



AGENDA

CABINET

Monday, 6th July, 2015, at 10.00 am
Darent Room, Sessions House, County
Hall, Maidstone

Ask for: **Louise Whitaker**
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Tea/Coffee will be available 15 minutes before the meeting.

Webcasting Notice

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By entering this room you are consenting to being filmed. If you do not wish to have your image captured then you should make the Clerk of the meeting aware.

UNRESTRICTED ITEMS

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

1. Introduction/Webcasting
2. Declaration of Interests by Member in Items on the Agenda for this meeting

To receive any declarations of interest from members.

3. Minutes of the Meeting held on 1 June 2015 (Pages 3 - 10)

To agree the minutes of the meeting of 1 June 2015 as a correct record.

4. Dementia Friends (Pages 11 - 18)

To receive a report and presentation detailing the progress of Kent's Dementia Friendly Communities Programme and agreeing to become 'Dementia Friends'.

5. Budget Outturn Report: 2014-15 (Pages 19 - 126)

To receive the Budget outturn report for 2014 - 15

6. Revenue & Capital Budget Monitoring 2015-16 (Pages 127 - 136)

To receive the latest budget monitoring report for 2015 - 16

Peter Sass
Head of Democratic Services
Friday, 26 June 2015

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

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 1 June 2015.

PRESENT: Mr P B Carter, CBE (Chairman), Mr M A C Balfour, 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

ALSO PRESENT:

IN ATTENDANCE: Mrs A Beer (Corporate Director Engagement, Organisation Design & Development), Mr D Cockburn (Corporate Director Strategic & Corporate Services), Mr A Ireland (Corporate Director Social Care, Health & Wellbeing), Mr P Leeson (Corporate Director Education and Young People Services), Mr A Scott-Clark (Director of Public Health), Mr A Wood (Corporate Director Finance and Procurement), Ms D Fitch (Democratic Services Manager (Council)) and Mr P Sass (Head of Democratic Services)

UNRESTRICTED ITEMS

115. Minutes of the Meeting held on 27 April 2015
(Item 4)

The minutes of the meeting held on 27 April 2015 were agreed as a correct record and signed accordingly by the Chairman.

116. Libraries Registration and Archives Transformation
(Item 5)

(Ms A Slaven, Head of Libraries and Archives, and Mr J Pearson, Service Improvement Programme Manager, were present for this item.)

(1) Cabinet received a report which highlighted the findings of the recent consultation and parallel work streams into a proposed delivery model of a charitable trust for the Libraries, Registration and Archives (LRA) service.

(2) Mr Hill, Cabinet Member for Community Services, introduced the report and in particular he referred to the following:

- The public consultation on the preferred option of future service delivery by a charitable trust, which included the consideration of a petition.
- He confirmed that there was no intention to reduce services and that the County Council would retain statutory responsibility for these services.
- There had been discussions with the General Registration Office (GRO) in relation to externalisation of the registration service and officers had been advised that this would require new primary legislation.

- The option of splitting the libraries/archives service from the registration service had been considered but it had been concluded that this would not be the most efficient way forward as it would impact adversely upon staff moral and would affect the stability of all three services.
- Now that the new government was in place, conversations were taking place with the GRO in relation to introducing new primary legislation as soon as possible and for Kent to be granted early pilot status.
- Therefore it was proposed that the Libraries, Archives and Registration service be kept in house while work to facilitate the externalisation of the registration service continued.

(3) It was RESOLVED that

CABINET	
1 June 2015	
1.	The service be retained in-house until such time as the Registration Service can be externalised and form part of an integrated Libraries, Registration & Archives trust. At that time a new decision would be required.
2.	That in parallel the in-house service be internally commissioned against an agreed specification and deliver the required Medium Term Financial Plan (MTFP) savings.
3	That KCC will push for the necessary legislative change which will enable the full benefits of an integrated Libraries, Registration & Archives service in an externalised model to be realised.
REASON	
1.	The outcome of recent discussions with the GRO, which had led to the proposal to agree to the principle of a trust model to be implemented when the legislative framework allow the full LRA service to transfer to a Trust. This later transfer would be subject to a future decision. Meanwhile, the in house service will be internally commissioned to transform and to deliver an outcomes focused service governed by a specification and the MTFP savings.
ALTERNATIVE OPTIONS CONSIDERED	None
CONFLICTS OF INTEREST	None
DISPENSATIONS GRANTED	None

117. Young Persons Travel Pass - Pricing 2015 / 2016

(Item 6)

(Mr P Lightowler, Head of Public Transport, was present for this item.)

(1) Cabinet received a report on the Young Persons Travel Pass (YPTP), KCC's discretionary scheme which provides subsidised bus travel for Kent students in years 7 to 11. The report outlined the scheme, the background to the budget pressure and proposed a reduction in the level of subsidy to mitigate the financial pressure.

(2) Mr Balfour, Cabinet Member for Environment and Transport, introduced the report and stated that it gave him no pleasure to have to propose these changes to the scheme but these were necessary due to the budget position. He reminded the Cabinet that this was still a generous home to school transport scheme for children provided by the tax payers of Kent.

(3) The Leader referred to the £1.4m overspend and acknowledged that this was a valuable service which gave parents a greater potential choice of schools for their children.

(4) Mr Lightowler drew the Cabinet's attention to the following:

- When the scheme was changed from the Kent Freedom Pass to the YPTP, and the opportunity provided to pay for the pass half-yearly, there was an expectation that the numbers using the scheme would reduce but this had not been the case. This had led to a budget pressure of £1.4m.
- He stated that there was a public misunderstanding re the YPTP. The cost to the user was not the cost to the County Council. In 2014/15 each pass cost the County Council an average of £588, Even with the proposed increase the YPTP represented good value for money for parents especially as the major bus companies normally charged children travelling before 9.00am the full adult fare.

(5) The Leader suggested that consideration might be given to providing the facility to pay for the YPTP on a termly (three times a year) basis which might lead to a reduction in the number of passes for term 3 due to study leave. Mr Lightowler explained that due to the administrative processes that would be required to make this change, it would not be practical to introduce this in 2015/16 but that it would be considered for 2016/17

(6) Mr Balfour stated that he had discussed with officers how the scheme could be made more efficient, effective and better value for money. An additional suggestion that he would like to put forward was that families with more than two children eligible for the YPTP should have passes for the third and subsequent children free of charge.

(7) It was RESOLVED that

CABINET	
1 June 2015	
1.	A reduction in subsidy of £50 to the YPTP full cost pass, raising the price to the user by £50 for September 2015 be approved.
2.	The price of low income YPTP at £100 be maintained.
3.	The current arrangement for carers and those in local authority care to receive a free pass be maintained.
4.	On an annual basis, the cost of the standard pass will increase in line with operator fare increases and will be capped at 5% of the gross cost of the scheme divided by the number of standard passes in circulation.
5.	All current YPTP terms and conditions for users be retained.
6.	Families with more than 2 children eligible for the YPTP to only pay for two passes and therefore the pass(s) for the third and subsequent children be issued free of charge.
REASON	
1.	The Young Persons Travel Pass (YPTP) is a discretionary scheme, providing subsidised bus travel for Kent students in years 7 to 11. For 2015/16 its budget is £8,840,500 net, with £4,596,000 income. Due to increasing demand, the scheme is facing a budget deficit of some £1.4m in 2015/16
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

118. 2014 / 2015 Budget Monitoring - Provisional Outturn Report
(Item 7)

(1) Cabinet received a report detailing the provisional outturn for 2014 – 15 provided from the accounting system and expected to be very close to the final outturn. Any amendments would be as a result of internal management reviews and external audit findings. The final outturn report would be presented to Cabinet on 6 July 2015 and would provide further detail behind this very satisfactory outcome against a very challenging budget.

(2) The Deputy Leader and Cabinet Member for Finance and Procurement introduced the report to Cabinet. He referred to the net underspend of just under £6m and paid tribute to the way in which Directors had managed their budgets.

(3) It was RESOLVED that

CABINET	
1 June 2015	
1.	That the provisional outturn for revenue and capital for 2014/15 as detailed in the report be noted.
REASON	
1.	In order that Cabinet can effectively carry out monitoring requirements.
2	In order that the budget accurately reflects the real time position and is fit for purpose enabling necessary actions to be taken.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

119. Performance Monitoring - Quarter 4 - 2014-15
(Item 8)

(Mr R Fitzgerald, Performance Manager, Business Intelligence, was present for this item).

(1) Cabinet received a report detailing the key areas of performance for the authority at Quarter 4 of 2014/15.

(2) Mr Fitzgerald stated that these were a good positive set of performance indicators which had been achieved despite the challenging budget situation. He highlighted the following

- In Customer Services – the number of calls answered by Contact Point was above target and there had been a decline in the number of calls handled as digital contact improved.
- There was good news in relation to the key economic indicators which were back to pre-recession levels
- The Regeneration Growth Fund, including Expansion East Kent and TIGER had created or safeguarded over 5600 jobs.

- In relation to highways there had been an improvement in routine repairs performance over the quarter.
- In waste management there had been a further improvement in the reduction of waste to landfill.
- In education there had been an increase in the percentage of schools achieving good or outstanding Ofsted results.
- There had been a dip in the percentage of SEN statements during this quarter but this was the end of the current process. In future the new Education and Social Care Plans would be reported instead which were on target.
- There had been a slight increase in the number of 16 – 18 year olds who were not in education or training (NEETS), however, this position was an improvement on the same period last year.
- The provisional start date for apprenticeships in the current academic year had shown an improvement.
- In the Early Years and Preventative Service there had been a further increase in the number of families with an Integrated Team Around the Family Approach, 81% of cases had been closed with outcomes achieved. This had had a positive impact on children’s social care with a decrease in the number of Children in Need cases.
- There had been further improvements in the number of social workers in permanent posts. There had also been a continued improvement in the quality of case files audited.
- In relation to Corporate Parenting, there had been a decrease in the number of Children in Care, although there had been an increase in the number of asylum seeking children needing support.
- In Adult Social Care there had been improvements in the number of clients supported with Telecare and a steady improvement in the number of clients receiving enablement to remain independent. As a consequence permanent residential care admissions for older people had shown a reduction.
- In Public Health the NHS health check programme was ahead of target.

(3) In response to a question from the Leader, Mr Leeson explained that a target approach had been adopted in relation to Early Years provision. There had been input into those setting which were not good and also there was monitoring of all setting including those that were good in order to identify any decline and provide support at an early stage. He confirmed that private providers in Kent, which accounted for 95% of the Early Years provision, welcomed KCC’s involvement.

(4) Mr Gough, Cabinet Member for Education and Health Reform, emphasised that in relation to primary school performance there had been a rapid acceleration and strong progress, with an increase in the number of schools going from category to good.

(5) It was RESOLVED that

CABINET	
1 June 2015	
1.	That the positive quarterly performance information be noted.
REASON	

1.	In order that Cabinet conduct its monitoring activities effectively
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

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From: Graham Gibbens, Cabinet Member for Adult Social Care and Public Health
To: Cabinet July 6th 2015
Subject: **Dementia Friendly Kent**
Classification: Unrestricted

Summary: This report is intended to update Cabinet regarding Kent’s journey to become more Dementia Friendly.

Recommendation: Cabinet are asked to note the progress of Kent’s Dementia Friendly Communities Programme and agree to follow the Prime Ministers lead in becoming Dementia Friends.

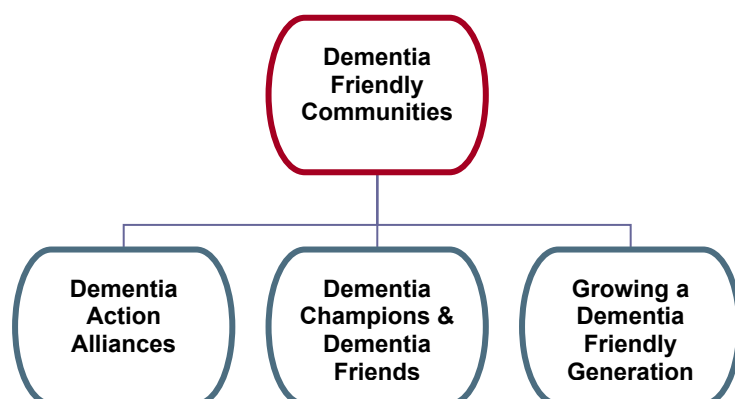
1. Introduction

1.1 Working towards Kent becoming more Dementia Friendly

In Kent we have a well-established Dementia Friendly Communities Programme which was initially funded via the Prime Ministers Dementia Challenge fund and is now jointly funded through the Better Care Fund. Kent’s Dementia Friendly Communities Programme focuses on encouraging inclusion and improving the quality of life for people living with dementia. The programme is entering its third year. We have been working with people whose lives are affected by dementia, their families/carers and a range of stakeholders and partners to define and develop what Dementia Friendly Communities mean in Kent.

To support the building of Dementia Friendly Communities our programme has three key work streams:

1. Establishment of Dementia Action Alliances
2. Recruitment of Dementia Champion and Dementia Friends
3. Growing a Dementia Friendly Generation



1.2 Dementia Friendly Kent is part of the wider Community Capacity Building Programme within the Adult Social Care Transformation, where we are seeking to

gain better understanding of the role that community support plays in preventing or delaying the need for statutory services. Understanding what people need to remain active, independent, well and connected to their communities. Ensuring all services are designed and commissioned to support self-management, enabling people to find their own care and support solutions and prevent or delay the need for statutory assessment and services. Our strap line is ***People want a Life not a Service!***

Below is the infographic that captures our ethos and approach.



2. Financial Implications

2.1 The programme is funded via the Better Care Fund and costs £220,000 annually. This funds three KR9 project officers and a budget that is called upon for community based projects as and when necessary. The programme is hosted in the Strategic Commissioning Unit of Social Care, Health and Wellbeing Directorate.

3. Structure of the Programme

3.1 Kent & Local Dementia Action Alliance/s

Within Kent we have three tiers to our Dementia Action Alliances; there is an overarching Kent Dementia Action Alliance that brings together the leaders of all the local Dementia Action Alliances along with organisations like the Alzheimer's Society, Police and Fire Service that have a whole Kent perspective/role, Local Alliances which are established at district or borough level which in turn are underpinned by very local Dementia Forums. **Appendix 2** sets out the current structure, however, these change regularly as more communities come on board with the programme stating their wish to become Dementia Friendly. Anne Tidmarsh, Director of Older People and Physically Disabled Services chairs the Kent Dementia Action Alliance.

Our Kent Dementia Action Alliances evolved from a community necessity to help meet the needs of people living with dementia and its roots in a whole system collaborative, and a desire to integrate social care and mental health services.

In recognising the need for people to **Live Well with Dementia** we have identified the need to involve a wider range of partners including police, fire and rescue services, local authorities, local transport, charities, community groups, businesses, care providers, health trusts, and of course people living with dementia and their Carers.

All action alliances desired outcomes are delivered by individual member's action plans. To sign up and become part of a Dementia Action Alliance an organisation must develop a plan pledging how they will ensure their business or service will become more dementia friendly.

Dementia Action alliances are not statutory bodies and have no legal authority and therefore accountability for dementia services remains through the existing legal process of each partner organisation.

3.2 Dementia Friends

Dementia Friends is a joint national initiative with Public Health England funded by the Cabinet Office and Department of Health which helps people to understand a bit more about dementia and the little ways they can be of help. The Dementia Friends programme is the biggest ever initiative to change people's perceptions of dementia. It aims to transform the way the nation thinks, talks and acts about the condition. It spans the political spectrum, with all three previous leaders of the main political parties becoming Dementia Friends, as well as many more Members of Parliament.

In December 2014 the Cabinet followed David Cameron's lead and all became Dementia Friends. In doing so the Cabinet learnt more about dementia and the little things they can do to help those living with the condition. This unprecedented event took place during the weekly meeting of the Cabinet.

By doing this the Prime Minister and his Cabinet showed leadership in the fight against dementia, in becoming Dementia Friends they helped raising awareness and understanding of dementia. Following the event, David Cameron, tweeted:

'A brilliant session by @DementiaFriends at Cabinet. I want ministers to ensure staff in their departments to join this great scheme.'

The schemes works through people being trained as Dementia Champions, who then go on to recruit people who will then attend a Dementia Friends training session. Within Kent we have 435 Dementia Champions who are largely volunteers providing this training above and beyond their day job.

Kent's Dementia Champions have delivered over 1,150 training sessions. Through this model we have 15,079 Dementia Friends trained in Kent. Another 4,971 people have become Dementia Friends by completing the Alzheimer's Society's online training. This mean we now have a total of 20,050 people in Kent who all know a little bit more about dementia and will be more able to support people.

3.3 Building a Dementia Friendly Generation

Another strand of the programme has been focusing on growing a Dementia Friendly Generation. Nationally this programme has Angela Rippon as its ambassador who with the support of Alzheimer's Society aim is to ensure younger people are more educated and aware about dementia than ever before. Hundreds of schools have taken part in the dementia friendly schools programme and awareness is gathering pace within youth movements around the country.

In Kent we have had a number of schools take part in the Dementia Friendly Communities work; schools are also often members of local Dementia Action Alliances. Some good examples of this work in Kent are:

Isle of Sheppey: The Oasis Academy where a cohort of six formers have sought funding, arranged and delivered 6 themed 'dementia cafes' throughout this school year. This work has resulted in the students and school being awarded a Princess Diana award this year.

Faversham: The Head Boy and Head Girl of the local grammar school are both members of the local Dementia Action Alliance and have delivered Dementia Friends Training to many of their fellow pupils and staff.

Shepway: Memory Makers where the local volunteer centre has been working with a youth group and older people with dementia to develop memory books.

Dementia Diaries: A group of Kent young people and their families worked with KCC to produce a book called Dementia Diaries. This has been distributed to every school in Kent and we are now working on a learning resource pack linked to the national curriculum.

4. Recommendation(s):

4.1 Cabinet are asked to note the progress of Kent's Dementia Friendly Communities Programme and agree to follow the Prime Ministers lead and become Dementia Friends.

Contact details:

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Relevant Director

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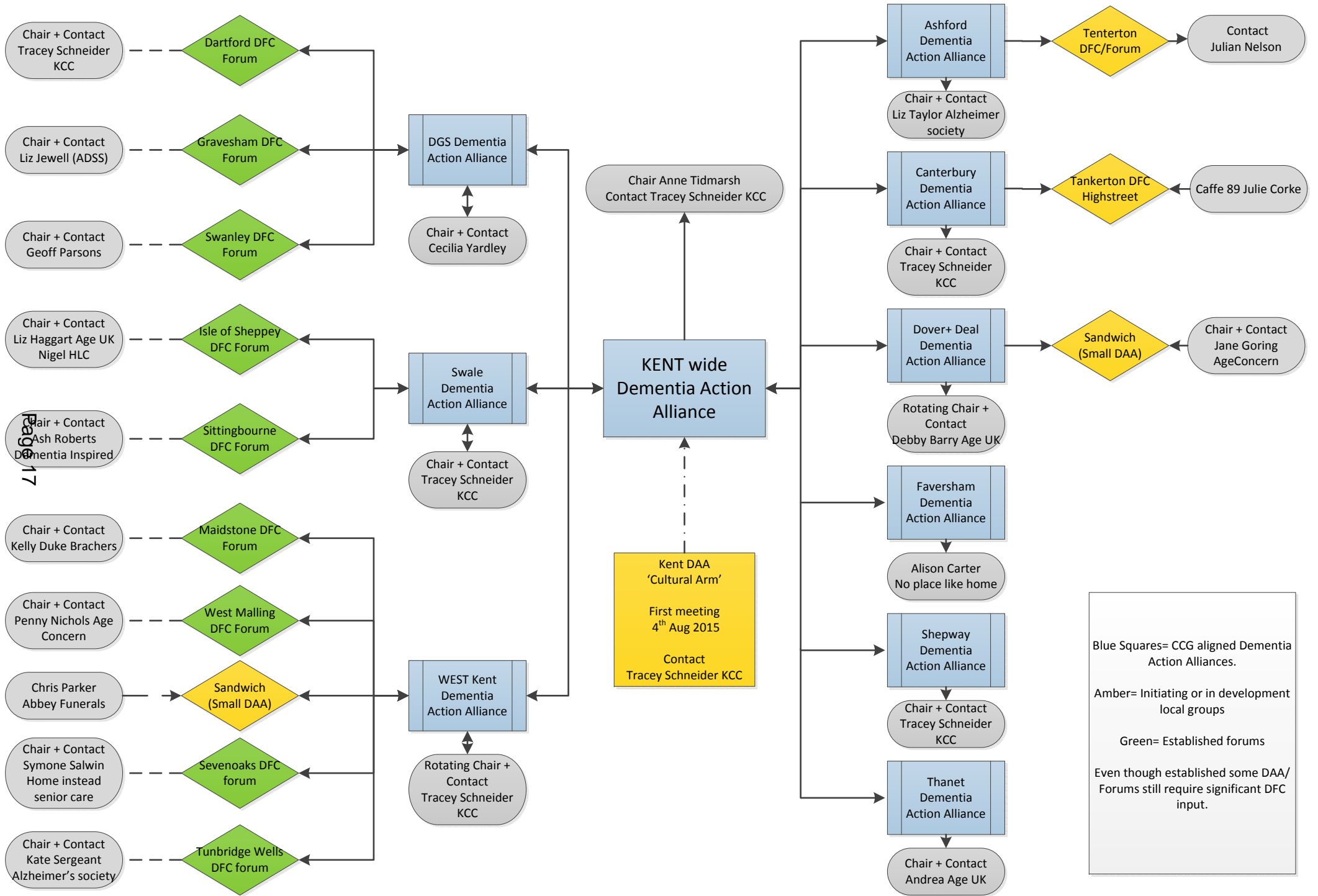
Appendix 1 Kent Dementia Action Alliance Members

Appendix 2 Dementia Friendly Kent Governance Structure

Kent Action Alliance Members

- Academy FM Folkestone
- Age UK Hythe and Lyminge
- Alzheimer's Society
- Alzheimer's & Dementia Support Services
- Alzheimer's Society Kent & Medway
- Argo Life & Legacy Ltd
- Ashford Borough Council
- Belmont Sandbanks Care
- Blean Village Hall - Dementia Awareness Lunch Club
- Bright Shadow
- Broadmeadow Register Care Centre KCC
- Caffè Eighty Nine
- Carers Support – Ashford and Swale
- Carers Support - Canterbury, Dover & Thanet
- Clarkson Wright & Jakes
- Crossroads Care Kent
- Darent Valley Hospital, Dartford & Gravesham NHS Trust
- Dartford: Dementia Friendly Community Forum
- Dementia Inspired Ltd.
- Dementia Pathfinders Kent
- Diocese of Rochester
- East Kent Hospitals University Foundation NHS Trust
- Furley Page LLP
- Gravesham Dementia Friendly Community Forum
- Isle of Sheppey Dementia Friendly Community Forum
- Kent & Medway Health and Social Care Partnership Trust (KMPT)
- Kent Community Health NHS Trust
- Kent County Council
- Kent Fire and Rescue Service (KFRS)
- Kent Joint Policy and Planning Board (JPPB) (Housing) and Kent Housing Group(KHG)
- Kent Sussex & Surrey Dementia Care Innovation Hub
- Maidstone & Tunbridge Wells NHS Trust
- Maidstone: Dementia Friendly Community Forum
- NHS Ashford Clinical Commissioning Group
- NHS Canterbury and Coastal Clinical Commissioning Group
- NHS South Kent Coast Clinical Commissioning Group
- NHS West Kent Clinical Commissioning Group
- No Place Like Home
- Pfizer Limited
- SECSU – South East Commissioning Support Unit
- Sevenoaks area Dementia friendly community forum
- Shepway District Council
- SureCare East Kent
- Swanley Dementia Friendly Community Forum
- Tarvos Wealth
- The Good Care Group, Kent
- Tunbridge Wells: Dementia Friendly Community Forum
- TW Care Services Ltd
- West Kent Housing Association
- West Malling Dementia Friendly Community Forum

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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 - 6 JULY 2015

Subject:

- (1) REVENUE AND CAPITAL BUDGET OUTTURN FOR 2014-15
- (2) REVENUE BUDGET ROLL FORWARD
- (3) CAPITAL BUDGET ROLL FORWARD
- (4) FINAL KEY ACTIVITY MONITORING FOR 2014-15
- (5) FINAL FINANCIAL HEALTH INDICATORS 2014-15
- (6) FINAL MONITORING OF PRUDENTIAL INDICATORS FOR 2014-15
- (7) IMPACT OF 2014-15 REVENUE BUDGET OUTTURN ON RESERVES

Classification: **Unrestricted**

SUMMARY

- 1.1 This report provides the provisional revenue and capital budget outturn position for 2014-15, including a final update on key activity data.
- 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 details of proposed Revenue Budget roll forwards
 - Appendix 2 provides details of Capital re-phasing
 - Appendix 3 provides details of proposed capital programme cash limit changes over £50k
 - Appendix 4 provides final monitoring of key activity indicators for 2014-15
 - Appendix 5 provides final financial health indicators for 2014-15
 - Appendix 6 provides final monitoring of prudential indicators for 2014-15
- 1.3 Other items likely to be of particular interest to Members are the impact of the provisional financial and activity monitoring position on our revenue reserves, as detailed in section 3.9, and the directorate staffing levels at the end of each quarter of 2014-15 compared to 1 April 2014, which are provided in section 5.

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the provisional outturn position for 2014-15 for both the revenue and capital budgets.
- ii) **Agree** that £867.9k of the 2014-15 revenue underspending is rolled forward to fund existing commitments, as detailed in section 2 of Appendix 1.
- iii) **Agree** that £3,825.8k of the 2014-15 revenue underspending is rolled forward to fund the re-phasing of existing initiatives, as detailed in section 3 of Appendix 1.
- iv) **Agree** that £87.6k of the 2014-15 revenue underspending is rolled forward to fund the bids detailed in section 4 of Appendix 1.
- v) **Agree** that £2,000k of the 2014-15 revenue underspending is provided for a Find & Fix programme of repair of pot holes.
- vi) **Agree** that £10k of the 2014-15 revenue underspending is donated to support the Nepalese people following the recent earthquakes there, subject to compliance with regulations.
- vii) **Agree** that the £4,117.8k remainder of the 2014-15 revenue underspending is set aside in the earmarked reserve to support future years' budgets.
- viii) **Agree** the contributions to and from reserves as reflected in section 3.9, which includes all appropriate and previously agreed transfers to/from reserves.
- ix) **Agree** that £72.621m of capital re-phasing from 2014-15 will be added into 2015-16 and later years capital budgets, as detailed in Appendix 2.
- x) **Agree** the proposed capital cash limit changes outlined in Appendix 3.

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3. SUMMARISED PROVISIONAL REVENUE BUDGET OUTTURN POSITION

- 3.1 For the 15th consecutive year the Council is able to demonstrate sound financial management, by containing its revenue expenditure within the budgeted level (excluding schools). The provisional outturn against the combined directorate revenue budgets is an underspend of -£10,909.1k (excluding schools). This is a £2,256.1k increase in the underspend compared to the projected -£8,653k underspend after management action reported to Cabinet in April. There may be minor variations to the figures during the final stage of the year end process and the external audit.

3.2 Details of the proposals for the use of the -£10,909.1k revenue budget underspending are provided in Appendix 1. This identifies those projects where there is already a commitment or a request to spend in 2015-16, leaving an uncommitted balance of £6,127.8k. It is recommended that:

- a) £2,000k is provided for Find and Fix programme of pothole repairs;
- b) £10k is donated to support the Nepalese people following the April and May earthquakes. It was announced at County Council on 21 May that KCC is proposing to make a contribution to this appeal and we are currently investigating how we can achieve this within the regulations, as we are prohibited under law from the provision of financial assistance by way of a grant or loan to bodies outside the UK.
- c) in consideration of the significant savings still required to balance the 2016-17 budget and risks around achieving all of the £83m additional income and savings included within the 2015-16 budget, the remaining underspend of £4,117.8k is set aside in the earmarked reserve to support future years' budgets.

3.3 The report also provides, in section 3.8, details of the impact of the provisional outturn on our reserves. In addition, the final monitoring of key activity indicators for 2014-15 is detailed in Appendix 4, and Appendix 5 provides the year-end financial health indicators including cash balances, our long term debt maturity, outstanding debt owed to KCC, the percentage of payments made within 20 days and the recent trend in inflation indices (RPI & CPI).

HEADLINE POSITION (EXCL SCHOOLS) (£'000)

	Cash Limit	Provisional Outturn	Net Variance after Mgmt Action	Last Report	Movement
Directorate Totals	+954,091.6	+943,182.5	-10,909.1	-8,653	-2,256
Adjustments: - Legally committed roll forward (see Appendix 1)		+867.9	+867.9	+544	+324
Underlying position (including legally committed roll fwd requirements only)	+954,091.6	+944,050.4	-10,041.2	-8,109	-1,932
- Roll forward bids/ re-phasing required to continue/ complete existing initiative (see Appendix 1)		+3,913.4	+3,913.4	+3,073	+840
Underlying position (including ALL roll fwd requirements)	+954,091.6	+947,963.8	-6,127.8	-5,036	-1,092

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

Annex	Directorate	Cash Limit	Provisional Outturn	Net Variance	Variance (after mgmt action) per Last Report	Movement
		£'000	£'000	£'000		£'000
1	Education & Young People's Services	65,938.0	+57,263.8	-8,674.2	-6,271	-2,403
2	Social Care, Health & Wellbeing - Specialist Children's Services	127,517.0	+128,871.8	+1,354.8	+2,418	-1,063
	Social Care, Health & Wellbeing - Asylum	280.0	+1,409.3	+1,129.3	+1,686	-557
	Social Care, Health & Wellbeing - Special Operations	-	+1,028.8	+1,028.8	+981	+48
	<i>Sub Total SCH&W - Specialist Children's Services</i>	<i>127,797.0</i>	<i>+131,309.9</i>	<i>+3,512.9</i>	<i>+5,085</i>	<i>-1,572</i>
3	Social Care, Health & Wellbeing - Adults	338,595.6	+337,188.3	-1,407.3	-2,873	+1,466
4	Social Care, Health & Wellbeing - Public Health	-	-	-	-	-
5	Growth, Environment & Transport	179,972.3	+177,386.0	-2,586.3	-80	-2,506
6	Strategic & Corporate Services	83,102.0	+81,154.7	-1,947.3	-2,051	+104
7	Financing Items	158,686.7	+158,879.8	+193.1	-2,463	+2,656
	TOTAL (excl Schools)	954,091.6	+943,182.5	-10,909.1	-8,653	-2,256
1	<i>Schools (E&YP Directorate)</i>	-	-1,554.1	-1,554.1	+11,265	-12,819
	TOTAL	954,091.6	+941,628.4	-12,463.2	+2,612	-15,075

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3.6 Detailed below are the main reasons for the movement in the directorate forecasts since the last monitoring report to Cabinet on 27 April, as shown in table 1:

3.6.1 **Education & Young People:**

The EYP directorate delivered all of the savings that it was required to, in line with the agreed MTFP, and absorbed significant financial pressures in areas such as SEN Transport (which incurred an overspend of £1,647.1k because of rising demand) but still managed to deliver an overall underspend of £5,397.9k (after allowing for the funding of £3,276.3k of planned roll forwards) to aid the overall position of the County Council. There was also rising demand in areas such as School Improvement and SEN as well as the early challenges emerging from the planned closure of two Academies in Kent as a result of decisions taken by their respective Trusts. This successful outcome in terms of the budget was delivered during a period of major restructuring within the Early Help & Preventative Services division and significant changes within SEND as a result of the 2014 Children & Families Act. The savings were delivered through a combination of increased trading activity through EduKent (the Education Psychology service being a notable success story in this area with a 50% increase in trading income which now stands at £900k), careful management of vacancies where this was appropriate and generally tighter control over budgets and spending.

The overall position for the directorate has moved by -£2,403.2k since the 27 April report to Cabinet. The main movements are:

- a) -£160.7k Children's Centres - this movement is due to an increase in underspend across the 17 children's centre hubs.

- b) -£248k 14-19 Year Olds - an increase in the underspend for Kent Youth Employment which has increased the amount of roll forward requested (-£191k) and other minor movements across all headings (-£57k).
- c) -£299.2k Youth Offending Service - fewer than forecast placements in secure accommodation required, together with some placements ending earlier than expected -£270k and other minor variances -£29.2k.
- d) -£254.6k Community Learning & Skills (CLS) - fee income is higher than previously forecast by -£125k and an increased take up of Adults Skills courses has led to an increase in Skills Funding Agency grant of -£130k.
- e) -£384.3k Tackling Troubled Families - revised phasing of grant payments from the DCLG resulted in additional grant of -£418k being received in March, which was previously anticipated for 2015-16, and other minor movements of +£33.7k; the net of which has increased the amount of roll forward requested.
- f) -£218.5k Other Schools Services - lower than previously forecast expenditure on planned maintenance, asbestos work etc. due to a range of reasons including slippage in timescales of work being undertaken and contingencies no longer being required -£181k, plus other minor movements of -£37.5k.
- g) -£492.3k School Improvement - increased income of -£142k due to increased take up of courses and conferences towards the end of the financial year resulting in a lower than expected shortfall against the budgeted surplus for training and development; -£126k increased income accounted for in the 2014-15 financial year from the Newly Qualified Teacher scheme; further underspend on school intervention of -£105k and other minor variances totalling -£119.3k.
- h) -£130.9k reduction in Teacher and Education Staff Pension costs.
- i) +£106.5k Home to College Transport & Kent 16+ Travel Card - this movement is due to the 4th quarter payment to contractors being +£95k higher than previously forecast due to increased usage, together with other minor movements of +£11.5k.
- j) -£101.6k Mainstream Home to School Transport - changes in transport contracts towards the end of the financial year led to an increase in the underspend of -£57k and other minor variances of -£44.6k.
- k) -£219.6k Other minor variances across all other A-Z service lines
- l) There is a net increase in the transfer to the DSG reserve of £1,972k comprising of an increase in the schools unallocated DSG reserve of £1,600k and an increase in the central DSG reserve of £372k. The increase in the schools unallocated DSG reserve is due to an increase in the underspend on Early Years Education of -£540k and a reduction in the expected pressure on High Needs budgets of -£1,060k. The increase in the central DSG reserve was due to an increase in the underspend on Early Years and Childcare DSG funded budgets of -£164k, an increase in the underspend on School Improvement Collaboration projects of -£161k together with a number of small movements across other A-Z lines.

