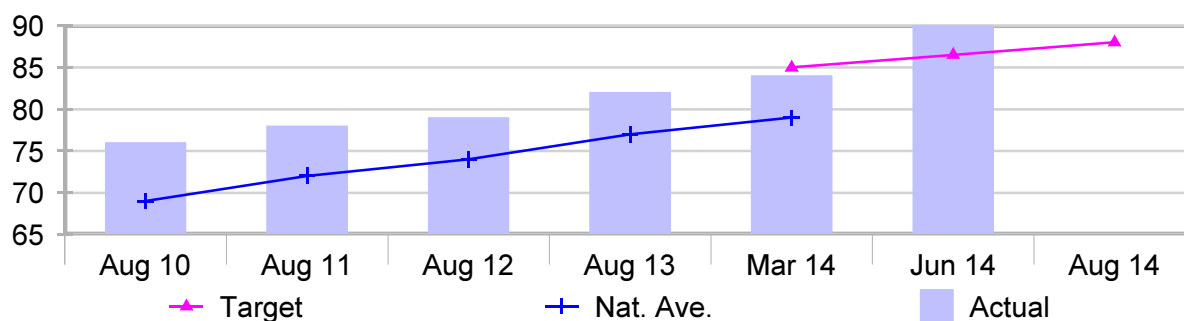


	Aug 11	Aug 12	Aug 13	Dec 13	Mar 14	Jun 14	Aug 14
YTD	59.5%	59.5%	71.4%	73.4%	73.9%	74.6%	
Target			64%	72%	73%	74%	75%

Performance in this area continues to improve at a good rate ahead of target. At the end of June there were 421 schools (75%) that are Good or Outstanding. There are 29 schools without a current inspection judgement. The number of schools Requiring Improvement continues to reduce and we now have 112 schools Requiring Improvement. However, there are 31 schools (26 Primary and 5 Secondary) judged Inadequate by Ofsted, which is being addressed by working closely with all schools in category who are working to a Local Authority Statement of Action. These schools are held to account for progress against this plan every six weeks.

Percentage of Early Years settings with Good or Outstanding Ofsted inspection judgements

GREEN
↑

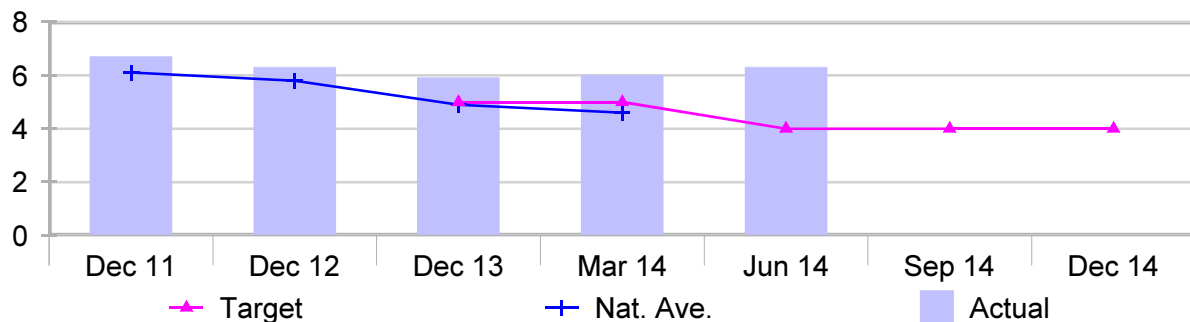


	Aug 10	Aug 11	Aug 12	Aug 13	Mar 14	Jun 14	Aug 14
YTD	76%	78%	79%	82%	84%	90%	
Target					85%	86.5%	88%

The percentage of Early Years settings which are judged Good or Outstanding continues to rise, and moved ahead of target in the last quarter.

Education Quality and Standards – KPIs

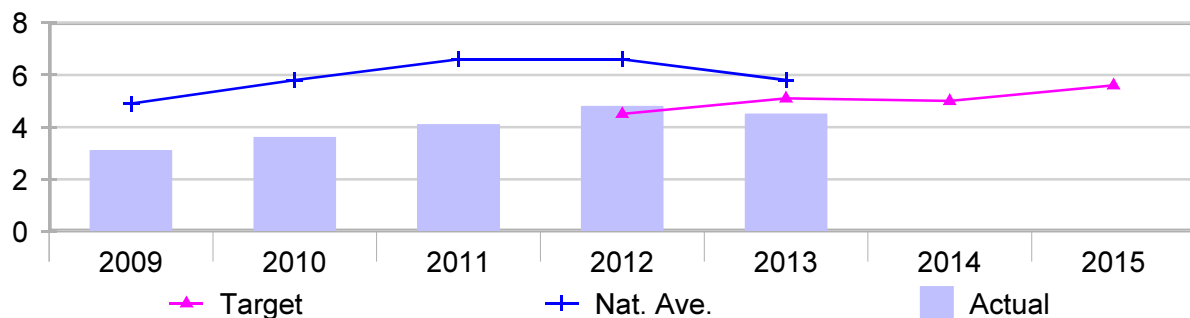
Percentage of 16-18 years olds not in education, employment or training (NEETs)

RED
↓


	Dec 11	Dec 12	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14
YTD	6.7%	6.3%	5.9%	6.0%	6.3%		
Target			5%	5%	4%	4%	4%

The NEETs percentage increased in the quarter, which was partly a result of an increase in the numbers of Not Knowns which is a seasonal pattern due to lapsed statuses towards the end of the academic year. In June, 99 16-18 year olds left the NEET cohort, while 112 joined the NEET cohort. Kent is ranked 7th among our statistical neighbours for NEET. The increase in Not Knowns impacts the NEET percentages as a number of Not Knowns are apportioned into the NEET percentages according to DfE methodology. Not Knowns in Kent are above the England average but slightly below the average for our statistical neighbours.

Percentage of 16-18 years old who start an apprenticeship

AMBER
↓


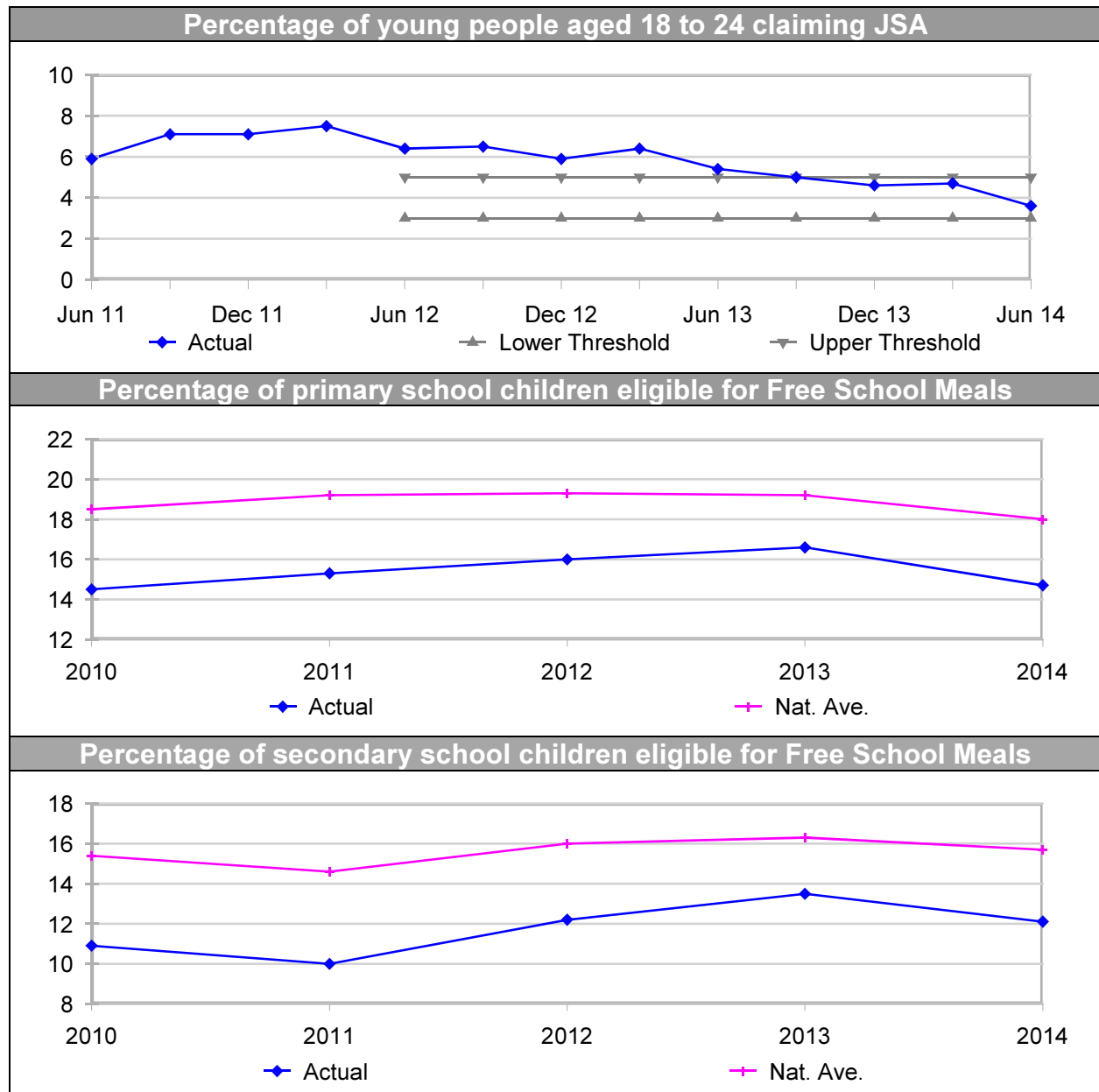
	2009	2010	2011	2012	2013	2014	2015
Actual	3.1%	3.6%	4.1%	4.8%	4.5%		
Target				4.5%	5.1%	5.0%	5.6%

There was a decrease in the number of starts in academic year 2012/13, both locally and nationally. The decrease seen in Kent was considerably less than the national average decrease. Funding has been provided by the National Apprenticeship Scheme to address this fall in apprenticeships. Partial year data for 2013/14 suggests the number of apprenticeships starts in Kent may be at similar levels to the previous year.

Education Quality and Standards – Activity Indicators

The percentage of young people aged 18 to 24 claiming Job Seekers Allowance has shown a good reduction, now at 3.6% compared to the peak of 7.5% seen in March 2012.

Primary schools in Kent now have 14.7% of pupils eligible for Free School Meals, down from 16.6% last year and below the national average of 18.0%. At secondary school level 12.1% of pupils in Kent are eligible for Free School Meals, down from 13.5% last year and below the national average of 15.7%.



Education Planning and Access - Overview	
Cabinet Member	Roger Gough
Director	Kevin Shovelton

The percentage of Statements of Special Educational Need (SEN) issued within 26 weeks improved each quarter last year. Figures for the first quarter of this year are down by 1% to 94% which is 2% above the target. The number of children with a Statements of SEN in Kent at the end of June was 7,279, which is a 2.2% increase on the same time last year. There are currently 152 children from other local authorities placed in Kent special schools, down from 160 last March.

Indicator Description	Previous Status	Current Status	DOT
Percentage of SEN statements issued within 26 weeks (excluding exceptions to the rule)	GREEN	GREEN	↓

The number of Reception Year pupils within Kent schools has increased by 8.1% in the last three 3 years to 17,362 children in January 2014. For Year 7 pupil numbers were decreasing up to 2012/13 but have now started to increase, and we expect they will continue to do so as the previous years of primary stage increases now start to move into secondary schools, and total secondary school numbers will not start to increase from 2016.

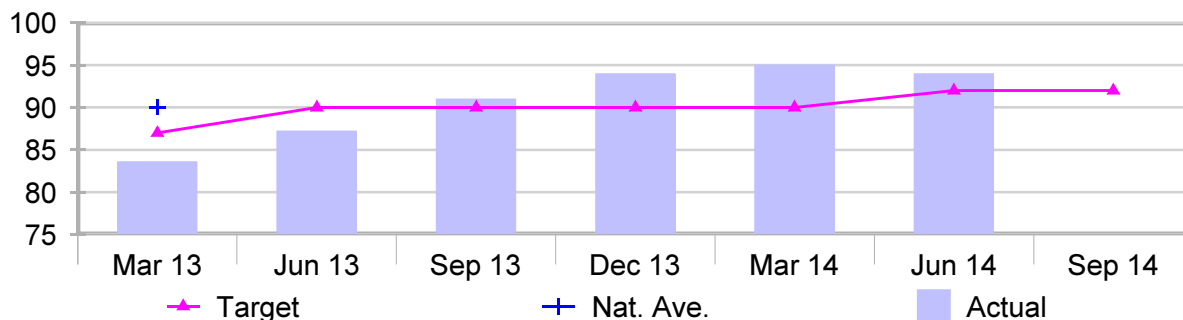
The Area Education Officers and the Fair Access team have worked together over the past quarter to ensure that every Kent child has been offered a school place for September 2014. The challenging context this year is that unprecedented levels of inward migration into Kent since September 2013 have been higher than forecast and have reduced the surplus of school places to below the recognised operating surplus of 5% in seven of the twelve Kent Districts for Reception Year admissions. Additional school places have been created for September 2014 to ensure that there are sufficient places. Revised forecasts and District Plans for new school places are being devised to be set out in a revised Education Commissioning Plan for Members' consideration in September.

SEN Services and the Educational Psychology Service (KEPS) have been preparing for the implementation of the most significant legislative SEND (Special Education Needs and Disability) changes for 30 years in September 2014. The introduction of the Education, Health and Care Plans, which replace Statements of SEN, and the provision of a 'Local Offer' will commence in September. The SEN Assessment and Placement Service has been restructured during the past quarter to enable us to deliver the new changes and to provide 4 area teams which align with other Education and Young People's services locally.

