



AGENDA

CABINET

Monday, 25th April, 2016, at 10.00 am
Darent Room, Sessions House, County
Hall, Maidstone

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

Webcasting Notice

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UNRESTRICTED ITEMS

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

1. Introduction/Webcasting
2. Apologies
To receive apologies for absence.
3. Declarations of Interest
To receive declarations of interests by members, in Items on the agenda for this meeting.
4. Minutes of the Meeting held on 21 March 2016 (Pages 3 - 10)
To approve the minutes from the previous meeting.

5. Revenue and Capital Budget Monitoring for 2015-16 - January (Pages 11 - 168)
To consider the latest financial position for both the Capital and Revenue budgets.

6. Energy Security Select Committee Report (Pages 169 - 182)
To receive a report from the Energy Security Select Committee.

Peter Sass
Head of Democratic Services
Friday, 15 April 2016

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, 21 March 2016.

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 and Mr J D Simmonds, MBE

UNRESTRICTED ITEMS**155. Apologies and Substitutions**

(Item 2)

No apologies for absence were received.

Mr Graham Gibbens, Cabinet Member for Adult Social Care and Health reported that he would leave the meeting at 11am.

156. Declarations of Interest

(Item 3)

No declarations of interest were received.

157. Minutes of the Meeting held on 25 January 2016

(Item 4)

The minutes of the previous meeting were agreed as a correct record and signed by the Chairman accordingly.

158. Revenue and Capital Budget Monitoring 2015-16 - Quarter 3

(Item 5)

Cabinet received a report providing the budget monitoring position for both the revenue and capital budgets as at quarter 3, including an update on key activity data.

Mr John Simmonds, Cabinet Member for Finance and Procurement introduced the item for members. He began by reporting the key themes from the revenue budget position; in particular he drew attention to the following:

- i. The he was pleased to report a quarter 3 projected underspend of £2.04million.
- ii. That this figure would be impacted by planned roll forwards, including £90k for the Kent Youth Employment programme, £150k for the Kent Safeguarding Board as well as some elements of the Kent and Medway Vulnerable Adults budget. Taking these in to account the projected underspend was reduced to £1.726million. In addition there were further roll forwards conditional on a balanced budget that would reduce the projected underspend to approximately £141k
- iii. Unaccompanied asylum seeking children budgets continued to show a pressure despite the latest grant calculations, but the figures for new entrants had been well within estimate and that was encouraging.

- iv. The Adults Social Care portfolio also continued to experience significant pressures, currently showing a pressure of just over £5million in part as a result of increased activity at the end of the 2014/15 financial year.
- v. The Education and Young People's budget continued to experience pressure on the SEN transport budget, offset in part by savings made on home to school transport and Young Persons Travel Passes.
- vi. The Growth, Environment and Transport Portfolios showed a satisfactory position; in particular increased income from registration activities was pleasing.

Mr Simmonds concluded, in relation to the revenue budget, that the overall picture was satisfactory but that the last quarter would be critical if the desired budget roll overs were to be achieved.

In relation to the Capital Budget Mr Simmonds informed members that of the £375million budget the forecast outturn was currently £259m. The £115million variance was largely a result of the normal timing and rephasing issues with only £1.8million being 'real' variance.

Following a question from the Leader My Wood, Corporate Director for Finance and Resources confirmed that he was confident that a balanced budget would be achieved.

It was RESOLVED that:

Cabinet 21 March 2015	
1.	That the latest monitoring position on both the revenue and capital budgets be noted.
2.	That the changes to the capital programme cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 3 be agreed.
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

159. Performance Monitoring 2015-16 - Quarter 3

(Item 6)

Cabinet received a report containing information on the key areas of performance for the authority as at quarter 3.

Richard Fitzgerald, Business Intelligence Manager – Performance, was in attendance to present the item. He introduced the item for members and in particular referred to the following:

- i. That overall performance for the authority was good with most indicators reported as 'green'; performance on or above target and the net direction of travel was positive.
- ii. He continued by drawing members attention to the following specific areas of performance:
 - a. Customer Services had showed good performance in relation to call answering but website visitor numbers and user satisfaction remained under target.
 - b. Growth, Environment and Transport Directorate performance was good, in particular, performance for waste recycling and diversion from landfill targets had been very good.
 - c. Education and Young People's Services had shown performance ahead of target for schools rated 'good' or 'outstanding' by ofsted and although the number of NEETs aged 16-18 recorded was higher than desired, the number of young people in apprenticeships had increased and youth unemployment was at an all-time low.
 - d. Specialist Children's Services had shown improved performance in the percentage of case file audits judged to be 'good' or 'outstanding' and positive reductions in caseloads were also recorded. In addition the number of children who were subject to child protection plans was at its lowest since March 2013. The numbers of children in need were 3% lower and the local number of children in care 5% lower, than at this time last year but pressure remained from unaccompanied asylum seeking children.
 - e. In the Adult Social Care portfolio, the number of 'promoting independence' reviews undertaken had increased and an improvement in good outcomes following enablement was also recorded although the enablement throughput remained behind target. An increase in the number of older people entering residential and nursing care was reported for quarter 3 but the numbers remained within target. Pressure remained in relation to delayed transfers of care and that was a local and national trend.
 - f. Public Health had shown reduced performance in relation to the delivery of 'health checks' largely attributed to pressures in the primary care environment in which the checks were administered. A new indicator was reported, following the transfer of health visiting responsibilities to the local authority in October which showed that performance levels had been maintained during the transition period.