3.6.2 Social Care, Health & Wellbeing - Specialist Children's Services:

2015-16 started with a difficult challenge, the service had in excess of £7m of savings to achieve, and early in the year it was acknowledged that it would not be possible for the full level of savings to be achieved. Throughout the year good progress was made in reducing the overall costs of many services including greater use of in-house fostering placements as one example. The numbers of children in care reduced steadily in respect of Kent children. The service, through improved recruitment and retention has also seen a reduction in the level of agency staff as more permanent staff are appointed. This progress allows a great lead in to the overall transformation journey of the Service into 2015-16. The outturn position for Specialist Children's Services was a final variance of +£1,354.8k, with a roll forward request of £230.5k, this has meant that over £5m of savings were achieved. The 'Special Operations' that occurred early during the financial year led to a further pressure of £1,028.8k. Progress was also made in relation to reducing expenditure on the Asylum Service, and the overall variance of £1,129.3k related solely to Care Leavers including those with all appeal rights exhausted.

The overall position for Specialist Children's Services (excluding Asylum and Special Operations) has moved by -£1,063.2k since the 27 April report to Cabinet. The main movements are:

- a) -£518.9k Adoption: this movement is mainly due to a net reduction in inter-agency fees of -£338k due to fewer Kent children placed in other local authorities than there are other local authority children placed in Kent. Other movements, each under £100k, include reduced costs with CORAM, who manage adoption services for KCC, linked to lower activity and vacancy management.
- b) -£451.1k Safeguarding: the largest single movement of -£230.5k relates to the Kent Safeguarding Children Board (KSCB) for which a committed roll-forward is requested, reflecting the unspent contributions to the pooled budget. In addition, -£130.9k relates to a recharge to the Asylum service for support provided by the Independent Reviewing Officer (IRO) service to Asylum young people. There are a number of other minor movements, totalling -£89.7k, including vacancy and agency management.
- c) -£312.4k Leaving Care (formerly 16+): -£227.6k underspend on staffing as the staff for looked-after 16 and 17 year olds are now charged to the Children's Social Care Staffing line following the end of the contract with Catch22 for delivering the 16+ service. The majority of the remainder of the movement relates to lower than anticipated costs of supported lodgings for 16+ young people.
- d) +£228.5k Fostering: various movements including +£302.4k due to an increase in the number of weeks for in-house fostering, partly offset by -£69.5k due to an improvement in the price for which in-house fostering was obtained. An additional +£133.6k of other spend related to in-house fostering such as transport and fees for specialists. A movement of -£101.3k was due to a general reduction in costs in the County Fostering Service due to fewer independent social workers being used and reduced spend on training events for prospective fosterers. The balance of -£36.7k is made up of several minor movements.
- e) -£177.6k Preventative Services: this is made up of several movements, each under £100k, including a number of changes relating to reduced recharges from other services, as well as lower than anticipated Section 17 payments.
- f) +£141.3k Children's Social Care Staffing: +£227.6k of this movement relates to staff who were previously charged to the Leaving Care (formerly 16+) budget line (see contra movement in point (c) above). The remainder of the movement of -£86.3k relates to a number of small changes, each less than £100k, including reduced staffing and agency costs within Out of Hours service, Family Group Conferencing and Disability Teams.
- g) +£139k - the previously reported outstanding management action has been achieved and reflected in the movements on the individual A-Z lines.

- h) -£115k Strategic Management & Directorate Support: a number of minor movements, each under £100k, including a number of changes to both staffing and staffing-related costs.
- i) +£3k Other minor variances

Asylum:

The overall position on the Asylum budget is a pressure of +£1,129.3k as shown in table 1 above, which is a movement of -£556.7k since the 27 April report to Cabinet. The main movements are:

- j) -£106.4k The underspend relating to under 18 Unaccompanied Asylum Seeking Children (UASC) due to costs being less than the grant receivable has increased. This is due to increased numbers of under 18 UASC and a shift from fostering to independent provision particularly for 16 and 17 year olds, partially offset by increases in staffing and central costs attributed to this group.
- k) -£174.1k Reduction in the pressure relating to over 18's due to ineligibility. Of this reduction, -£132.6k is due to anticipated additional grant from the Home Office for those determined to be non-eligible under grant rules who have received Human Rights Assessments. *(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 local authority carries out a Human Rights Assessment before continuing support).*
- l) -£211.5k Reduction in pressure relating to eligible over 18's due to costs exceeding grant receivable (see section 2.6 of Appendix 4). This reflects a reduction in void placements *(which are where independent accommodation properties, generally for multiple occupation, are not fully occupied for a period of time leaving a 'void')*, Essential Living Allowance (ELA) costs, and changes to anticipated weekly costs for those in independent accommodation, partly offset by increases in other costs for the young people (e.g. interpreters and travel costs).
- m) -£64.7k Reduction in the pressure relating to under 18 UASC due to ineligibility.

Special Operations:

- n) There is a cost of +£1,028.8k for Special Operations as shown in table 1 above, which is only a minor movement of +£48k since the last report to Cabinet on 27 April.

3.6.3 Social Care, Health & Wellbeing - Adults Social Care:

Adult social care have continued to deliver further savings through phase one of the transformation programme for Older Persons and Physical Disability Services, whilst at the same time investing monies into closer working with the NHS. However in the last quarter of the financial year, there was an unanticipated increase in activity and expenditure especially in relation to residential, nursing and homecare services for older people which led to those services seeing a financial pressure of £2,285k, which clearly has an impact into future years. Learning Disability and particularly Mental Health services, continued to see pressures during the year, albeit with achievement of management action managed to reduce these pressures to £515k. The overall pressure on the direct client services were offset with savings from non-client specific services, supporting people services and a planned underspend on Kent Supported Assistance Service (KSAS) of £3,150k partly due to the treatment of previous year's underspends rolled forward. Including the KSAS underspend, the overall outturn position for Adult Social Care was an underspend of £1,407.3k.

The overall position for Adult Social Care has moved by +£1,465.7k since the 27 April report to Cabinet. The main movements are:

- a) -£294.9k Strategic Management & Directorate Support budgets mainly due to a prior years' insurance rebate relating to the Better Homes Active Lives PFI project (£150k) and various other minor movements including reductions in spend across the Operational Support Unit (£100k).
- b) -£774.3k Direct payment movements, predominately due to increased recovery of unused client funds along with an overall reduction in client activity.
- c) +£354.7k Domiciliary Care changes, mainly reflecting increased activity within the independent sector particularly within the older people client group.
- d) +£2,371.4k Nursing and residential care budgets, reflecting an increase in activity across both older people and physical disability nursing and residential care services in the last quarter of the year, along with an increase in unit cost for Learning Disability and Older People residential care placements and older people nursing placements. This position includes a provision set up to provide for delays in the recording of activity on the activity database, which has resulted in an understatement of our outturn activity levels.
- e) +£149.5k Supported Accommodation changes, mainly due to increases in independent sector activity, particularly within the learning disability client group.
- f) -£144.1k Day care changes, due to reduced staffing and non-staffing costs of the learning disability day care services, along with a lower usage of the independent sector across all client groups.
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g) +£280.5k Other Adult Services changes predominately resulting from an increase in the bad debt provision compared to previous forecasts. This is partially offset by a reduction in equipment spend.
- h) -£306.2k reduction in activity associated with the Kent Support & Assistance Service (Social Fund), reflecting the value of awards taken up.
- i) -£239.8k Adult social care staffing reductions across the directorate, of which the majority is due to delays in recruitment along with the rephasing of training.
- j) +£126k - the previously reported outstanding management action has been achieved and reflected in the movements on the individual A-Z lines.
- k) -£57.1k Other minor offsetting movements across the remaining A-Z lines.

3.6.4 Social Care, Health & Wellbeing - Public Health:

In the past year Public Health has been able to improve the performance in delivering NHS Health Checks, with 45,623 checks delivered in 2014-15, compared to 32,924 in 2013-14. There has also been an increase in the capacity of the sexual health services following a competitive tendering of the contracts for the first time. This secured improved value for money, alongside the increase in capacity.

During the year the Drug and Alcohol Team transferred into the Public Health division, and through a renewed focus on the elements of the contract related to the provision of activity, better value for money was achieved from the contract in 2014-15, whilst there is an expectation of improved performance in the year ahead. Public Health are commissioning a range of services through all the Directorates of KCC, are gaining health improvements and demonstrating KCC's role in improving and protecting the health of Kent's population.

The overall position for the Public Health budgets has moved by -£1,907k since the 27 April report to Cabinet, all of which has been transferred into the Public Health reserve leaving a net nil movement as reflected in Table 1 above. The main movements are:

- a) -£1,563k relating to HIV Drugs funding. Following negotiations in 2013-14, this funding was paid over to the Clinical Commissioning Groups in 2014-15. The previous forecast included this payment, however creditor provision was raised in 2013-14 for this payment, so it was not necessary to include this payment in the 2014-15 forecast.
- b) -£498k reduction in Targeting Health Inequalities. This includes -£243k of additional contributions primarily from NHS England and other local authorities, -£118k increased underspending against the communications and campaigns budget, and -£137k of other movements.
- c) -£440k movement in Drug and Alcohol Services. The previous reported position assumed a draw down of £1,251k from KDAAT reserves, however this has not been necessary due to reduced expenditure on projects (-£898k relating to Adults and -£245k relating to Young Persons). Prescribing costs have reduced by -£535k primarily as a contingency held by the service has not been required. There are further movements totalling -£13k.
- d) -£191k reduction in expenditure on the Reducing Physical Inactivity programme partly as a result of delays in getting the Physical inactivity pilot project up and running.
- e) +£165k increase in Sexual Health Services. Additional costs for Sexual Health testing and treatment of STIs (+£293k) plus an increase in contraception costs (+£173k), in particular Long Acting Reversible Contraception (LARC), have been partially offset by reductions in advice, prevention and promotion (-£301k).
- f) +£198k of movements within Public Health Staffing, Advice and Monitoring, mainly due to a lower underspend on staffing costs than previously forecast and reduced income from other local authorities.
- g) +£384k increase in Tobacco Control and Stop Smoking Services, primarily +£499k increase in prescribing costs, offset by -£115k of small reductions in other areas, including slippage in the smoking in pregnancy programme following difficulties in recruiting interviewees for the customer insight work.
- h) +£38k Other minor variances.
- i) The provisional outturn position includes a transfer to the Public Health reserve of £2,074k which is £1,907k higher than forecast in the last

3.6.5 Growth, Environment & Transport:

The Growth, Environment and Transport directorate have delivered an underspend of -£2.586m in relation to 2014-15, primarily due to delivering savings planned for 2015-16 ahead of schedule. Procurement and staffing savings make up the large part of the savings which means front line services have not been affected and in some cases, have delivered much better outcomes for the authority. This underspend would have been larger except for unforeseen demand pressures on our waste service (+£2,972k from additional volumes of waste, largely offset by savings and management action to bring the variance down to +£543k) and the Kent Freedom Pass/Young Person's Travel Pass scheme (+£2,402k over both the old and the new scheme), which has proved to be incredibly popular but this comes at a cost as, on average, the authority subsidises each pass by in excess of £300.

The overall position for the directorate has moved by -£2,506.3k since the 27 April report to Cabinet. The main movements are:

- a) -£587.7k reduction in the pressure on the Waste Management budgets primarily as a result of a drop of -£249k (-2,400 tonnes) in the amount of waste dealt with at Allington Waste to Energy plant; a -£212.8k (-1,100 tonnes) reduction in recycling contracts and composting; and various other movements totalling -£125.9k.
 - b) -£452k reduction in Streetlight Maintenance as works expected to be completed by the end of the year were still outstanding. The service is requesting that £157.9k of this is rolled forward into the new year so that the essential work that is not covered by general maintenance, and includes more complex repairs and replacements that are required to keep streetlights working and in a safe condition, can be completed without detriment to the 2015-16 budget.
 - c) -£309.6k reduction against the Adverse Weather budget following the mild winter. The primary movements are -£113k supply and maintenance of salt bins, -£110k on salting runs and -£86.6k of other changes.
 - d) -£236.3k increased underspend on Traffic Management primarily resulting from -£113k reduction in roadworks and enforcement and -£82k additional Intelligent Traffic Systems and permit scheme income.
 - e) -£230.5k increased underspend on Subsidised Bus Routes primarily resulting from -£211k of Community Transport Funding.
 - f) -£136.4k of small movements within Strategic Management and Directorate Support.
 - g) -£130.7k of small movements within Transport Operations, mainly due to staffing.
 - h) -£115.6k movement within Regeneration and Economic Development projects; -£127.2k overall is requested as a committed roll-forward in Appendix 1 relating to externally funded projects.
- £307.5k Other smaller movements, including -£95.6k in Libraries, Registration and Archives, -£90.8k in Countryside Access (incl. Public Rights of Way) and -£76.0k in Emergency Planning.

3.6.6 Strategic & Corporate Services:

The core services within the Strategic & Corporate Services Directorate have delivered, through strong management action, an overall underspend of £1,947.3k. Of this, £644.7k is committed as roll-forward requests, leaving a contribution of £1,302.6k to help with the Authority's overall position. This is a particularly strong performance as a number of services transferred to the Directorate at the start of this financial year with existing savings targets, the plans for which needed to be reviewed and changed, delaying delivery and causing pressures which needed to be compensated for. The overall outturn is therefore even stronger than the overall figure suggests. This achievement has been possible by all divisions maximising income where possible, in particular from Schools, in the areas of teacher recruitment in HR and EiS in ICT. Finance actively managed vacancies and reduced use of specialist services to deliver an underspend. Local Healthwatch & NHS Complaints Advocacy saw a reduction in the number of business cases submitted for funding, which allowed the service to meet all funding requests and also deliver an underspend. Policy, Business Intelligence and Communications all actively managed vacancies both to deliver an underspend and in anticipation of 2015-16 savings plans.

The overall position for Strategic & Corporate Services has moved by +£103.7k since the 27 April report to Cabinet. The main movements are:

- a) +£178.6k Local Member Grants: Higher take up of member grants than had been previously forecast.
- b) -£74.9k a number of largely offsetting movements across the Directorate affecting most A-Z lines.

3.6.7 Financing Items:

The overall position for the Financing Items budgets has moved by +£2,656k since the 27 April report to Cabinet. The main movements are:

- a) +£2,980k transfer to an earmarked payments reserve. This is to reflect the likely level of creditors at year end not set up within individual directorate budgets.
 - b) -£968k Insurance Fund: an increase in the surplus on the Insurance Fund compared to the January forecast position, mainly as a result of a reduction in the outstanding claims value following a request to the Council's insurers to review reserves on outstanding claims in preparation for this year's insurance tender process.
 - c) +£968k transfer to the Insurance Reserve: in line with usual practice, the increased surplus on the Insurance Fund has been transferred to the Insurance reserve.
 - d) +£200k Commercial Services net contribution: a reduction in the dividend from Commercial Services as a result of their year end position, reflecting additional costs of rent and pensions.
 - e) -£154k Carbon Reduction Commitment Levy: reduction in allowances required based on our estimated carbon emissions.
 - f) -£294k Retained Business Rates: we have received additional business rates of £150k in respect of Dover Enterprise Zone and a retained levy of £144k as a result of being in a business rate pool with Maidstone Borough Council.
- £76k other smaller movements, predominately relating to additional Education Services Grant due to fewer schools converting to academies by 31 March 2015 than previously forecast.

3.7 Revenue budget virements/changes to budgets

All changes to cash limits reflected in table 1 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 previous report to Cabinet to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates.

3.8 DELEGATED SCHOOLS BUDGETS

The previously forecast drawdown from school reserves of £11.265m reflected in table 1 was made up of a drawdown of £2.332m as a result of 33 schools converting to academies and 1 school closure, a reduction of £6.202m in reserves for the remaining Kent schools based on the schools nine month monitoring returns and £2.731m expected use of the schools unallocated reserve to fund in year schools' related pressures. In addition, the schools unallocated DSG reserve was also forecast to increase by £5.126m due to an underspend on Early Years education of £8.614m, offset by a pressure on high needs education of £3.488m, giving an overall forecast reduction in schools reserves of £6.139m.

The actual movement in schools reserves for 2014-15 was an increase of £8.279m, reflecting an underspend against the schools' budgets in year, which is a movement of -£14.418m from the previously forecast position. A breakdown of this movement is provided in the table below. It shows the most significant movement of -£11.198m was in relation to the underspending of Kent's maintained schools. Please see section 3.9 (d) below for further details.

	Provisional Outturn £'000	Last Report £'000	Movement £'000
<ul style="list-style-type: none"> ▪ 33 schools converting to academies ▪ 2 school closures ▪ remaining Kent schools ▪ use of schools unallocated reserves for schools related pressures 	+2,332	+2,332	-
	+38	-	+38
	-4,996	+6,202	-11,198
	+1,072	+2,731	-1,659
total per schools delegated line in table 1	-1,554	+11,265	-12,819
Impact on schools unallocated DSG reserve of variances within the non delegated budget (<i>reflected as a net nil in table 1 within the Education & Young People line, as any variance is offset by a transfer to/from the schools unallocated DSG reserve</i>):			
<ul style="list-style-type: none"> ▪ transfer to schools unallocated DSG reserve in respect of underspending on Early Years Education ▪ drawdown of schools unallocated DSG reserve to fund an overspend on High Needs Education 	-9,153	-8,614	-539
	+2,428	+3,488	-1,060
	-6,725	-5,126	-1,599
TOTAL MOVEMENT IN SCHOOLS RESERVES			
<i>(a -ve reflects an increase in reserves i.e an underspend transferred to reserves and a +ve reflects a reduction in reserves i.e an overspend met by a drawdown from reserves)</i>	-8,279	+6,139	-14,418

3.9 IMPACT ON RESERVES

- a) The table below reflects the impact of the provisional outturn and activity for 2014-15 on our revenue reserves. These are provisional figures and are subject to change during the final stages of the closing of accounts process.

Account	Balance at 31/3/14 £m	Provisional Balance at 31/3/15 £m	Movement £m
General Fund balance	31.7	34.7	3.0
Earmarked Reserves	160.8	168.3	7.5
Schools Reserves *	45.7	54.0	8.3

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

- b) The £3m increase in general reserves reflects the transfer from the Economic Downturn reserve as detailed in section 5 of Appendix F of the approved 2015-18 MTFP.

- c) The provisional increase of £7.5m in earmarked reserves since 31 March 2014 is due to:

▪ Release of previously earmarked reserves (as approved in the 2014-17 MTFP)	£m
▪ Budgeted contribution (incl. continuation of collaborative work with DCs to increase council tax yield)	-3.0
▪ Budgeted use of reserves to support essential expenditure following reduction in Adoption Reform grant	+4.9
▪ Budgeted contribution to Economic Downturn Reserve from 2014-15 increase in council taxbase and collection fund surpluses	-1.2
▪ Budgeted contribution to Economic Downturn Reserve from 2014-15 increase in council taxbase and collection fund surpluses	+2.0
▪ Budgeted drawdown of earmarked reserve to support 2014-15 budget	-4.0
▪ Budgeted drawdown from Kingshill Smoothing reserve	-1.0
▪ Transfer to Kingshill Smoothing reserve of profit distribution from partnership arrangement	+1.4
▪ Use of rolling budget reserve (2013-14 underspend)	-9.9
▪ Transfer to rolling budget reserve of 2014-15 underspend	+10.9
▪ Budgeted reinstatement of Emergency Conditions reserve	+1.0
▪ Transfer of Bellwin funds to the 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
▪ Budgeted contribution to the elections reserve	+0.6
▪ Transfer to Economic Downturn reserve of uncommitted 2013-14 rolled forward underspend	+4.8
▪ Transfer from Economic Downturn reserve to General Reserve per Appendix F of 2015-18 MTFP	-3.0
▪ Net drawdown of Corporate Restructure reserve & Economic Downturn reserve mainly for transformation costs	-3.0
▪ Transfer to Dedicated Schools Grant reserve	+0.4

▪ Drawdown of 2013-14 underspend from Public Health reserve	-2.9
▪ Transfer to Public Health reserve of 2014-15 underspend	+2.1
▪ Use of NHS Support for Social Care reserve	-4.4
▪ Transfer to Insurance reserve of 2014-15 underspend against the Insurance Fund and contribution for uninsured losses/contingent liabilities	+2.8
▪ Transfer to the workforce reduction reserve of the 2014-15 underspend against the workforce reduction fund, in line with usual practice	+1.5
▪ Use of Flood Repairs reserve (severe weather funding)	-2.8
▪ Net increase in IT Asset Maintenance reserve	+0.5
▪ Net increase in Dilapidations reserve	+0.4
▪ Use of Regeneration Fund	-1.9
▪ Increase in Commercial Services earmarked reserves	+0.7
▪ Increase in repairs and renewals of vehicles, plant & equipment reserves	+0.8
▪ Contribution to new payments reserve	+3.0
▪ Other movements in various earmarked reserves	+3.0
	+7.5

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The increase of £8.3m in the schools reserves in 2014-15 is due to:

	£m
▪ 33 schools converting to academy status this financial year and taking their accumulated reserves with an underspend for the remaining Kent schools	-2.3
▪ Transfer to the schools unallocated DSG reserve of £9.153m underspending on Early Years Education as a result of lower than affordable parental demand, offset by £2.428m pressures on high needs education	+5.0
▪ Use of schools unallocated reserves to fund in year schools related pressures, mainly schools broadband and revenue contributions to joint funded capital projects with schools	+6.7
	-1.1
	+8.3

This has increased total school revenue reserves to £54.009m of which £11.570m relates to unallocated schools budget. Of the remaining £42.439m, the schools returns show that of this balance, £9.849m is committed for specific revenue projects and contributing towards larger capital projects.

4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the Capital Programme 2014-15 is £279.472m excluding schools. This has been adjusted to reflect the 2015-18 capital budget set by County Council on 12 February 2015. The provisional outturn against this budget is £205.767m giving a variance of -£73.705m, which is a movement of -£31.617m compared to the projected variance of -£42.088m reported to Cabinet in April. Details of the capital roll forwards are provided in Appendix 2 and the prudential indicators are provided in Appendix 6.

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

Directorate	3 Year Cash Limit £'000	2014-15 Working Budget £'000	2014-15 Variance £'000	Real Variance £'000	Re-phasing Variance £'000
Education & Young People's Services	227,510	94,959	-14,365	-14,105	-260
Social Care, Health & Wellbeing - Specialist Children's Services	-	1,958	-1,157	-1,057	-100
Social Care, Health & Wellbeing - Adults	82,918	25,482	-20,828	-21,107	+279
Social Care, Health & Wellbeing - Public Health					
Growth, Environment & Transport	259,191	131,270	-29,769	-29,186	-583
Strategic & Corporate Services	28,806	25,803	-7,586	-7,166	-420
Financing Items					
TOTAL	598,425	279,472	-73,705	-72,621	-1,084

4.3 The 2015-16 Capital Programme will now be revised to reflect the re-phasing and other variations of the 2014-15 Capital Programme that resulted in the £73.705m variance shown in table 2 above. Details of the capital re-phasing are provided in Appendix 2 and will be adjusted in the first full monitoring report of 2015-16. In addition, further proposed cash limit changes are provided in Appendix 3 along with final details of the capital receipts position for 2014-15 in Appendix 4 and the final prudential indicators for 2014-15 in Appendix 6.

4.4 SCHOOLS DEVOLVED CAPITAL

Capital expenditure incurred directly by schools in 2014-15 was £14.129m. As at 31 March 2015 schools capital reserves are -£552k. This has reduced from the £414k held by schools as at 31 March 2014.

4.5 EDUCATION & YOUNG PEOPLE SERVICES DIRECTORATE

4.5.1 The Education & Young People's Services Directorate has a variance against its working budget of -£14,365k. The main reasons for this variance are as follows:

- a) -£5,459k Annual Planned Enhancement Programme (-£4,656k rephasing and -£803k real). Rephasing of works as a result of restrictive access to schools and tendering timetables on some projects. The real variance comprises -£666k transfer of funding from capital to revenue and -£137k transfer of funding to/from other EYP capital projects.
- b) -£3,251k Special Schools Review Phase 2. Rephasing due to delays at the planning stage, acquisition of land and cost renegotiation on a number of complicated projects. This has impacted on the completion dates of five projects.
- c) -£2,504k Basic Need Programme 2013-15 (-£2,715k rephasing and +£211k real variance). Rephasing following extended planning processes which have resulted in construction of the new primary schools commencing later than anticipated. This has impacted on the completion dates for some of the projects. The real variance relates mainly to a transfer of additional funding of +£233k from the underspend on Goat Lees Primary School.
- d) -£1,616k Modernisation Programme - Future Years. -£1,479k rephasing whilst this budget is being reviewed alongside the Basic Need Programme. -£137k real variance of which £124k is requested to be used for additional asbestos costs to be incurred within the Academy Unit Costs line in 2015-16.
- e) -£637k Nursery Provision for Two Year Olds rephasing. Following extended planning processes, several projects will now complete in 2015-16.
- f) -£628k Special Schools Review Phase 1. Rephasing due to some unresolved issues on projects.
- g) -£626k Integrated Youth Service - Youth Hub Reprovision. +£87k real variance including £27k revenue contribution towards furniture costs and £60k from an underspend on Unit Review which is needed in 15-16 towards car park works. There is total rephasing of -£713k following resubmission of plans for approval as a result of changes to design and layout. Completion is anticipated in July 2015.
- h) -£418k Devolved Formula Capital Grants for Pupil Referral Units (PRUs) rephasing. Following the completion of a recent PRU service and Health Needs service review, works will progress in 2015-16.
- i) -£270k Unit Review real variance. This project is now complete and remaining budget is requested to be used for Academy Unit Costs (£206k), Deal Youth Hub (£60k) and Primary Improvement Programme (£4k) all in 2015-16.
- j) -£258k Goat Lees Primary School. -£233k real underspend following various scheme revisions is requested to be used for the Basic Need Programme in future years. -£25k is to be rephased for final project costs.
- k) -£235k Academy Unit Costs (rephasing -£565k and +£330k real). +£330k real variance for additional asbestos costs (to be funded from an underspend on Unit Review £206k and Modernisation Programme £124k) which is to be rephased into 2015-16 (-£330k) together with -£235k rephasing following re-profiling of costs to reflect the revised profile of Academy build costs.
- l) -£175k St John's/Kingsmead Primary School. -£105k real underspend mainly relates to a reduction in additional roofing costs originally funded from Annual Planned Enhancement Programme and therefore to be transferred back (-£145k). -£70k relates to rephasing.

- m) -£148k Vocational Education Centre Programme rephasing as this project is now due to commence in 2015-16.
- n) -£109k Repton Park Primary School - rephasing whilst awaiting agreement of the final account.
- o) +£78k Universal Infant Free School Meals. +£210k real variance which reflects grant to be moved from Annual Planned Enhancement Programme for original planned kitchen works less -£132k rephasing as utility upgrades have impacted on the profile of spend.
- p) +323k Sevenoaks Grammar School and +£1,271k Trinity Free School, Sevenoaks rephasing. The enabling works contract was entered into early to keep to project timescales.
- q) +£350k Academies (+£81k rephasing and +£269k real). A review of project costs and timescales have led to real and rephasing variances on a number of the individual academy projects within this programme.

4.6 SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE - CHILDREN'S SERVICES

- 4.6.1 The Social Care, Health & Wellbeing Directorate - Specialist Children's Services has a variance against its working budget of -£1,157k. The main reason for this variance is as follows:
 - a) -£369k ContROCC and -£645k Early Help Module rephasing following the outcome of initial functional testing impacting on go live dates.
 - b) -£100k Multi Agency Specialist Hubs real variance following an unrealised creditor provision.

4.7 SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE - ADULTS SERVICES

- 4.7.1 The Social Care, Health & Wellbeing Directorate - Adult Services has a variance against its working budget of -£20,828k. The main reasons for this variance are as follows:
 - a) -£18,707k PFI - Excellent Homes for All - rephasing as asset will now be recognised on Balance Sheet once construction is complete in 2015-16.
 - b) -£1,536k Learning Disability Good Day Programme - Community Hubs (-£1,473k rephasing and -£63k real). Projects have been rephased to allow additional time for partners to generate additional external funding as this has been difficult to achieve in the current economic climate.
 - c) -£588k Learning Disability Good Day Programme - Community Initiatives (-£651k rephasing and +£63k real). Projects have been rephased to allow additional time for partners to generate additional external funding as this has been difficult to achieve in the current economic climate.
 - d) -£453k Telecare (-£451k rephasing and -£2k real) due to a lower demand for equipment than forecast.
 - e) -£429k Information Technology projects (-£300k rephasing and -£129k real). Real underspend due to lower than expected cost of Swift v29.1 and rephasing to allow the completion of the Swift upgrade and cabling works at the Mental Health Hubs. Underspend to be transferred to OP Strategy to assist with funding PFI asbestos removal costs.
 - f) -£386k Home Support Fund. Rephasing due to postponed works whilst decisions on start dates are agreed with clients/contractors.
 - g) +£1,281k OP Strategy - Transformation and Modernisation (+£871k rephasing and +£410k real) to cover asbestos removal from various PFI sites. Real variance to be funded by £129k capital receipt from IT Strategy and £281k banked grant.

4.8 GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE

4.8.1 The Growth, Environment & Transport Directorate has a variance against its working budget of -£29,769k. The main reasons for this variance are as follows:

- a) -£13,144k Regional Growth Fund and -£216k Escalate - rephasing due to less grants and loans being issued during the year than originally anticipated.
- b) -£3,312k Broadband rephasing. As a result of the in-life contract management controls, KCC has been working with BDUK to identify potential savings and deployment efficiencies within the broadband programme work. Whilst good progress is being made, and the project deployment remains on track, given that the infrastructure build is now moving into more complex areas, some rephasing is required.
- c) -£2,211k North Farm, Longfield Road, Tunbridge Wells - Rephased as the scheme has been delayed due to unchartered utility services that require diversion or protection.
- d) -£1,469k Highway Major Enhancement. (-£1,771k rephasing and +£302k real). Rephasing in the main due to a review of the resurfacing schemes and the shortage of specialist resources needed for the delivery of the street light column replacement programme. The real overspend relates to increased final accounts for resurfacing contracts to be funded from uncommitted Member grant (£134k) and renewals of salt bins and weather stations, tourism signs and footway repairs (£168k) to be funded from revenue contributions, banked grant and external contributions.
- e) -£1,338k Empty Property Initiative (-£1,368k rephasing and +£30k real). Rephasing following diversion of potential loans from this project to the new No Use Empty programme so the product could be developed and tested.
- f) -£1,100k Thanet Park Way - rephasing due to delays in the procurement process and acquiring the necessary land.
- g) -£1,000k M20 Junction 10a (real) - The Secretary of State and Highways Agency have now decided to advance their proposed programme and promote the full improvement. Consequently there is no longer a direct role for KCC in promoting an interim scheme.
- h) -£892k Westwood Relief Strategy (Poorhole Lane Improvement) rephasing - The scheme is expected to complete September 2015 following unchartered and shallow utility services requiring extra mitigation works.
- i) -£695k Integrated Transport Schemes (-£475k rephasing and -£220k real). Rephasing relates to a number of schemes that have been reprofiled across the Integrated Transport Programme. The real variance mainly relates to the purchase of three buses rather than the eight which were included within the original budget.
- j) -£679k Major Scheme Preliminary Design Fees. Rephasing of budget to 2015-16 as it was not needed in 2014-15 following receipt of third party funding for expenditure incurred in the early delivery of the LEP schemes.
- k) -£529k Street Lighting Column Replacement Scheme rephasing. A shortage of specialist resources has meant that the works have been reprogrammed for early next financial year.
- l) -£504k Rathmore Road Link - Rephasing as the land acquisition will now happen in 2015-16 following delay by land owner to agree terms.
- m) -£484k Victoria Way, -£416k Sittingbourne Northern Relief Road and -£154k Drovers Roundabout junction - rephasing following review of delivery programme due to retendering of Land Compensation Acts Part 1 works.

- n) -£436k A28 Chart Road, Ashford - rephasing due to the pausing of initial development works whilst awaiting receipt of developer funds.
- o) -£367k Marsh Millions (-£467k rephasing and +£100k real). Rephasing is due to slower than anticipated take up of funding on this scheme. Marketing activity has been ongoing to raise the profile of the fund. +£100k to be transferred from No Use Empty which is now complete.
- p) -£309k Land Compensation and Part 1 Claims (-£265k rephasing and -£44k real). Real underspend due to less claims than anticipated and rephasing as the settlements will now happen in future years.
- q) -£288k Member Highway Fund (-£169k rephasing and -£119k real). Real variance of -£134k uncommitted member grants which will be used to settle final resurfacing costs within Highway Major Enhancement Programme and +£15k additional costs for Parish Council schemes. Rephasing consists of -£72k for schemes that have been ordered but where delivery has been delayed following scheme redesign as a result of public consultation and -£97k for committed schemes yet to be designed.
- r) -£270k Swale Transfer Station - rephasing due to additional design and risk assessment activities following difficulties in undertaking various geotechnical and structural bridge works.
- s) -£268k Folkestone Heritage Quarter rephasing. There has been a slower than expected take up of property owners applying for grants for building enhancements and architectural improvements. In addition, two of the larger building projects in the scheme have been delayed which has affected the timing of the grant payment.
- t) -£212k Regeneration Fund Projects - rephasing of the part repayment of a loan originally paid out by the regeneration fund in 2013/14.
- £200k Richborough Landfill site (Emergency Works) - Rephasing as structural failure of the Bailey bridge has prevented access to the site. The new bridge will be delivered during June 2015 which will permit works on site to begin.
- £165k Incubator Development - rephasing in the main following the need to find suitable alternative premises and negotiate a revised management agreement.
- w) -£146k Village Halls and Community Centres - rephasing due to external bodies experiencing delays in obtaining match funding for grants.
- x) -£118k Energy Reduction and Water Efficiency Investment (KCC) - rephasing due to delay in agreeing Loan Fund agreements with schools.
- y) -£113k Management & Modernisation of Assets - Vehicles. Rephasing pending review of vehicle requirements following service transformation.
- z) -£95k Kent History and Library Centre. Real underspend due to reduced costs on public realms works which is to be transferred to the Library Modernisation Programme line to fund future pressures within the GET capital programme.
- aa) -£85k Public Rights of Way (+£199k real and -£284k rephasing). Delivery of the PROW work programme has been severely impacted in the last two financial years as a result of wet weather. Ground conditions have been too poor for protracted periods through the winter to enable site access and safe working on some schemes hence the rephasing of -£284k. Other additional schemes that have not been so affected by weather conditions have been completed with additional funding (real variance +£199k).
- ab) -£60k Library Modernisation Programme (-£108k rephasing and +£48k real). The real variance comprises +£95k which is to be transferred from the underspend on Kent History & Library Centre for future years pressures (which is to be rephased to 2015-16) less £47k used elsewhere within the programme.