KEPS, the SEN Service and the Fair Access teams have all been involved in Transformation Reviews as part of 'Facing the Challenge'. KEPS are involved in both Phase 1 (as part of the EduKent suite of Services) and Phase 2, while SEN and Fair Access are involved in Phase 2 Reviews which are focussed on SEN, SEN Transport and School Admissions.

Education Planning and Access - KPIs

Percentage of SEN statements issued within 26 weeks (excluding exceptions to the rule) GREEN
↓



	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
YTD	84%	87%	91%	94%	95%	94%	
Target	87%	90%	90%	90%	90%	92%	92%

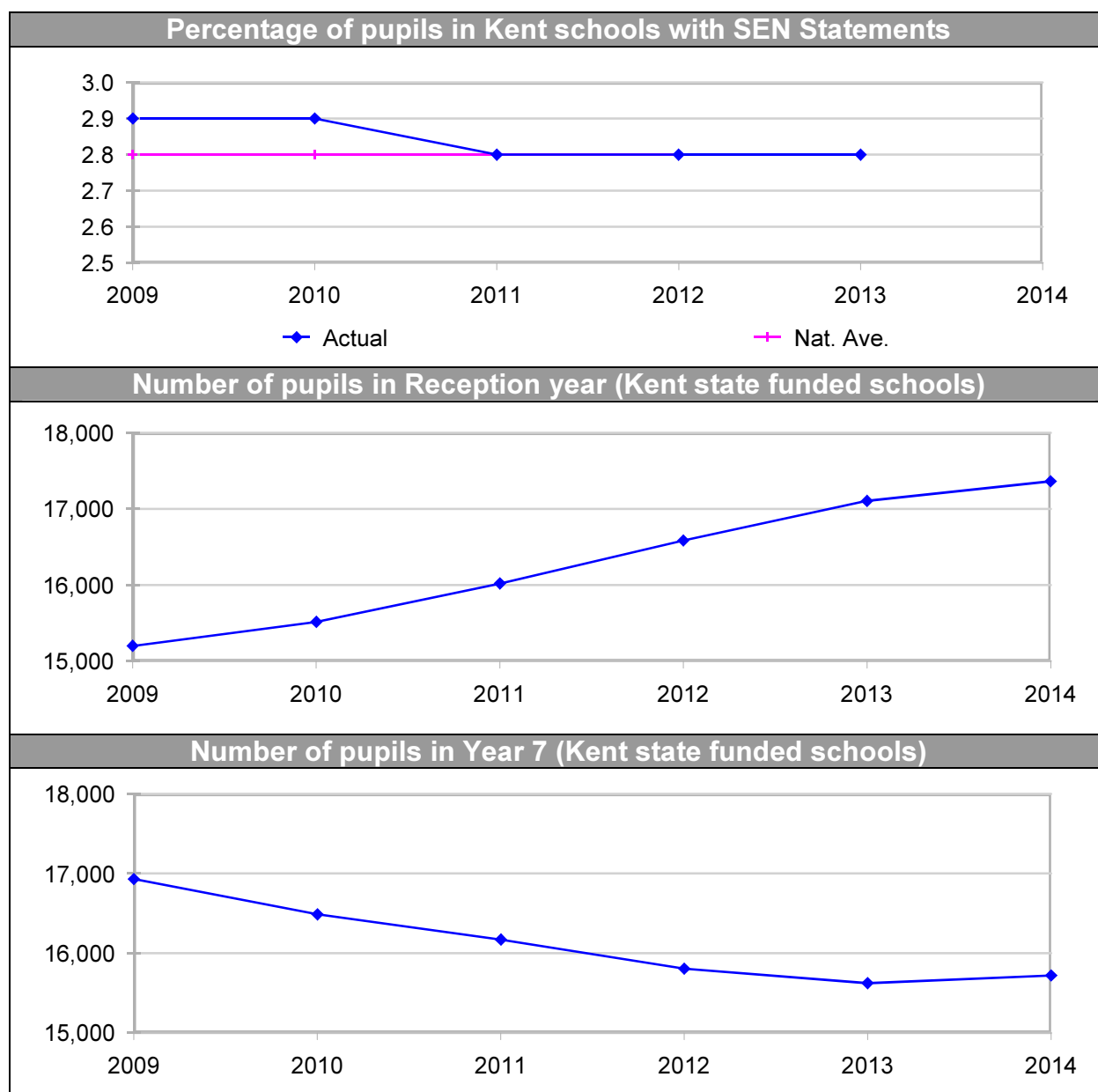
Performance improved significantly during the last financial year and the results are now well-above target.

Education Planning and Access – Activity Indicators

Kent schools have the same proportion of pupils with statements of SEN as the national average, which has been a consistent 2.8% for several years. There are currently 152 children from other local authorities placed in Kent special schools, down from 160 last March. Data for 2014 will be published in September.

The number of Reception Year pupils has been on a steady increase since 2007, with 17,362 pupils in January 2014, 8.1% higher than 3 years ago. The number of Year 7 pupils has been decreased for a number of years with 15,719 pupils in January 2014, 2.9% lower than 3 years ago. The number of Year 7 pupils increased slightly between 2013 and 2014 and larger increases are expected each year in future years as the previous trend of increases in primary now starts to move into the secondary stage.

In the last three years total primary school pupil numbers have increased 6.3% and total secondary school pupil numbers have decreased by 1.7%. Total secondary school numbers are forecast to begin increasing in 2016.



Early Help and Preventative Services - Overview	
Cabinet Member	Peter Oakford/Mike Hill
Director	Florence Kroll

There has been continued improvement in percentage of Team Around the Family cases (TAFs) which are closed with either outcomes achieved or to single agency support, now on target. The number of open TAFs continues to increase with the number of Common Assessment Frameworks (CAFS) fluctuating about the 1,000 level each quarter. The percentage of Children in Need cases stepped down to Preventative Services remains constant at 18%, just below target. New registrations at Children's Centres are around 3,000 per quarter over the last 12 months, down from the higher levels previous seen, due to the closure of some centres, and new hub arrangements settling in.

Permanent exclusions continue to decrease ahead of target, with the number (rolling 12 months) now down to 79. The number of first time entrants to the youth justice system has risen this quarter following a relatively stable level for the previous year.

Indicator Description	Previous Status	Current Status	DOT
Percentage of TAFs closed with outcomes achieved or to single agency support	AMBER	GREEN	↑
Percentage of children in need cases stepped down to preventative services	AMBER	AMBER	↔
Percentage of pupils permanently excluded from school	GREEN	GREEN	↑
Number of first time entrants to youth justice system	GREEN	AMBER	↓

The Early Help & Preventative Services Division was established in April 2014 to provide services to vulnerable children, young people and families. An Early Help and Preventative Services Prospectus has been published setting out the vision and rationale for change, in order to achieve better outcomes, and a One Year Early Help Plan (2014/15) has been developed to provide focus and measure positive outcomes for children, young people and families, setting out the key priorities, targets and actions for the new Division.

In July a decision was taken to work with Newton Europe on a Service Redesign of the Division. Staff will be actively engaged in this design phase with the aim of achieving system redesign that will reduce demand for Specialist Children's Services.

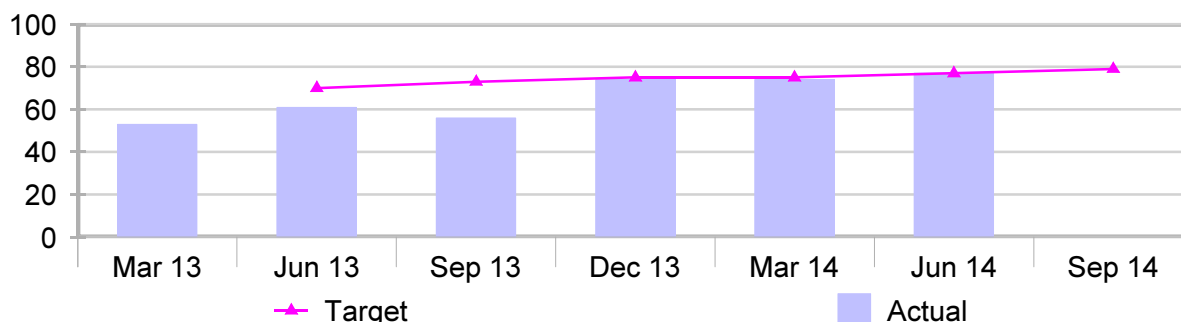
Work is progressing on reviewing three interrelated processes to help improve identification of families and young people in need of support, and to improve the support provided:

- The step-up/step-down protocol between Early Help and Specialist Children's Services,
- Missing Children procedures, and
- the CAF assessment process.

Early Help and Preventative Services - KPIs

Percentage of TAFs closed with outcomes achieved or to single agency support

GREEN
↑

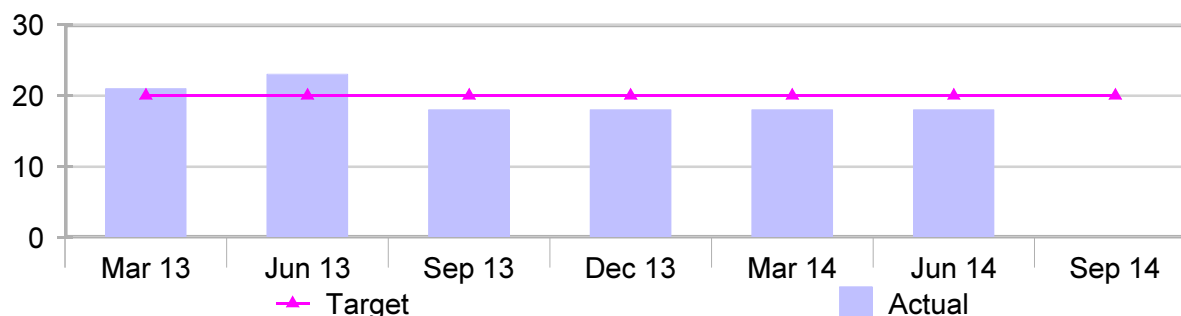


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	53%	61%	56%	74%	74%	77%	
Target		70%	73%	75%	75%	77%	79%

Closer monitoring the TAF process during the last year has led to better tracking of cases, reducing drift and ensuring outcomes and reasons for closing cases are now properly recorded. At September 2013 the breakdown of case closures had included 13% due to data quality work, 10% where consent was withdrawn and 15% with transfer to Specialist Children's Services. In the quarter to June 2014 the figures were 0% data quality, 9% consent withdrawn and 14% transferred to Specialist Children's Services. Schools have been the lead agency in nearly 50% of these new cases.

Percentage of children in need cases stepped down to Early Help & Preventative Services

AMBER
↔



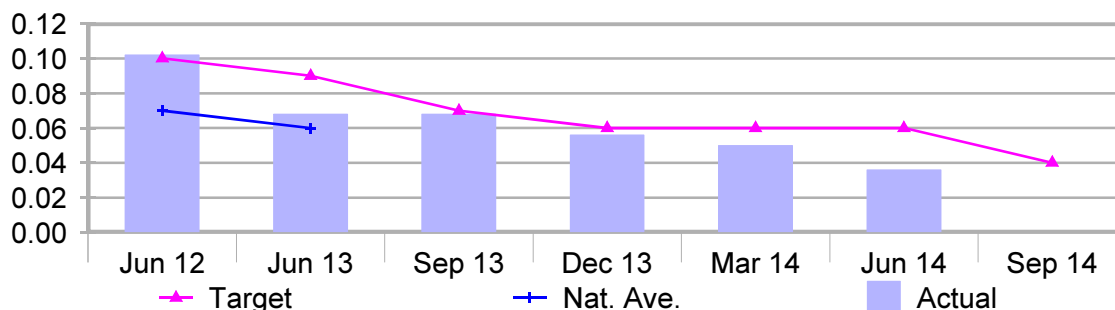
	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	21%	23%	18%	18%	18%	18%	
Target	20%	20%	20%	20%	20%	20%	20%

The percentage of cases closed in Specialist Children's Services that are stepped down to Early Help and Preventative Services has remained at 18% for the last four quarters. Following the restructure and a new increased focus on early help, this figure is targeted to rise over the next year.

Early Help and Preventative Services - KPIs

**Percentage of pupils permanently excluded from school
(rolling 12 month total)**

GREEN
↑

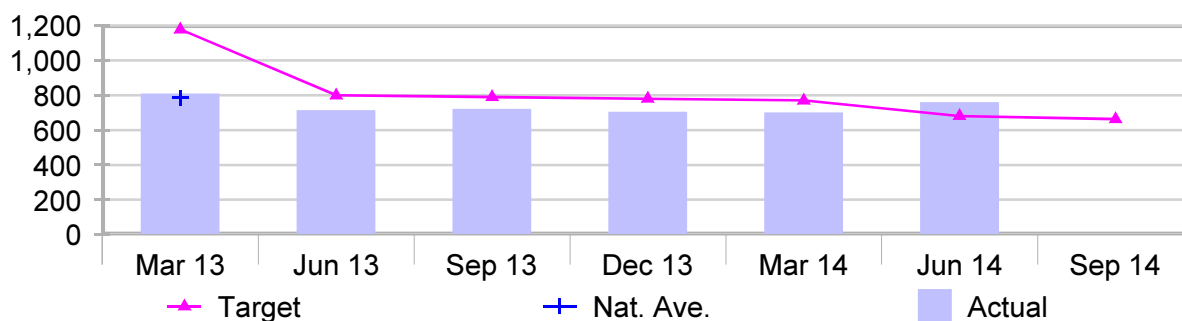


	Jun 12	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	0.10%	0.07%	0.07%	0.06%	0.05%	0.04%	
Target	0.10%	0.09%	0.07%	0.06%	0.06%	0.06%	0.04%

There were 79 permanent exclusions in the last 12 months which is a significant improvement on the academic year 2011/12 when there were 210 permanent exclusions. In the quarter Thanet was the highest overall excluding district. Thanet had the highest level of primary school exclusions. Primary exclusions range from 14 in Thanet to none in Ashford, Dartford, Dover, Gravesham, Maidstone and Sevenoaks. Secondary exclusions range from 13 in Maidstone to none in Ashford and Tunbridge Wells.