- ac) +£256k East Kent Access Phase 2. +£226k rephasing from 2015-16 as land compulsory purchase order settlements were higher than originally expected but there is no anticipated impact on the overall scheme cost as the LCA claim estimate has been revised downward. +£30k real variance.
- ad) +£608k No Use Empty - Rented Affordable Homes (+£408k rephasing +£200k real). The project was completed creating 42 units of affordable accommodation. Budgeted prudential funding was based on a higher number of units being created. The resulting saving of £100k (prudential) is to be transferred to Marsh Millions. The required HCA money (£708k) was claimed for the 42 units which were delivered earlier than expected resulting in rephasing of +£408k from 2015-16. The real variance of +£200k comprises additional HCA monies of +£300k which were not included in the budget less the £100k to be transferred to Marsh Millions.
- ae) +£827k TIGER - rephasing from 2015-16 due to more grants and loans being issued during the year than originally anticipated.

4.9 STRATEGIC & CORPORATE SERVICES DIRECTORATE

- 4.9.1 The Strategic & Corporate Services Directorate has a variance against its working budget of -£7,586k. The main reasons for this are as follows:
- a) -£3,699k New Ways of Working (-£4,427k rephasing and +£728k real). Rephasing reflects revised programming of works. Real variance due to works being transferred into the programme from Modernisation of Assets.
 - b) -£1,504k Modernisation of Assets (-£776k rephasing and -£728k real). Rephasing reflects revised programming of works. Real variance due to some works now being undertaken by the New Ways of Working Programme.
 - c) -£1,055k LIVE Margate (-£1,093k rephasing and +£38k real). Delays due to extended health and safety works being undertaken and negotiations with external partners.
 - d) -£856k Corporate Property Strategic Capital - real underspend as the full budget was not required in 2014-15. £221k of this underspend has been used to cover revenue expenditure as allowed by the grant rules.
 - e) -£242k Innovative Schemes Fund - A planned acquisition did not proceed, therefore the committed funds have been rephased to 15-16.
 - f) -£194k Swanley Gateway - rephasing as contractor has identified additional works and is seeking extension of time.
 - g) -£124k Electronic Document Management Solution (EDMS). Rephasing following the decision that a wider pilot and fuller engagement with the business was needed before rolling out the solution more widely. As a consequence, ICT resource costs and user licence costs in 2014-15 reduced and have been rephased to 15-16.
 - h) +£386k Disposal Costs - real overspend due to increased security costs protecting the value of KCC assets prior to disposal.

5. STAFFING LEVELS

5.1 The following table provides a snapshot of the staffing levels by directorate as at 31 March 15 compared to the numbers as at 1 April 14, 30 June 14, 30 September 14 and 31 December 15 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 14 to 31 March 15, 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 14 and 31 March 15 there has been a reduction of 911.19 FTEs, of which 764.36 FTE were in schools and 146.83 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	38,160	37,765	37,285	-1,993	-5.07%
	Headcount (inc. CRSS)	33,095	33,195	32,604	32,267	31,882	31,437	-1,758	-5.30%
	Headcount (excl. CRSS)	29,456	29,522	28,942	28,597	28,267	27,933	-1,589	-5.38%
	FTE	21,769.82	21,827.12	21,416.29	21,277.98	21,148.43	20,915.93	-911.19	-4.17%
KCC - Non Schools	Assignment count	11,995	11,904	11,920	11,789	11,663	11,667	-237	-1.99%
	Headcount (inc. CRSS)	11,061	10,994	10,969	10,881	10,776	10,785	-209	-1.90%
	Headcount (excl. CRSS)	9,574	9,512	9,498	9,363	9,285	9,296	-216	-2.27%
	FTE	8,161.92	8,119.47	8,089.05	7,994.99	7,950.63	7,972.64	-146.83	-1.81%
E&YP	Assignment count		2,971	2,974	2,924	2,890	2,903	-68	-2.29%
	Headcount (inc. CRSS)		2,738	2,707	2,678	2,662	2,678	-60	-2.19%
	Headcount (excl. CRSS)		1,927	1,921	1,884	1,877	1,903	-24	-1.25%
	FTE		1,582.27	1,567.23	1,534.82	1,542.79	1,573.20	-9.07	-0.57%
SCH&W	Assignment count		4,738	4,744	4,644	4,621	4,638	-100	-2.11%
	Headcount (inc. CRSS)		4,335	4,340	4,259	4,234	4,256	-79	-1.82%
	Headcount (excl. CRSS)		4,109	4,132	4,039	4,024	4,056	-53	-1.29%
	FTE		3,509.59	3,527.59	3,459.22	3,448.15	3,483.83	-25.76	-0.73%
GET	Assignment count		2,366	2,394	2,381	2,358	2,370	4	0.17%
	Headcount (inc. CRSS)		2,175	2,189	2,179	2,155	2,163	-12	-0.55%
	Headcount (excl. CRSS)		1,698	1,686	1,652	1,631	1,626	-72	-4.24%
	FTE		1,369.11	1,356.50	1,339.74	1,324.90	1,314.51	-54.60	-3.99%
S&CS	Assignment count		1,829	1,808	1,840	1,794	1,756	-73	-3.99%
	Headcount (inc. CRSS)		1,817	1,799	1,831	1,786	1,746	-71	-3.91%
	Headcount (excl. CRSS)		1,794	1,777	1,803	1,762	1,720	-74	-4.12%
	FTE		1,658.50	1,637.73	1,661.21	1,634.79	1,601.10	-57.40	-3.46%
Schools	Assignment count	27,199	27,374	26,770	26,371	26,102	25,618	-1,756	-6.41%
	Headcount (inc. CRSS)	22,135	22,301	21,727	21,462	21,177	20,718	-1,583	-7.10%
	Headcount (excl. CRSS)	19,928	20,056	19,488	19,270	19,015	18,667	-1,389	-6.93%
	FTE	13,607.90	13,707.65	13,327.24	13,282.99	13,197.80	12,943.29	-764.36	-5.58%

CRSS =
Staff on
Casual
Relief,
Sessional
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.

6. CONCLUSIONS

For the 15th consecutive year the Council is able to demonstrate sound financial management by containing its revenue expenditure within the budgeted level (excluding schools). In the context of a savings requirement of around £81m in 2014-15 and on the back of delivering approximately £270m of savings across the previous three years, together with the continued high demand for services such as social care, SEN transport and waste, an overall underspending position is a considerable achievement. However, with further savings of £83m required in 2015-16 and a budget gap still to close for 2016-17 with budget savings being more and more difficult to achieve as the easier options have already been taken, we must not be complacent, hence the recommendation to put the uncommitted underspend from 2014-15 into reserves pending future budget decisions.

7. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the provisional outturn position for 2014-15 for both the revenue and capital budgets.
- ii) **Agree** that £867.9k of the 2014-15 revenue underspending is rolled forward to fund existing commitments, as detailed in section 2 of Appendix 1.
- iii) **Agree** that £3,825.8k of the 2014-15 revenue underspending is rolled forward to fund the re-phasing of existing initiatives, as detailed in section 3 of Appendix 1.
- iv) **Agree** that £87.6k of the 2014-15 revenue underspending is rolled forward to fund the bids detailed in section 4 of Appendix 1.
- v) **Agree** that £2,000k of the 2014-15 revenue underspending is provided for a Find & Fix programme of repair of pot holes.
- vi) **Agree** that £10k of the 2014-15 revenue underspending is donated to support the Nepalese people following the recent earthquakes there, subject to compliance with regulations.
- vii) **Agree** that the £4,117.8k remainder of the 2014-15 revenue underspending is set aside in the earmarked reserve to support future years' budgets.
- viii) **Agree** the contributions to and from reserves as reflected in section 3.9, which includes all appropriate and previously agreed transfers to/from reserves.
- ix) **Agree** that £72.621m of capital re-phasing from 2014-15 will be added into 2015-16 and later years capital budgets, as detailed in Appendix 2.
- x) **Agree** the proposed capital cash limit changes outlined in Appendix 3.

8. BACKGROUND DOCUMENTS

None

9. CONTACT DETAILS

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2014-15 REVENUE BUDGET ROLL FORWARD PROPOSALS

	£'000	£'000
1. 2014-15 provisional underspend		-10,909.1
2. Details of Committed/Rephasing projects where we have a legal obligation		
a) Education & Young People Directorate		
i) <i>Re-phasing of Kent Youth Employment programme</i> To fund existing placements that continue into 2015-16.	224.2	
ii) <i>Re-phasing of Vulnerable Learners Assisted Apprenticeship placements in to 2015-16</i> Funding is required to roll forward to fund placements in 2015-16 for the most vulnerable of young people.	55.4	
iii) <i>Various externally funded projects</i> This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects.	12.9	
Social Care, Health & Wellbeing Directorate		
i) <i>Re-phasing of Kent Safeguarding Children Board (KSCB) into 2015-16</i> This represents KCC's share of the underspend of the KSCB Board. Under the terms of the inter-agency agreement, KCC has an obligation to provide this funding to the Board. The underspending relating to partners contributions is held in a Fund.	230.5	
ii) <i>Re-phasing of Kent & Medway Safeguarding Vulnerable Adults Committee into 2015-16</i> This represents KCC's share of the underspend of the Committee. Under the terms of the multi-agency agreement, KCC has an obligation to provide this funding to the Committee. The underspending relating to partners contributions is held in a Fund.	18.5	
iii) <i>STAMP Project</i> Re-phasing of one-off funding for a project to support voluntary sector organisations around business and strategic development, to enable them to bid for and deliver public sector contracts.	35.0	
iv) <i>Various externally funded projects</i> This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects.	9.2	

	£'000	£'000
c) Growth, Environment & Transport Directorate		
i) <i>Various externally funded projects</i> This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects.	251.6	
b) Strategic & Corporate Services Directorate		
i) <i>Re-phasing of a statutory voluntary & community sector policy consultation project</i> This project is being undertaken within Policy & Strategic Relationships and launched mid March and will run for 3 months.	25.0	
ii) <i>Re-phasing of Local Member Grants</i> Each Member is provided with £25k to provide grants to schemes within their local area to enhance the community. This represents the value of grants which have been approved and committed in 2014-15 for projects internal to KCC, but where the work was not completed by 31 March 2015.	4.3	
ii) <i>Oakwood Site Users</i> This represents KCC's share of the underspend against the Oakwood Site. Under the terms of the inter-agency agreement, KCC has an obligation to provide this funding to the pooled budget. The underspending relating to the other agencies contributions is held in a Fund.	1.3	
		867.9
3. Details of re-phasing required to continue/complete an initiative where we are not yet legally committed.		
a) Education & Young People Directorate		
i) <i>Re-phasing of Kent Youth Employment programme</i> This programme was launched at the end of the 2011-12 financial year with the purpose of encouraging Kent businesses to recruit unemployed young people who have been unemployed for a significant period. The scheme involves the payment of grants to employers following completion of 6 months and 12 months in placements. This represents the balance of the funding, which is requested to roll forward to be used to fund future placements on the programme.	662.0	
ii) <i>Re-phasing of Troubled Families Programme into 2015-16</i> The underspend is due to projects supporting families spanning financial years. In addition, due to the payment by results element of the programme, the grant has increased during the year and the projects associated with this increase do not begin until the income is received. Roll forward is requested in order to continue supporting families as part of the Tackling Troubled Families government initiative.	2,268.3	

	£'000	£'000
iii) <i>Re-phasing of SEND Preparing for Employment project in to 2015-16</i> Due to late notification (in March 2015) of DfE grant funding for this project , the project has re-phased in to 2015-16. The 14 - 24 year olds unit has activities planned but was unable to roll them out before the end of the financial year due to the late notification of funding.	53.5	
b) <i>Growth, Environment & Transport Directorate</i>		
i) <i>Coroners - Re-phasing of restructuring costs.</i> One-off funding was provided in the 2014-15 budget for the costs of restructuring the service following the transfer of Coroners Officers from Police. The implementation of the new structure has been delayed until 2015-16, therefore these one-off funds are required to roll forward to cover the expected one-off costs of restructuring.	70.0	
ii) <i>Re-phasing of Streetlight Maintenance</i> Works expected to be carried out by the end of 2014-15 were unfortunately delayed due to resource issues with our service provider Amey. This is essential work that is not covered by general maintenance and includes more complex repairs and replacements that are required to keep assets in light, and in a safe condition. The work was committed last financial year and is currently being completed and will therefore create a pressure on this year's allocation. This year's allocation has already been reduced in anticipation of the LED conversion project commencing Autumn/ Winter 2015.	157.9	
c) <i>Strategic & Corporate Services Directorate</i>		
i) <i>Re-phasing of Local Member Grants</i> Each Member is provided with £25k to provide grants to schemes within their local area to enhance the community. This represents the balance of funding uncommitted in 2014-15, which is requested to roll forward for use in 2015-16.	600.1	
ii) <i>Re-phasing of Health Reform</i> This represents the unspent balance of the roll forward of Health Reform monies from 2012-13, which was due to be spent over the period June 2013 to May 2015, to support the development of the seven Health and Wellbeing Boards aligned with the NHS Clinical Commissioning Groups. This is required to roll forward to complete this work in April & May 2015.	14.0	
		3,825.8

	£'000	£'000
4. Bids for roll forward		
a) <i>Growth, Environment & Transport Directorate</i>		
i) <i>Country Parks Marketing</i>	25.0	
This funding is required for additional marketing in order to deliver the 2015-16 budgeted savings.		
ii) <i>Sustainable Urban Drainage Schemes (SuDS)</i>	50.0	
KCC has taken on new duties from April 2015 regarding planning applications for major developments in relation to surface water drainage where we must satisfy ourselves that sustainable drainage systems are put in place. Local authorities (including KCC) and the LGA believe that the proposed funding is not adequate, so the service wishes to roll the balance of grant funding already received for one off/preparatory costs for the SuDS Approving Body role, which has now been superseded by the new planning role. The service had held back on spending whilst our new role and responsibilities were being clarified. The roll-forward will support the new responsibilities without the need to call on existing funding for flood risk management projects.		
iii) <i>Sports Development</i>	12.6	
Funds released from a review of the balance sheet, requested to fund small community sports projects		
	87.6	
5. Remaining uncommitted balance of underspending		-6,127.8

CAPITAL RE-PHASING

1. The 2015-16 and future years capital programme will be adjusted to reflect the total rephasing of -£72,691k as follows:

Education & Young People's Services	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	TOTAL £'000
Annual Planned Enhancement Programme	-4,656	4,656			0
Special Schools Review phase 2	-3,251	3,251			0
Basic Need Programme 2013-15	-2,715	2,715			0
Modernisation Programme - Future Years	-1,479	1,479			0
Integrated Youth Service - Youth Hub Reprovision	-713	713			0
Nursery Provision for 2 Year Olds	-637	637			0
Special Schools Review phase 1	-628	628			0
Academy Unit Costs	-565	565			0
Devolved Formula Capital Grants for Pupil Referral Units (PRUs)	-418	418			0
Vocational Education Centre Programme	-148	148			0
Skidders Academy	-140	140			0
Universal Infant Free School Meals	-132	132			0
Basic Need - Repton Manor Park Primary School	-109	109			0
Dover Christchurch Academy	240	-240			0
Sevenoaks Grammar	323	-323			0
Trinity Free School, Sevenoaks	1,271	-1,294	23		0
Total Rephasing >£100k	-13,757	13,734	23	0	0
Rephasing <£100k	-348	361	-13		0
TOTAL REPHASING	-14,105	14,095	10	0	0

Social Care, Health & Wellbeing - Specialist Children's Services	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	TOTAL £'000
					0
Early Help Module	-645	645			0
ContrOCC	-369	369			0
Total rephasing >£100k	-1,015	1,015	0	0	0
Other rephased projects <£100k	-42	42			0
TOTAL REPHASING	-1,057	1,057	0	0	0

Social Care, Health & Wellbeing - Adults	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	TOTAL £'000
PFI - Excellent Homes for All	-18,707	18,707			0
LD Good Day Programme Community Hubs	-1,473	1,473			0
LD Good Day Programme Community Initiatives	-651	651			0
Telecare & Equipment	-451	451			0
Home Support Fund	-386	386			0
Information Technology Projects	-300	300			0
OP Strategy - Asbestos PFI	871	-871			0
Total rephasing >£100k	-21,097	21,097	0	0	0
Other rephased projects <£100k	-10	10			0
TOTAL REPHASING	-21,107	21,107	0	0	0

Growth, Environment & Transport	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	TOTAL £'000
Regional Growth Fund	-13,144	13144			0
Broadband	-3,312	3312			0
North Farm, Longfield Road, Tunbridge Wells	-2,211	2211			0
Highway Major Maintenance	-1,771	1771			0
Empty Property Initiative	-1,368	1368			0
Thanet Park Way	-1,100	1100			0
Westwood Relief Strategy - Poorhole Lane	-892	892			0
Major Scheme - Preliminary Design Fees	-679	679			0
Street Lighting Column Replacement Scheme	-529	529			0
Rathmore Road Link	-504	504			0
Victoria Way	-484	484			0
Integrated Transport Scheme	-475	475			0
Marsh Millions	-467	467			0
A28 Chart Road, Ashford	-436	436			0
Sittingbourne Northern Relief Road	-416	416			0
Public Rights of Way	-284	284			0
Swale Transfer Station	-270	270			0
Folkeston Heritage Quarter	-268	268			0
Land compensation and Part 1 claims	-265	265			0
Escalate	-216	216			0
Regeneration Fund Projects	-212	212			0
Richborough Landfill site - Emergency Works	-200	200			0

Member Highway Fund	-169	169			0
Incubator Development	-165	165			0
Drovers Roundabout junction	-154	154			0
Village Halls & Community Centres	-146	146			0
Energy Reduction and Water Efficiency	-118	118			0
Management & Modernisation of Assets - Vehicles	-113	113			0
Library Modernisation Programme	-108	108			0
East Kent Access Phase 2	226	-226			0
No Use Empty - Rented Affordable Homes	408	-408			0
TIGER	827	-827			0
Total rephasing >£100k	-29,015	29,015	0	0	0
Other rephased projects <£100k	-171	171			0
TOTAL REPHASING	-29,186	29,186	0	0	0

Strategic & Corporate Services	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	TOTAL £'000
New Ways of Working	-4,427	4427			0
LIVE Margate	-1,093	1093			0
Modernisation of Assets	-776	776			0
Swanley Gateway	-194	194			0
Innovation Schemes Fund	-242	242			0
Electronic Document & Records Management (EDRM)	-124	124			0
		0			0
Total rephasing >£100k	-6,856	6,856	0	0	0
Other rephased projects <£100k	-310	310			0
TOTAL REPHASING	-7,166	7,166	0	0	0

	2014-15	2015-16	2016-17	2017-18	Total
TOTAL ALL DIRECTORATES	-72,621	72,611	10	0	0

SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES OVER £50K

Directorate	Project	2014-15	2015-16	Future Years	Funding	Description
		£'000	£'000	£'000		
Cash limit change due to revised external/grant funding availability:						
GET	No Use Empty - Rented Affordable Homes	300			Grant	Additional HCA funding.
GET	Public Rights of Way	106			Grant	Funding towards additional schemes on the PROW network.
GET	Public Rights of Way	54			External Other	Funding towards additional schemes on the PROW network.
S&CS	LIVE Margate	79			External Other	Additional funding
Cash limit change to cover overspends elsewhere in the capital programme:						
EYPS	Goat Lees Primary School	-233			Prudential	Underspend to be used for the Basic Need Programme in future years.
EYPS	Basic Need Programme 2013-15	233			Prudential	From Goat Lees Primary School above. To be rephased into 2015-16.
EYPS	Annual Planned Enhancement Programme	-210			Grant	Funding allocated for original planned kitchen works as part of the Universal Infant Free School Meals project.
EYPS	Universal Infant Free School Meals	210			Grant	From Annual Planned Enhancement Programme above.
EYPS	Unit Review	-206			Prudential	Underspend to be transferred to the Academy Unit Costs line for anticipated asbestos costs in 2015-16.
EYPS	Academy Unit Costs	206			Prudential	From Unit Review above. To be rephased into 2015-16.
EYPS	St John's/Kingsmead Primary School	-145			Grant	Reduction in additional roof costs to be transferred back to Annual Planned Enhancement Programme.
EYPS	Annual Planned Enhancement Programme	145			Grant	From St John's/Kingsmead Primary School above.

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EYPS	Modernisation - Future Years	-124			Grant	Underspend to be transferred to the Academy Unit Costs line for anticipated asbestos costs in 2015-16.
EYPS	Academy Unit Costs	124			Grant	From Modernisation - Future Years above. To be rephased into 2015-16.
EYPS	Unit Review	-60			Prudential	Underspend to fund additional project costs relating to car park works at Deal Youth Hub in 2015-16.
EYPS	Integrated Youth Service - Youth Hub Reprovision	60			Prudential	From Unit Review above. To be rephased into 2015-16.
SCH&W - Adults	Information Technology Projects	-129			Capital Receipt	Underspend due to lower estimate on Swift v29.1 to be transferred to OP Strategy to assist with funding PFI asbestos removal costs.
SCH&W - Adults	OP Strategy - Transformation / Modernisation	129			Capital Receipt	From Information Technology Projects above.
GET	Member Highway Fund	-134			Grant	Uncommitted member grant to be transferred to Highway Major Enhancement to cover final accounts of resurfacing contracts.
GET	Highway Major Enhancement	134			Grant	From Member Highway Fund above.
GET	No Use Empty - Rented Affordable Home	-100			Prudential	Underspend to be transferred to Marsh Millions.
GET	Marsh Millions	100			Prudential	From No Use Empty - Rented Affordable Homes above.
GET	Kent Library & History Centre	-95			Capital Receipt	Underspend on project to be transferred to fund future pressures within GET capital
GET	Library Modernisation Programme	95			Capital Receipt	From Kent History & Library Centre above to cover future pressures in the GET capital programme. To be rephased into 2015-16.

Cash limit change due to project underspends:

SCH&W - Childrens	MASH	-100			Grant	Underspend due to unrealised creditor.
GET	Integrated Transport Scheme	-199			Revenue	Fewer buses purchased than originally budgeted.
S&CS	Corporate Property Strategic Capital	-635			Grant	Full budget not required in 14-15.

Other cash limit changes:

EYPS	Annual Planned Enhancement Programme	-666			Grant	Transfer of funding from capital to revenue.
EYPS	Annual Planned Enhancement Programme	-53			Grant	Transfer of funding to Basic Need Programme 2013-15 for Schools Access Initiative works carried out as part of Basic Need Programme.
EYPS	Basic Need Programme 2013-15	53			Grant	Transferred from Annual Planned Enhancement Programme above.
EYPS	Wilmington Enterprise College	58			Grant	Banked grant to cover additional costs.
EYPS	South Early Intervention Team	59			Revenue	Contribution towards replacement laptops which have been capitalised.
EYPS	Isle of Sheppey Academy	228			Grant	Banked grant to cover additional costs.
SCH&W - Adults	OP Strategy - Transformation / Modernisation	281			Grant	Banked grant to cover additional PFI asbestos costs.
SCH&W - Adults	LD Good Day Programme - Community Hubs	-63			Grant	Transferred to LD Good Day Programme - Community Initiatives
SCH&W - Adults	LD Good Day Programme - Community Initiatives	63			Grant	From LD Good Day Programme - Community Hubs above.
GET	M20 Junction 10a	-1,000	-5,000	-28,100	Ex Other	Removal of budget as KCC no longer has a direct involvement in the scheme.
GET	M20 Junction 10a			-19,700	Grant	Removal of budget as KCC no longer has a direct involvement in the scheme.
GET	M20 Junction 10a			-16,200	Developer Contributions	Removal of budget as KCC no longer has a direct involvement in the scheme.

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GET	Highway Major Maintenance	116			Grant	Banked grant to cover additional costs.
S&CS	Modernisation of Assets	-728			Prudential	Works transferred to the New Ways of Working Programme
S&CS	New Ways of Working	728			Prudential	Transferred from Modernisation of Assets above.
S&CS	Enterprise Resource Programme	60			Revenue	Additional funding
S&CS	Disposal Costs	286			Capital receipts	Capital receipts to fund additional security costs.

2014-15 FINAL MONITORING OF KEY ACTIVITY INDICATORS**1. EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE****1.1 Number of schools with deficit budgets compared with the total number of schools:**

	2011-12	2012-13	2013-14	2014-15	2015-16
	as at 31-3-12	as at 31-3-13	as at 31-3-14	as at 31-3-15	projection
Total number of schools	497	463	449	412	400
Total value of school reserves	£59,088k	£48,124k	£45,730k	£54,009k	£53,049k
Number of deficit schools	7	8	18	8	12
Total value of deficits	£833k	£364k	£2,017k	£2,650k	£2,708k

Comments:

- The information on deficit schools for 2015-16 has been obtained from the schools 3 year plans completed in spring/early summer 2014-15 and shows 12 schools predicting a deficit at the end of year 2. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end but these only include information relating to the current year. Schools' Financial Services will be working with these 12 schools to reduce the risk of a deficit in 2015-16 and with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school. The next update on school deficits will be available for the quarter 1 report to Cabinet in September (from the schools 3 year plans completed in summer 2015).
- 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 has reduced by 37 overall in 2014-15. This movement is made up of 33 schools (2 secondary schools and 31 primary schools) converting to academies, 4 schools amalgamating to form 2 new schools and 2 schools closing. The number of schools is projected to reduce by a further 12 in 2015-16 due to further assumed conversions to academy status and school closures.
- The value of schools reserves has increased by £8,279k this financial year. This movement includes a net increase in the schools unallocated DSG reserve of £5,653k due to an underspend on the Early Years Education budget of £9,153k, a pressure on high needs education of £2,428k and a net drawdown from the schools unallocated reserve of £1,072k for schools related items. There is also an increase in schools reserves of £2,626k, which includes a drawdown of £2,370k relating to 33 schools converting to academy status and 2 school closures and an increase in the balances of the remaining Kent schools of £4,996k.

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

	2012-13				2013-14				2014-15				2015-16	
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream		SEN	Main-stream
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr	3,993	4,055	17,342	16,757	3,934	4,145	14,667	14,119	3,808	4,051	12,493	11,400	3,752	9,866
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	3,752	9,866
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	3,752	9,866
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	3,752	9,866
Aug	0	0	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	3,725	12,493	8,969	3,752	9,866
Oct	3,993	4,009	17,342	13,844	3,934	3,981	14,667	11,258	3,808	3,785	12,493	9,123	3,752	9,866
Nov	3,993	4,068	17,342	13,925	3,934	4,010	14,667	11,267	3,808	3,826	12,493	9,237	3,752	9,866
Dec	3,993	4,107	17,342	13,960	3,934	4,021	14,667	11,296	3,808	3,816	12,493	9,220	3,752	9,866
Jan	3,993	4,139	17,342	13,985	3,934	4,037	14,667	11,314	3,808	3,853	12,493	9,258	3,752	9,866
Feb	3,993	4,146	17,342	14,029	3,934	4,086	14,667	11,368	3,808	3,885	12,493	9,357	3,752	9,866
Mar	3,993	4,157	17,342	14,051	3,934	4,041	14,667	11,375	3,808	3,899	12,493	9,388	3,752	9,866

Comments:

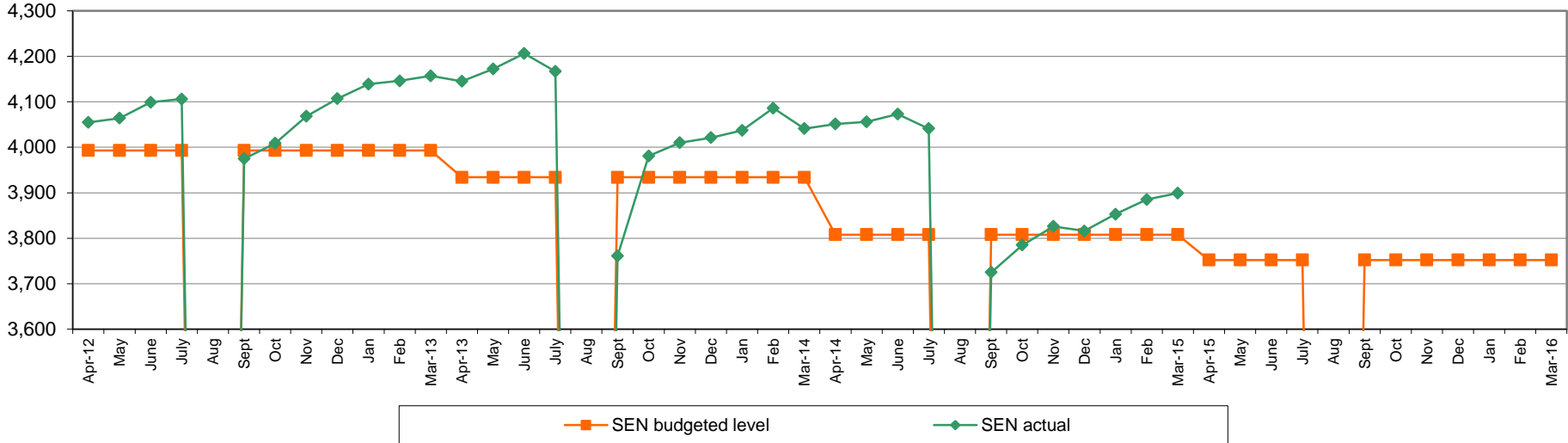
SEN HTST

- The number of children travelling was higher than the budgeted level for the summer term and although numbers reduced at the start of the autumn term, they have increased again as the academic year develops. There are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel.
- There is therefore a pressure of +£2,113k relating to this activity, which is offset by £465k recoupment income from other Local Authorities for transport of their pupils to Kent schools.
- Recent changes in the commissioning of SEN transport, where some special schools/PRUs and pupils are given an allocation to provide their own transport, mean that these journeys are not included within the numbers travelling from September 2014. The 2014-15 budgeted level in the table above has not been adjusted to reflect this change from September 2014, the equivalent budgeted level after adjusting for this would be 3,635 and is comparable to the 3,752 budgeted level for 2015-16.

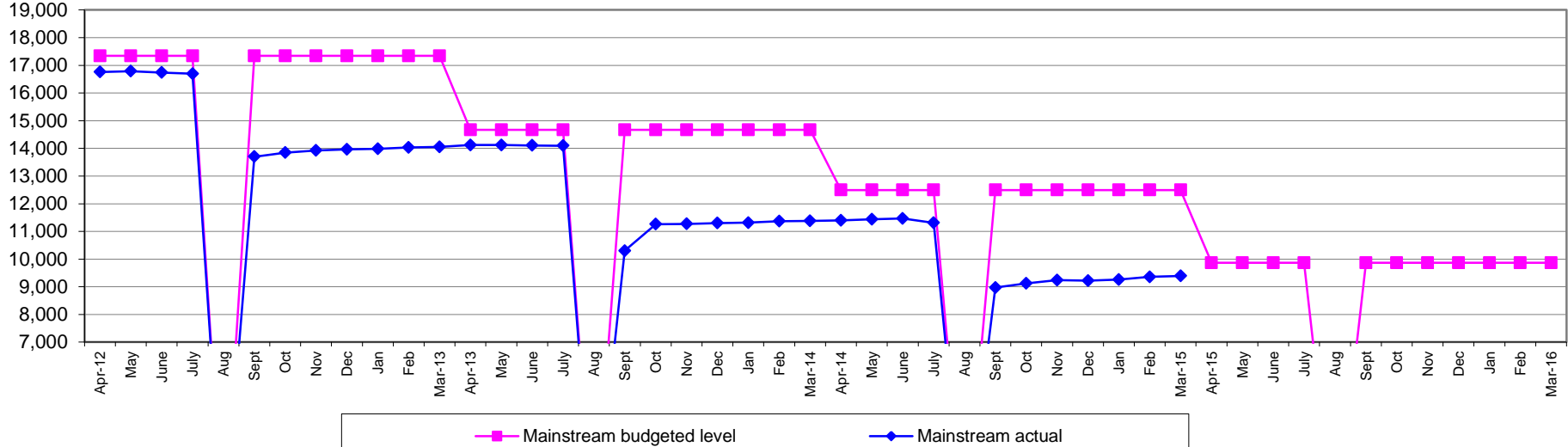
Mainstream HTST

- The number of children receiving transport is lower than the budgeted level resulting in an underspend of -£1,594k. During the 2014-15 academic year the secondary aged population is at its lowest and will begin to increase as the rise in the birth rate moves through the primary sector into the secondary sector in future years.

Number of children receiving assisted SEN transport to school



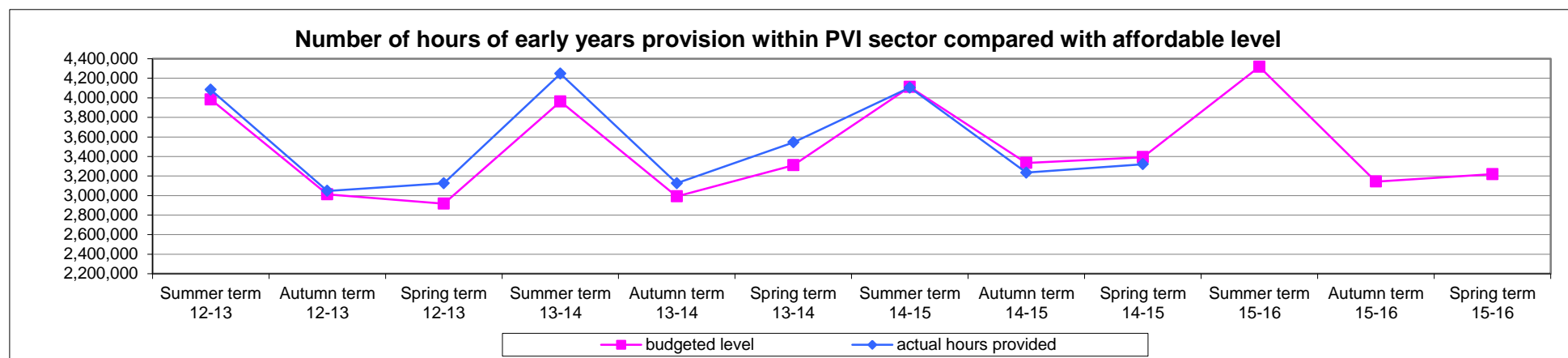
Number of children receiving assisted Mainstream transport to school



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

	2012-13		2013-14		2014-15		2015-16
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided *	Budgeted number of hours
Summer term	3,982,605	4,082,870	3,961,155	4,247,461	4,110,576	4,104,576	4,316,888
Autumn term	3,012,602	3,048,035	2,990,107	3,126,084	3,333,465	3,234,394	3,141,829
Spring term	2,917,560	3,125,343	3,310,417	3,543,567	3,392,138	3,320,479	3,218,523
TOTAL	9,912,767	10,256,248	10,261,679	10,917,112	10,836,179	10,659,449	10,677,240

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



Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The Dedicated School Grant was adjusted in the quarter 2 report to reflect January 2014 pupil numbers and again in this report to reflect January 2015 pupil numbers and the affordable number of hours have been uplifted accordingly. Actual hours are less than budgeted leading to an underspend of -£750k. 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.

2. SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE - SPECIALIST CHILDREN'S SERVICES

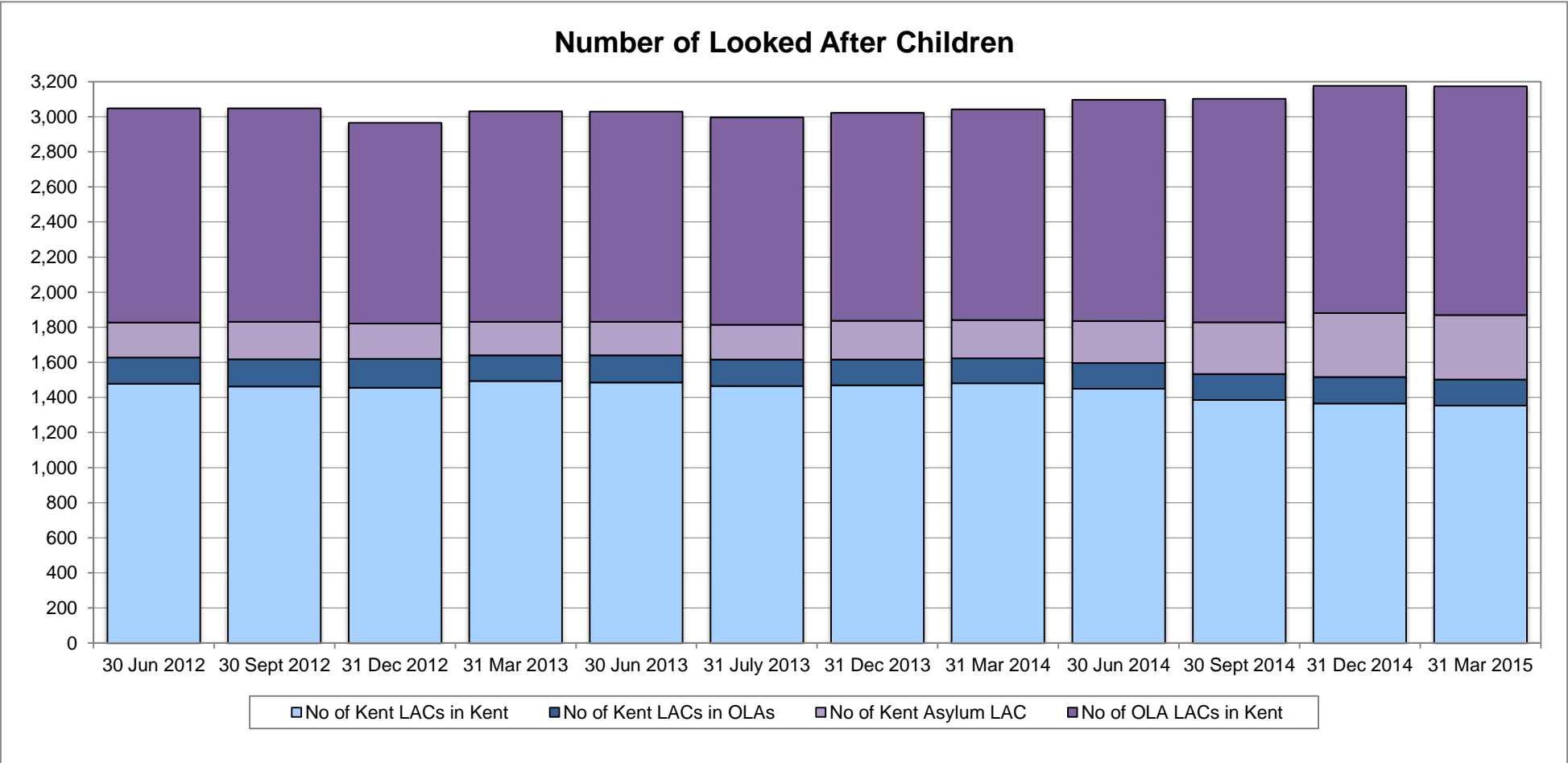
2.1 Number of Looked After Children (LAC) :

		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	1,385	148	1,533	296	1,829	1,273	3,102
	31-Dec	1,365	152	1,517	364	1,881	1,296	3,177
	31-Mar	1,354	148	1,502	368	1,870	1,303	3,173

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 (excluding Asylum) has reduced by a further 15 since quarter 3, and by 122 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 and unachievable savings, this pressure primarily relates to non-LAC headings such as staffing.
- The OLA LAC information has a confidence rating of 72% 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.

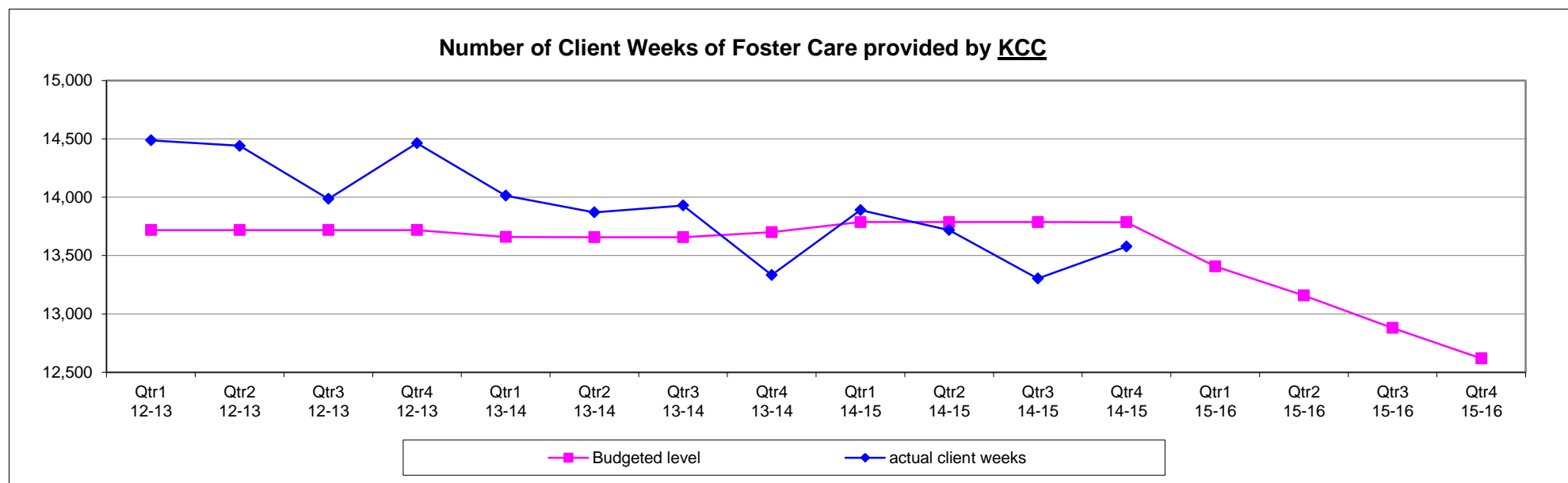
- This information on number of Looked After Children is provided by the Management Information Unit within SCH&W directorate.
- **These numbers include Looked After Children as a result of special operations**

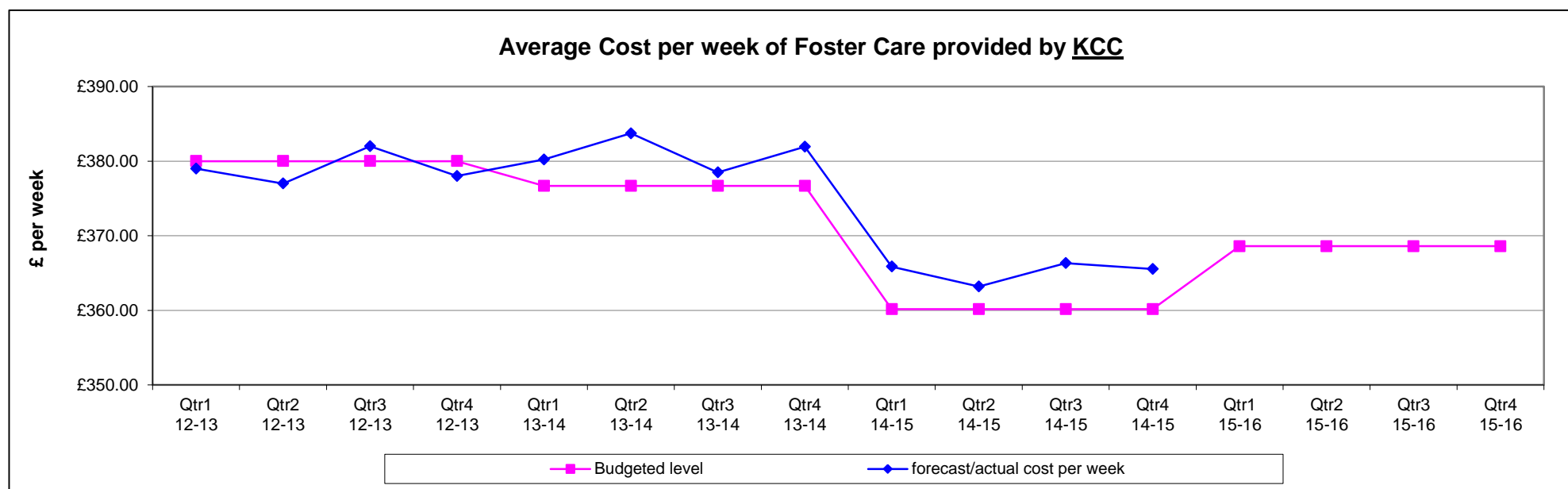


2.2 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC (excluding Asylum):

	2012-13				2013-14				2014-15				2015-16	
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks	Average cost per client week
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr to Jun	13,718	14,487	£380	£379	13,659	14,014	£376.67	£380.22	13,787	13,889	£360.14	£365.85	13,408	£368.59
Jul to Sept	13,718	14,440	£380	£377	13,658	13,871	£376.67	£383.72	13,787	13,719	£360.14	£363.19	13,158	£368.59
Oct to Dec	13,718	13,986	£380	£382	13,658	13,929	£376.67	£378.50	13,787	13,304	£360.14	£366.33	12,880	£368.59
Jan to Mar	13,718	14,462	£380	£378	13,700	13,334	£376.67	£381.94	13,786	13,577	£360.14	£365.54	12,619	£368.59
	54,872	57,375	£380	£378	54,675	55,148	£376.67	£381.94	55,147	54,489	£360.14	£365.54	52,065	£368.59

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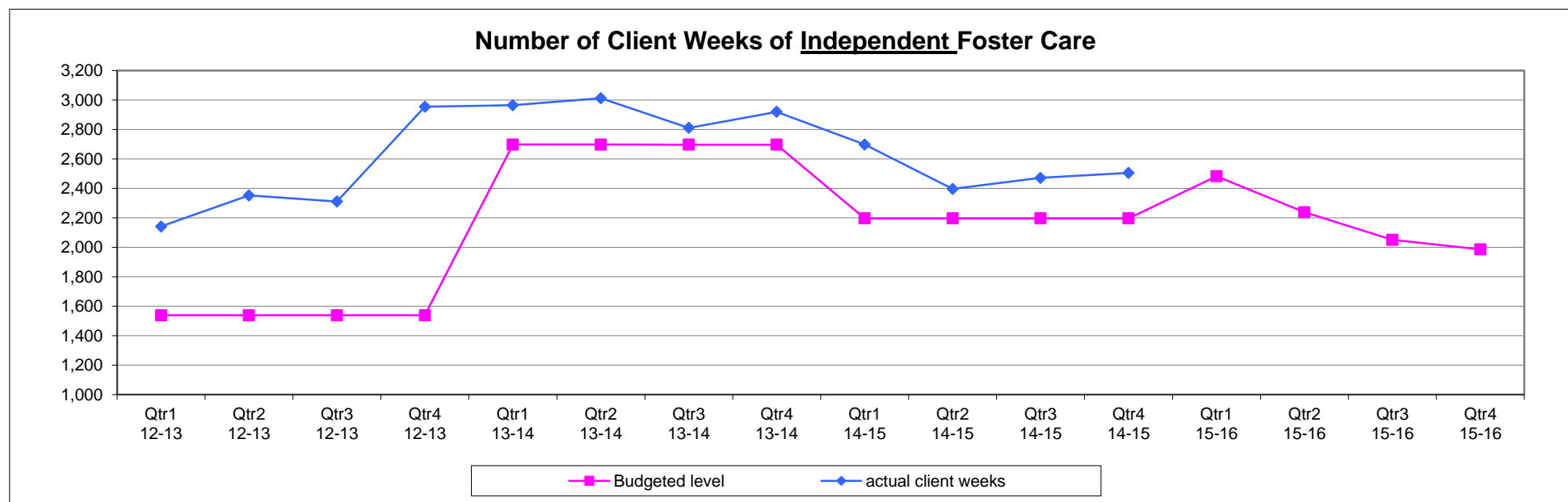
Comments:

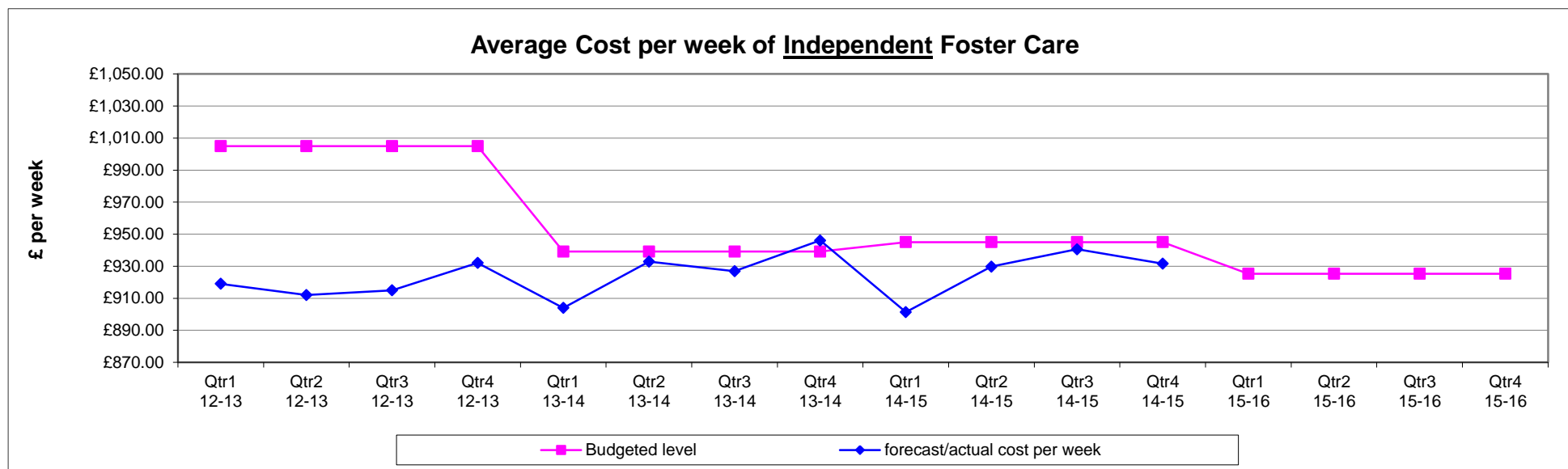
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the affordable weekly cost.
- The 2014-15 budgeted level has changed from what was reported to Cabinet on 7 July in the 2013-14 outturn report, reflecting the realignment of budgets reported to Cabinet on 15 September.
- The outturn position (excluding asylum) is 54,489 weeks of care against an affordable level of 55,147, a difference of -658 weeks. Using the outturn unit cost of £365.54, this lower activity reduces the outturn position by -£241k.
- The outturn unit cost of +£365.54 is higher than the affordable cost of +£360.14 and this difference of +£5.40 adds +£298k to the position when multiplied by the affordable weeks.
- Overall therefore, the combined gross underspend on this service is +£57k (-£241k +£298k).
- **Special Operations activity in 2014-15 of 400 weeks at £350.22 per week is excluded from this activity indicator.**
- The sharp reduction in the budgeted number of weeks for 2015-16 reflects the allocation of savings to this service in line with the transformation programme. Whilst the savings programme does include a projected increase in numbers being placed in in-house provision rather than the independent sector, this is more than offset by projected reductions in overall numbers from demand management saving streams. Due to the scale of the change, it is possible that revisions to this profile could be required in order to best reflect the most up to date information on the progress of changes within transformation plans. Any such changes will be requested in the first full monitoring report to Cabinet in September and consequently the affordable levels will be amended accordingly.

2.3 Number of Client Weeks & Average Cost per Client Week of Independent Foster Care (excluding Asylum):

	2012-13				2013-14				2014-15				2015-16	
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks	Average cost per client week
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr to Jun	1,538	2,141	£1,005	£919	2,697	2,964	£939.19	£904.01	2,197	2,697	£945.07	£901.37	2,482	£925.33
Jul to Sept	1,538	2,352	£1,005	£912	2,697	3,012	£939.19	£932.83	2,197	2,396	£945.07	£929.73	2,238	£925.33
Oct to Dec	1,538	2,310	£1,005	£915	2,696	2,810	£939.19	£926.83	2,197	2,471	£945.07	£940.61	2,050	£925.33
Jan to Mar	1,538	2,953	£1,005	£932	2,696	2,919	£939.19	£946.08	2,197	2,504	£945.07	£931.60	1,985	£925.33
	6,152	9,756	£1,005	£932	10,786	11,705	£939.19	£946.08	8,788	10,068	£945.07	£931.60	8,755	£925.33

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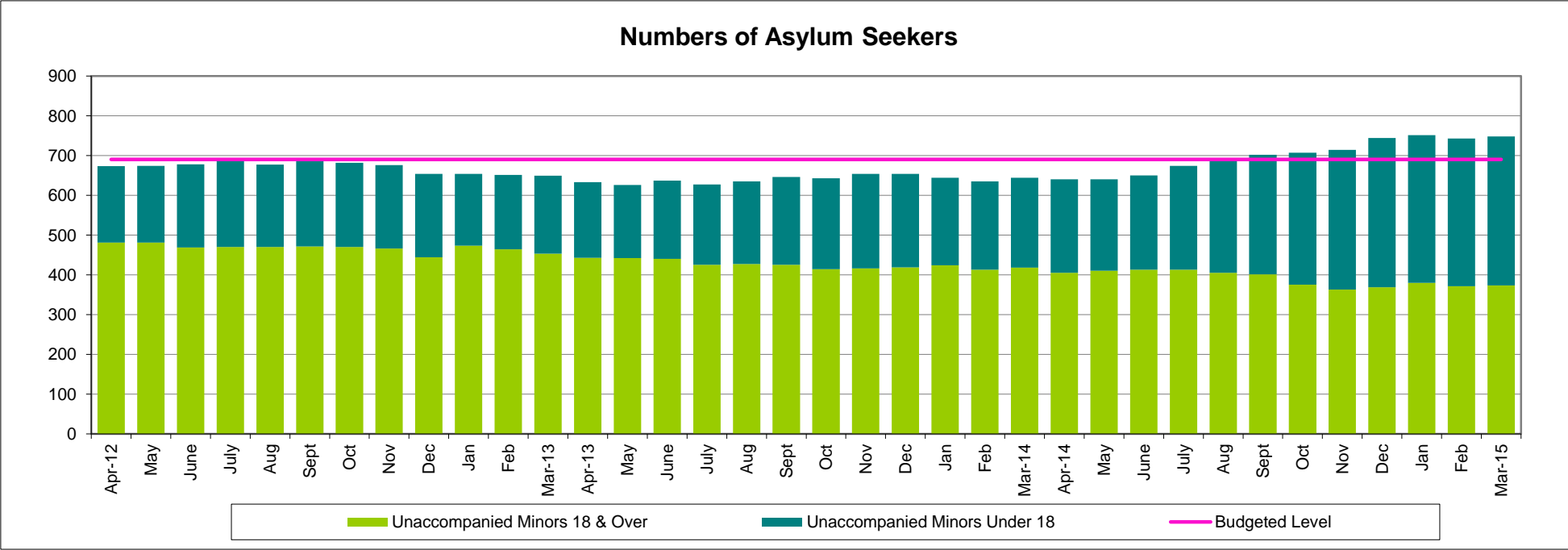
Comments:

- 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 to Cabinet on 15 September.
- The outturn position is 10,068 weeks (excluding asylum) against an affordable level of 8,788, a difference of +1,280 weeks. Using the outturn unit cost of £931.60, this additional activity increases the outturn by +£1,192k.
- The outturn unit cost of +£931.60 is lower than the affordable cost of +£945.07 and this difference of -£13.47 reduces the position by -£118k when multiplied by the affordable weeks.
- Overall therefore, the combined gross underspend on this service is +£1,074k (+£1,192k -£118k).
- The outturn average unit cost of £931.60 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 in 2014-15 of 39 weeks at £1,020.51 per week is excluded from this activity indicator.**
- The sharp reduction in the budgeted number of weeks for 2015-16 reflects the allocation of savings to this service in line with the transformation programme. This includes a projected reduction in numbers placed in the independent sector, with placements made within in-house provision instead, but also projected reductions in overall numbers from demand management saving streams. Due to the scale of the change it is possible that revisions to this profile could be required in order to best reflect the most up to date information on the progress of changes within transformation plans. Any such changes will be requested in the first full monitoring report to Cabinet in September and consequently the affordable levels will be amended accordingly.

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	235	405	640
May	193	481	674	184	442	626	230	410	640
Jun	209	469	678	197	440	637	237	413	650
Jul	217	470	687	202	425	627	261	413	674
Aug	207	470	677	208	427	635	282	405	687
Sep	215	471	686	221	425	646	301	401	702
Oct	212	470	682	229	414	643	332	375	707
Nov	210	466	676	238	416	654	351	363	714
Dec	210	444	654	235	419	654	375	369	744
Jan	181	473	654	220	424	644	371	380	751
Feb	187	464	651	222	413	635	372	371	743
Mar	196	453	649	226	418	644	375	373	748

Please also note: The 2014-15 figures were revised in the quarter 3 report from those shown in previous reports following a change in the methodology used. UASC are now only included when their Looked After Child (LAC) status has formally commenced.



Comments:

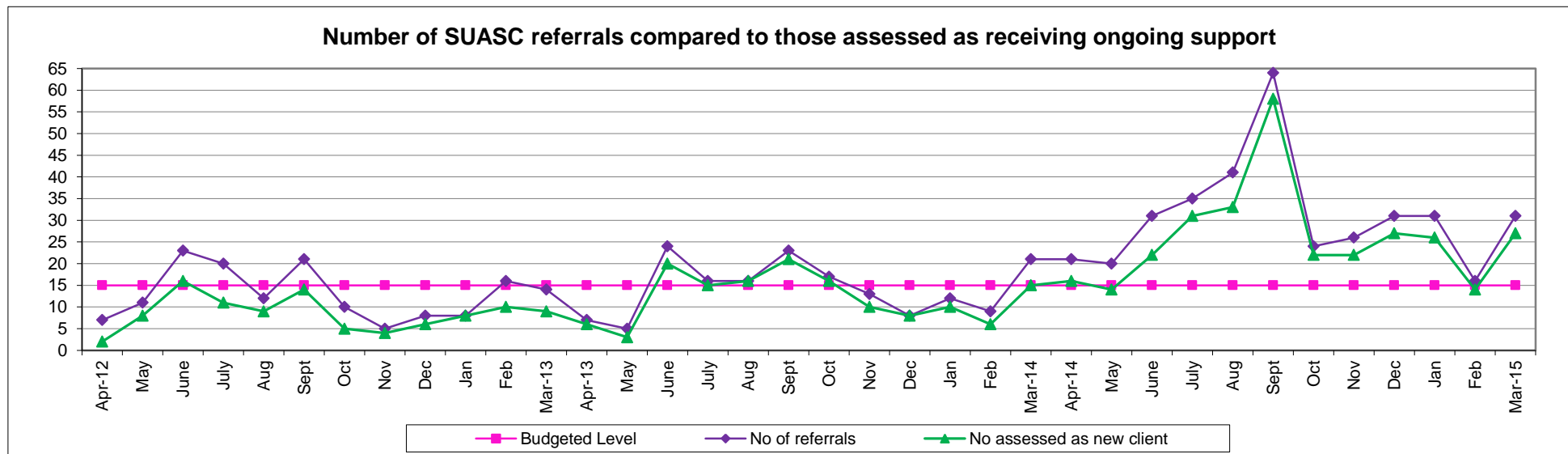
- There is an increasing trend in the overall number of children, with numbers over the last 4 months at the highest level they have been since August 2011. The current number of clients supported is above the budgeted level of 690.
- The budgeted number of referrals for 2014-15 is 15 per month, with 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.
- Referrals are increasing, (see section 2.5 below), and as a result the number of UASC is increasing. Currently this increase is within the under 18 category for whom we are fully funded, however as these children grow up, this is likely to lead to an increase in asylum seekers aged 18 and over for whom, under the current grant rules, we are underfunded. This could potentially lead to a funding problem in the future, unless the grant rules 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%	21	16	76%
May	11	8	73%	5	3	60%	20	14	70%
Jun	23	16	70%	24	20	83%	31	22	71%
Jul	20	11	55%	16	15	94%	35	31	89%
Aug	12	9	75%	16	16	100%	41	33	80%
Sep	21	14	67%	23	21	91%	64	58	91%
Oct	10	5	50%	17	16	94%	24	22	92%
Nov	5	4	80%	13	10	77%	26	22	85%
Dec	8	6	75%	8	8	100%	31	27	87%
Jan	8	8	100%	12	10	83%	31	26	84%
Feb	16	10	63%	9	6	67%	16	14	88%
Mar	14	9	64%	21	15	71%	31	27	87%
	155	102	66%	171	146	85%	371	312	84%

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.

The 2014-15 figures were revised in the quarter 3 report from those shown in previous reports following a change in the methodology used. UASC are now only included when their Looked After Child (LAC) status has formally commenced.



Comments:

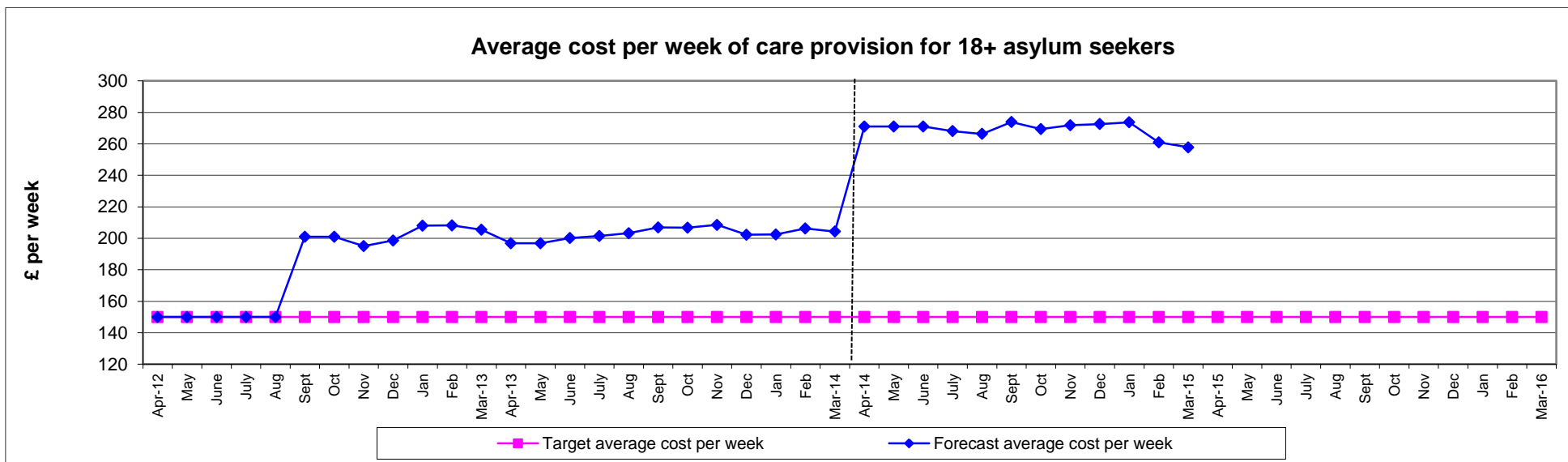
- The average number of referrals per month is 31, which is above the budgeted number of 15 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average proportion assessed as new clients in 2014-15 is 84%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 26 i.e. 189% higher.
- 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.
- Please note that due to the time taken to validate referrals on the database, the number of new clients and number of referrals for any given month may change, therefore the activity data is refreshed in each report to provide the most up to date information.

	2012-13		2013-14		2014-15		2015-16
	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	Target average weekly cost £
Apr	150	150.00	150	196.78	150	271.10	150
May	150	150.00	150	196.78	150	271.10	150
Jun	150	150.00	150	200.18	150	271.10	150
Jul	150	150.00	150	201.40	150	268.15	150
Aug	150	150.00	150	203.29	150	266.33	150
Sep	150	200.97	150	206.92	150	273.87	150
Oct	150	200.97	150	206.74	150	269.47	150
Nov	150	195.11	150	208.51	150	271.85	150
Dec	150	198.61	150	202.25	150	272.56	150
Jan	150	208.09	150	202.49	150	273.75	150
Feb	150	208.16	150	206.24	150	260.94	150
Mar	150	205.41	150	204.27	150	257.79	150

The current forecast average weekly cost for 2014-15 is £257.79, +£107.79 above the £150 claimable under the grant rules. This adds +£2,014k to the forecast outturn position for eligible clients under the grant rules for which we have a cash limit of £280k, giving a variance of +£1,734k. In addition, this adds +£658k to the forecast outturn position for ineligible clients, including All Rights Exhausted Clients and over 21's not in Education.

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+.

A dotted line has therefore been added to the graph to show that the unit costs pre and post April 2014 are not directly comparable.