**Number of first time entrants to youth justice system
(rolling 12 month total)**

AMBER
↓



	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	807	711	719	702	698	758	
Target		800	790	780	770	681	663

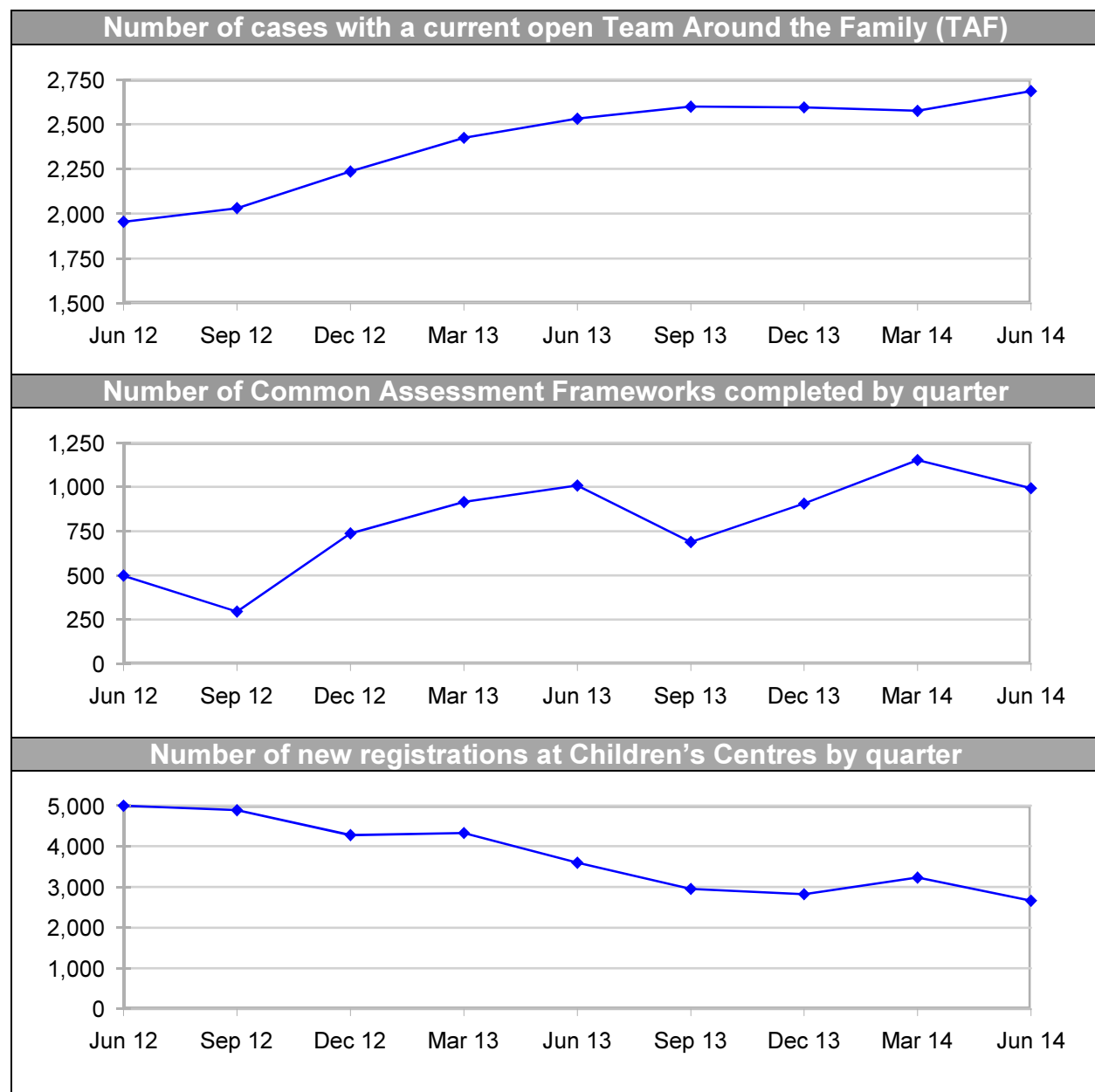
The number of first term entrants increased in the last quarter after being relatively stable for the previous year. Kent Police have maintained their commitment to the diversion of children and young people from the youth justice system and this commitment has been supported by the triage process in each of the four youth offending teams. The triage process screens those cases diverted from the youth justice system by the Police, to ensure that appropriate assessment and a preventative intervention is put in place where risks of offending are highlighted. The last quarter is subject to change due to the delay in notifications from the police.

Early Help and Preventative Services – Activity Indicators

The number of cases with a current open Team Around the Family continues to rise and was 2,685 at the end of June.

The number of Common Assessment Frameworks completed fluctuated during the last year and in the quarter to June 2014 there were 993 assessments, down from 1,008 for the same quarter last year.

The number of new registrations at Children’s Centres has been lower in the last year compared to previous number, with figures impacted by closures and moves to HUB models. There were 2,661 registrations in the quarter down from 4,999 in the quarter to June 2012.



Children's Safeguarding - Overview	
Cabinet Member	Peter Oakford
Director	Philip Segurola

The percentage of case holding social worker posts held by permanent qualified social workers has decreased in the quarter to June 2014 to 71%, with 20.1% of the vacancies being filled by Agency staff – see next page for action plan. The percentage of children becoming subject to a child protection plan for the second or subsequent time continues to be within the banding set for optimum performance. The percentage of on-line Case File Audits judged as adequate or better has shown a slight decline this quarter.

The number of referrals in the quarter to June 2014 at 5,098 was 236 lower than the previous quarter. The number of Children in Need cases also decreased, by 350 to 10,305 and remains within the expected range. There were 1,256 children with Child Protection Plans at the end of June 2014, an increase of 79 compared to the March position and this is at the higher end of the expected range.

Indicator Description	Previous Status	Current Status	DOT
Case holding posts filled by permanent qualified social workers	RED	RED	↓
Children subject to a child protection plan for the second or subsequent time	GREEN	GREEN	↓
Percentage of on-line Case File Audits judged as adequate or better	AMBER	AMBER	↓

The DfE lifted the Improvement Notice from Kent County Council (KCC) in December 2013. It is an encouraging step towards Kent achieving its aim of being 'Outstanding', providing the very best possible service for children most in need in Kent. This goal will be underpinned and shaped around consistently achieving the style of practice described within the services' Social Work Contract.

During June and July 2014 an external review was undertaken to determine the progress made by KCC since the Improvement Notice was lifted and the report detailing the findings of this review were shared with the Parliamentary Under-Secretary of State for the DfE.

Specialist Children's Services recently launched a consultation for the integration of the Care Leaver and Unaccompanied Asylum Seeking Children services into the wider Children in Care service. The consultation period ended on 13th August 2014.

A forthcoming key decision updating the 'policy for financial allowances for children's arrangements' is to be referred to the Cabinet Member for decision.

Specialist Children's Services is working with Early Help and Preventative Services with the assistance of external partner Newton Europe to deliver transformation in service delivery to improve outcomes for children and young people and the efficiency of service delivery.

Children's Safeguarding - Overview

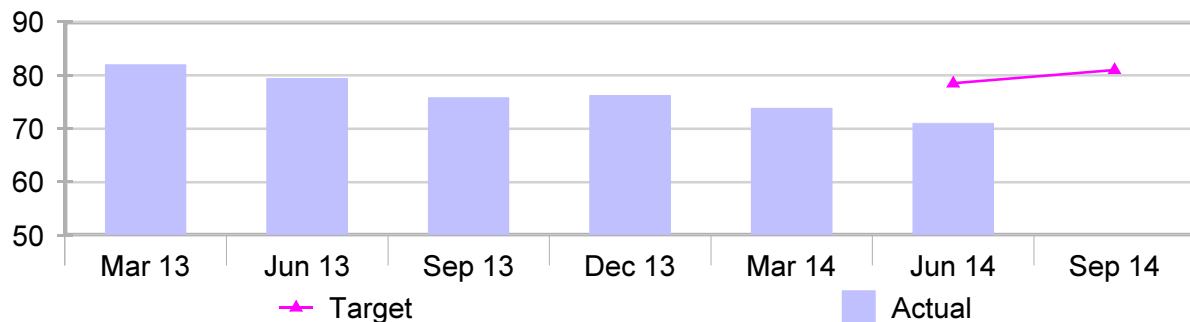
Action Plan Update for the Recruitment and Retention of Qualified Social Workers

Action	Dates	Expected Outcome
Recruiting Newly Qualified Social Workers (NQSWs), through advertising on recruitment micro-site, competency based application and assessment process and cross area panel interviews.	Round 1 - April/May/June 2014 Round 2 - October/November 2014	Good quality graduates appointed across the teams. Success to date includes 43 NQSW appointed.
Launch of new branding for 3 month recruitment campaign to recruit Team Managers, Qualified Social Workers, and Senior Practitioners.	May to July 2014	Good quality candidates appointed to fill underlying vacancies.
Review success for the overseas recruitment campaign in Ireland.	July 2014	Maximise opportunity of the campaign.
Overseas Recruitment in India	This project has been running from November 2013	Appointments to be made in July and project success reviewed.
Council Member Summit	Held in July	Identification of a number of areas to focus on, including targeted recruitment activity and a review of retention initiatives and payments. These areas will be added to the future Action Plan.

Children's Safeguarding - KPIs

Percentage of case holding posts filled by permanent qualified social workers

RED
↓



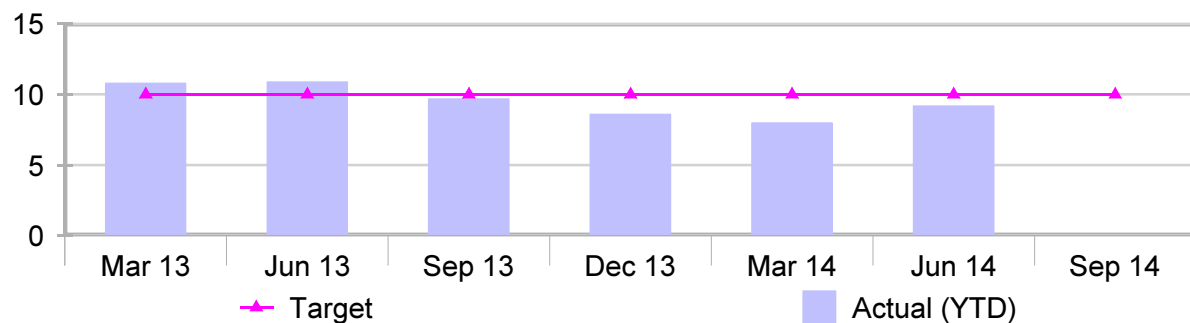
	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	82%	80%	76%	76%	74%	71%*	
Target	-	-	-	-	-	78.5%	81%

Recruitment and retention of qualified social workers remains difficult in current market conditions. Agency staff are being used to fill 20.1% of the vacancies to ensure average caseloads per social worker remain manageable, currently 14.9 cases for children in care teams and 22.9 for other teams. See previous page for the action plan update.

* The definition and source for this indicator changed from April 2014, so latest figure is not directly comparable with previous figures.

Percentage of children becoming subject to a child protection plan for the second or subsequent time

GREEN
↓



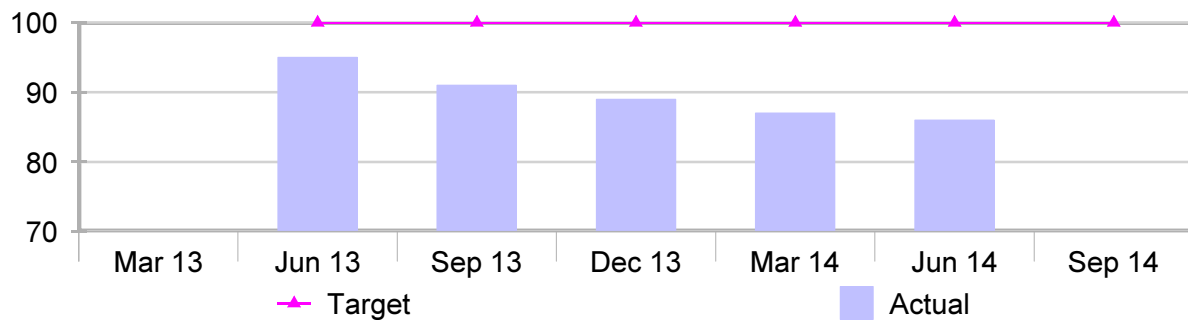
	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
YTD	10.8%	10.9%	9.7%	8.6%	8.0%	9.2%	
Target	10%	10%	10%	10%	10%	10%	10%

Performance for this measure remains within the optimum range set. Between April and June 2014, 413 children became subject to a Child Protection Plan, and 38 of these had been subject to a Child Protection Plan within the previous plan 24 months.

Children's Safeguarding - KPIs

Percentage of on-line Case File Audits judged adequate or better

AMBER



	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	-	95%	91%	89%	87%	86%	
Target	-	100%	100%	100%	100%	100%	100%

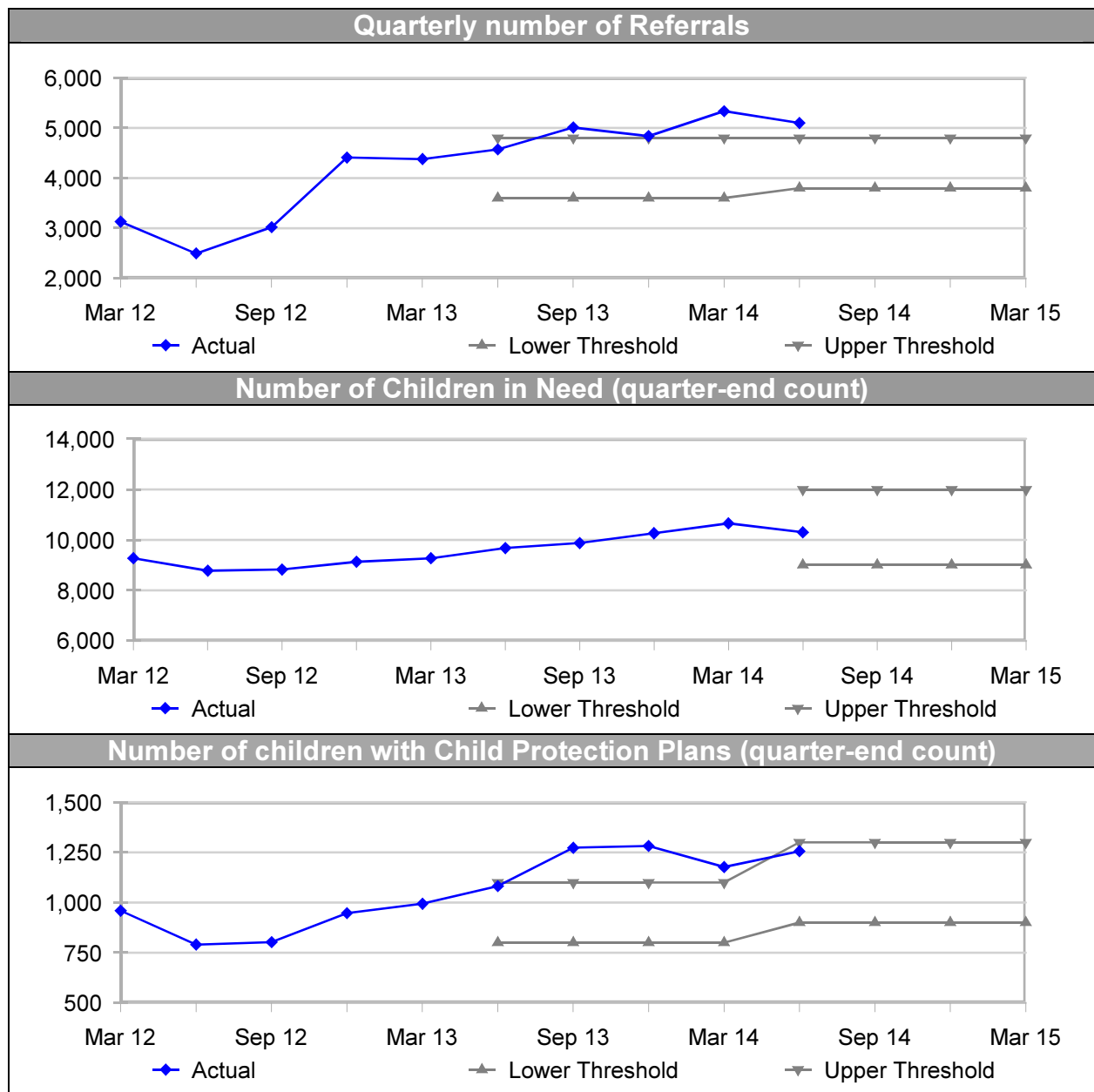
The drop in performance is a result of work undertaken to analyse the grading of the on-line case file audits against the findings from the separate Quality Audits which are completed by Independent Reviewing Officers (IROs) and Child Protection (CP) Chairs. Bringing together the separate auditing processes has created a broader consensus of thresholds for judgements and has improved consistency of grading.

Children’s Safeguarding – Activity Indicators

The number of referrals decreased in the last quarter, from 5,334 to 5,098. The reported numbers of referrals has increased since September following a change of practice with the implementation of Liberi, with Domestic Abuse Notifications now recorded as Referrals.

The Number of Children in Need decreased in the last quarter to 10,305. This figure includes Care Leavers who are over the age of 18 who have been included in the figure to match the definitions used by the DfE in their publication of national data. They are included here so that comparative rates can be used as the guide. Kent’s current rate has remained within the guide range.

The number of children with Child Protection Plans increased to 1,256 this quarter. The guide range has been increased for 2014/15 which is reflective of national increases in children subject to a Child Protection Plan.



Corporate Parenting - Overview	
Cabinet Member	Peter Oakford
Director	Philip Segurola

The percentage of care leavers who were adopted in the quarter was 25.2% (57 children) significantly ahead of target. The percentage of children in care who have been in the same placement for the last two years was 63.7%, a slight decrease from the year out-turn position for 2013/14. At 65%, the percentage of our looked after children in KCC Foster Care is above target and increasing.

The number of indigenous Children in Care has remained fairly static over the last year and at the end of June 2014 was 1,597, a decrease of 27 children from the March 2014 position of 1,624. The number of these children placed with Independent Fostering Agencies decreased again this quarter down to 268. The number of Children in Care placed in Kent by other Local Authorities has increased to 1,261, the highest number since April 2012.

Indicator Description	Previous Status	Current Status	DOT
Percentage of children leaving care who are adopted	GREEN	GREEN	↑
Children in Care in same placement for the last 2 last years	AMBER	AMBER	↓
Percentage Kent children in care in KCC foster care	GREEN	GREEN	↑

Listening to the views of children and young people in care is at the centre of the Council's agenda. A report on this matter, supported by a Children in Care DVD and the outcomes of the 'Your Voice Matters' survey were presented to County Council in July 2014. See next page for more details.

As stated in the Children's Safeguarding section of this report, during June and July 2014 an external review was undertaken to determine the progress made by KCC since the Improvement Notice was lifted. This included a review by Jonathan Pearce (previous Chair of the Adoption Sub-Group) which focussed on the Adoption Service's improvement journey. The progress report asserted that 'there continues to be a strong drive, aspiration and ambition among the leaders, managers and staff to keep the service on a course of continuous improvement, and to achieve successful outcomes for the children, parents and families that are affected by the service's work.'

The partnership, and relationship between both the Member-led Corporate Parenting Panel, and multi-agency officer led Kent Corporate Parenting Group continues to improve and develop, ensuring a shared agenda of priorities.

The Council's positive focus and active approach to its Corporate Parenting responsibilities was recently exemplified by the number of elected Council Members recently signing up to Kent's Care Leavers Charter and the Kent Pledge for Children in Care.

Corporate Parenting – Views of children and young people

Children and young people's views

Listening to the views of children and young people in care is at the centre of the Council's agenda.

A report on this matter, supported by a Children in Care DVD and the outcomes of the 'Your Voice Matters' survey was presented to County Council in July 2014. The paper was written by one of KCC's Apprentice Participation Workers with the Virtual School Kent (herself a care leaver). The evidence presented demonstrated that there have been a number of positive impacts from the recent service Improvement Programme, whilst also indicating some areas to develop.

The 'Your Voice Matters' survey was undertaken in Spring 2014 and 326 children and young people responded.

Positive feedback from the survey included:

- Most children know who their social worker is, and can talk to them about problems.
- The majority of children feel they can speak to a caring adult if they are unhappy or have a problem.
- The majority of young children said they get help from their teacher to learn.
- 98% of children aged 7 to 15 are happy or sometimes happy living with their current family/foster carer.

Areas for improvement included:

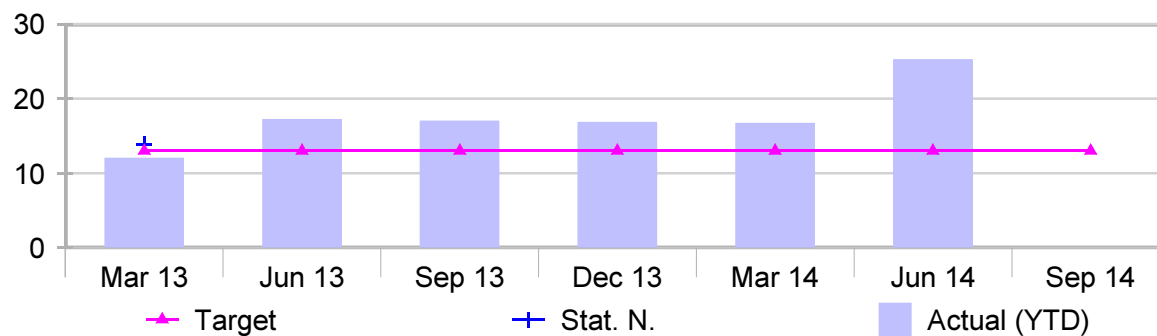
- 29% of children did not know how to speak to their Independent Reviewing Officer.
- Many children said they did not have a copy of their care plan.
- A quarter of care leavers did not know who their Support Worker was.

Another important issue raised in the Children in Care DVD was the need for stability of placements and social worker.

The outcomes and findings of the above report, DVD and survey will be acted upon and will help shape future improvements in how Specialist Children's Services are delivered.

Corporate Parenting - KPIs

Percentage of children leaving care who are adopted

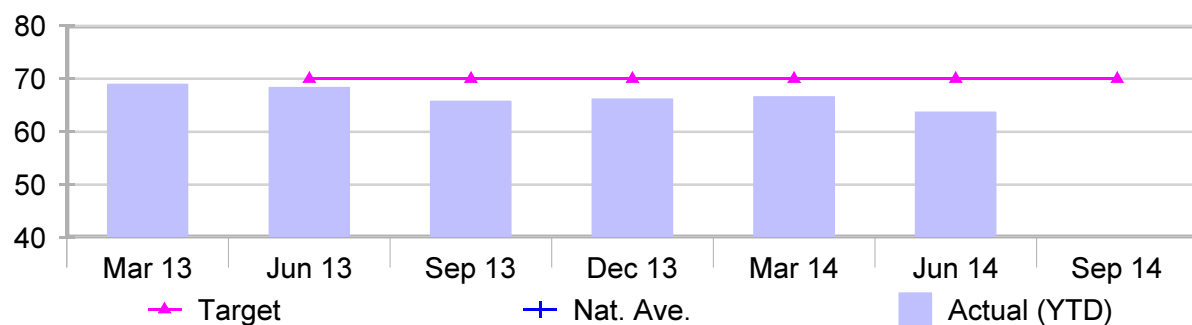
GREEN
↑

	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
YTD	12%	17%	17%	17%	17%	25%	
Target	13%	13%	13%	13%	13%	13%	13%

High performance on adoptions continues to be maintained with 57 children being adopted in the first quarter of 2014/15. This compares to 40 for the same period of 2013/14, and 24 in 2012/13.

Work continues to focus on the recruitment of sufficient adopters, and with partners to improve the timeliness of adoptions by reducing delays in the process.

Children in Care in same placement for the last 2 last years (for those in care for 2 and half years or more)

AMBER
↓

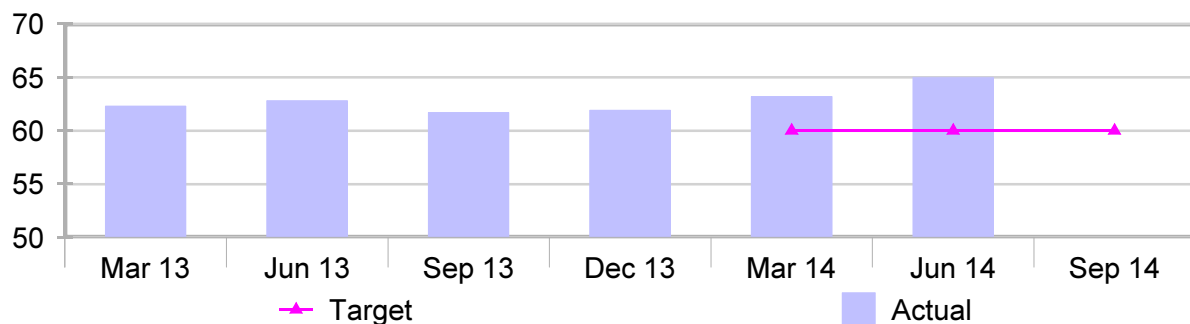
	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
YTD	69%	68%	66%	66%	67%	64%	
Target	-	70%	70%	70%	70%	70%	70%

This indicator is a measure of placement stability for those that have been looked after for at least two and a half years, and have been in the same placement for at least two years. Placement stability has shown a drop in the most recent quarter and a report has been commissioned by the Corporate Parenting Panel to analyse the reasons for placement moves. The highest range of stability is in the 9-12 age group, and stability decreases slightly for those aged 13 and above.

Corporate Parenting - KPIs

Percentage Kent children in care in KCC foster care placements
(excluding UASC)

GREEN
↑



	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	62%	63%	62%	62%	63%	65%	
Target	-	-	-	-	60%	60%	60%

One of the strategic priorities for Specialist Children's Services is to find permanence and stability for children in care via in-house foster care.