Comments:

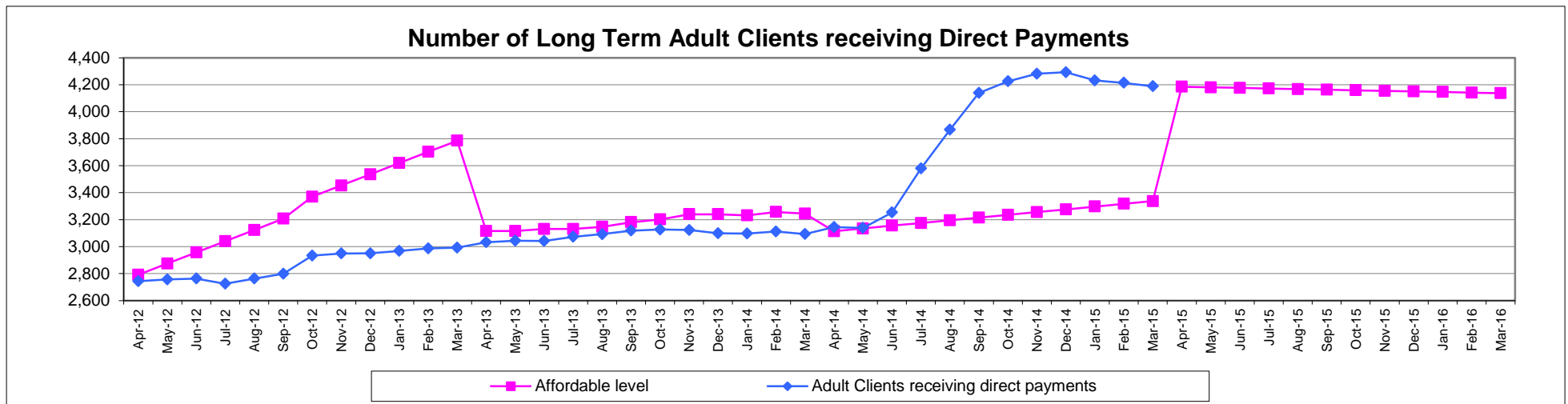
- The reduction in unit cost between January and February 15 follows a restructure of the service that took place at the start of December to bring Asylum support alongside mainstream care. Following this restructure a data cleansing exercise was performed which revealed a number of elements that required revision, including changes to anticipated weekly costs for those in independent accommodation and a reassessment of the level of void placements. In addition, the amount paid via the Essential Living Allowance has reduced, which is likely to be in part due to ongoing work to improve take-up of benefits for those able to claim them.
- 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. SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE - ADULT SERVICES

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

	2012-13			2013-14			2014-15			2015-16
	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients
Apr	2,791	2,744	169	3,116	3,032	164	3,114	3,145	216	4,185
May	2,874	2,756	147	3,116	3,043	169	3,134	3,139	160	4,180
Jun	2,957	2,763	133	3,130	3,042	120	3,155	3,253	184	4,176
Jul	3,040	2,724	156	3,130	3,072	173	3,175	3,579	215	4,172
Aug	3,123	2,763	167	3,147	3,092	158	3,195	3,866	200	4,168
Sep	3,207	2,799	147	3,181	3,118	134	3,215	4,139	209	4,163
Oct	3,370	2,933	185	3,201	3,127	179	3,235	4,225	204	4,159
Nov	3,453	2,949	119	3,240	3,123	144	3,256	4,281	167	4,155
Dec	3,536	2,950	109	3,240	3,098	159	3,276	4,292	115	4,150
Jan	3,619	2,967	117	3,231	3,097	176	3,297	4,232	135	4,146
Feb	3,702	2,986	127	3,257	3,112	135	3,317	4,214	128	4,142
Mar	3,785	2,992	105	3,244	3,093	121	3,337	4,189	144	4,138
			1,681			1,832			2,077	

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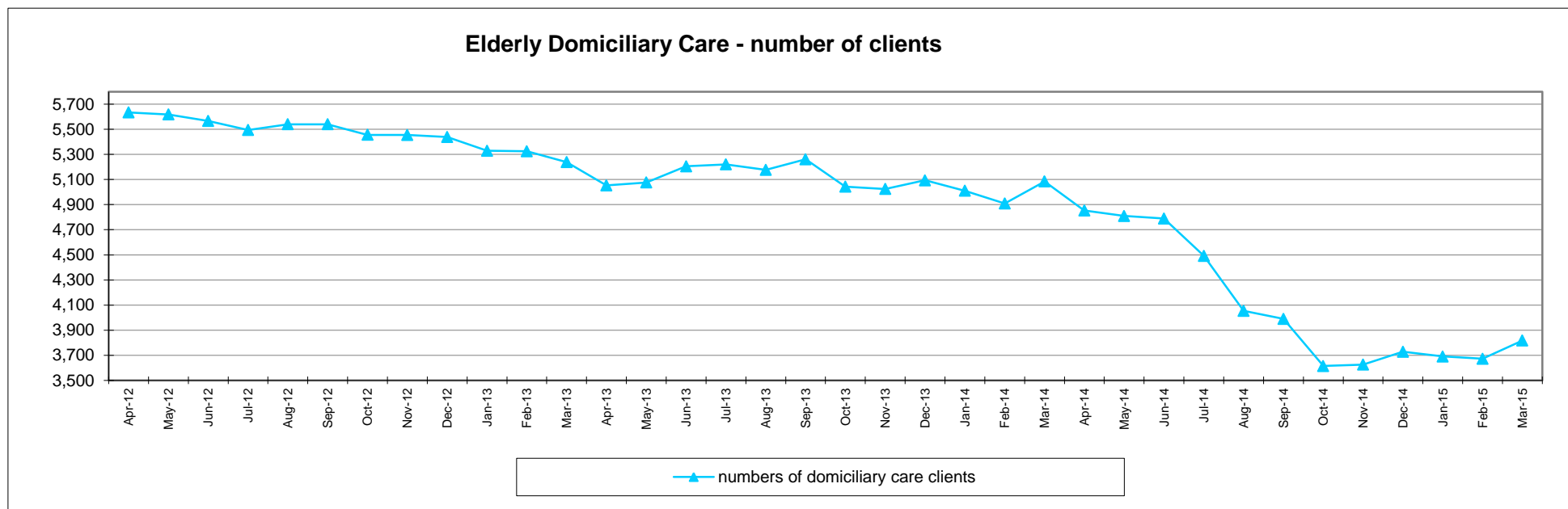
Comments:

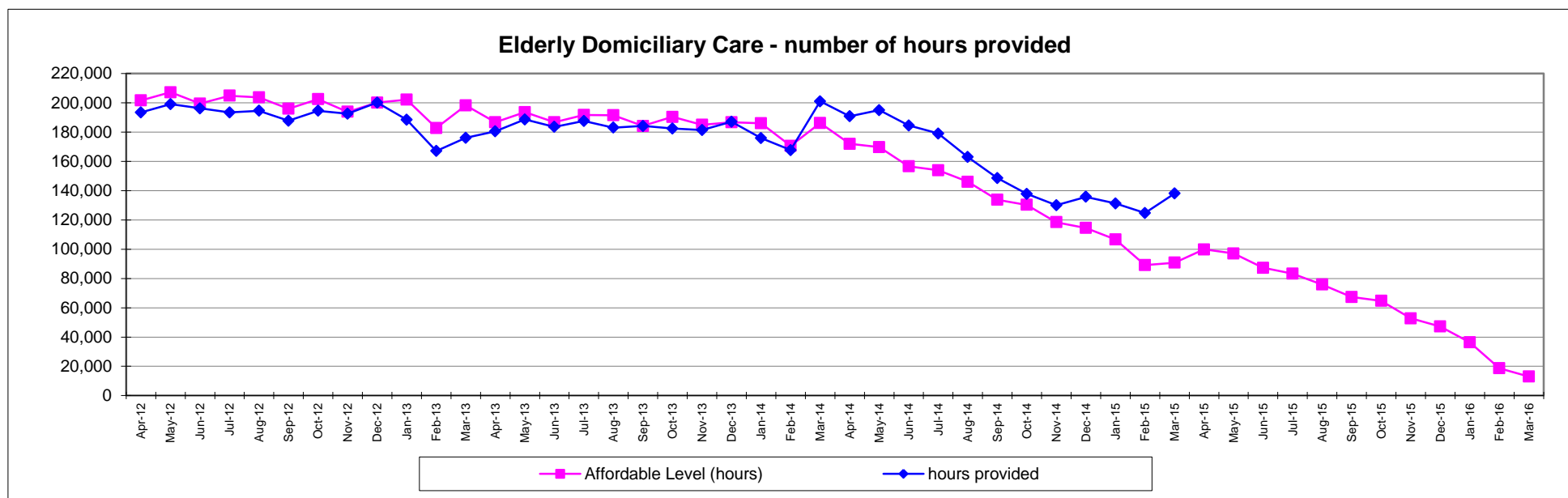
- The presentation of activity being reported for direct payments changed in the 2012-13 Q2 report in order to separately identify long term clients in receipt of direct payments as at the end of the month, plus the number of one-off payments made during the month. Please note a long term client in receipt 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 year to date activity data is refreshed in each report to provide the most up to date information.
- The increase in client numbers between June and December is predominately due to clients who previously received domiciliary care transferring to direct payments during the domiciliary contract re-let because they wanted to remain with their existing service provider (these direct payments are made at the new lower domiciliary care re-let rate).
- The outturn for 2014-15 reflects a pressure against the direct payments budget as a result of the significant increase in client numbers receiving long term direct payments. This position is partially offset by lower than budgeted unit costs and recoveries of unspent funds from clients. The overall effect of these factors is a pressure of £6,426.7k against the overall direct payments budget for all client groups.
- The 2015-16 budget has been realigned to reflect the transfer of clients from domiciliary care to direct payments following the domiciliary contract re-let.

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

	2012-13			2013-14			2014-15			2015-16
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)
Apr	201,708	193,451	5,635	186,809	180,585	5,053	171,979	190,804	4,853	99,903
May	207,244	199,149	5,619	193,717	188,656	5,077	169,813	195,051	4,810	97,051
Jun	199,445	196,263	5,567	186,778	183,621	5,206	156,692	184,572	4,789	87,337
Jul	204,905	193,446	5,494	191,791	187,621	5,221	154,016	179,105	4,492	83,302
Aug	203,736	194,628	5,540	191,521	183,077	5,178	146,118	163,006	4,054	75,868
Sep	196,050	187,749	5,541	184,242	184,208	5,262	133,761	148,649	3,989	67,407
Oct	202,490	194,640	5,456	190,446	182,503	5,044	130,322	137,790	3,614	64,777
Nov	193,910	192,555	5,455	185,082	181,521	5,025	118,474	130,108	3,625	52,778
Dec	200,249	200,178	5,439	186,796	187,143	5,094	114,525	135,832	3,727	47,202
Jan	202,258	188,501	5,329	186,006	175,916	5,011	106,627	131,261	3,690	36,369
Feb	182,820	167,163	5,326	170,695	167,774	4,909	89,174	124,714	3,672	18,640
Mar	198,277	176,091	5,239	186,184	201,069	5,085	90,829	138,077	3,817	13,052
	2,393,092	2,283,814		2,240,067	2,203,694		1,582,330	1,858,968		743,688

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Comments:

- Figures exclude services commissioned from the Kent Enablement At Home Service.
- Client numbers reduced significantly between May and December. This reduction is offset by an increase in clients receiving Direct Payments (see section 2.1 above). This is predominately because following the domiciliary care contract re-let, some clients wanted to remain with their existing providers, so have chosen to take a Direct Payment instead.
- The outturn position is 1,858,968 hours of care against an affordable level of 1,582,330, a difference of +276,638 hours. Using the outturn unit cost of £14.20, this additional activity shows a variance of +£3,928k.
- The budgeted level assumed a continual reduction in client numbers in line with transformation plans and previous years' trends. Actual activity shows that the number of hours provided has fallen at a lower rate than originally budgeted, reflecting an increase in demand for this service. The budgeted level was based on the outcomes of the various savings streams within the Transformation Programme, however any fluctuations from the assumptions made within the profile of the affordable level are reflected in the profile of the actual numbers of hours provided. An example of this is that the transfer of domiciliary clients to a new contract took longer than initially planned, leading to a delay in delivery of budgeted savings on this service.

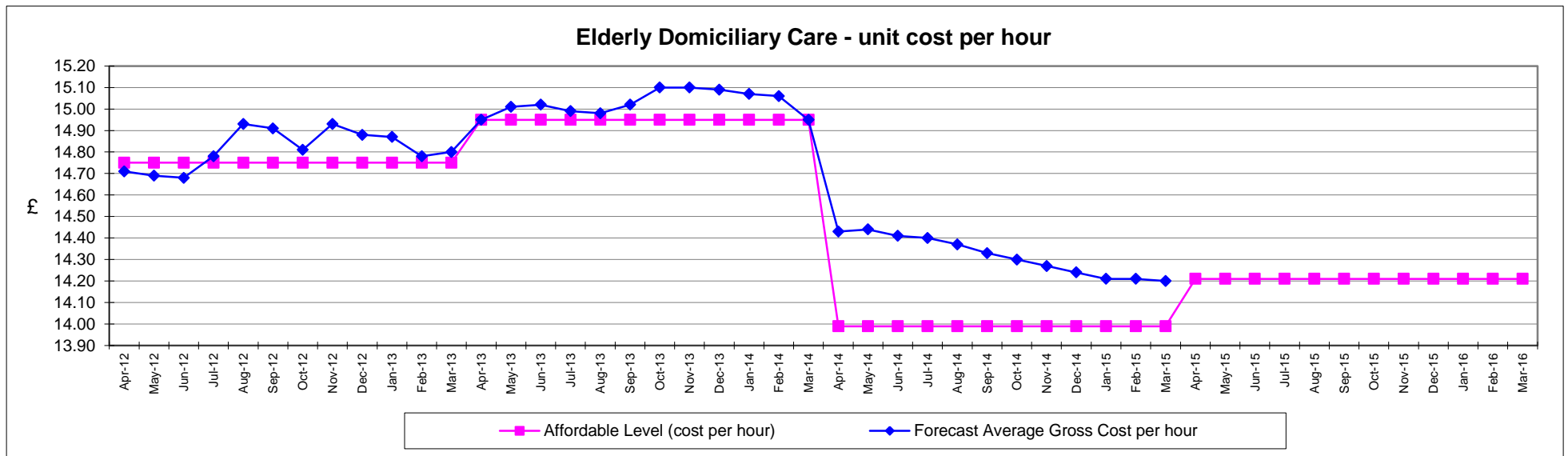
- Domiciliary for all client groups are volatile budgets, with the number of people receiving domiciliary care decreasing over the past few years as a result of the implementation of Self Directed Support (SDS). This is being compounded by a shift in trend towards take up of the enablement service. However, 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 actual average hours per client per week is 8.7 compared to 8.8 as at January and 9.0 as at quarter 2, so as expected, we have now started to see the average hours per client per week slowly decline as certain transformation savings are reducing the package per client per week. For example, greater use of enablement services and installation of telecare should both reduce requirements for hours per client.
- The transformational changes which are affecting the domiciliary expenditure have created some uncertainty with this service during 2014-15. Extensive work is ongoing to understand the impact of the higher than expected activity levels on the 2015-16 budget, including explorative work to ascertain whether there are other possible pressure areas within this service which are counteracting the delivery of transformation savings, and which might explain an overall increase in client numbers since November. All other areas of expenditure within Older People and Physical Disability were considered for efficiencies and re-phasing, to help mitigate against the pressure on this budget, and as a result of this, the overall pressure reported for Adult Social Services is lower than it would otherwise have been.
- The affordable level for 2015-16 reflects both the full year effect of phase 1 transformation changes, along with further reductions in relation to the phase 2 transformation programme. Please note, work is ongoing to confirm the phasing of this second tranche of savings and the affordable level will be updated to reflect this in the 2015-16 quarter 1 monitoring report, to be reported to Cabinet in September.

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

	2012-13		2013-14		2014-15		2015-16
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p
Apr	14.75	14.71	14.95	14.95	13.99	14.43	14.21
May	14.75	14.69	14.95	15.01	13.99	14.44	14.21
Jun	14.75	14.68	14.95	15.02	13.99	14.41	14.21
Jul	14.75	14.78	14.95	14.99	13.99	14.40	14.21
Aug	14.75	14.93	14.95	14.98	13.99	14.37	14.21
Sep	14.75	14.91	14.95	15.02	13.99	14.33	14.21
Oct	14.75	14.81	14.95	15.10	13.99	14.30	14.21
Nov	14.75	14.93	14.95	15.10	13.99	14.27	14.21
Dec	14.75	14.88	14.95	15.09	13.99	14.24	14.21
Jan	14.75	14.87	14.95	15.07	13.99	14.21	14.21
Feb	14.75	14.78	14.95	15.06	13.99	14.21	14.21
Mar	14.75	14.80	14.95	14.95	13.99	14.20	14.21

Comments:

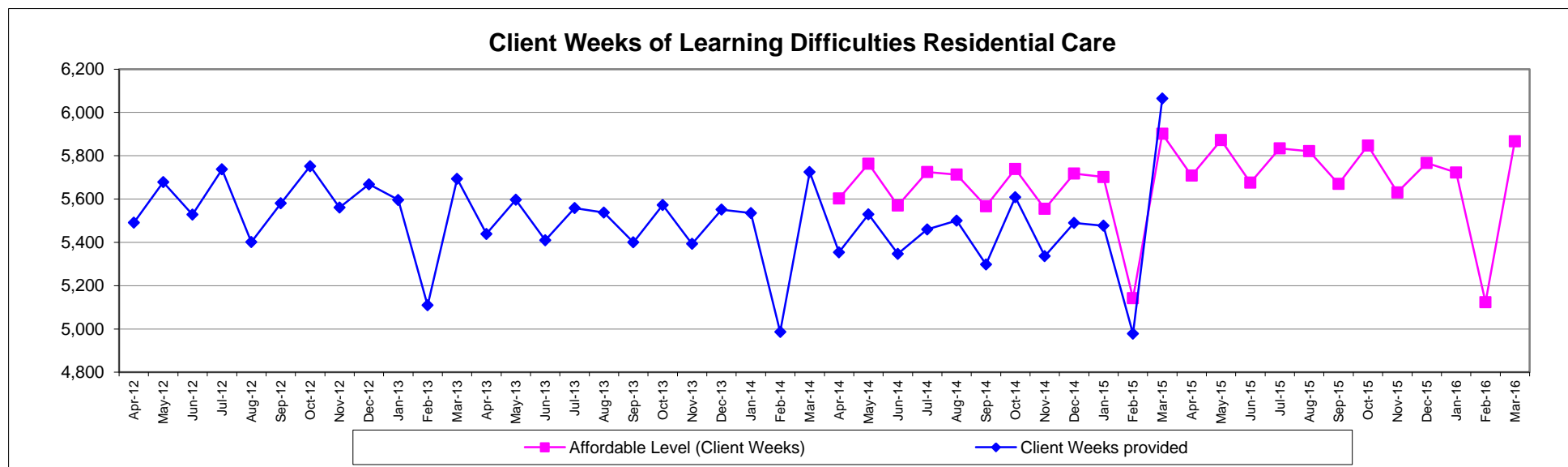
- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The outturn unit cost of +£14.20 is higher than the affordable cost of +£13.99 and this difference of +£0.21 adds +£332k to the position when multiplied by the affordable hours.
- The affordable unit cost for 2015-16 reflects the result of the domiciliary re-let process undertaken during 2014-15 along with an estimated price uplift. This affordable level will be updated once the 2015-16 price uplift has been agreed.



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

	2012-13	2013-14	2014-15		2015-16
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)
Apr	5,491	5,439	5,603	5,354	5,708
May	5,678	5,597	5,763	5,529	5,872
Jun	5,528	5,410	5,570	5,347	5,676
Jul	5,737	5,558	5,725	5,460	5,834
Aug	5,401	5,538	5,713	5,500	5,821
Sep	5,580	5,400	5,566	5,298	5,670
Oct	5,752	5,572	5,739	5,608	5,847
Nov	5,561	5,393	5,555	5,336	5,631
Dec	5,668	5,551	5,718	5,490	5,767
Jan	5,596	5,535	5,702	5,477	5,722
Feb	5,109	4,986	5,142	4,978	5,123
Mar	5,693	5,724	5,901	6,064	5,867
	66,794	65,703	67,697	65,441	68,538

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 provide 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.



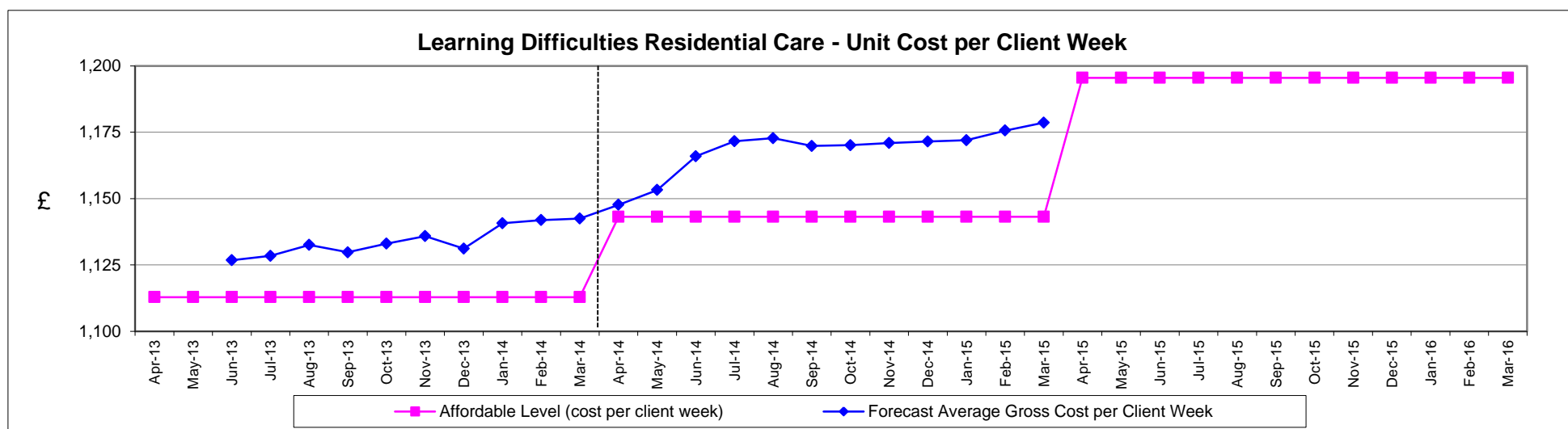
Comments:

- 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 2014-15 it was 1,258. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The outturn activity is 65,441 weeks of care against an affordable level of 67,697, a difference of -2,256 weeks. Using the forecast unit cost of £1,178.59, this shows as a variance of -£2,659k.
- The 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.
- The activity for March 2015 shows a higher level of activity than previous months, but is in line with previous forecasts. This increase relates to a number of transitional and provisional clients with associated backdated activity. Activity for these clients, by necessity, needs to be backdated due to bespoke contracts that had to be agreed individually with providers.
- The affordable level for 2015-16 reflects the anticipated reduction resulting from the Phase 2 transformation programme. Please note, work is ongoing to confirm the phasing of this programme and the affordable level will be updated to reflect this phasing in the 2015-16 quarter 1 monitoring report, to be reported to Cabinet in September.

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

	2012-13	2013-14		2014-15		2015-16
	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	Affordable Level (Cost per Week) £p
Apr		1,112.86		1,143.16	1,147.62	1,195.48
May		1,112.86		1,143.16	1,153.21	1,195.48
Jun		1,112.86	1,126.76	1,143.16	1,165.91	1,195.48
Jul		1,112.86	1,128.39	1,143.16	1,171.61	1,195.48
Aug		1,112.86	1,132.54	1,143.16	1,172.74	1,195.48
Sep		1,112.86	1,129.75	1,143.16	1,169.82	1,195.48
Oct		1,112.86	1,133.04	1,143.16	1,170.10	1,195.48
Nov		1,112.86	1,135.86	1,143.16	1,170.90	1,195.48
Dec		1,112.86	1,131.13	1,143.16	1,171.47	1,195.48
Jan		1,112.86	1,140.70	1,143.16	1,171.99	1,195.48
Feb		1,112.86	1,141.90	1,143.16	1,175.62	1,195.48
Mar		1,112.86	1,142.45	1,143.16	1,178.59	1,195.48

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.



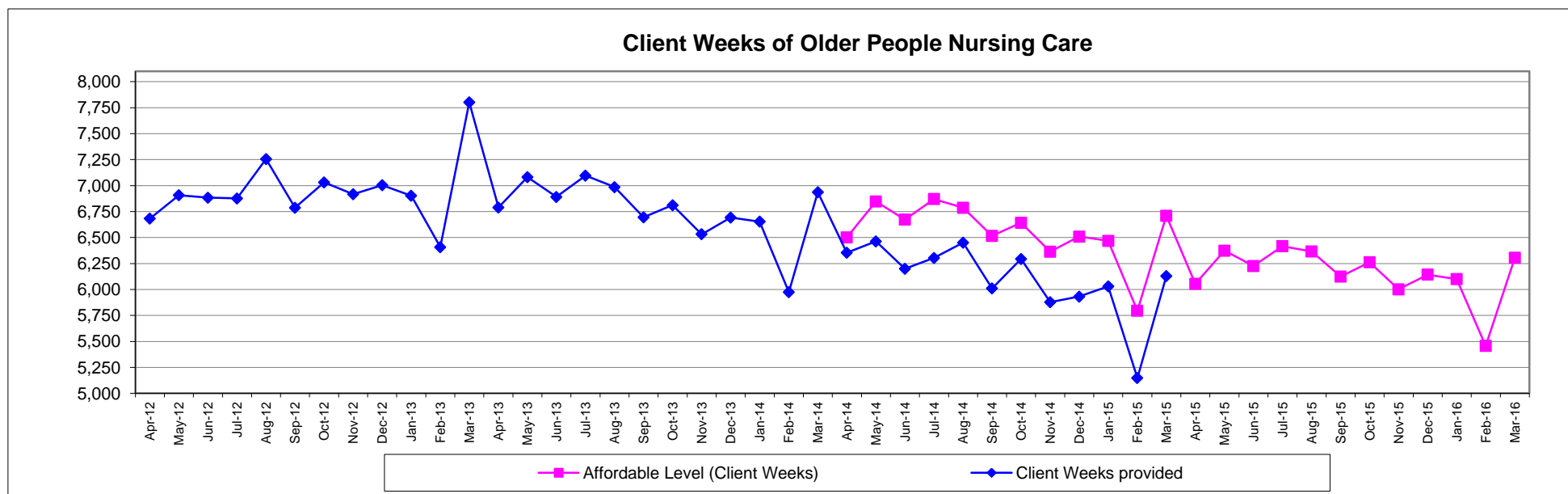
Comments:

- 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 outturn unit cost of +£1,178.59 is higher than the affordable cost of +£1,143.16 and this difference of +£35.43 adds +£2,399k to the position when multiplied by the affordable weeks.
- The 2014-15 affordable unit cost was increased in the Quarter 2 report to Cabinet in December, to reflect the allocation of funds to meet agreed price increases for providers.
- The affordable unit cost for 2015-16 reflects an estimated price uplift. This affordable level will be updated once the 2015-16 price uplift has been agreed.

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

	2012-13	2013-14	2014-15		2015-16
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)
Apr	6,683	6,789	6,502	6,355	6,055
May	6,907	7,081	6,848	6,464	6,374
Jun	6,884	6,891	6,673	6,199	6,226
Jul	6,877	7,097	6,871	6,304	6,417
Aug	7,255	6,986	6,788	6,452	6,366
Sep	6,788	6,695	6,515	6,011	6,125
Oct	7,032	6,812	6,643	6,294	6,263
Nov	6,918	6,532	6,363	5,878	6,002
Dec	7,004	6,693	6,510	5,932	6,143
Jan	6,903	6,653	6,468	6,030	6,100
Feb	6,408	5,975	5,795	5,147	5,457
Mar	7,801	6,937	6,710	6,129	6,306
	83,460	81,141	78,686	73,195	73,834

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 provide 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.



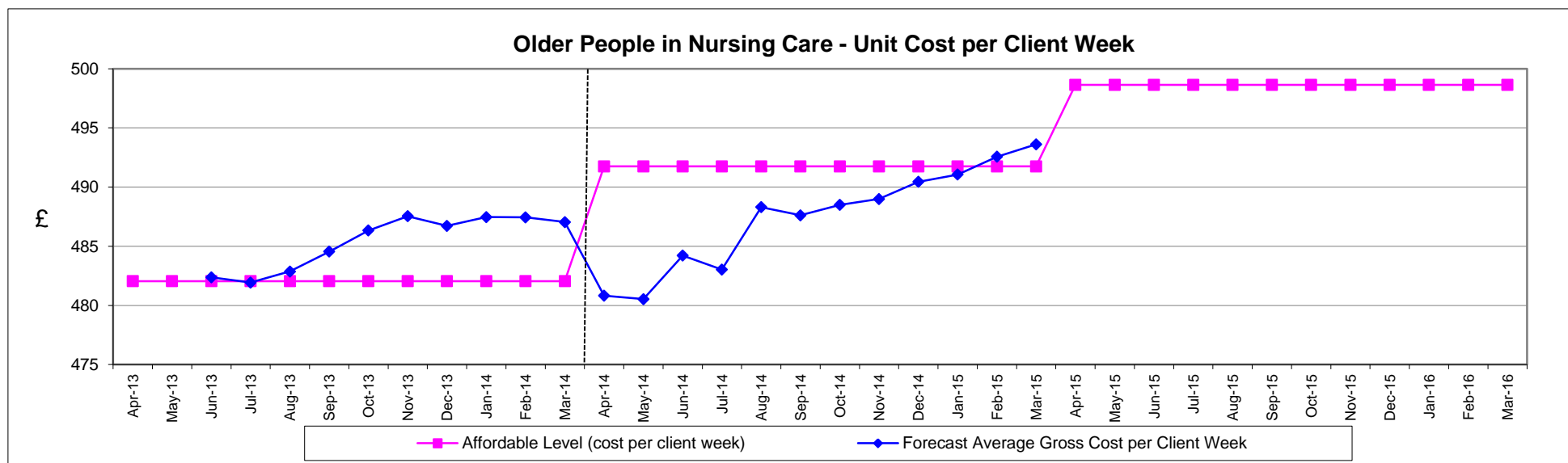
Comments:

- 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 2014-15 this had reduced to 1,182. However, it is believed the activity reported above is understated due to delays in updating the activity database, therefore a separate provision has been established to cover this anticipated additional activity - this equates to a further 71 clients as at 31 March 2015, which would bring the number of clients at the end of 2014-15 to 1,253.
- The outturn activity of 73,195 weeks of care against an affordable level of 78,686, a difference of -5,491 weeks. Using the outturn unit cost of £493.62, this shows as a variance of -£2,711k.
- Since October 2014, the service has seen a slow down in the placement of clients requiring permanent nursing care, which is believed to be in part as a result of the effects of enablement and other preventative services implemented as part of the transformation agenda, and has resulted in a lower level of older people nursing care activity than had been budgeted. However, as mentioned above, it is believed the activity reported above is understated due to delays in updating the activity database, therefore a separate provision has been established to cover this anticipated additional activity, which has been estimated at 484 weeks at a cost of £311k.
- 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.

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

	2012-13	2013-14		2014-15		2015-16
	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	Affordable Level (Cost per Week) £p
Apr		482.05		491.75	480.83	498.63
May		482.05		491.75	480.53	498.63
Jun		482.05	482.37	491.75	484.21	498.63
Jul		482.05	481.93	491.75	483.04	498.63
Aug		482.05	482.87	491.75	488.31	498.63
Sep		482.05	484.55	491.75	487.62	498.63
Oct		482.05	486.34	491.75	488.50	498.63
Nov		482.05	487.54	491.75	489.00	498.63
Dec		482.05	486.72	491.75	490.45	498.63
Jan		482.05	487.46	491.75	491.06	498.63
Feb		482.05	487.44	491.75	492.57	498.63
Mar		482.05	487.05	491.75	493.62	498.63

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.



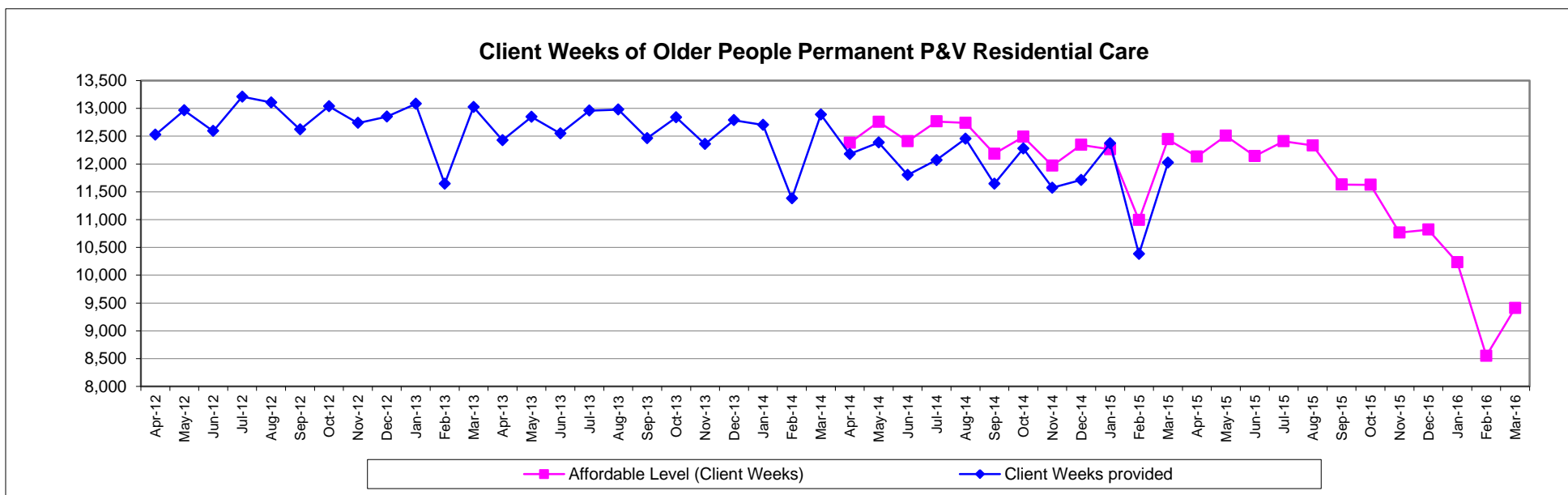
Comments:

- 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 2014-15 affordable unit cost was increased in the Quarter 2 report to Cabinet in December, to reflect the allocation of funds to meet agreed price increases for providers.
- The outturn unit cost of +£493.62 is higher than the affordable cost of +£491.75 and this difference of +£1.87 is shown as a variance of +£147k when multiplied by the affordable weeks.
- The increase in the forecast unit cost in June 2014 was a result of a number of changes around savings adjustments, 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.
- The affordable unit cost for 2015-16 reflects an estimated price uplift. This affordable level will be updated once the 2015-16 price uplift has been agreed.

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

	2012-13	2013-14	2014-15		2015-16
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)
Apr	12,525	12,427	12,381	12,179	12,133
May	12,963	12,849	12,757	12,388	12,507
Jun	12,592	12,547	12,409	11,802	12,141
Jul	13,210	12,959	12,764	12,071	12,408
Aug	13,107	12,978	12,739	12,456	12,334
Sep	12,620	12,463	12,184	11,644	11,630
Oct	13,037	12,839	12,490	12,279	11,626
Nov	12,737	12,360	11,972	11,573	10,767
Dec	12,852	12,787	12,345	11,712	10,820
Jan	13,082	12,701	12,264	12,373	10,230
Feb	11,644	11,380	10,991	10,381	8,551
Mar	13,026	12,887	12,443	12,022	9,410
	153,395	151,177	147,739	142,880	134,557

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.