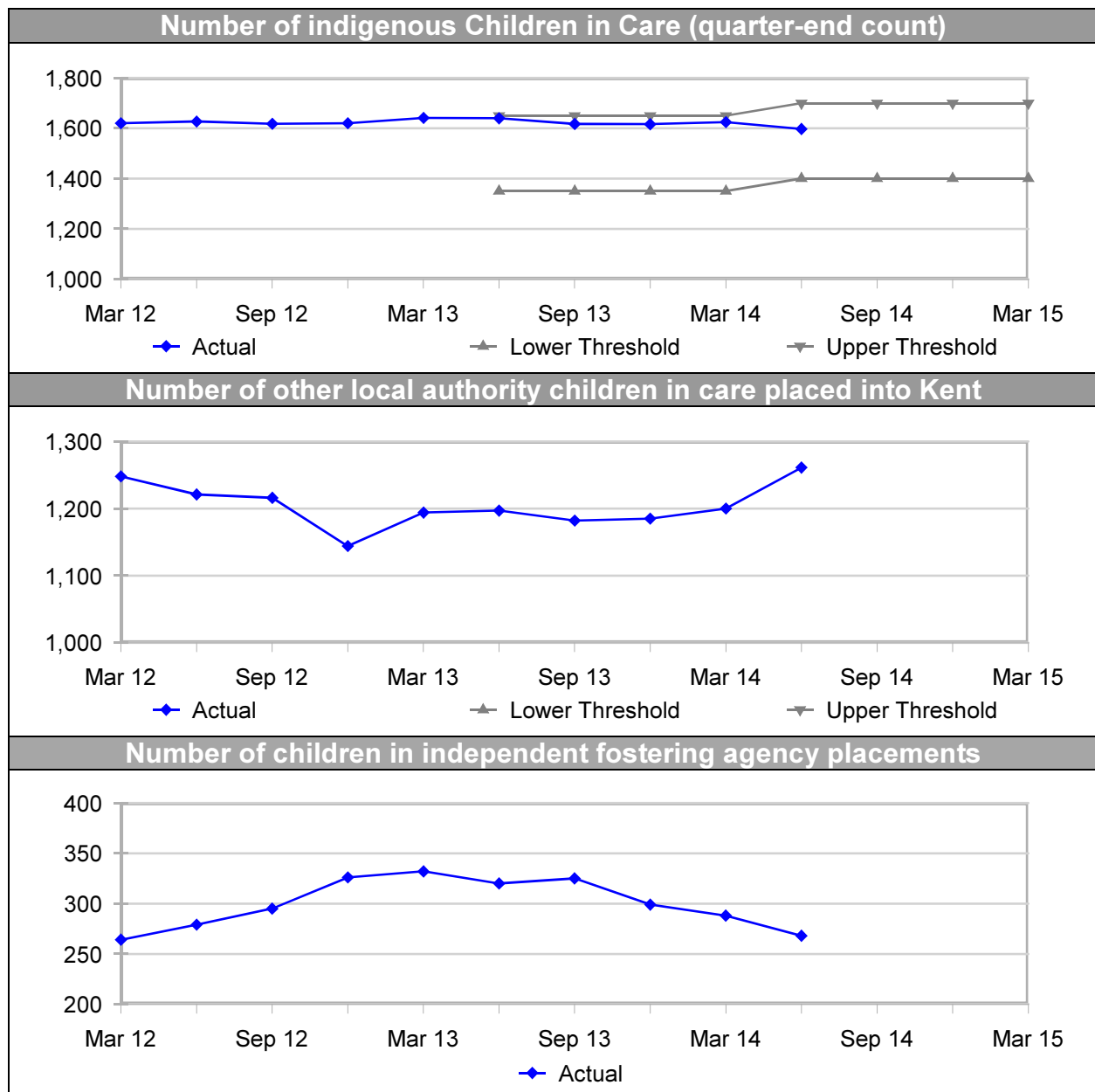
Performance for the first quarter of 2014/15 improved on the March 2014 position and was above target.

Corporate Parenting – Activity Indicators

The number of indigenous Children in Care has decreased in the last quarter to 1,597. This is the lowest number since February 2012.

The number of Children in Care placed in Kent by other Local Authorities has increased to 1,261, which is the highest number since April 2012.

The number of children placed with Independent Fostering Agencies continues to decrease. There were 268 children placed with Independent Fostering Agencies as at the end of June 2014.



Adult Social Care - Overview	
Cabinet Member	Graham Gibbens
Corporate Director	Andrew Ireland

Performance improved in the quarter for four of the indicators, but due to new stretch targets having been set for new financial year, for one indicator this improvement also resulted in a drop from a Green to an Amber rating. The number of clients with a Telecare service continues to increase ahead of target and in the quarter there was a noticeable reduction in new admissions for older people to residential and nursing care. The new indicator for Promoting Independence Reviews completed is currently below target although is improving month on month. Performance will be much improved from 1 October when other areas of the Transformation Programme are completed.

Indicator Description	Previous Status	Current Status	DOT
Percentage of contacts resolved at first point of contact	GREEN	AMBER	↑
Number of new clients referred to an enablement service	AMBER	GREEN	↑
Number of clients receiving a Telecare service	GREEN	GREEN	↑
Number of Promoting Independence Reviews completed	New Indicator	RED	
Number of admissions to permanent residential or nursing care for older people	AMBER	GREEN	↑
Clients still independent after enablement	GREEN	AMBER	↓

We have been working on Phase 1 of Adult Transformation Programme since 2012, when the initial assessment work was started. Design work has led to implementation which is now well underway, supported by our external partner Newton Europe.

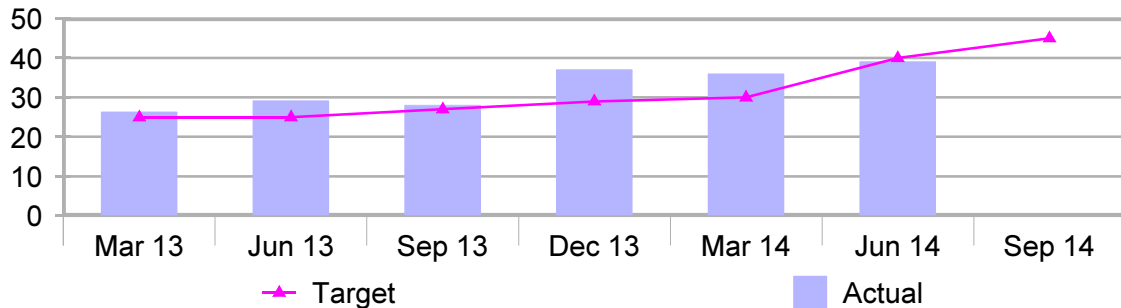
Phase 1 of the Adults Transformation Programme is successfully focussing on making better use of existing systems and embedding the culture of promoting service user independence, whilst establishing the foundations for future transformation. This has been mainly focused on the Older People Physical Disability division. Ongoing activity such as Health and Social Care Integration has continued and new legislation has meant the need for a new Care Act programme to comply with the new legislation. The Phase 1 work of the KCC and Newton Europe partnership on the 'sandbox optimisation project' was highly commended for 'Innovation in Social Care' at the 2014 Municipal Journal awards.

In order to decide what will be included in Phase 2 of the Transformation Programme, Newton Europe were commissioned to carry out a 6 week assessment starting in June, focusing on Health and Social Care integration and clients with a Learning Disability. The assessment will inform a design and planning stage, including working with Clinical Commissioning Groups to identify ways to deliver service user benefits and savings through joint working.

Adult Social Care - KPIs

Percentage of contacts resolved at point of contact

AMBER
↑

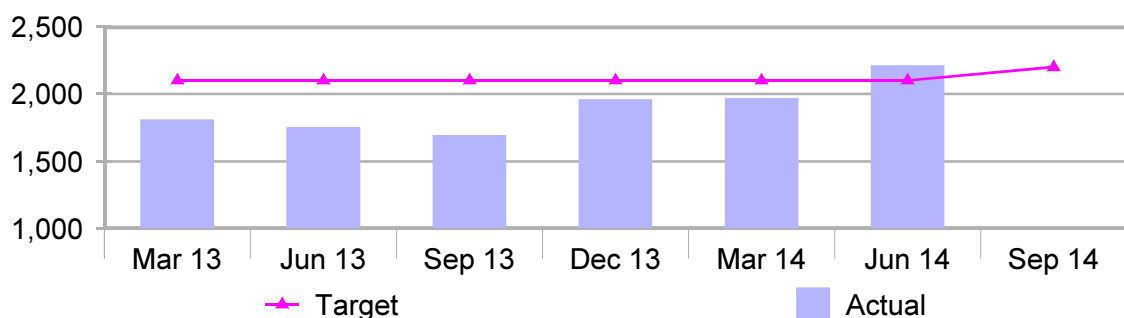


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
YTD	26%	29%	28%	37%	36%	39%	
Target	25%	25%	27%	29%	30%	40%	45%

A key priority for Adult Social Care is to respond to more people's needs at the point of contact, through better information, advice and guidance, or provision of equipment where appropriate. Although performance in March was on target, and has since improved, as stretching targets for improvement have been set for this year, current performance is now very slightly behind target.

Number of new clients referred to an enablement service

GREEN
↑

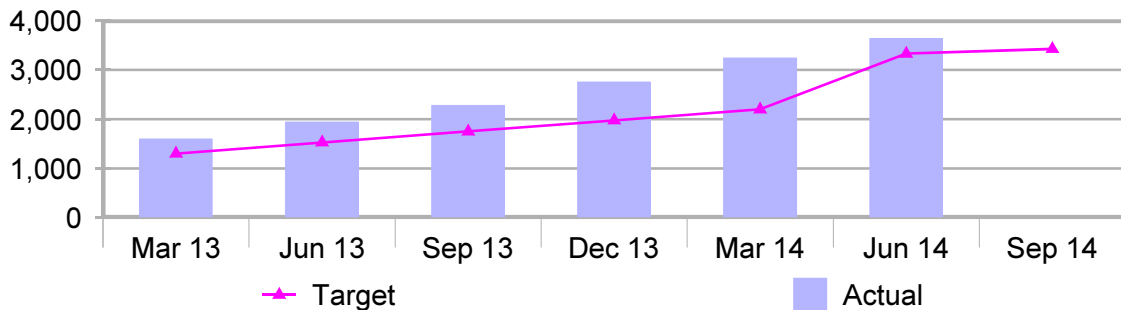


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
YTD	1,809	1,750	1,691	1,957	1,968	2,209	
Target	2,100	2,100	2,100	2,100	2,100	2,100	2,200

During the last quarter we achieved our highest level to date for the number of clients referred to enablement. More clients are now expected to receive an enablement service, with a stronger focus on short term interventions, to reduce the need to provide long term care packages.

Adult Social Care - KPIs

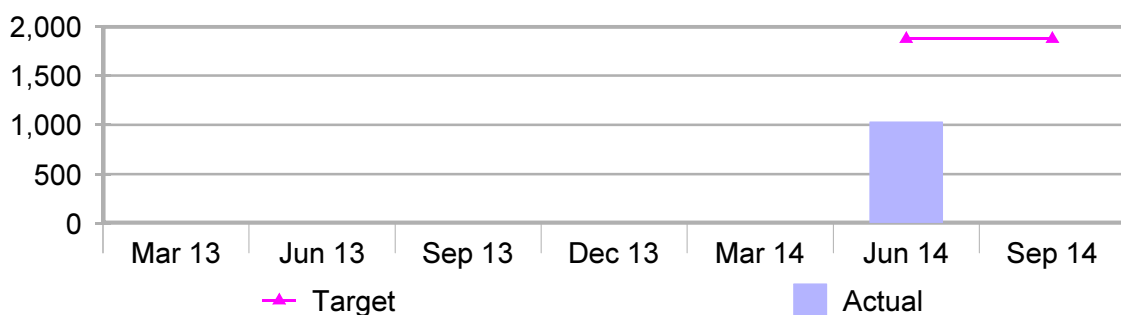
Number of clients receiving a Telecare service

GREEN
 ↑


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	1,596	1,937	2,276	2,754	3,238	3,637	
Target	1,300	1,525	1,750	1,975	2,200	3,331	3,424

The number of people in receipt of a Telecare service continues to exceed target. Telecare is being promoted as a key mechanism for supporting people to live independently at home, including within Personal Budgets. The availability of new monitoring devices (for dementia for instance) is expected to increase the usage and benefits of telecare. Awareness training continues to be delivered to staff to ensure we optimise the opportunities for supporting people with more complex and enabling teletchnology solutions.

Number of Promoting Independence Reviews completed (new indicator)

RED


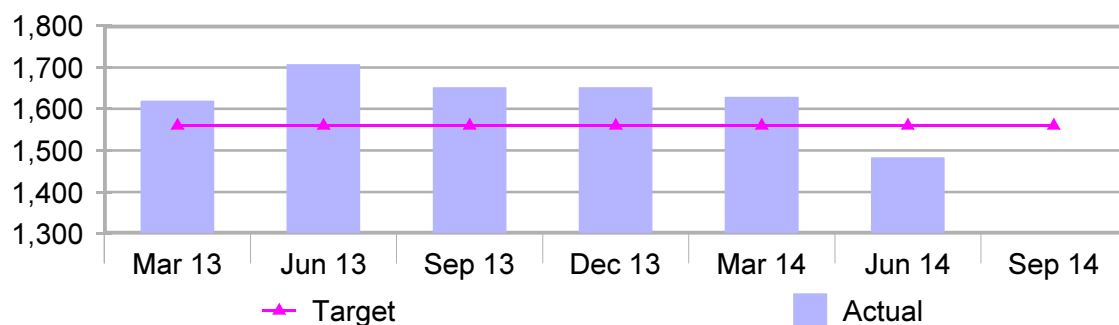
	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual						1,028	
Target						1,872	1,872

The percentage of reviews completed for the quarter to June 2014 was 55% of the target, however there was improvement each month. The current phase of the Transformation programme involves the staffing consultation, mobilisation of home care and staff reduction and these issues are influencing performance in the short term. This should be resolved from the 1 October 2014. Discussions continue to take place on a regular basis to ensure that any operational issues are identified and resolved.

Adult Social Care - KPIs

Number of admissions to permanent residential and nursing care for older people (rolling 12 month totals)

GREEN
↑

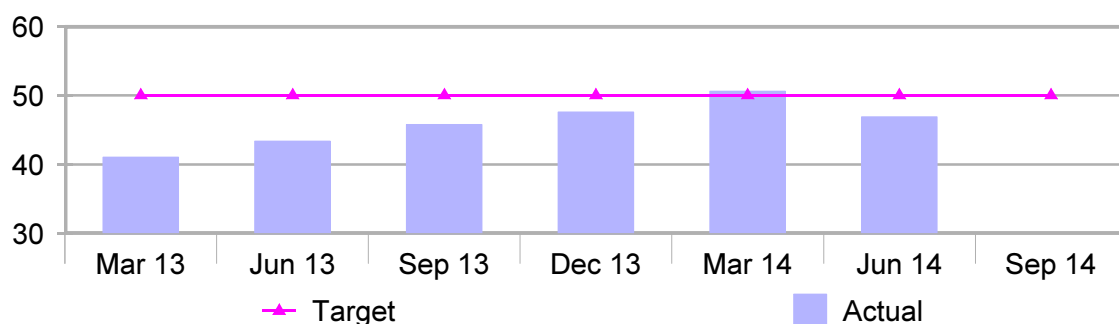


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	1,619	1,707	1,651	1,651	1,628	1,482	
Target	1,560	1,560	1,560	1,560	1,560	1,560	1,560

The number of new admissions to residential or nursing care for people aged 65+ reduced ahead of target during the last quarter.

Clients still independent after enablement service

AMBER
↓

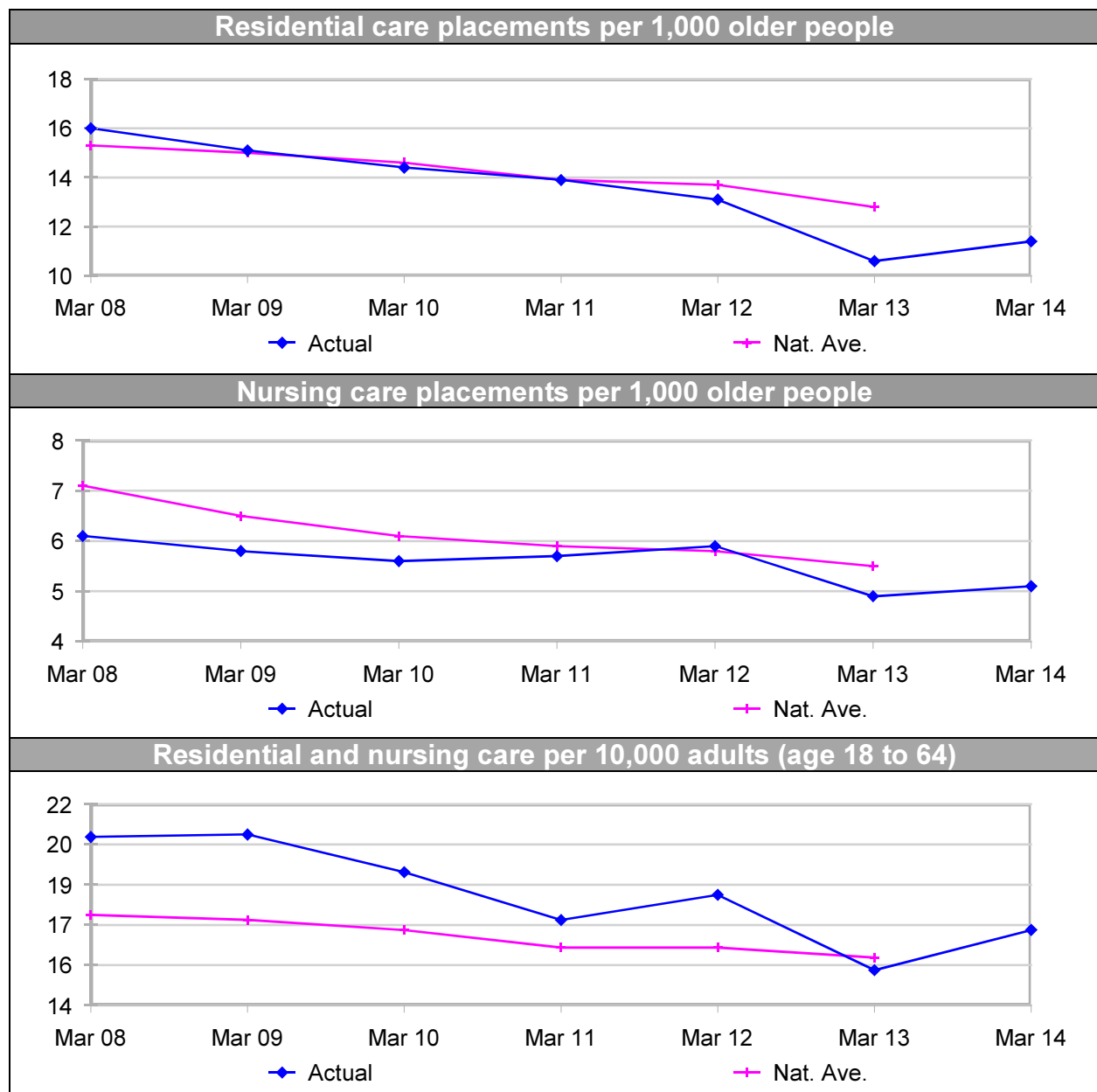


	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	41%	43%	46%	48%	51%	47%	
Target	50%	50%	50%	50%	50%	50%	

Performance in the latest quarter was down from the quarter to March. Previous to this performance had been continually improving each quarter since March 2013. This indicator supports the evaluation of the effectiveness of the Enablement service in supporting independence, by preventing or reducing the need for more expensive services in the future.

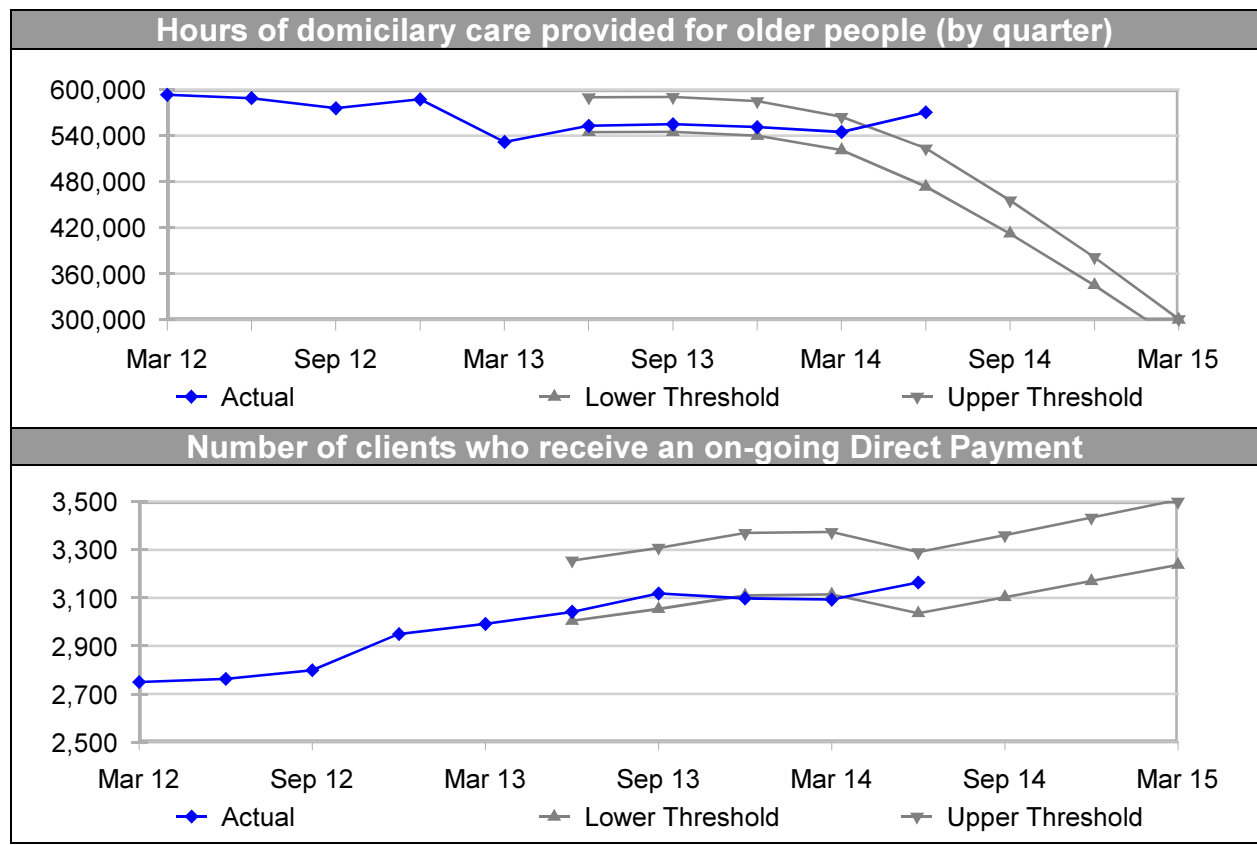
Adult Social Care – Activity Indicators

The general trend over the last 6 years both nationally and locally has been for reduced levels of local authority funded residential and nursing care placements. Continuing to reduce the number of these placements is a priority and will be achieved by supporting more to live independently through use of enablement services and independence reviews. At March 2014 the number of residential and nursing care placements funded by KCC was higher per head of population than at March 2013. However, data to June 2014 shows a reduction to the level seen previously in March 2013, and the early indications for financial year 2014/15 is that we will see further reductions in placements by March 2015.



Adult Social Care – Activity Indicators

The number of hours of domiciliary care provided has reduced over time. Provision of enablement services, promoting independence reviews and telecare services are helping to reduce the demand levels for domiciliary care. Over the last 12 months usage of domiciliary care has been relatively stable around the 540,000 level every quarter. The budget assumptions for 2014/15 assume this will reduce by over 45% to less than 300,000 for the quarter to March 2015. See Financial Monitoring Report for more information on this indicator. The number of clients with Direct Payments is expected to increase about 9% over the same time period.



Public Health - Overview	
Cabinet Member	Graham Gibbens
Director	Andrew Scott-Clark (Interim)

Performance of the key Public Health commissioned services continued to improve in last quarter. Targets for delivery of NHS Health Checks, smoking quits and access to sexual health (GUM) services were all met.

There has been a reduction in the gap in premature mortality (all causes under-75 years old) between Thanet (high deprivation district) and Sevenoaks (low deprivation district). Teenage pregnancy (under-18 year old conceptions rate) has also been decreasing and fell below the national rate in 2012. The proportion of children within the healthy weight range was higher in Kent than national proportions in 2012 and 2013.

Indicator Description	Previous Status	Current Status	DOT
Percentage completion of NHS health checks for target population aged 40 to 74	AMBER	GREEN	↑
Number of smokers successfully quitting, having set a quit date	AMBER	GREEN	↑
Proportion of clients accessing GUM offered an appointment to be seen within 48 hours	GREEN	GREEN	↑

The improvement on NHS Health Checks has been achieved following a concentrated focus on performance and contract management of the provider commissioned to deliver the programme. The target for the quarter to September is more stretching as providers will be expected to deliver significantly more checks as a result of the large volume of invites sent out in the first quarter.

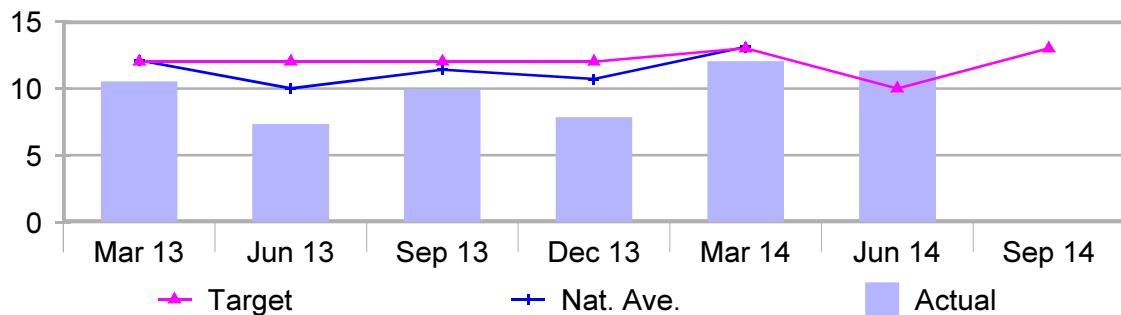
Reducing smoking rates across the county continues to be a high priority for Public Health. The smoking cessation service met the target for the proportion of smokers setting a quit date who go on to quit smoking successfully. Further service development is needed to ensure that smoking cessation programmes remain relevant and targeted in a rapidly changing environment which includes increasing use of electronic cigarettes. To address this, Public Health has commissioned a review of stop smoking services in Kent which will report in the coming weeks. This review will inform the development of future commissioning intentions on smoking which will need to ensure that services are targeted more effectively at reducing health inequalities and reducing smoking in pregnancy.