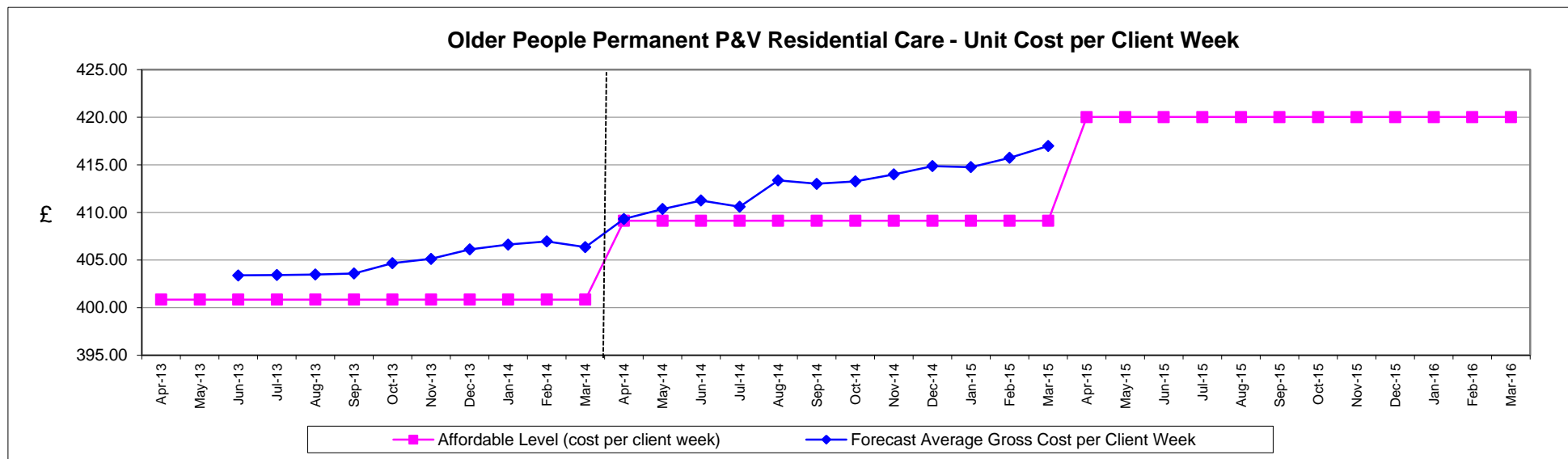
Comments:

- 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 2014-15 this had reduced to 2,394. However, it is believed the activity reported above is understated due to delays in updating the activity database, therefore a separate provision has been established to cover this anticipated additional activity - this equates to a further 86 clients as at 31 March 2015, which would bring the number of clients at the end of 2014-15 to 2,480. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The outturn activity is 142,880 weeks of care against an affordable level of 147,739, a difference of -4,859 weeks. Using the outturn unit cost of £416.97, this shows as a variance of -£2,026k.
- Since October 2014, the service has seen a slow down in the placement of clients requiring residential care, which is believed to be in part as a result of the effects of enablement and other preventative services implemented as part of the transformation agenda, and has resulted in a lower level of older people residential care activity than had been budgeted. However, it is believed the activity reported above is understated due to delays in updating the activity database, therefore a separate provision has been established to cover this anticipated additional activity, which has been estimated at 574 weeks at a cost of £233k.
- 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.
- The affordable level for 2015-16 reflects the anticipated reduction resulting from the Phase 2 transformation programme. Please note, work is ongoing to confirm the phasing of this programme and the affordable level will be updated to reflect this in the 2015-16 quarter 1 monitoring report, to be reported to Cabinet in September.

3.9 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		2015-16
	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	Affordable Level (Cost per Week) £p
Apr		400.83		409.12	409.31	420.01
May		400.83		409.12	410.36	420.01
Jun		400.83	403.38	409.12	411.25	420.01
Jul		400.83	403.43	409.12	410.59	420.01
Aug		400.83	403.46	409.12	413.36	420.01
Sep		400.83	403.59	409.12	413.00	420.01
Oct		400.83	404.67	409.12	413.25	420.01
Nov		400.83	405.12	409.12	413.99	420.01
Dec		400.83	406.10	409.12	414.86	420.01
Jan		400.83	406.62	409.12	414.76	420.01
Feb		400.83	406.94	409.12	415.73	420.01
Mar		400.83	406.35	409.12	416.97	420.01

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.

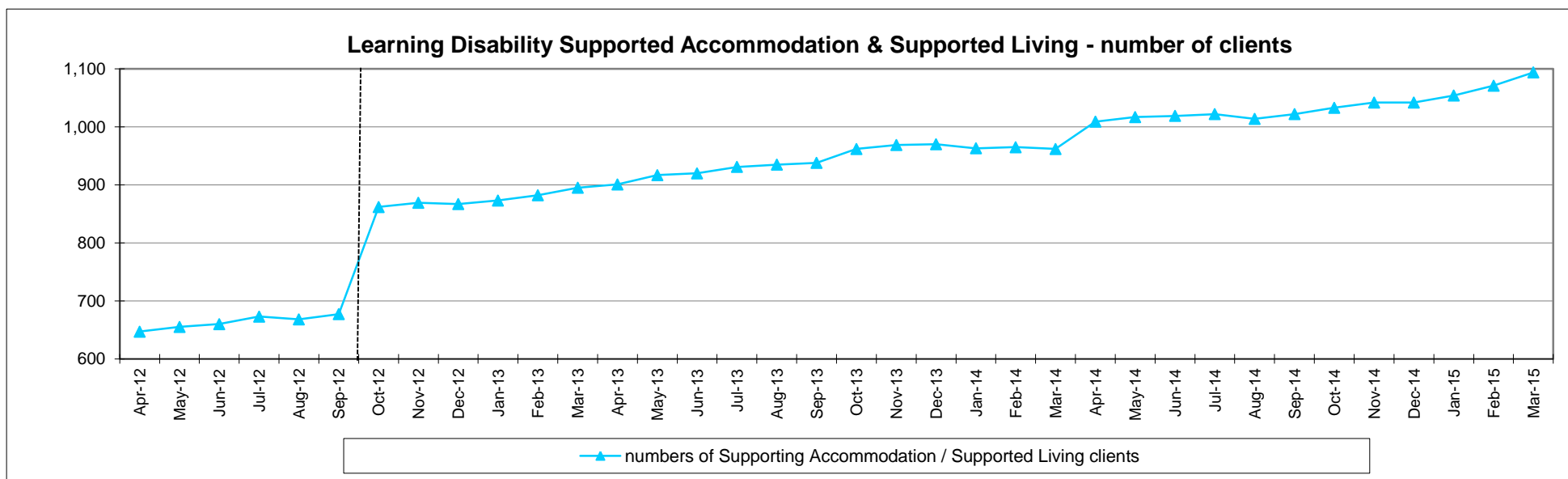


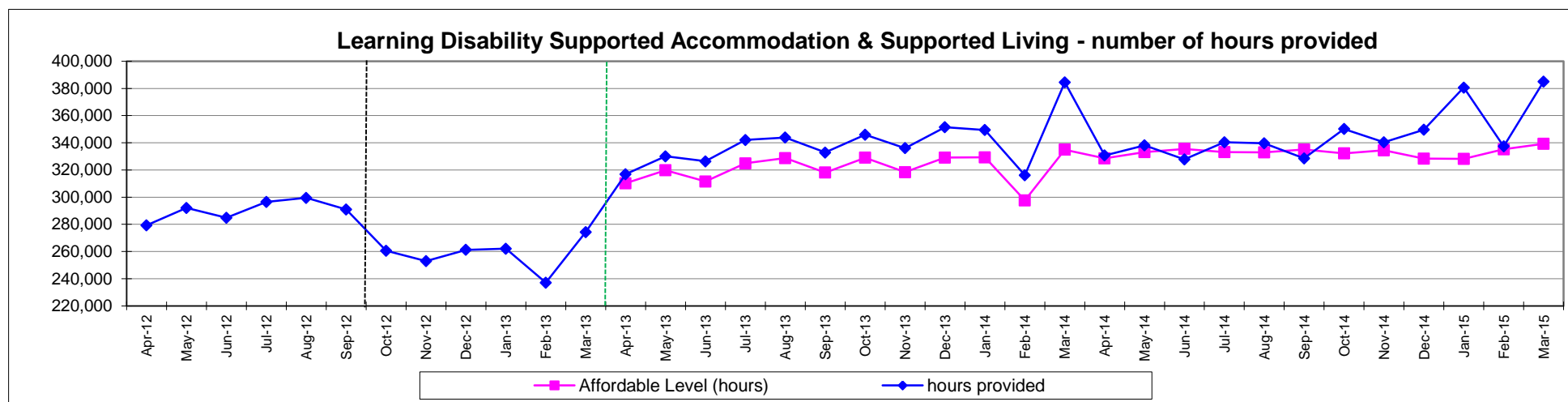
Comments:

- The outturn unit cost of +£416.97 is higher than the affordable cost of +£409.12 and this difference of +£7.85 adds +£1,160k to the position when multiplied by the affordable weeks.
- The 2014-15 affordable unit cost was increased in the Quarter 2 report to Cabinet in December, to reflect the allocation of funds to meet agreed price increases for providers.
- 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. 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.
- The affordable unit cost for 2015-16 reflects an estimated price uplift. This affordable level will be updated once the 2015-16 price uplift has been agreed.

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

	2012-13			2013-14			2014-15			2015-16
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)
Apr		279,365	647	310,234	316,882	901	328,492	330,760	1,009	This indicator is changing for 2015-16 hence no affordable level supplied
May		292,122	655	319,790	330,055	917	333,241	338,125	1,017	
Jun		284,835	660	311,563	326,381	920	335,519	327,879	1,019	
Jul		296,532	673	324,853	342,117	931	333,140	340,451	1,022	
Aug		299,521	668	328,693	343,856	935	332,930	339,621	1,014	
Sep		290,914	677	318,098	332,862	938	335,006	328,528	1,022	
Oct		260,574	862	329,037	346,001	962	332,260	350,146	1,033	
Nov		252,932	869	318,371	336,051	969	334,509	340,394	1,042	
Dec		261,257	867	329,160	351,431	970	328,357	349,629	1,042	
Jan		262,070	873	329,252	349,416	963	328,115	380,648	1,054	
Feb		237,118	882	297,660	316,116	965	335,263	337,374	1,071	
Mar		274,334	895	334,943	384,428	962	339,206	385,018	1,094	
		3,291,574		3,851,654	4,075,596		3,996,038	4,148,573		





Comments:

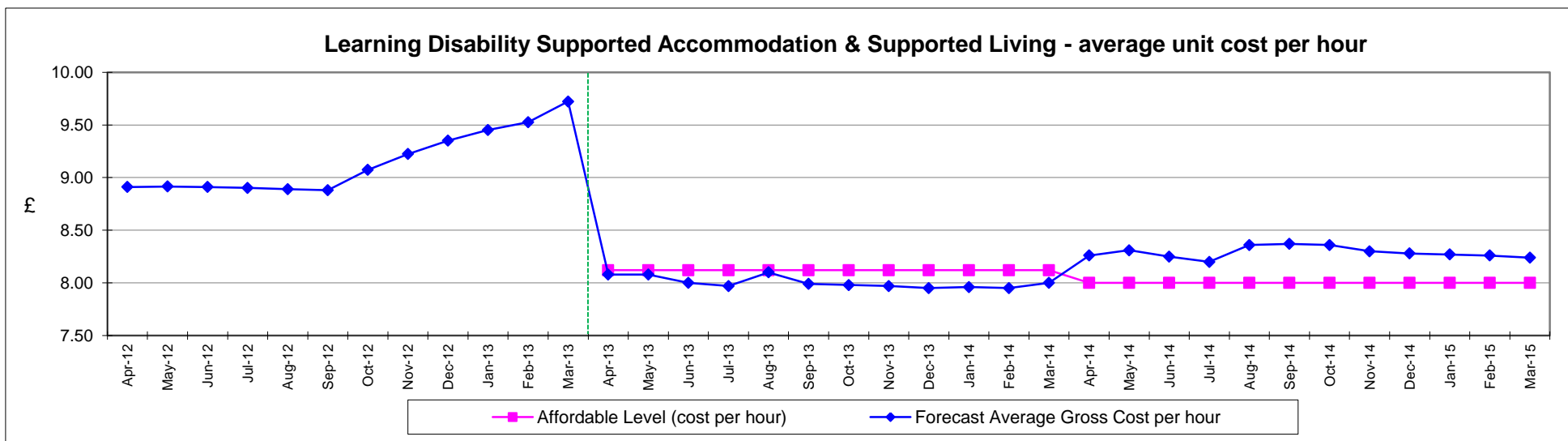
- This indicator changed in 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The level 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 black 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.**
- Services provided are recorded in terms of weeks, sessions or hours before all being converted into hours for this activity indicator. Prior to April 2014, sessions were treated as either 8 hours each for Supported Living contracts or 1 hour for Supporting Independence Service contracts but, in the July 2014 monitoring to Cabinet in October 2014 was revised upwards to 9 hours, based on updated information provided by Commissioning. Both the 2014-15 affordable level and the 2013-14 data were restated on the same basis in order to show a comparable position. **A green dotted line has been added to the graph at April 2013 to indicate that the data either side of the line is not on a comparable basis** i.e. 2012-13 data is based on 8 hour sessions for Supported Living contracts and 1 hour sessions for Supporting Independence Service contracts, whereas from April 2013 the data is now based on 9 hour sessions for both of these contracts. This has also impacted on the unit cost reported in 2.11 below.

- The spike in activity shown for March 2014 and March 2015 is due to backdated hours for transitional and provisional clients being recorded on the activity system but relating to activity undertaken throughout 2013-14 and 2014-15 respectively. Delays in the recording of transitional and provisional clients on the activity database 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.
- Hours provided from April 2014 onwards were revised in the 2014-15 Quarter 2 report, reported to Cabinet in December, to remove hours relating to the Better Homes Active Lives PFI night support block contract, as the spend on this support should not be included in this activity indicator.
- The outturn activity is 4,148,573 hours of care against an affordable level of 3,996,038, a difference of +152,535 hours. Using the outturn unit cost of £8.24, this additional activity shows as a variance of +£1,257k.
- From April 2015, the Learning Disability Supported Accommodation & Supported Living A-Z service line has been split. In future, the Shared Lives activity (previously known as adult placement scheme) will be reported separately, and this activity indicator will incorporate supported accommodation (mainly S256 clients) and Supporting Independence Service only. As a result, the 2015-16 affordable level is not directly comparable with the activity reported up to this point and therefore has not been provided in this report.

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

	2012-13		2013-14		2014-15		2015-16
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p
Apr		8.91	8.12	8.08	8.00	8.26	This indicator is changing for 2015-16 hence no affordable level supplied
May		8.92	8.12	8.08	8.00	8.31	
Jun		8.91	8.12	8.00	8.00	8.25	
Jul		8.90	8.12	7.97	8.00	8.20	
Aug		8.89	8.12	8.10	8.00	8.36	
Sep		8.88	8.12	7.99	8.00	8.37	
Oct		9.07	8.12	7.98	8.00	8.36	
Nov		9.22	8.12	7.97	8.00	8.30	
Dec		9.35	8.12	7.95	8.00	8.28	
Jan		9.45	8.12	7.96	8.00	8.27	
Feb		9.53	8.12	7.95	8.00	8.26	
Mar		9.72	8.12	8.00	8.00	8.24	

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Comments:

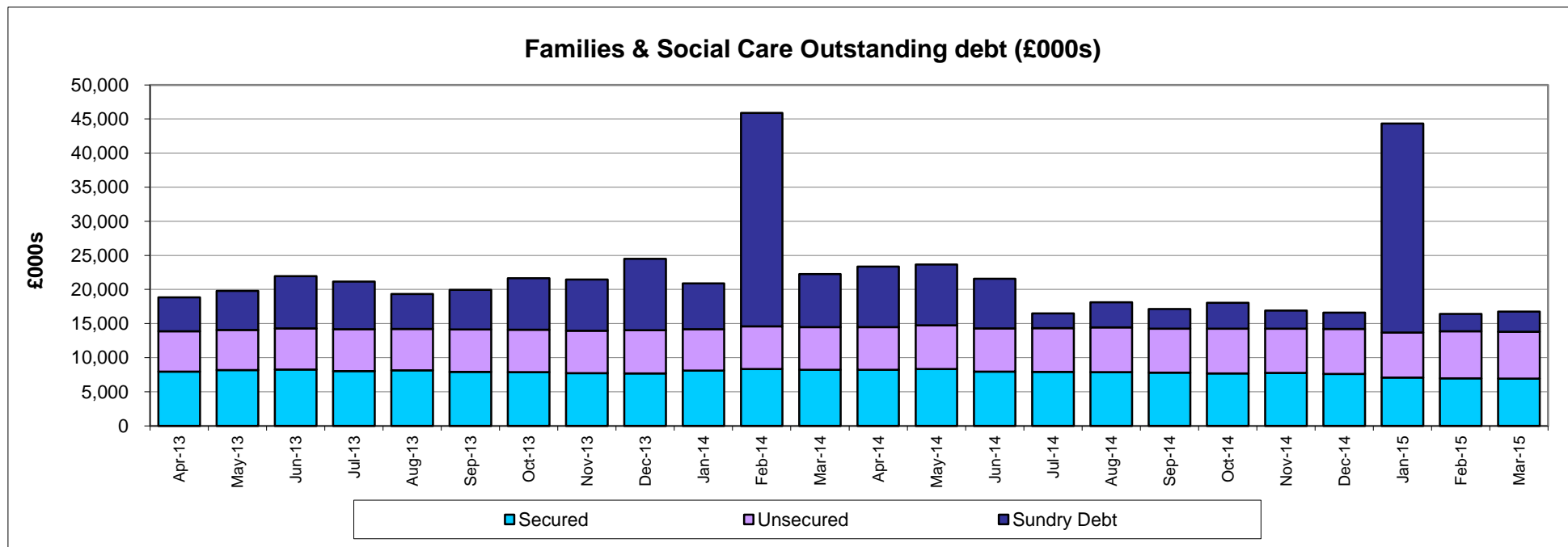
- This measure comprises 3 distinct client groups and each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support, to life skills and daily living support.
- The outturn unit cost of +£8.24 is higher than the affordable cost of +£8.00 and this difference of +£0.24 adds +£959k to the position when multiplied by the affordable hours. Prior to April 2014, sessions were treated as either 8 hours each for Supported Living contracts or 1 hour for Supporting Independence Service contracts but this estimate was revised upwards to 9 hours in the July monitoring report to Cabinet in October, based on updated information provided by Commissioning. Both the 2014-15 affordable level and the 2013-14 data have been restated on the same basis in order to show a comparable position. **A green dotted line has been added to the graph at April 2013 to indicate that the data either side of the line is not on a comparable basis** i.e. 2012-13 data is based on 8 hour sessions for Supported Living contracts and 1 hour sessions for Supporting Independence Service contracts, whereas from April 2013 the data is now based on 9 hour sessions for both of these contracts.
- From April 2015, the Learning Disability Supported Accommodation & Supported Living A-Z service line has been split. In future, the Shared Lives activity (previously known as adult placement scheme) will be reported separately, and this activity indicator will incorporate supported accommodation (mainly S256 clients) and Supporting Independence Service only. As a result, the 2015-16 affordable unit cost is not directly comparable with those costs reported up to this point and therefore has not been provided in this report.

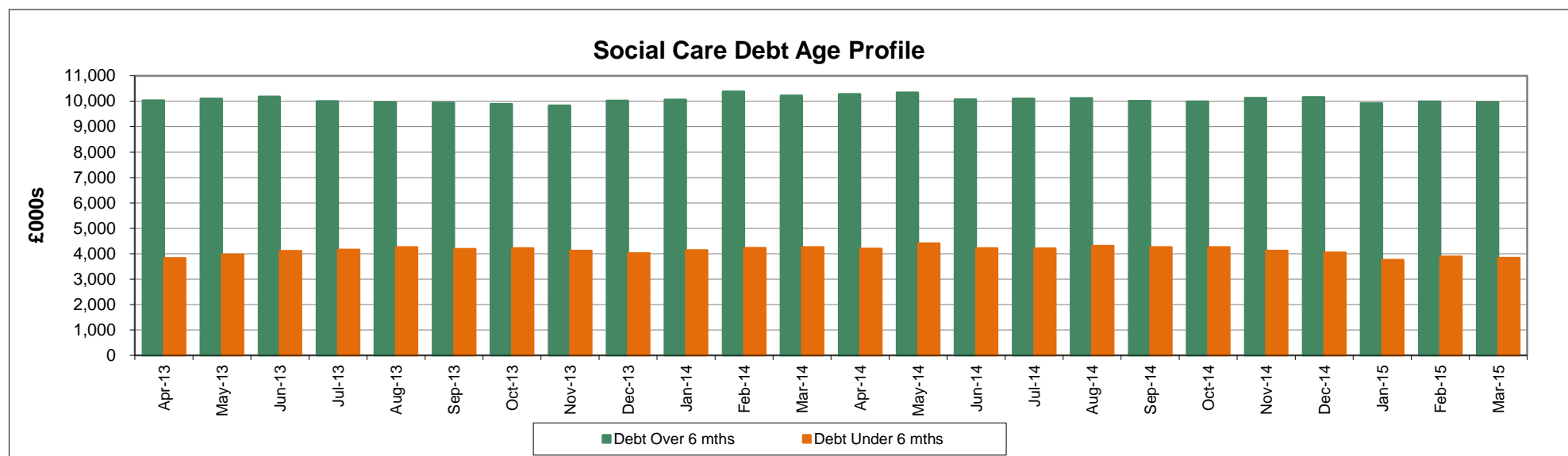
3.12 SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of March was £16.757m compared with February's figure of £16.425m (reported to Cabinet in April) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £2.955m of sundry debt compared to £2.538m in February. It is not uncommon for the amount of sundry debt to fluctuate for large invoices to Health. Also within the outstanding debt is £13.802m relating to Social Care (client) debt which is a small reduction of £0.085m from the last reported position to Cabinet in April. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
Apr-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	16,503	2,187	14,316	10,108	4,208	7,927	6,389

	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
Aug-14	18,138	3,707	14,431	10,122	4,309	7,882	6,549
Sep-14	17,119	2,849	14,270	10,015	4,255	7,805	6,465
Oct-14	18,060	3,808	14,252	9,992	4,260	7,709	6,543
Nov-14	16,907	2,658	14,249	10,131	4,118	7,777	6,472
Dec-14	16,612	2,406	14,206	10,160	4,046	7,624	6,582
Jan-15	44,315	30,632	13,683	9,926	3,757	7,079	6,604
Feb-15	16,425	2,538	13,887	9,996	3,891	6,973	6,914
Mar-15	16,757	2,955	13,802	9,962	3,840	6,915	6,887





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

Social Care debt by Customer Credit Status	February £000s	March £000s	Movement £000s
Secured	6,973	6,915	-58
Unsecured - Deceased/Terminated Service	1,956	1,813	-143
Unsecured - Ongoing	4,897	5,037	140
Caution/Restriction (Unsecured)	60	36	-24
Health (Unsecured)	1	1	0
TOTAL	13,887	13,802	-85

Unsecured debt by Client Group	February £000s	March £000s	Movement £000s
Older People/Physical Disability	6,416	6,437	21
Learning Disability	384	338	-46
Mental Health	114	112	-2
TOTAL	6,914	6,887	-27

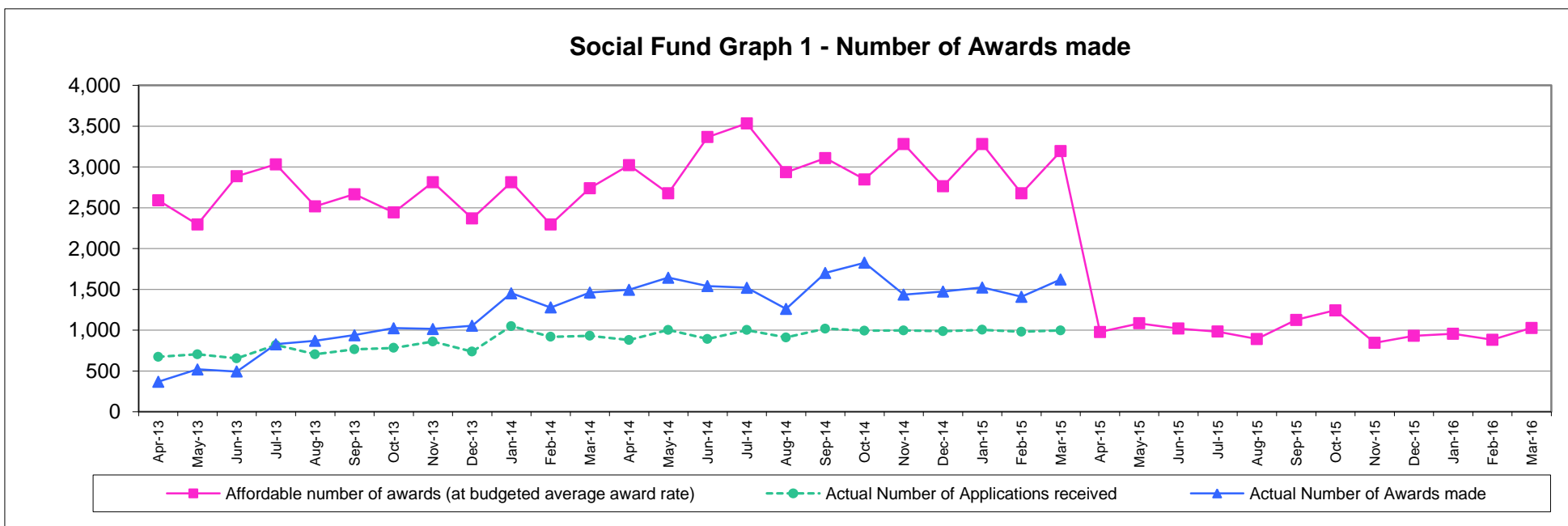
3.13 Number and Value of Social Fund awards made

		(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	125
2014-15	Apr	3,021	880	1,496	377,600	145,043	125	97
	May	2,677	1,003	1,644	334,600	160,674	125	98
	Jun	3,366	891	1,541	420,700	151,071	125	98
	Jul	3,534	1,001	1,520	441,700	145,708	125	96
	Aug	2,935	911	1,261	366,900	132,206	125	105
	Sep	3,108	1,018	1,701	388,500	166,819	125	98
	Oct	2,848	994	1,826	356,000	184,200	125	101
	Nov	3,280	996	1,436	410,000	125,165	125	87
	Dec	2,762	988	1,474	345,300	137,907	125	94
	Jan	3,280	1,004	1,523	410,000	141,708	125	93
	Feb	2,677	981	1,410	334,600	130,743	125	93
	Mar	3,194	997	1,622	399,300	152,114	125	94
		36,682	11,664	18,454	4,585,200	1,773,358	125	96

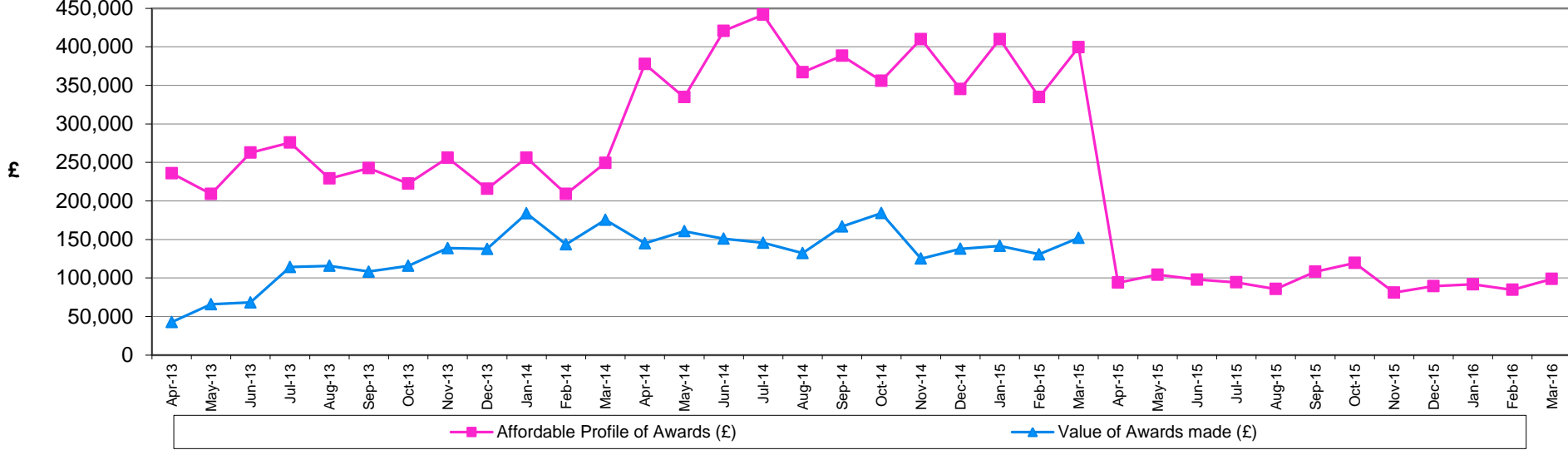
* Columns (a) & (d) are based on available funding which has been profiled by month and type of award (excluding cash awards) in the same ratio as the previous DWP scheme. As the criteria and awards for this pilot scheme differ to the DWP scheme, this does not represent the anticipated demand for the 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 was not used to profile the 2014-15 budget in column d of the table). However, 2014-15 is considered to be more representative of typical year and therefore the monthly value of awards made in 2014-15 has been used to profile the 2015-16 budget, as shown in the continuation of the table on the next page.

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).

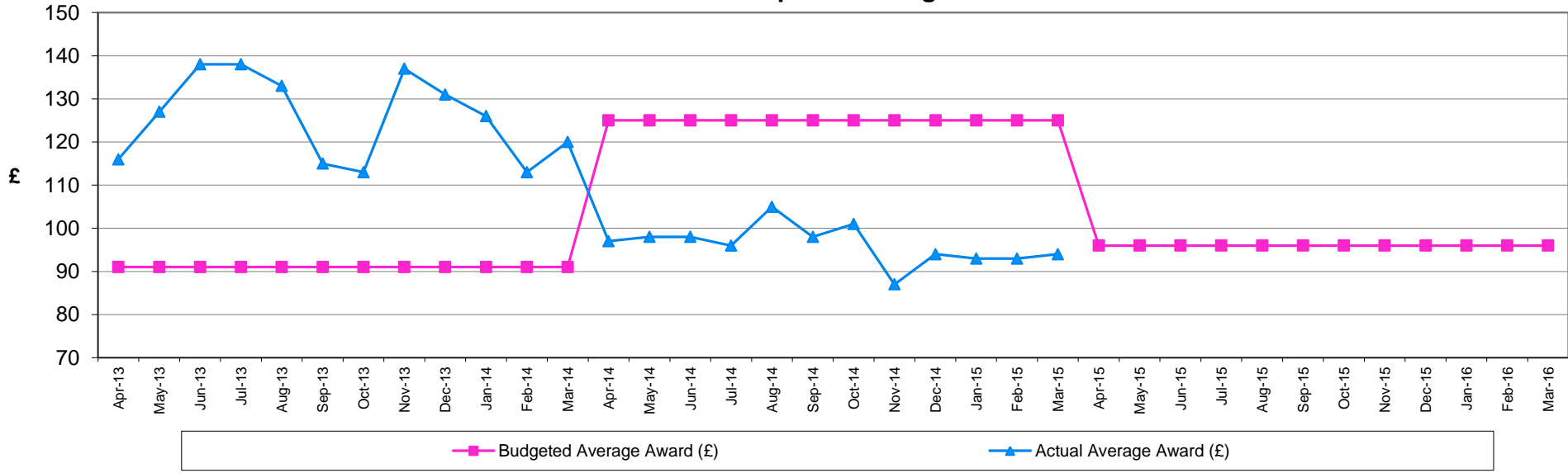
	(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)
	Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)
2015-16	Apr	979		94,000		96	
	May	1,084		104,100		96	
	Jun	1,020		97,900		96	
	Jul	983		94,400		96	
	Aug	893		85,700		96	
	Sep	1,126		108,100		96	
	Oct	1,244		119,400		96	
	Nov	845		81,100		96	
	Dec	931		89,400		96	
	Jan	956		91,800		96	
	Feb	882		84,700		96	
	Mar	1,028		98,700		96	
		11,971		1,149,300		96	



Social Fund Graph 2 - Total Value of Awards made



Social Fund Graph 3 - Average Value of Awards



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 gross budget for this service for 2014-15 was £5.140m, with £0.555m being the cost of administering the scheme including signposting applicants to alternative appropriate services, and £4.585m available to award where appropriate (column d in the table above). Because of the uncertainty at the time 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 is reflected in the cash limits and the affordable level for this indicator.** *(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). Likewise in 2014-15, the table above shows awards of £1,773.4k (an underspend of £2,811.8k), but the value of awards actually taken up was £1,436.3k (an underspend of £3,148.9k).*

- **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 generally showing a steadily increasing trend since the inception of this pilot scheme, reflecting the increasing communication about what the scheme provides. 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.

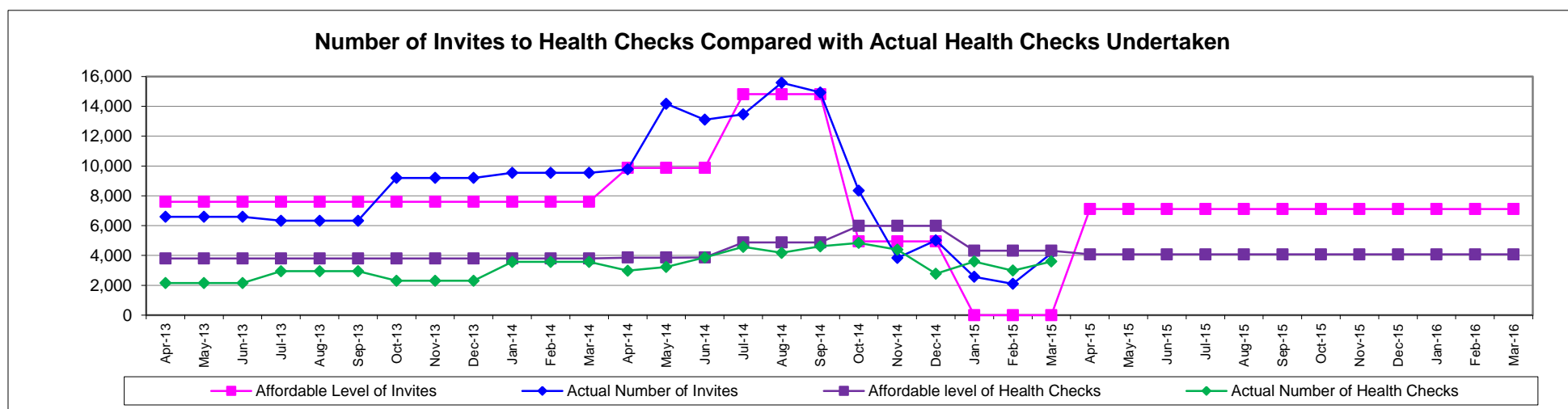
- **Graph 3** compares the budgeted average award value, based on the anticipated mix and value of awards, to the actual average award. Using DWP data, and excluding cash awards, it was anticipated that the majority of awards for this pilot would be for food & clothing, high volume & low value, and therefore 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. On average, award values in 2014-15 have been lower with an average value of £96. In 2014-15, 38% of the number of awards have been for food & clothing, compared to 49% for 2013-14. Furniture & equipment (incl white goods) accounts for 37% of the number of awards but 55% of the value of awards (the percentages were 19% and 54% respectively for 2013-14, 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 affordable average award value has been revised for 2015-16 to match the actual average award value for 2014-15 of £96. 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 January 2014, which included emergency payments to households evacuated because of the flooding.

4. SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE - PUBLIC HEALTH SERVICES

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

	2013-14				2014-15				2015-16	
	Invites		Checks		Invites ~		Checks #		Invites	Checks
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr					9,877	9,776	3,860	2,984	7,121	4,074
May	22,810	19,761	11,405	6,455	9,877	14,169	3,860	3,225	7,120	4,075
Jun					9,878	13,108	3,862	3,865	7,120	4,074
Jul					14,816	13,457	4,874	4,572	7,120	4,075
Aug	22,810	18,996	11,405	8,836	14,816	15,577	4,875	4,179	7,120	4,074
Sep					14,816	14,933	4,876	4,613	7,120	4,075
Oct					4,939	8,345	5,987	4,837	7,120	4,074
Nov	22,810	27,608	11,405	6,924	4,939	3,831	5,988	4,389	7,120	4,075
Dec					4,938	5,014	5,989	2,782	7,120	4,074
Jan					0	2,568	4,324	3,594	7,120	4,075
Feb	22,811	28,639	11,406	10,709	0	2,099	4,325	2,988	7,120	4,074
Mar					0	4,153	4,325	3,595	7,120	4,074
TOTAL	91,241	95,004	45,621	32,924	88,896	107,030	57,145	45,623	85,441	48,893

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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.
- In 2014-15, the invites planned activity was 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. This approach has been changed in 2015-16, where the level of invites and checks has been profiled equally across the months to give a more consistent approach and to reflect that this is a rolling programme across financial years, therefore invites sent out in March may result in checks being taken up in the following financial year. This revised approach will also enable the service to more accurately track progress against targets.
- The planned number of invites for 2014-15 was based on 20% of eligible population (as it is a 5 year programme) and was based on DoH estimates, but more recent GP data showed an increase in the eligible population. In 2014-15, this activity was therefore above budget for the year by 18,134 invites, as shown in the table above (~). The planned number of invites for 2015-16 has been based on the most recent GP data.
- The table above (#) shows that, despite this increased number of invites, health check activity for 2014-15 is below the budgeted level by 11,522 checks.

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

	2013-14 *		2014-15				2015-16	
	Invites	Checks	Invites ~		Checks #		Invites	Checks
	actual cost (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	Budget (£)
Apr			27,656	27,373	92,700	77,081	19,939	103,720
May	0	0	27,656	39,673	92,700	79,696	19,936	103,745
Jun			27,658	36,702	92,748	95,130	19,936	103,720
Jul			41,485	37,680	117,052	112,119	19,936	103,745
Aug	53,189	210,746	41,485	43,616	117,076	104,137	19,936	103,720
Sep			41,485	41,812	117,100	113,424	19,936	103,745
Oct			13,829	23,366	143,781	116,768	19,936	103,720
Nov	77,302	175,920	13,829	10,727	143,805	110,779	19,936	103,745
Dec			13,826	14,039	143,829	66,666	19,936	103,720
Jan			0	7,190	103,843	89,540	19,936	103,745
Feb	80,189	266,524	0	5,877	103,869	80,140	19,936	103,720
Mar			0	11,628	103,869	90,829	19,936	103,720
TOTAL	210,680	653,190	248,909	299,683	1,372,372	1,136,309	239,235	1,244,765

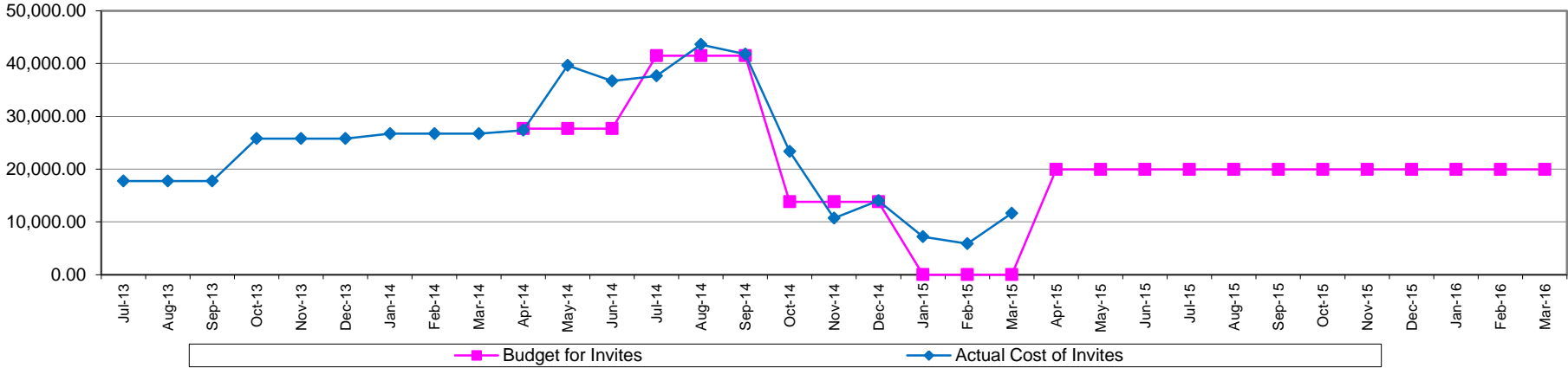
* In 2013-14 the service was initially commissioned on a block contract basis. From the second quarter this was amended to a performance basis, with specific activity budgets set for the year, with payments being related to the level of activity provided.

~ The health check invites activity in 2014-15 is above budget.

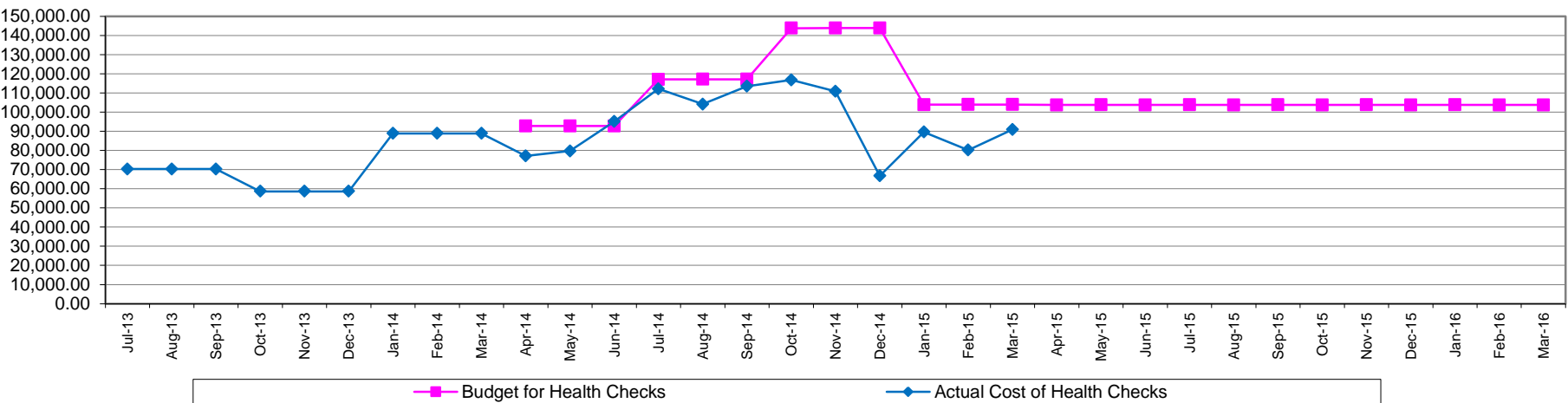
Health check activity for 2014-15 is below budget.

As a result of ~ and # above, there is a net £185k underspend on health checks & invites, within the Targeting Health Inequalities budget, which is a movement of just +£2k from the forecast position last reported to Cabinet in April.

Actual Cost of Invites to Health Checks compared to affordable level



Actual Cost of Health Checks undertaken compared to affordable level



Comments:

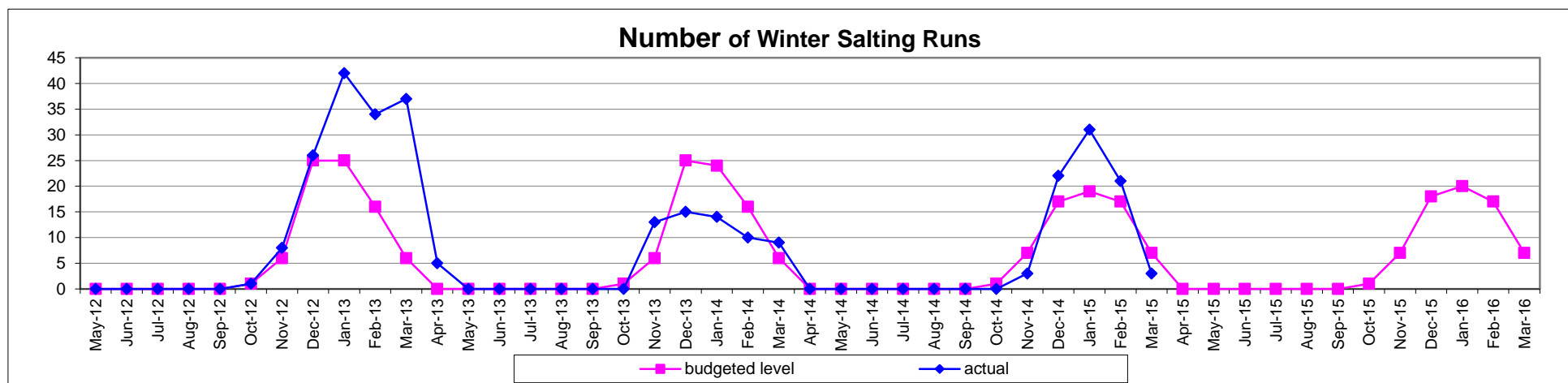
- The NHS Health Checks programme is monitored closely with a focus on performance and contract management. The targets for 2014-15 were more stretching, with providers expected to deliver significantly more checks during the year. In 2014-15, the target for invites was weighted towards the first part of the year to give time for the follow-up process to maximise the number of health checks that are delivered in year. For 2015-16, the level of invites and checks has been profiled equally across the months to give a more consistent approach and to reflect that this is a rolling programme across financial years, therefore invites sent out in March may result in checks being taken up in the following financial year. This revised approach will also enable the service to more accurately track progress against targets.
- The 2014-15 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 a budget of £248,909 for invites and £1,372,372 for health checks (totalling £1,621,281).
- The 2015-16 budget for Health Checks is made up of a fixed cost element £456,912 and a performance element £1,484,000. The performance element is shown in the activity data above, with a budget of £239,235 for invites and £1,244,765 for health checks (totalling £1,484,000).
- The budgeted activity level for invites is based on the eligible population. The budgeted activity level for health checks was higher in 2014-15 than 2013-14 as the provider was expected to make up for the underperformance in the previous year. The number of health check invites was greater than budgeted in 2014-15 due to an increase in eligible population. The resulting pressure of £50,774 has been more than offset by a saving on checks of £236,063.

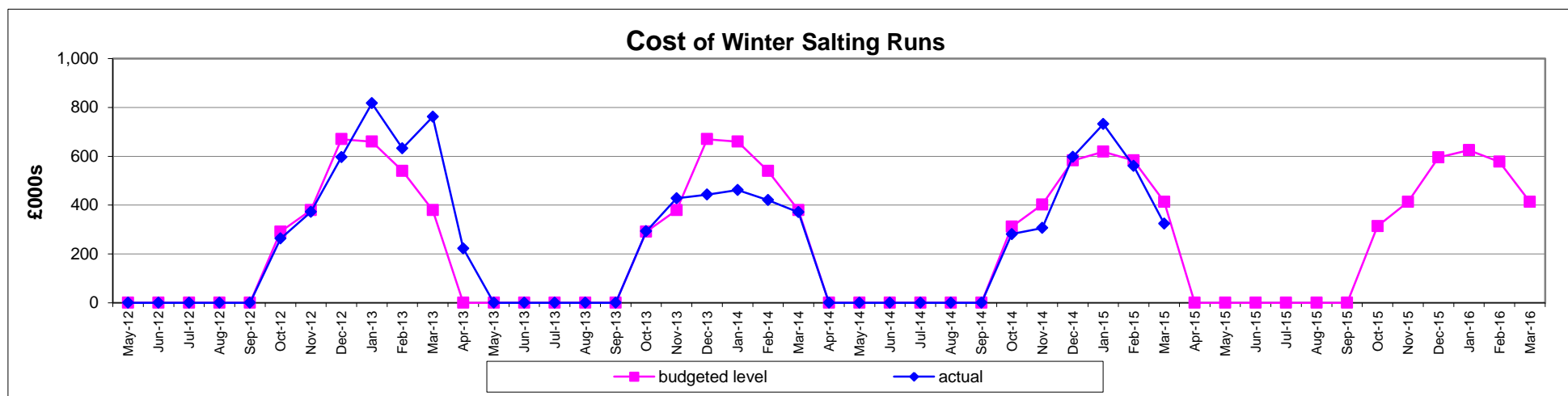
5. GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE

5.1 Number and Cost of winter salting runs

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.

	2012-13				2013-14				2014-15				2015-16	
	No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. of salting runs	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	Budgeted level	Budgeted level £'000
Apr	-	1	-	12	-	5	-	222	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	1	291	263	1	-	291	293	1	-	311	281	1	314
Nov	6	8	379	372	6	13	379	428	7	3	402	306	7	413
Dec	25	26	670	596	25	15	670	443	17	22	583	597	18	595
Jan	25	42	660	817	24	14	660	462	19	31	619	732	20	625
Feb	16	34	540	632	16	10	540	421	17	21	583	561	17	578
Mar	6	37	379	762	6	9	379	371	7	3	414	324	7	413
	79	149	2,919	3,454	78	66	2,919	2,639	68	80	2,911	2,801	70	2,938





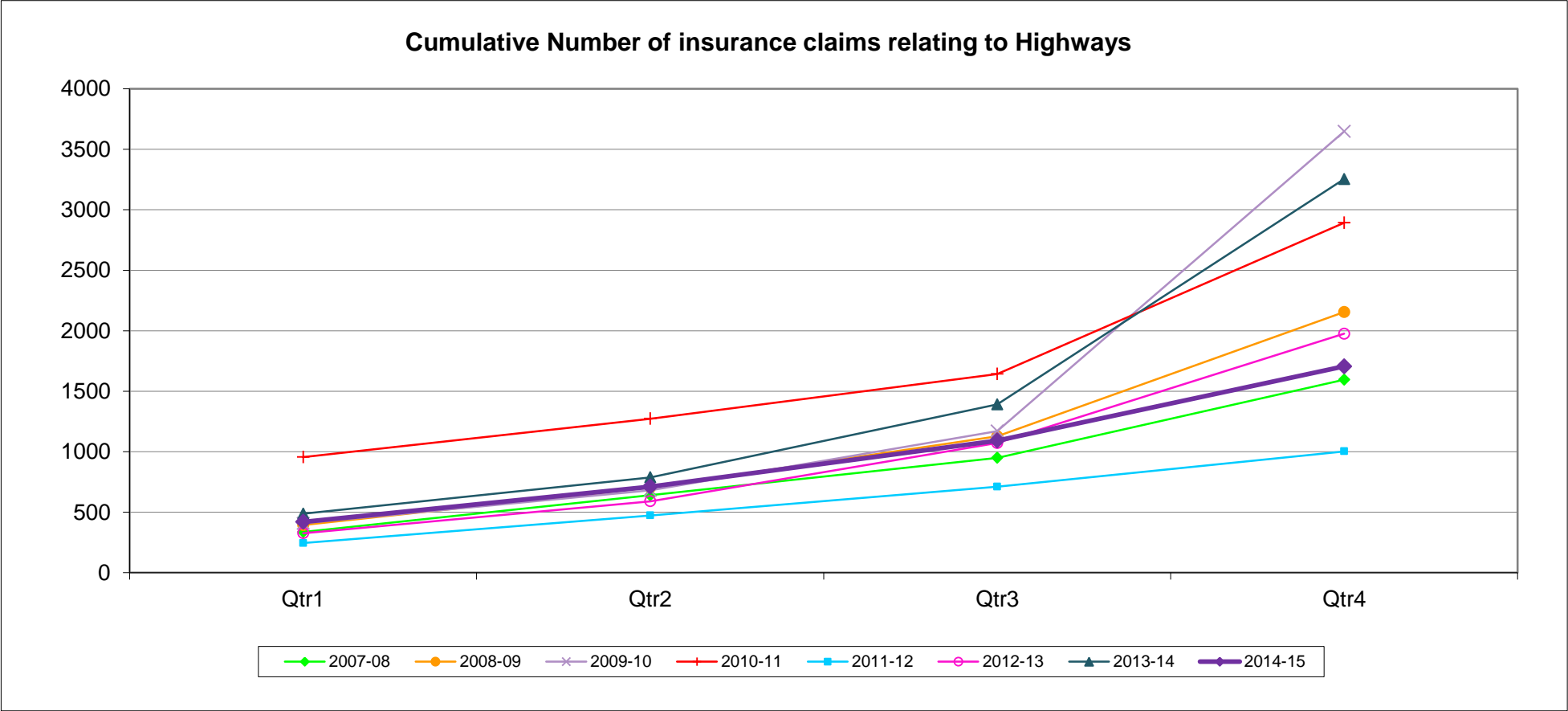
Comments:

- 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 £1,669k on the adverse weather budget in 2012-13, which was due to an overspend of £535k on winter salting runs (as shown in the table above) and an overspend of £1,134k of other costs associated with adverse weather, not directly attributed to salting runs, such as costs of snow clearance, maintenance costs of farmers' ploughs, salt bins & weather stations.
- As a result of the prolonged hard winter in 2012-13 which extended into April 2013, unbudgeted salting runs were required at the start of **2013-14** 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 final activity for **2014-15** is 12 salting runs above the affordable level but £110k below budget. Many of the runs have required a lower spread of salt than assumed in the budget and also on a number of occasions the whole county has not been treated, which again results in reduced costs. Together, this has resulted in the costs of salting runs not being as high as the number of runs may suggest. Overall there is a net underspend of -£309k on the adverse weather budget in 2014-15 due to an underspend on salting runs of £110k, as reflected in the activity table above, together with an underspend of £199k on other costs associated with adverse weather, not directly attributed to salting runs, such as supply and maintenance of salt bins.

5.2 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	487	420
Jul to Sep	640	704	680	1,273	473	590	788	710
Oct to Dec	950	1,128	1,170	1,643	710	1,072	1,391	1,092
Jan to Mar	1,595	2,155	3,647	2,893	1,003	1,975	3,254	1,705

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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 31 March 2015.
- 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 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 was made available from the severe weather recovery funding to address this.
- Claims are lower again in 2014-15, probably due to the reasonably mild winter and a continuation of the find and fix programmes of repair and repairs to the highway funded from the severe weather recovery funding referred to above.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on claims received over the past 12 months where it is considered that we do not have any liability, of just under 91%.

5.3 Young Persons Travel Pass (formerly Freedom Pass)

	2012-13				2013-14				2014-15				2015-16	
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled		Passes	Journeys travelled
	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Budget level (000's)
Qtr 1	26,800	25,668	2,108	2,136	26,970	27,571	2,263	2,361	29,500	29,966 ^	2,210	2,407 #	22,900	1,616
Qtr 2	24,703	26,051	1,333	1,621	27,260	28,227	1,719	1,832	25,430 *	24,223	1,512	1,705	22,900	1,307
Qtr 3	25,877	27,141	2,137	2,464	28,420	29,272	2,534	2,627	25,430 *	24,747	1,789	2,076	22,900	1,788
Qtr 4	26,500	27,711	2,498	2,431	29,000	29,972	2,534	2,765	25,430 *	24,583	1,922	2,311	22,900	1,857
			8,076	8,652			9,050	9,585			7,433	8,499		6,568

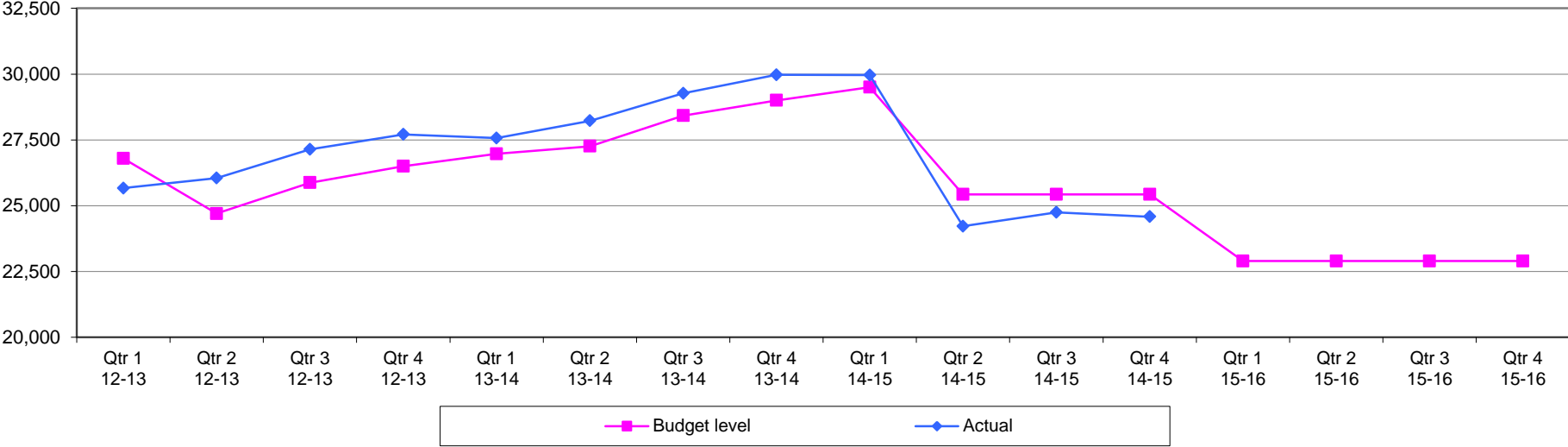
* 2014-15 budget costings have been reviewed and the affordable number of passes for YPTP has changed as a result.

^ The number of Qtr 1 Freedom Passes was revised in the quarter 3 report as it previously excluded, in error, young people who had upgraded from a Home to School Transport pass.

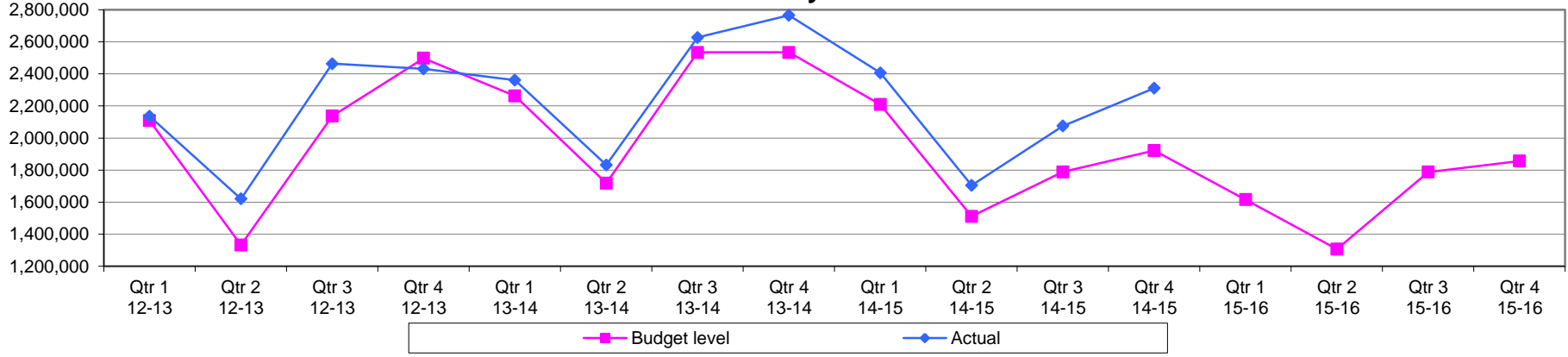
The Qtr 1 actual journeys was revised in the quarter 3 report following reconciliation by our concessionary travel consultant, MCL Transport Services.

The data for this activity indicator is only provided on a quarterly basis from our concessionary travel consultant, MCL Transport Services.

Number of Freedom Passes/Young Persons Travel Passes in issue



Number of Journeys travelled



Comments:

- Freedom Pass applications steadily increased from quarter one of 2012-13 to when the old scheme ceased in Quarter 1 2014-15, 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. Despite this, there was still a pressure on this budget in 2013-14 also.
- 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 Young Persons Travel Pass budget.
- The reduction in the budgeted number of journeys for 2014-15 is as a result of the introduction of a new scheme, agreed by County Council in February 2014, restricting 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 was 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.
- The above figures show that the number of passes for the old scheme in issue in 2014-15 Quarter 1 was above the budgeted number, as were the number of journeys being travelled. Following implementation of the changes to the scheme, YPTP pass numbers remain short of budgeted levels: 24,223 new passes were issued as at 30 September 2014 for the new academic year; this increased to 24,747 as at 31 December 2014, but the figure as at 31 March 2015 has reduced to 24,583. This reduction is as a result of a number of half year passes not being renewed for the second half of the academic year.
- The budgeted number of passes for 2015-16 is based on the number that can be afforded within the budget at the latest cost to KCC per pass of £581. The equivalent cost per pass in calculating the 2014-15 affordable level was £537. (The fee for a pass is £200, meaning that on average KCC currently subsidises the cost of each pass by £381).

5.4 Waste Tonnage

	# 2012-13 restated	2013-14 restated	2014-15		2015-16
	Waste Tonnage	^ Waste Tonnage	Affordable Level	* Waste Tonnage	Affordable Level
Apr	56,390	57,423	57,246	64,189	60,559
May	65,562	67,314	63,802	65,539	65,181
Jun	70,033	61,701	58,899	66,435	66,290
Jul	65,764	61,563	61,282	62,620	62,147
Aug	64,760	60,519	56,684	58,888	59,324
Sep	62,377	56,884	54,032	66,748	63,391
Oct	54,837	60,127	59,881	60,497	58,037
Nov	50,344	52,934	55,294	52,545	51,585
Dec	48,925	46,979	50,167	53,704	50,768
Jan	48,668	61,791	61,844	56,872	53,742
Feb	47,135	48,801	46,682	46,870	45,841
Mar	53,150	58,583	49,187	56,814	53,635
	687,945	694,619	675,000	711,721	690,500

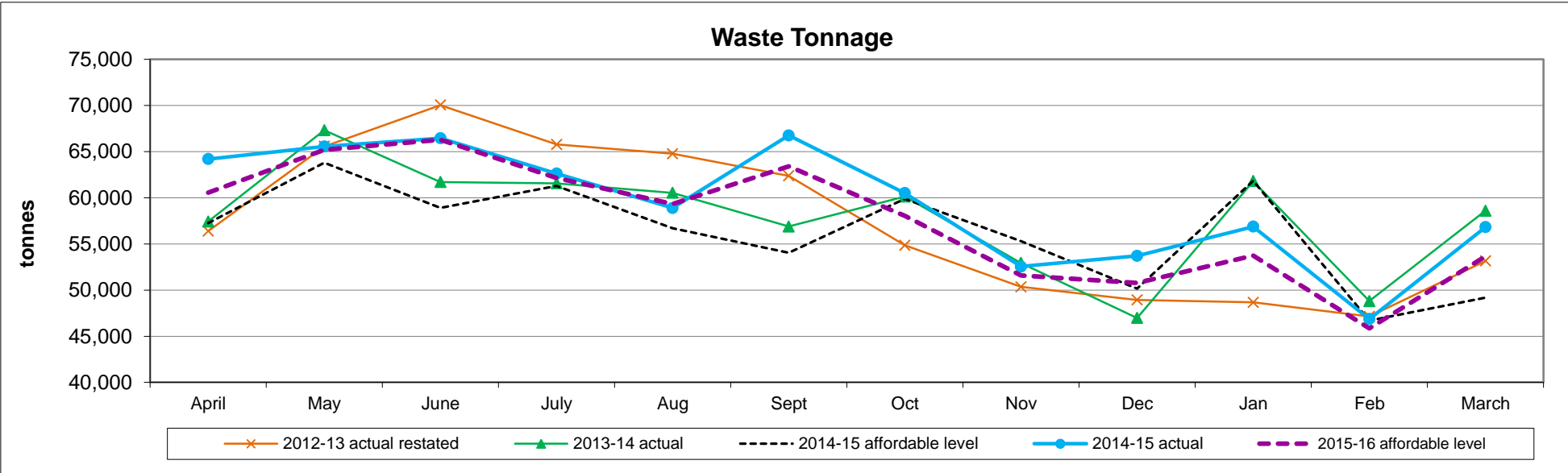
^ Historically contracts with service providers have been on the basis of a four/four/five week cycle of accounting periods (with weeks ending on a Sunday), rather than on calendar months, and reported waste tonnages have reflected this. From April 2013, due to changes in managing waste contracts, all 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 reports as figures are refined and confirmed with Districts.

These waste tonnage figures include residual waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.

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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.
- 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 last year.
- 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 continued into 2014-15, with actual tonnage for 2014-15 ending up at 36,721 tonnes more than the affordable level for the year, as the 2014-15 affordable level was based on the actual activity of the first three quarters of 2013-14.
- The actual waste tonnage in 2014-15 of 711,721 tonnes is 36,721 tonnes above the affordable level for 2014-15 equates to a pressure of £2.972m. However with the advent of the new contracts, some of the tonnage, primarily soil and hardcore, does not attract an incremental cost as it is processed as part of a fixed management fee irrespective of the volume of waste, therefore an increase in waste tonnage may not always result in an increased pressure on the waste budget. The pressure on waste volumes is largely offset by other savings within the service giving an overall net pressure against the waste management budget for 2014-15 of +£0.543m. The service believes that the increase in waste tonnage experienced over much of 2014 can be mostly explained by two separate issues. Firstly, climatic: the extraordinarily mild and moist winter of 2013-14 and spring 2014, as well as a markedly high water table, 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 financial 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 overall volume of waste was 2.5% higher in 2014-15 than 2013-14.

6. STRATEGIC & CORPORATE SERVICES DIRECTORATE

6.1 Capital Receipts

The total receipts received during 2014-15 is £7.299m. With the closure of PEF1 and PEF2 all receipts achieved will now go towards funding the capital programme.

6.2 Capital Receipts Funding Capital Programme

	2014-15
	£'000
Banked capital receipts brought forward from 13-14	33,275
Receipts achieved for 2014-15	7,300
Capital receipt funding required for capital programme	<u>18,601</u>
Potential Surplus/(Deficit) of Useable Capital Receipts	21,974

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6.2.1 The total capital receipt funding required to fund projects in the capital programme per the 2014-15 outturn totals £18.601m.

6.2.2 Receipts achieved during 2014-15 for use against schemes in the capital programme total £7.3m, which leaves a surplus on capital receipt funding in the usable capital receipts reserve of £21.974m. The 2015-18 capital programme is reliant on £91m of capital receipt funding, therefore all the receipts in the reserve will be needed to fund projects in the future years capital programme.

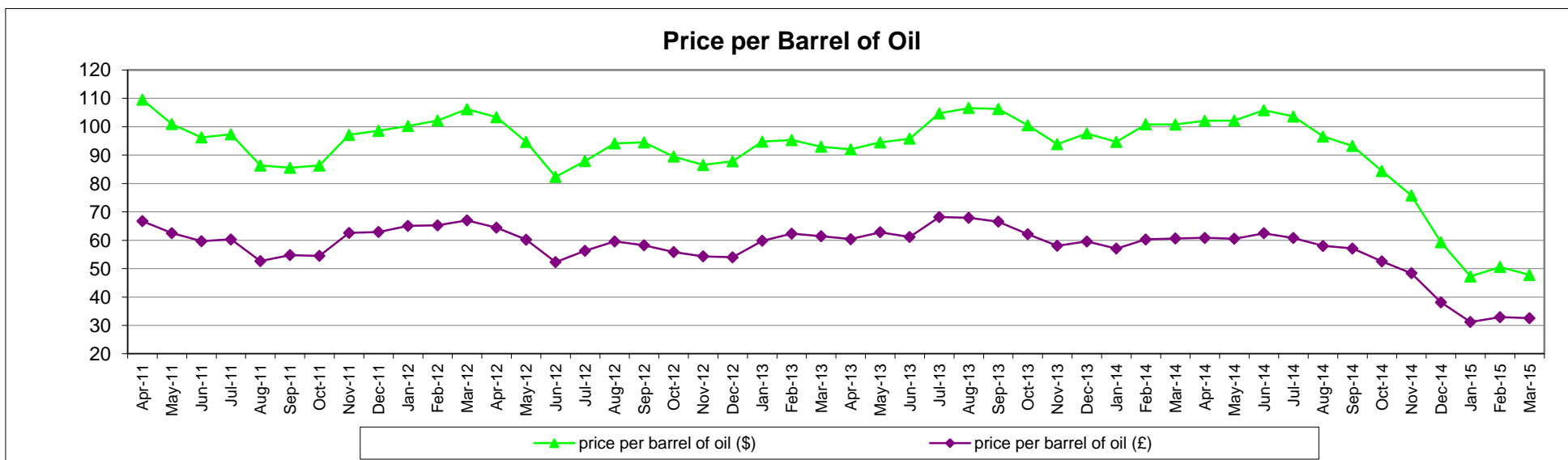
7. FINANCING ITEMS

7.1 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	103.59
Aug	94.13	106.57	96.54
Sep	94.51	106.29	93.21
Oct	89.49	100.54	84.40
Nov	86.53	93.86	75.79
Dec	87.86	97.63	59.29
Jan	94.76	94.62	47.22
Feb	95.31	100.82	50.58
Mar	92.94	100.80	47.82

Comments:

- The figures quoted are the West Texas Intermediate Spot Price in dollars per barrel, monthly average price.
- The dollar price has been converted to a sterling price using exchange rates obtained from the HMRC UK trade info website.
- Fluctuations in oil prices affect many other costs such as heating, travel, and therefore transportation costs of all food, goods and services, and this will have an impact on all services provided by the Council.