Kent drug and alcohol action team (KDAAT) are in the process of transferring to Public Health. A related performance indicator will be added to future reports.

Public Health is adopting an innovative commissioning approach to addressing the critical priorities in 2014/15, including integrating commissioning and service delivery wherever possible and maximising the public health impact of other KCC services.

Public Health - KPIs

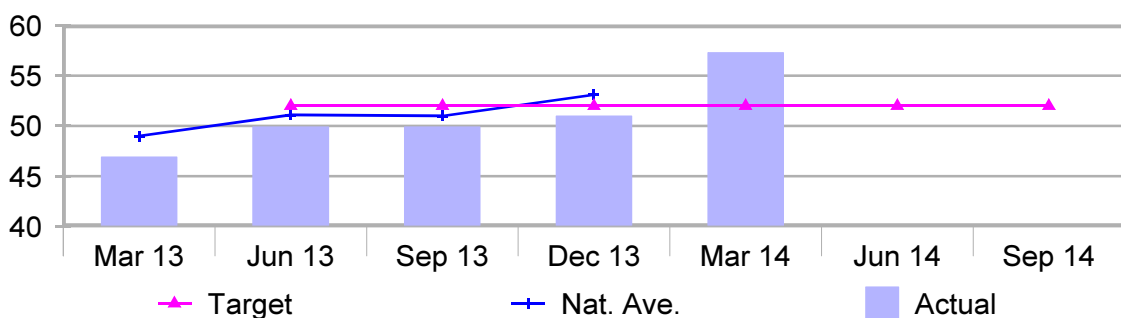
Percentage of annual target population with completed NHS Health checks each quarter

GREEN
↑

	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	10.5%	7.3%	9.9%	7.8%	12.0%	11.3%	
Target	12%	12%	12%	12%	13%	10%	13%

The target of 50% of the eligible population to receive a health check has been split across the year to take into account the impact of delivery following 2013/14 and planned activity surrounding invites. During the quarter to June 2014, 37,053 invites were sent, which is an increase on the number sent for the same time last year, which was 19,761 invites. Actual checks delivered at 10,074 in the quarter was also a significant increase on the same time last year (6,455).

Number of smokers successfully quitting, having set a quit date

GREEN
↑

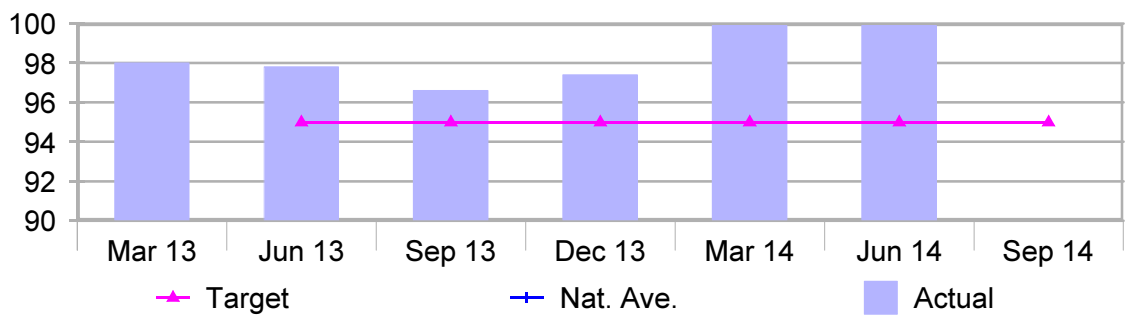
	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	47%	50%	50%	51%	57%		
Target		52%	52%	52%	52%	52%	52%

In Q4 2013/14 the proportion of people achieving a 4-week quit via the smoking cessation service was 57% compared to a target of 52%. 2,885 people set a date during the quarter and 1,653 achieved the 4-week quit.

The full year figures for 2013/14 were 11,769 people setting a quit date, with 6,131 achieving a 4-week quit (52%).

Public Health – KPIs

Proportion of clients accessing GUM offered an appointment to be seen within 48 hours GREEN



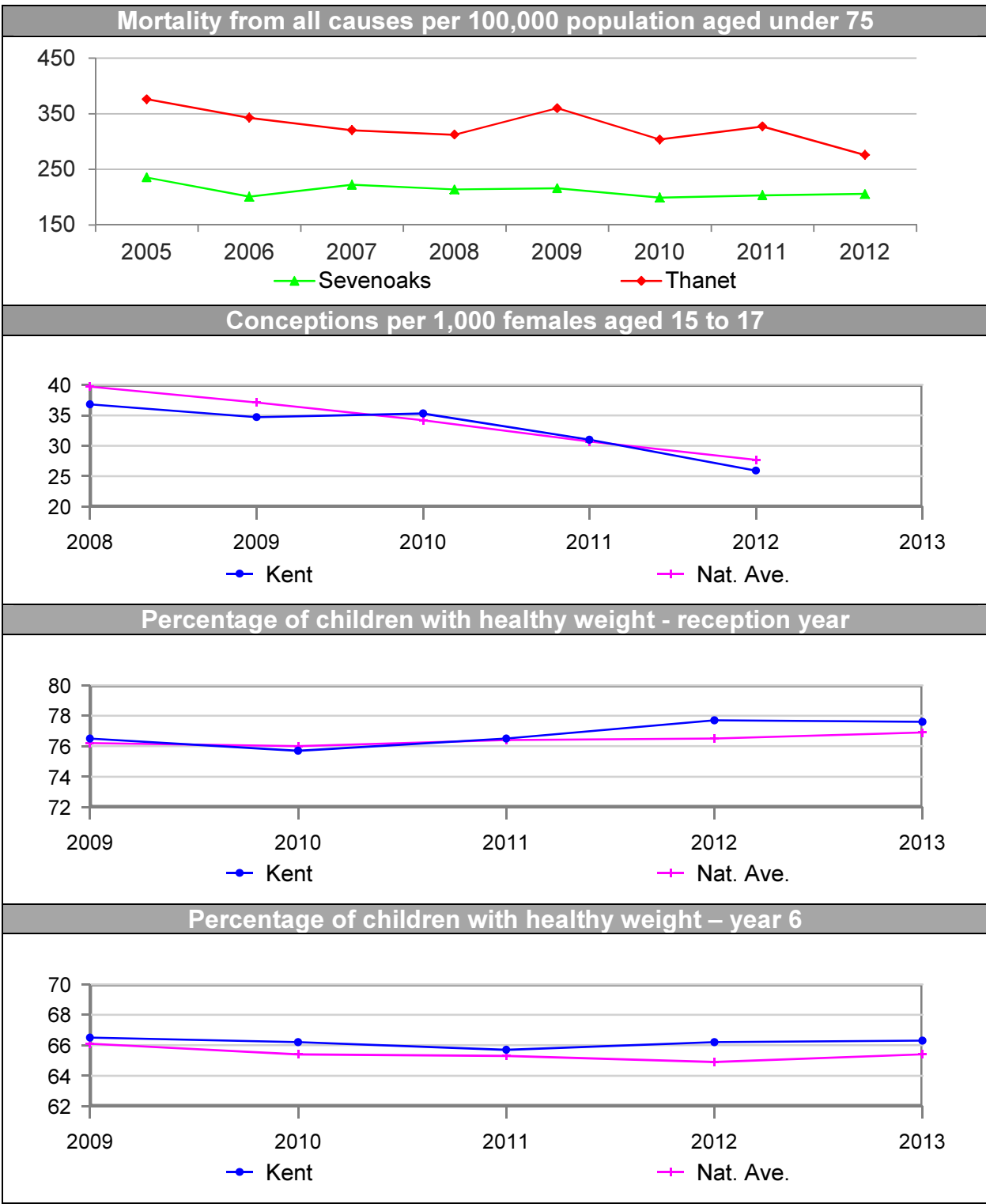
	Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14
Actual	98%	97.8%	96.6%	97.4%	99.9%		
Target	95%	95%	95%	95%	95%	95%	95%

Community Sexual Health services continue to exceed target for access with almost 100% of service users seen within the expected 48 hour timeframe.

Public Health is currently working with providers to ensure that CCG location data can be presented in future reports.

Public Health – Activity Indicators

The gap in premature mortality (all causes under-75 years old) between Thanet and Sevenoaks districts has decreased in recent years, although it should be noted that there are other measures for health inequality which may give different indications. Under-18 year old conceptions rate have also been decreasing and the proportion of children within the healthy weight range (both Year R and Year 6) is higher than national proportions in 2012 and 2013.



Corporate Risk Register - Overview

A new Risk has been added to the Corporate Risk Register during quarter 1 2014/15, CRR19 relating to implementation of the Care Act 2014. A Care Act Programme has been established to ensure KCC is well placed to deliver its new responsibilities and that Kent residents who need social care, their carers and local providers are able to take advantage of the new developments.

Two risk ratings have increased during the last quarter CRR 9 – Health & Social Care Integration (Better Care Fund) and CRR 13 – Delivery of 2014/15 savings. The register will continue to evolve in the coming months as a result of the more formal annual refresh taking place during quarter 2.

Risk No.	Risk Title	Current Rating	Target Rating
CRR 1	Data and Information Management	9	9
CRR 2	Safeguarding	15	10
CRR 3	Access to resources to aid economic growth and enabling infrastructure	12	8
CRR 4	Civil Contingencies and Resilience	12	8
CRR 7	Governance & Internal Control	12	8
CRR 9	Health & Social Care integration (Better Care Fund)	16	12
CRR 10(a)	Management of Adult Social Care Demand	20	12
CRR 10(b)	Management of Demand – Specialist Children’s Services	20	12
CRR 12	Welfare Reform changes	12	9
CRR 13	Delivery of 2014/15 savings	16	4
CRR 14	Procurement	9	6
CRR 17	Future operating environment for local government	20	10
CRR 18	Public Services Network – compliance with Code of Connection security standards	8	4
CRR 19	Implementation of the Care Act 2014	15	6

Low Risk	Medium Risk	High Risk
Rating = 1 to 6	Rating = 8 to 15	Rating = 16 to 25

Corporate Risk Register – Mitigating Actions (1)

There were 14 actions listed to mitigate elements of Corporate Risks that were due for completion or review up to the end of June 2014 and updates have been provided for 13 actions due for completion or review by September 2014.

Due Date for Completion	Actions Completed	Actions Closed	Actions Outstanding	Regular Review
June 2014	5	1	2	6
September 2014	2	2	6	3

A summary of progress against mitigating actions is provided below.

CRR1 - Data and Information Management

Outstanding: A large proportion of our staff have now undertaken the mandatory Information Governance training. The Information Resilience and Transparency team is working with Human Resources to determine which staff are yet to complete the training, to enable targeting of further efforts.

CRR2 - Safeguarding

Outstanding: The 'Annex A' peer review has been deferred until October 2014, as a result of issues with availability of data and the reviewing Local Authority. Preparations are in progress in readiness for the review.

Regular Review: The Ofsted Action Plan has been presented to both the Children's Social Care and Health Cabinet Committee, and the Kent Safeguarding and Looked After Children Improvement Board. This is part of KCC Specialist Children's Services Improvement Notice 6 monthly review. A new template for the second phase of the Ofsted Action Plan has been designed to drive consistency of practice and move Specialist Children's Services forward towards 'Good'.

Regular Review: Audit of Children in Need (CIN) cases to be undertaken. All May – July 2014 peer-review audits will focus on CIN cases. Outcomes of the audit will be presented to the Specialist Children's Services Divisional Management Team in September for scrutiny, challenge and management oversight.

CRR3 - Access to Resources to aid Economic Growth and Enabling Infrastructure

Completed: The Strategic Economic Plan was submitted to Government on 31st March. The Growth Deal allocation was announced in July, allocating £442 million to the South East (of which £133 million is for specific identified schemes in Kent and Medway).

Corporate Risk Register – Mitigating Actions (2)

Summary of progress against mitigating actions (continued).

CRR4 - Civil Contingencies and Resilience

Outstanding: A claim for emergency financial assistance from Government to aid funding of recovery in Kent following Christmas/New Year storms and floods has been made – KCC is awaiting a response from Government.

Completed: Lessons learnt from recent severe weather were reported to Cabinet on 7th July 2014, with 17 recommendations for improvement approved.

Regular Review: The Customer Relationship Management (CRM) project has been paused, subject to endorsement by the Business Capability Portfolio Board and Transformation Advisory Group. The CRM project Board is in position and ready to progress this work and Ciber-MS Development partner is on standby.

CRR7 - Governance and Internal Control

Outstanding: Decision making guidance is being developed for publication on our intranet site. Design and functionality of the decision page is making good progress.

In Place: Democratic Services officer support is available for managers to seek guidance at an early stage on the appropriate route for decisions to be taken.

Regular Review: Face to face training on decision making processes continues. It is anticipated that the e-learning resource will be available in September 2014.

CRR9 - Better Care Fund (Health & Social Care integration)

Outstanding: Clarification of governance arrangements for pooled budgets with Clinical Commissioning Groups via the Health & Wellbeing Board – a report will be taken to the Health & Wellbeing Board in September 2014.

Regular Review: A series of summits have been arranged to support engagement and work between adult and children's health services and Kent Clinical Commissioning Groups.

CRR10a - Management of Adult Social Care Demand

Completed: A Care Act Implementation Programme has been established and was reported to the Adults Transformation Board on 23rd July 2014. Initial analysis to identify the likely extent of demand for Deprivation of Liberty assessments under the Mental Capacity Act has been completed, with further, more detailed work in progress.

CRR10b - Management of Demand – Specialist Children's Services

Completed: Scoping of the diagnostic work, with the aid of the efficiency partner, for Specialist Children's Services and Preventative Services has been completed and is now moving into the Design phase.

Corporate Risk Register – Mitigating Actions (3)

Summary of progress against mitigating actions (continued).

CRR12 - Welfare Reform Changes

Regular Review: Close monitoring of demand and performance of Kent Support and Assistance Service (KSAS) to inform planning of future programme. An evaluation of KSAS has been undertaken and outcomes will be reported to Cabinet.

CRR13 - Delivery of 2014/15 Savings

Regular Review: Management action plan being devised to address potential 2014/15 budget issues in children's services programme - efficiency partner has completed the scoping work for Phase 1.

CRR14 - Procurement

Outstanding: A "Commissioning" work stream within the Business Capability Change Portfolio has been established to deliver the recommendations set out in the May 2014 County Council paper *Facing the Challenge: Towards a Strategic Commissioning Authority*, with developments to be reported in autumn 2014.

CRR17 - Future Operating Environment for Local Government

Outstanding: Further development of Change Portfolio arrangements. All four of the change portfolios have been established with draft terms of reference set. Further developments around governance, dependencies and reporting of financial performance are being progressed.

Completed: Staff development and Leadership & Management frameworks established to further develop key skills, including commercial acumen and contract management, across the organisation as an essential enabler of transformation.

Regular Review: Indicative cash limits have been agreed in support of the production of a three year spending plan. Interventions have been developed to improve professional capacity and capability of project and programme delivery as a distinct skill set within KCC. Application made for corporate membership of the Association of Project Management. Maturity assessment undertaken and the results communicated to the business in August 2014. Project Management modules have now been incorporated into the e-learning gateway. The Project Management Community Forum has been established.

CRR18 - Public Sector Network – Compliance with Code of Connection

Regular Review: An action plan has been developed in readiness for the restart of the 2014/15 annual assessment process.

Organisational Development	
Cabinet Member	Gary Cooke
Director	Amanda Beer

Indicator Summary

Staffing numbers decreased by 72.9 FTE between March 2014 and the end of June 2014, which follows a relatively static level between September 2013 and March 2014. Twelve month rolling sickness levels rose very slightly between March and June 2014, to 6.9 days lost per FTE. Rolling turnover increased slightly, to 12.9%, between March and June 2014 and there were 30 redundancies in the first quarter of 2014/15 and 15 of these were compulsory. There has been a slight rise in the percentage of staff aged 25 or under. The numbers of 'active' disciplinary, grievance and harassment cases are higher than in March 2014, as are the number of employment tribunals but numbers are similar to the same time last year.

Organisation Development and People Plan

Highlights from the last quarter include continuing work with service managers to identify critical roles and future successors. Also work has started to support managers and teams to change the way we do things in ways that will benefit the customer. A Future Managers Programme is being developed for launch. The Human Resources Advisory Team continues to support significant change activity across divisions and business units.

Workforce Planning

Following the successful completion of the workforce planning pilots in 2013/14, targeted interventions have now begun in using the templates developed to support managers identify the critical roles, people and skills that will be required to deliver future services and to support the 'Facing the Challenge' transformation plan. Managers, particularly at Head of Service level and above, will be able to identify critical roles and develop succession plans and will be in a better position to understand, as a minimum, the roles critical to business delivery. Managers will be in a better position to assess the capabilities of their staff and can have better quality conversations on how to enhance capabilities and address any gaps. The key deliverable is that workforce planning is integrated with business planning. Further development work will take place in 2014/15 to embed the approach and to begin phase 2, which will take a more strategic focus and develop an external partnership approach to ensure partner organisations providing KCC services also consider workforce planning. This will also include ensuring the approaches compliment the Organisation Design methodology being rolled out.

The way we do things

We are currently working with a number of divisions, services and smaller teams to change the way they do things (culture). We have representation from every Directorate and are using a high participation, high engagement approach, to bring about sustainable transformational change that supports both service delivery and Facing the Challenge. This works includes working in collaboration with colleagues in Property and ICT to deliver the New Ways of Working projects.

Organisational Development

Staff Awards

Staff continue to be recognised for their contributions through staff awards. During this quarter 28 internal nominations have been received, 23 for individuals and 5 for teams across all directorates, and 13 external nominations, 9 individual and 4 team, again across all directorates. Following feedback from Directorates we are working to encourage more nominations, through trialling peer to peer nominations and working with Internal Communications to promote specific Staff Award nomination days. We are also working with Skills and Employability to recognise contribution from Apprentices.

Apprentices

The Apprentice pay and progression framework was launched on 1st April and contained the new KCC Apprentice Guidance for Managers. The framework provides a clear (and increased) pay structure for apprentices with the aim to attract and retain more talented young people and encourage progression into higher and advanced level apprenticeships. In 2014/15, further work will be undertaken to support the Skills and Employability division in delivering on this agenda in an integrated way.

The New Kent Manager

In April of this year we launched the New Kent Manager which has a 7 module format. As at March 2014 we had 494 managers who had achieved their Kent Manager Standard accreditation and this increased to 539 managers by the end of June, which is 25% of all eligible managers. The percentage of eligible managers have now completed at least one module is 41%. Managers continue to evidence learning, skills and knowledge as part of the programme with supporting development opportunities continually reviewed to ensure we have the management skills in place to support the 'Facing the Challenge' transformation plan.

The Kent 360

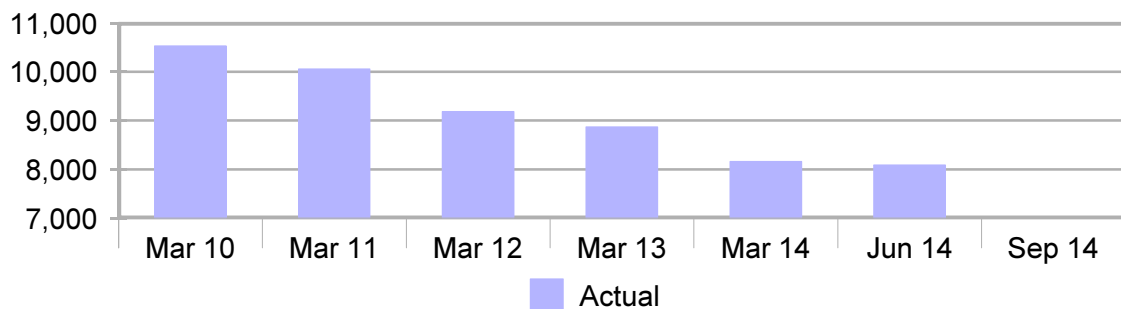
As part of the Leadership and Development strategy we are seeking a holistic view of the skills and attributes of KCCs leaders and managers. All Kent managers have been invited to take part in issuing The Kent 360 to their own managers, peers, customers and staff. As at 31 July 800 managers have requested individual feedback which will inform discussion and decisions on further development, self-reflective elements of the New Kent Manager system and directorate and organisational profiles.

Change Activity

An approach to Organisation Design has been developed for KCC and a programme to communicate this is now underway. There continues to be a significant level of change activity in divisions and business units and the Human Resources Advisory Team is supporting over 100 projects of varying size and complexity. Major on-going activity includes 'Facing the Challenge' – market engagement and service reviews, the Adult Transformation programme, the 0 -25 Transformation programme New Ways of Working programme, total Facilities Management programme, ICT pay and reward review, and various transfers of services both in and out of KCC. Significant activity has been targeted to prepare and support managers to deliver the transformation agenda and the self-sufficiency agenda.

Organisational Development - Indicators

Number of full time equivalent (FTE) staff employed

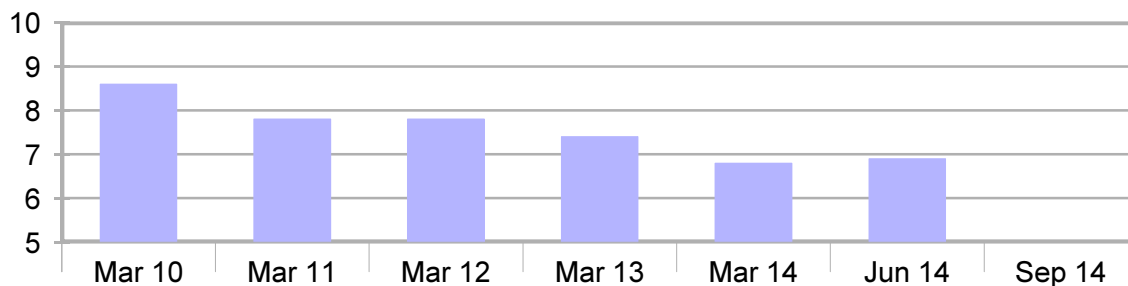


	Mar 10	Mar 11	Mar 12	Mar 13	Mar 14	Jun 14	Sep 14
Actual	10,531	10,061	9,187	8,875	8,162	8,089	

The FTE level has decreased again this quarter, following the general downward trend noted over recent years.

Data is reported as count at each quarter end. Casual Relief, Sessional and Supply (CRSS) staff are not included. Schools staff are not included.

Average number of days of sickness per FTE (rolling 12 month figures)



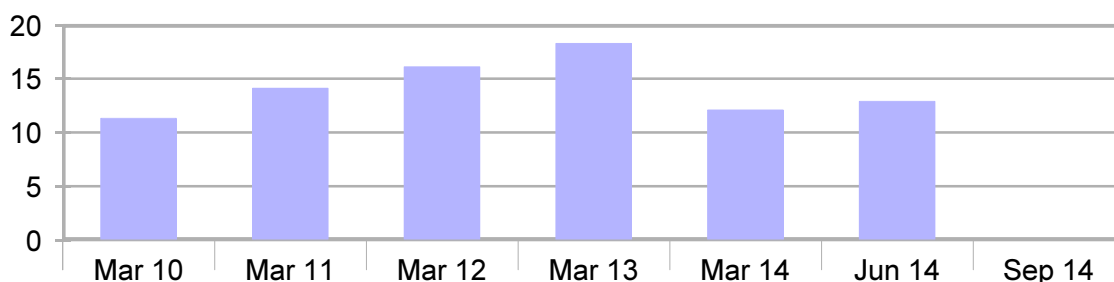
	Mar 10	Mar 11	Mar 12	Mar 13	Mar 14	Jun 14	Sep 14
Actual	8.6	7.8	7.8	7.4	6.8	6.9	

Although the 12 month rolling sickness level rose slightly from March to June 2014, the figure is still notably lower than in previous years.

Data is reported as average days sick per FTE for the past 12 months. Sickness relating to CRSS staff is included in the count of days lost.

Organisational Development - Indicators

Turnover - percentage of staff leaving as a percentage of headcount

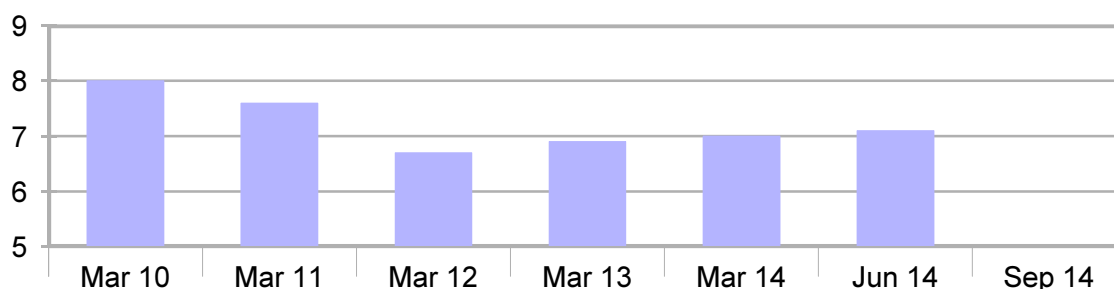


	Mar 10	Mar 11	Mar 12	Mar 13	Mar 14	Jun 14	Sep 14
Actual	11.3%	14.1%	16.1%	18.3%	12.1%	12.9%	

Turnover has increased slightly over recent months, but is still well below the March 2013 peak.

Data is reported as a rolling 12 month rate. Casual Relief, Sessional and Supply (CRSS) staff are not included. Schools staff are not included.

Percentage of staff (headcount basis) aged 25 or under



	Mar 10	Mar 11	Mar 12	Mar 13	Mar 14	Jun 14	Sep 14
Actual	8.0	7.6	6.7	6.9	7.0	7.1	

The proportion of staff aged 25 or under has increased marginally in the first quarter. Although there has been a gradual rise over the last two years, the figure is still below the March 2010 figure.

Organisational Development - Indicators

Disciplinary, Grievances and Employment Tribunals (currently active)

Trend Data – snapshot	Jun 13	Sept 13	Dec 13	Mar 14	Jun 14
Disciplinary	32	35	35	24	31
Grievances	9	5	5	3	10
Harassment	3	4	2	1	3
Performance & Capability					
- Performance	24	15	15	24	18
- Ill Health	72	76	66	69	72
Employment Tribunals	5	6	5	6	9
TOTAL CASES	145	141	128	127	143

Data Notes: Data is reported as the number of cases open being dealt with at quarter end.

Health and Safety Incidents

Trend Data	Previous Years			Current Financial Year			
	Mar 12	Mar 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15
Incidents reported	1,350	1,620	1,591	323			
Days lost	1,027	943	676	72			

Data Notes: Schools staff are included. Data is reported as quarter totals for current year and full year counts for previous year.

Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)

Trend Data	Previous Years			Current Financial Year			
	Mar 12	Mar 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15
Major injury incidents	6	5	3	1			
Over 7 day injuries	N/A	25	24	4			

Data Notes: Data is reported as quarter totals for current year and full year counts for previous year. The requirement to report to the Health and Safety Executive injury incidents resulting in over 3 days lost time/unable to perform normal duties, has changed to over 7 days.

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