FINANCIAL HEALTH INDICATORS

1. CASH BALANCES

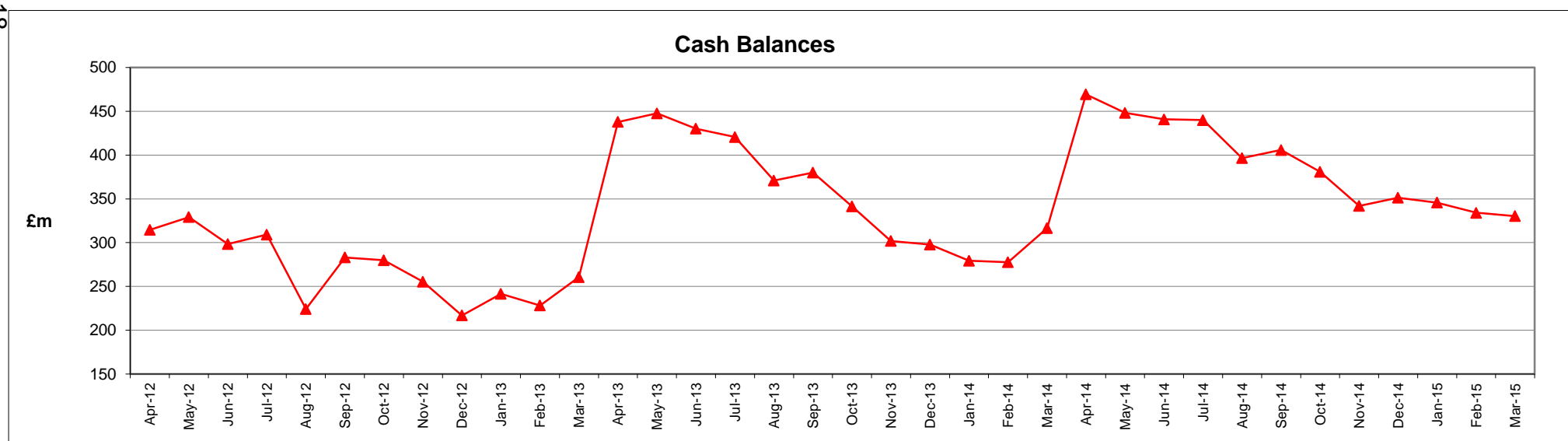
The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£7.353m), balances of schools in the corporate scheme (£49.375m), other reserves, and funds held in trust. 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	396.6	405.7	380.9	341.9	351.2	345.7	334.1	330.4

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2. LONG TERM MATURITY

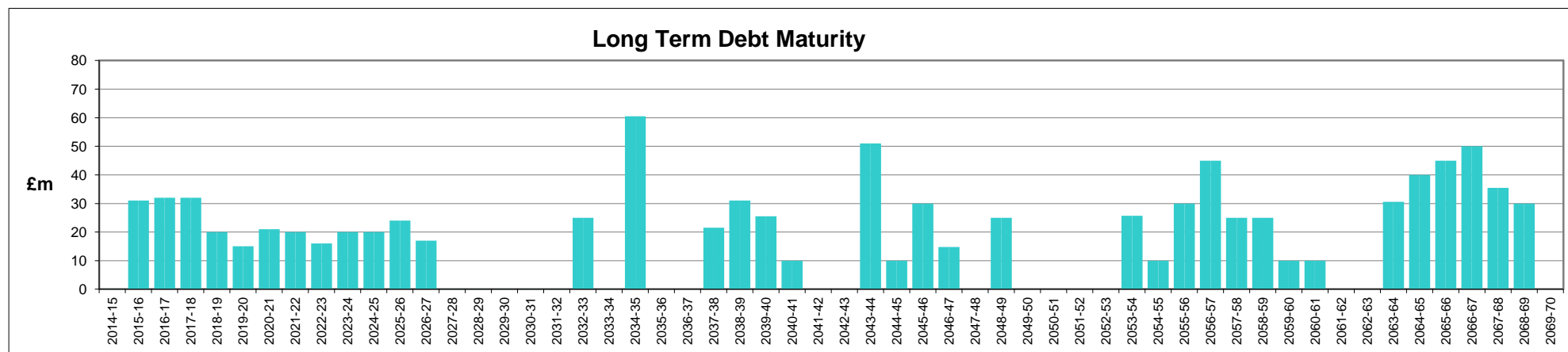
The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £40.063m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) 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 was 2014-15 is £26.193m, relating to £24.187m of maturity loans, (£2.187m was repaid in August and £22m was repaid in February), and £2.006m of equal instalment of principal loans (£0.006m was repaid in August, £1m was repaid in September and £1m was repaid in March).

	£m	Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2014-15	0.000	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	984.080

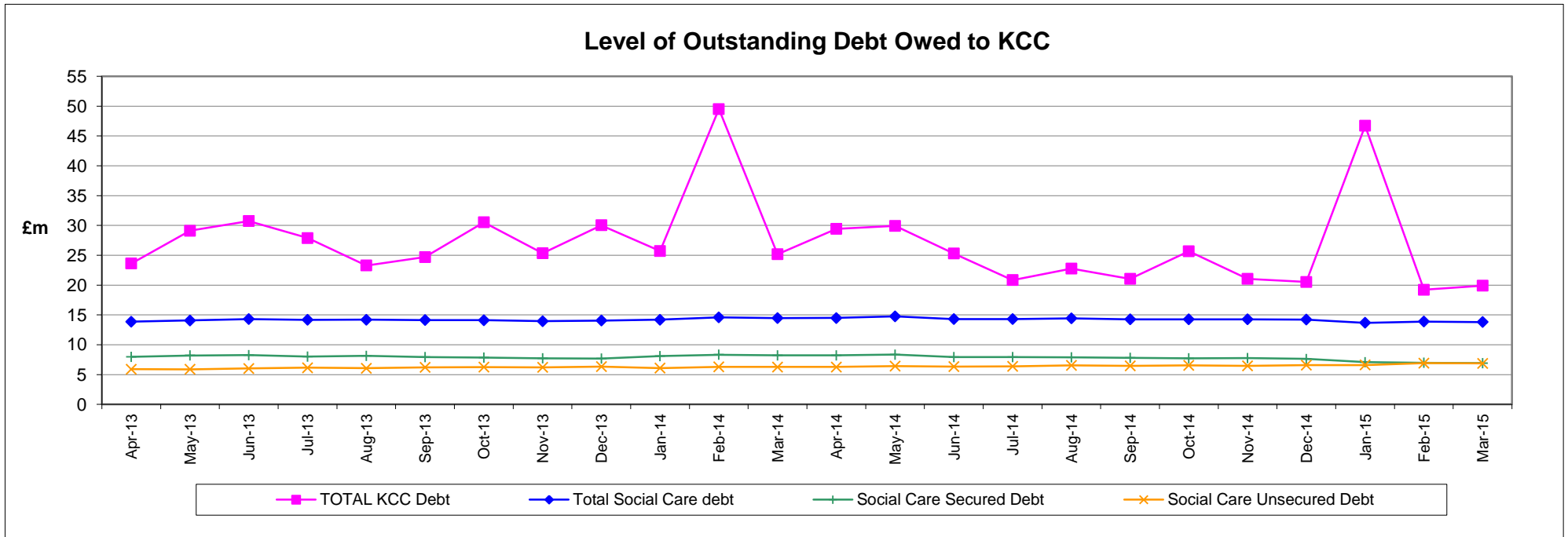
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3. OUTSTANDING DEBT OWED TO KCC

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	SCH&W Sundry Debt £m	TOTAL SCH&W 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	7.927	6.389	14.316	2.187	16.503	4.337	20.840
Aug 14	7.882	6.549	14.431	3.707	18.138	4.616	22.754
Sep 14	7.805	6.465	14.270	2.849	17.119	3.919	21.038
Oct 14	7.709	6.543	14.252	3.808	18.060	7.614	25.674
Nov 14	7.777	6.472	14.249	2.658	16.907	4.132	21.039
Dec 14	7.624	6.582	14.206	2.406	16.612	3.927	20.539
Jan 15	7.079	6.604	13.683	30.632	44.315	2.395	46.710
Feb 15	6.973	6.914	13.887	2.538	16.425	2.792	19.217
Mar 15	6.915	6.887	13.802	2.955	16.757	3.136	19.893



The large increase in sundry debt in January 2015 was entirely due to one large invoice to Health for £28.25m, which had only just become overdue at the end of January. This was paid in February.

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 recent 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	77.3
Sep	79.2	72.6	71.7	75.1
Oct	85.7	80.6	76.4	83.0
Nov	76.2	79.5	78.2	80.3
Dec	71.6	82.3	81.5	84.2
Jan	65.5	61.5	62.1	73.1
Feb	79.9	76.1	78.8	81.9
Mar	78.6	76.9	81.4	81.2

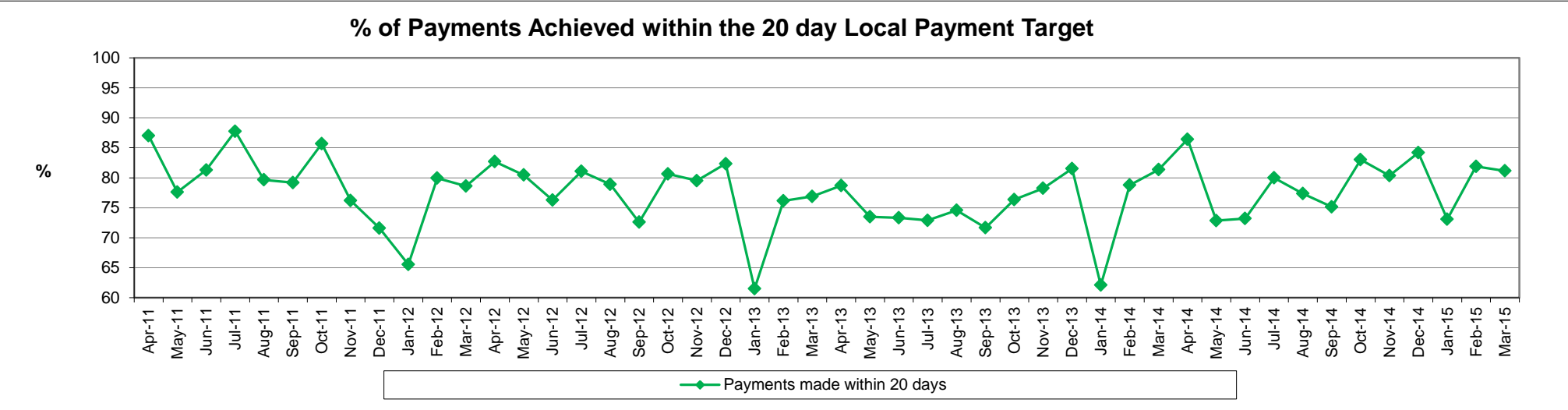
The percentages achieved for January each year are consistently lower than other months due to the Christmas/New Year break. This position was exacerbated in 2012-13 due to snow.

The 2014-15 year to date figure for invoices paid within 20 days is 79.2%. 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	79.2

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



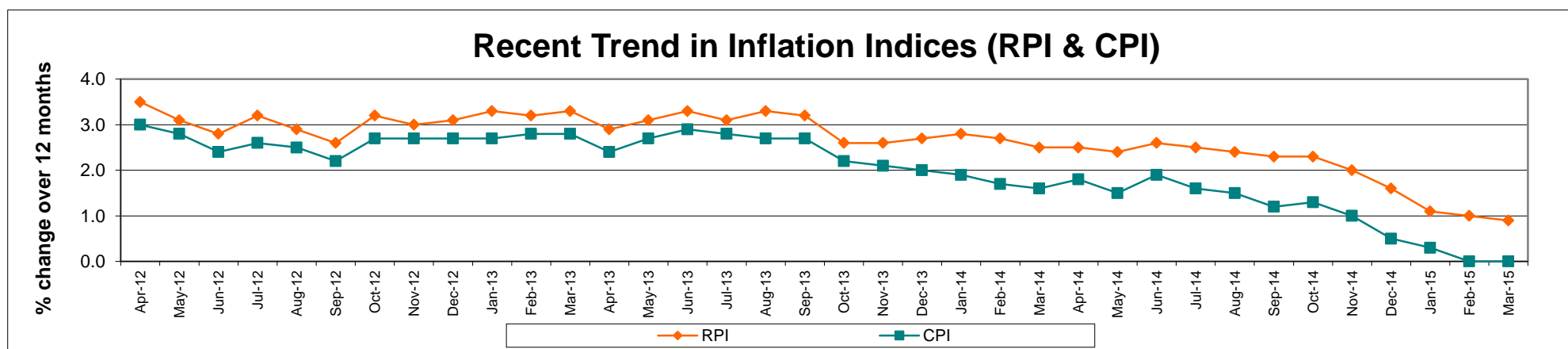
5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

In the UK, there has been 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, but is now not deemed to be a formal measure. The CPI measures 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	2.5	1.6
Aug	2.9	2.5	3.3	2.7	2.4	1.5
Sep	2.6	2.2	3.2	2.7	2.3	1.2
Oct	3.2	2.7	2.6	2.2	2.3	1.3
Nov	3.0	2.7	2.6	2.1	2.0	1.0
Dec	3.1	2.7	2.7	2.0	1.6	0.5
Jan	3.3	2.7	2.8	1.9	1.1	0.3
Feb	3.2	2.8	2.7	1.7	1.0	0.0
Mar	3.3	2.8	2.5	1.6	0.9	0.0

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2014-15 FINAL MONITORING OF PRUDENTIAL INDICATORS

1. Estimate of Capital Expenditure (excluding PFI)

Actuals 2013-14	£203.244m	
Original estimate 2014-15	£259.765m	
Revised estimate 2014-15	£260.520m	(this includes the rolled forward re-phasing from 2013-14)
Actuals 2014-15	£205.767m	

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

	2013-14	2014-15	2014-15
	Actual	Original Estimate	Actual as at 31-3-15
	£m	£m	£m
Capital Financing requirement	1,435.263	1,437.960	1,382.856
Annual increase/reduction in underlying need to borrow	-29.698	-27.001	-52.407

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%
Actual 2014-15	14.21%

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 31.3.15
	£m	£m
Borrowing	993	944
Other Long Term Liabilities	261	248
	<u>1,254</u>	<u>1,192</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 31.3.15
	£m	£m
Borrowing	1,038	984
Other Long Term Liabilities	261	248
	<u>1,299</u>	<u>1,232</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 31.3.15	Authorised limit for total debt managed by KCC	Position as at 31.3.15
	£m	£m	£m	£m
Borrowing	1,033	944	1,078	984
Other long term liabilities	261	248	261	248
	<u>1,294</u>	<u>1,192</u>	<u>1,339</u>	<u>1,232</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

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Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 31.3.15
	%	%	%
Upper 12 months	10	0	0.00
12 months and within 24 months	10	0	3.20
24 months and within 5 years	15	0	8.50
5 years and within 10 years	15	0	9.30
10 years and within 20 years	20	5	8.70
20 years and within 30 years	20	5	20.30
30 years and within 40 years	25	10	10.70
40 years and within 50 years	25	10	18.90
50 years and within 60 years	30	10	20.40

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

Indicator	£175m
Actual	£116.6m

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

To: CABINET – 6 July 2015

Subject: **REVENUE & CAPITAL BUDGET MONITORING REPORT 2015-16**

Classification: Unrestricted

1. **Summary**

- 1.1 This is the first budget monitoring report for 2015-16. This report reflects the position for each of the Directorates based on the major issues arising from the 2014-15 outturn, which is also on the agenda for this meeting. These are issues which were either not addressed in the 2015-16 budget build because they came to light after the 2015-16 budget was set or they are a continuation of pressures/savings that were addressed in the budget but only up to demand levels as at November/December time, when the 2015-16 budget was calculated.
- 1.2 The report provides initial forecasts for both the revenue and capital budgets.
- 1.3 Cabinet is asked to note these initial forecasts. In the light of further government funding reductions in the short to medium term, it is essential that a balanced position is achieved in 2015-16, as any residual pressures rolled forward into 2016-17 will only compound an already challenging 2016-17 budget position. This early forecast revenue pressure of over £11m is very clearly a concern, and needs to be managed down to at least a balanced position. However, it is not unusual for the first forecast of the year to be on the pessimistic side. For comparison, the initial forecast for 2014-15 was a forecast pressure of £8.393m and we ended the year with an underspend of £10.909m; and the last time we had an initial forecast pressure of this magnitude was in 2008-09, where we started the year with a forecast pressure of £11.8m and ended the financial year with an underspend of £7.5m. That's not to say that such a significant turnaround can be repeated again this year, especially as savings become harder to make as each year passes on the basis that the easier savings options have already been taken. The first quarter's spend and activity information to be reported to Cabinet in September will provide a more solid foundation for future forecasts.

2. **Recommendations:**

Cabinet is asked to:

- 2.1 **Note** the initial forecast revenue budget monitoring position for 2015-16 and capital budget monitoring position for 2015-16 to 2017-18, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.
- 2.2 **Agree** the capital cash limit adjustments as requested in paragraphs 5.2 – 5.6.

3. **Introduction:**

- 3.1 This is the first budget monitoring report for 2015-16 and contains a high level strategic view of material pressures and savings for each Directorate. Overall the net projected revenue variance for the Council is a pressure of £11.683m. The pressures and savings highlighted in this report are largely informed by the actual activity outturn position at the end of the 2014-15 financial year, and also by each Directorates' initial assessment of the achievability of their 2015-16 savings. In total £83m of saving requirements were included in the approved budget for this year.
- 3.2 The forecasts show the vast majority of the £83m savings are on track to be delivered; this is a promising position at this stage of the year. The intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant Directorate will be made as appropriate. As this is the first monitoring report of the year, equivalent saving plans have not yet been sufficiently developed. It is our expectation that once these alternative plans are finalised and agreed then the forecast pressure will reduce. Should alternative offsetting options not be identified within a directorate, then the Corporate Management Team will need to consider how this will be managed on an Authority-wide basis, as we must achieve a balanced position overall, we cannot afford to enter 2016-17 with an underlying problem.
- 3.3 Details of issues faced within the revenue budget are provided in section 4 and those faced within the capital programme are provided in section 5.

4. **2015-16 REVENUE MONITORING POSITION**

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

Table 1: 2015-16 Revenue Pressures and Savings:

Directorate	£m	Pressure/Saving
Education & Young People's Services	0	There are a number of offsetting pressures and savings which are detailed in section 4.2 below, but an overall breakeven position is currently anticipated.
Social Care, Health and Wellbeing – Specialist Children's Services (SCS)	2.900	Pressure on the Asylum budget based on the latest offer from the Home Office.
Social Care, Health and Wellbeing – Adults	7.019	Net effect of continuation of increased activity and expenditure experienced in the final quarter of 2014-15 on residential, nursing and homecare services for older people, offset by further delivery of phase 1 transformation savings, additional funding provided in the budget and use of one-off monies +£3.005m. Pressure resulting from revised phasing of anticipated delivery of phase 2 transformation savings +£3.95m. Continuation of pressure on Mental Health budgets experienced in 2014-15 +£0.547m. Offset by underspending against Supporting People (Adults) - £0.177m, Safeguarding -£0.164m, Learning Disability & other support services -£0.142m.

Directorate	£m	Pressure/Saving
Social Care, Health and Wellbeing – Public Health	0	Although a breakeven position is reported, the Government has announced that £200m of in year savings from the Department of Health are to come from public health budgets devolved to local authorities. We anticipate our share to be in the region of £4m, but we do not expect to know any further details until late summer/early autumn. On this basis, the service is considering options for dealing with an in-year 2015-16 budget reduction of this level.
Growth, Environment and Transport	0.594	A continuation of the pressure experienced in 2014-15 on the Concessionary Fares budget due to high usage. A continuation of the pressure experienced in 2014-15 on waste volumes is offset by underspends within the operation of waste facilities as a result of the new waste contracts and lower than budgeted prices.
Strategic and Corporate Services	2.520	We are awaiting the KPMG report in order to be able to allocate the £2m procurement savings target to services, which is currently held centrally within Finance & Procurement. Continuation of increased number and duration of calls experienced in the Contact Centre during 2014-15 +£0.4m. The restructure of the directorate is resulting in a delay in delivering the Customer Relationships saving +£0.27m. Partially offset by holding of vacancies in Communications & Consultation -£0.15m. <i>Further management action is being planned to reduce these residual pressures.</i>
Financing Items	-1.350	This relates to the announcement since the budget was set of additional Government funding relating to the reimbursement to local authorities of the impact of tax changes incurred under the business rates retention scheme associated with autumn statement measures in 2012, 2013 & 2014.
Total	11.683	

4.2 Education and Young People's Services Directorate:

- 4.2.1 The initial forecast indicates a balanced budget position but there are a number of forecast pressures offset by forecast savings.
- 4.2.2 Home to School Transport – there is a forecast pressure on the SEN transport budget of £0.400m, as the number of children travelling is consistently higher than the budgeted number, although there are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. This pressure reflects the difference between the 2014-15 outturn position, including SEN Home to College transport and the 2015-16 approved budget. There is also an offsetting forecast saving on mainstream transport of -£0.400m, as the number of children travelling is anticipated to be lower than the budgeted number.

- 4.2.3 Early Years and Childcare – the directorate is responsible for 3 nursery provisions which are now part of the Early Years Unit. The nurseries have been given a challenging income target and initial forecasts suggest a shortfall of £0.259m, although a significant amount of work is being undertaken to reduce this pressure.
- 4.2.4 Community Learning & Skills – there is a forecast pressure on this service of £0.635m which is mainly due to costs associated with the service redesign and a reduction in contract income with no corresponding reduction in costs. The unit is also exploring ways to fund the additional costs of total contribution pay, which are also included within the current forecast pressure.
- 4.2.5 Teachers & Education Staff Pensions costs – the 2014-15 year finished with a significant underspend on this budget and with the annual capitalisation costs for 2015-16 forecast to be lower than the previous year, an underspend of £0.681m is forecast.
- 4.2.6 Directorate Management and Support – there was an underspend of over £400k on this budget in 2014-15. A savings target of £200k was applied as part of the 2015-18 MTFP process, but as costs are expected to be consistent with last year, an underspend of £0.213 is forecast.

4.3 Social Care, Health and Wellbeing Directorate:

4.3.1 The initial forecast for Social Care, Health and Wellbeing Directorate indicates an overall pressure of £9.919m, as outlined in further detail below:

4.3.2 Specialist Children's Services:

4.3.2.1 The initial forecast for Specialist Children's Services (excluding Asylum Service) suggests that the service will break-even. This assumes that the Specialist Children's Services Transformation Programme will deliver anticipated savings. This programme commenced in 2014-15 and work is ongoing with the Transformation partner Newton Europe to ensure that all savings proposed are on track to be achieved. At this initial stage of the year, it is assumed that the budgets of the affected services will be in a balanced position at the end of 2015-16. The quarter one monitoring position will include a more detailed financial position against each of the services falling within Specialist Children's Services.

4.3.2.2 In relation to the Asylum service, we are still in negotiations with the Home Office, although the forecast position included in this report is based on the latest offer received. Under this current offer, it is anticipated that there will be a shortfall on the UASC's (Under 18's) creating a pressure of £0.2m. A more significant overspend of £2.7m is anticipated for Care Leavers, as funding for this group still remains at the national figure of £150 per week (or nothing for those deemed ineligible), which is not adequate to cover the direct costs nor the infrastructure costs of support. At this present time, no additional offer has been made by the Home Office to increase the £150 per week. Kent is also working closely with officers from the Home Office in relation to those young people deemed as ineligible, for whom we still bear a significant cost to support them.

4.3.3 Adult Social Care:

- 4.3.3.1 The initial forecast for Adults Services suggests that there is likely to be a pressure of £7.019m. This is mainly in relation to Older People and Physical Disability, which has an initial pressure of £6.955m. There is also a forecast pressure on Mental Health Services of £0.547m, which is partially offset by a combined underspend of -£0.177m on Supporting People (Adults) and -£0.164m on Safeguarding Service. The remaining balance of -£0.142m is due to the net effect of minor variances within Learning Disability and other support services. This position assumes that there will be no additional cost relating to any further demand pressures, including the effect of winter.
- 4.3.3.2 In the last quarter of 2014-15, there was an unanticipated increase in activity and expenditure especially in relation to residential, nursing and homecare services for older people, which led to an increase in the position on those services of £2.3m. The full year effect of this increased activity, along with the ongoing pressures experienced within Physical Disability is partially offset by the services continuing to deliver further savings through phase one of the transformation programme, £0.8m of additional funding allocated through the 2015-18 MTFP for domiciliary care and the use of one-off monies of £4.056m. The combined effect is an estimated in-year pressure of £3.005m.
- 4.3.3.3 The 2015-15 MTFP included a saving in 2015-16 of £4.4m through the delivery of phase 2 transformation programme. The design phase of this programme is not yet complete, however the latest indications suggest the savings programme will no longer be able to deliver this level of savings in 2015-16, leading to a shortfall of £3.95m, as savings are now expected to be delivered over a longer time period.
- 4.3.3.4 The pressure within Mental Health services experienced in 2014-15 is expected to continue at a similar level in 2015-16, with significant pressures in both residential care and supported living placements, partially offset by anticipated underspends within commissioned community support services and staffing, leading to a forecast pressure of £0.547m at this stage.
- 4.3.3.5 As mentioned in section 4.3.3.1 above, the following forecast underspends are helping to offset the overall pressures on Older People and Physical Disability services and Mental Health services: -£0.177m on Supporting People (Adults); -£0.164m on Safeguarding Service and -£0.142m within Learning Disability and other support services.
- 4.3.3.6 Negotiations with providers have not yet concluded in relation to the 2015-16 price uplifts, therefore it is currently assumed that the prices provision included in the 2015-18 MTFP will be fully utilised.
- 4.3.3.7 It is prudent at this stage to assume that the grant monies allocated to support the preparation for the April 2016 Care Act changes will all be required for additional assessments from October 2015 onwards.
- 4.3.3.8 The directorate is currently considering options to offset the £7.019m forecast pressure and details of this management action plan will be presented in the quarter 1 report to Cabinet in September.

4.3.4 Public Health:

4.3.4.1 Although a breakeven position is reported, as any under or overspending is transferred to the Public Health reserve at year end, the Government has announced that £200m of in year savings from the Department of Health are to come from public health budgets devolved to local authorities. We anticipate our share to be in the region of £4m, but we do not expect to know any further details until late summer/early autumn as the Government is first due to consult with local authorities to decide the best way of delivering these savings. On this basis, the service is considering options for dealing with an in-year 2015-16 budget reduction of this level, but it should be noted that a reduction of this size will require cuts to service levels. Further details will be provided in future monitoring reports as more information becomes available.

4.4 Growth, Environment and Transport:

4.4.1 The initial forecast indicates an overall pressure of £0.594m for the Directorate, which relates to Concessionary Fares.

4.4.2 A £0.594m pressure is forecast against the Concessionary Fares budget based on information previously received from our concessionary travel consultant, MCL Transport Services, together with assumptions around activity levels. Although reconciled activity information for the first quarter of 2015-16 will not be available until July; journey numbers, and therefore payments to bus operators, are expected to remain close to 2014-15 levels (dependent on weather patterns). A saving was included in the 2015-16 budget relating to a reduction in journey numbers, based on interim payments to bus operators at the half year stage of 2014-15, when the budget was set. However, final reconciliation of the activity data by MCL Transport Services for the first half of 2014-15 and continued higher than anticipated usage in the second half of 2014-15, resulted in a £0.5m pressure on this budget. A reasonably mild and dry start to 2015-16 have only added to the expectation that this saving is not deliverable, as demand continues to be high.

4.4.3 The levels of waste tonnage throughout much of 2014-15 remained above affordable levels, with final waste volumes of 711,700 tonnes, which was 36,700 tonnes above budget; this equated to an overspend of £2.972m. This was largely offset by savings and management action within the service, to leave an overall overspend of £0.543m. For 2015-16 the volume of waste is expected to remain at a level in excess of the budget even though the affordable tonnage was increased from 675,000 tonnes to 690,500 tonnes in the 2015-16 budget process. Initial estimates suggest a similar tonnage figure to 2014-15 of approximately 711,000 tonnes, causing a significant financial pressure of £1.2m to £1.3m as a result of the additional 19,500 tonnes. However, this forecast pressure is assumed to be fully offset by savings within the service, primarily from underspends within the operation of waste facilities as a result of the new waste contracts and lower than budgeted prices for In Vessel Composting and Allington Waste to Energy.

4.5 Strategic and Corporate Services:

- 4.5.1 The initial forecast for the Directorate indicates an overall pressure of +£2.520m as outlined in further detail below:
- 4.5.2 Contact Centre +£0.400m: There is an expectation that the underlying pressures highlighted throughout 2014-15 within the Contact Centre, relating to an increased number and duration of calls delaying the ability to fully deliver savings, will continue in 2015-16. However, management action identified so far includes a change to the telephony infrastructure which will increase functionality and promote efficiencies. Additionally, the Customer Service Design Programme is working with directorates to implement process changes which will help to reduce call volumes and length of calls, thus reducing the underlying pressure for 2015-16 to +£0.400m. Further management action is currently being planned and will reduce this residual pressure throughout the year.
- 4.5.3 Gateways & Customer Relationships +£0.270m: Delivery of the 2015-16 saving of £0.390m relating to Customer Relationships has been delayed pending the restructure of the division. However, mitigating action is already reducing this overall pressure, and the residual pressure will be addressed both through the restructure of the division and further management action.
- 4.5.4 Procurement +£2.0m: The MTFP showed that the detail of the procurement and commissioning saving was still to be confirmed. KPMG have completed two “deep dives” in to areas with the potential to deliver these savings and we are awaiting their report in order to be able to allocate this savings target to services, which is currently held centrally within Finance & Procurement. Until we have details of where this saving will be delivered, we are forecasting it as a pressure, although this should reduce significantly or be eliminated once we see the detailed plan from KPMG as to precisely how this will be delivered.
- 4.5.5 Communications & Consultation -£0.150m: A number of vacant posts are currently being held pending the restructure of the division.

4.6 Financing Items budgets:

- 4.6.1 We have recently received notification from Government of the amount of reimbursement relating to the impact of tax changes, incurred under the business rates retention scheme, that were announced in the Autumn Budget Statements of 2012, 2013 and 2014, such as the doubling of small business rate relief and implementing a 2% cap in the inflation increase for 2014-15 and 2015-16. This reimbursement is higher than our estimate of compensation included in the budget, by £1.350m.

5. 2015-16 CAPITAL MONITORING POSITION

- 5.1 The three year capital programme (2015-16 to 2017-18) has an approved budget of £675.700m (excluding schools and PFI). The forecast outturn against this budget is £723.864m giving a variance of +£48.164m. However, £53.914m of this is due to rephasing from 2014-15 for which roll forward approval has been sought in the 2014-15 outturn report. If the roll forwards are agreed and once the cash limits have been amended, the variance will become -£5.750m. Variances of over £0.100m are detailed below:
- 5.2 **Basic Need Programme – Education & Young People’s Services:** +£51.758m real variance (+£4.263m 2015-16, +£23.617m in 2016-17 and +£23.878m in 2017-18). The forecast has been amended to reflect the revised 2015-18 Basic Need allocations and a cash limit adjustment is requested to update the budget.
- 5.3 **Special Schools Programme - Education & Young People’s Services:** +£7.890m real variance in 2016-17 to be funded from additional Basic Need grant for additional pressures at five schools. A cash limit adjustment is requested to update the budget. There is also a rephasing of the 2015-16 budget by £11.802m to 2016-17 to reflect the impact on 2015-16 of delays at the planning, land acquisition and cost renegotiation stages on a number of complicated projects.
- 5.4 **Priority School Build Programme 1 & 2 - Education & Young People’s Services:** +£3.143m real variance (+£0.143m 2016-17 and +£3.000m 2017-18) to be met from additional Basic Need grant for works which are required but not funded by the EFA. A cash limit adjustment is requested to update the budget.
- 5.5 **M20 Junction 10a - Growth, Environment & Transport:** -£69.000m real variance (-£5.000m 2015-16, -£34.000m 2016-17 and -£30.000m 2017-18) as The Secretary of State and Highways England have now decided to advance their proposed programme and promote the full improvement. Consequently there is no longer a direct role for KCC in promoting an interim scheme. A cash limit adjustment has been requested in the 2014-15 outturn report.
- 5.6 **Community Sexual Health Services – Social Care, Health & Wellbeing – Public Health:** +£0.360m real variance (2015-16) due to the addition of this capital project which is to be funded from Public Health grant. A cash limit adjustment is requested to update the budget.

6. RECOMMENDATIONS

Cabinet is asked to:

- 6.1 **Note** the initial forecast revenue and capital budget monitoring position for 2015-16, and that the revenue forecast pressure needs to be eliminated by year end.
- 6.2 **Agree** the capital cash limit adjustments as requested in paragraphs 5.2 – 5.6 above.

7. BACKGROUND DOCUMENTS

2014-15 outturn report, which is also on the agenda for this meeting.

8. CONTACT DETAILS

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