The Leader spoke to the item and referred to recent comments from government ministers regarding the nature of local government involvement in education and the benefits of academisation. He felt that it was therefore timely to conduct some further analysis on the performance of academies and for members to be provided with evidence as to whether academisation had led to improved educational standards. Mr Carter accepted that some of the work would be difficult to analyse, as the first academies were made up of those who were forced to change as a result of poor performance as well as those schools who voluntarily became academies. Patrick Leeson, Corporate Director of Education and Young Peoples Services commented to

remind members that the most significant improvements in Kent had taken place in Primary Schools where the vast majority were not yet academies and while this improvement had been a collaborative effort he maintained that the input of the local authority had been crucial. In relation to secondary schools, he reported that the majority of those schools that were cause for some concern were academies. Richard Fitzgerald confirmed that this work could be undertaken.

It was RESOLVED that the report be noted.

160. Commissioning Plan for Education Provision 2016-20

(Item 7)

Cabinet received a report seeking agreement of the updated Commissioning Plan for Education 2016-20. The Leader invited Mr Roger Gough, Cabinet Member for Education and Health Reform and Patrick Leeson, Corporate Director of Education and Young People's Services to introduce the item and reported that Professor Ann Bamford, of the Arch Diocese of Southwark would be speaking to the item.

Mr Gough began by referring to the following matters:

- i. That the Commissioning plan had been in existence since 2012 and was updated annually.
- ii. He reported that the plan predicted an accelerated increase in the need for secondary school places. In recent years the focus had been on the expansion of primary schools and this was maintained in 2016-17 where 16 additional permanent forms of entry were planned compared to 6 in secondary schools. This would level out in the following year with secondary expansions taking over from 2018-19.
- iii. The Commissioning plan was designed taking in to account evidence and projections from a number of sources including birth rates, inward migration and significant actual, and planned, house building and although the increase was likely to be county wide there were likely to be pockets of acute pressure, North West Kent in particular.
- iv. The report included information on financing and it was clear that there were likely to be pressures on delivery of the plan. Work would be undertaken to ensure that the programme was delivered and alternative means of delivery investigated to ensure that this was done in the most cost effective manner while still achieving the objectives of the local authority.
- v. Other changes to the plan included strengthening of sections on Special Education Needs, Early Years and Post 16 education.
- vi. Referring to the speaker in attendance, Professor Ann Bamford, Mr Gough reported that they had met and discussed each school in detail and that he hoped it had been helpful. He liaised with District Councils about the plan as a matter of custom and felt it was sensible to also include the three diocese in Kent in these discussions

Patrick Leeson, Corporate Director of Education and Young People's Services spoke to the item and thanked the schools of Kent for the help that they had provided to the local authority in delivering the plan to date. Approximately 25% primary schools had been expanded and that could not have been achieved without significant input and cooperation from Head teachers and governing bodies. Going forward, the plan would be even more challenging to deliver; by 2019-20 the plan projected the need for 40 additional forms of entry in primary schools and 39 in secondary schools. This

would create 4000 additional places, as reported, the balance would shift toward the need for secondary school places and they could often be more challenging to provide. In addition the capacity to expand existing schools would continue to reduce and therefore create a reliance on new schools being created. One route to achieving the creation of new schools was through sponsored arrangements for free schools and academies and KCC was working hard with the government to make sure that any new schools were located in areas of basic need. In the future decisions would need to be made about whether to continue to receive proposals from the department on an adhoc basis or whether the local authority should run a competition on the open market to deliver schools in an identified area. It was important that Members recognised the shifting landscape of education provision in Kent, and nationally; opportunities to make decisions and assert influence were reducing and a balance had to be sought between meeting the need for places, satisfying parental expectations and delivering the programme within cost, the expansion of some schools was prohibitively expensive and this had been an issue with some of the proposals made by the Arch Diocese of Southwark.

Professor Ann Bamford, Director of the Education Commission for the Arch Diocese of Southwark spoke to the item for three, as invited; in particular she referred to the following:

- i. That she was pleased to hear that KCC valued the partnership working that had taken place to date. The partnership between church and state and the excellent work to provide places for children in Kent between them, remained strong.
- ii. That the Arch diocese had made a written response to the plan and that had been included in the papers for the meeting. It was enthusiastic about the general proposals for the expansion programme and welcomed the sensible principles underpinning choices for expansion. The Commission had undertaken its own work and had identified schools that met all of the criteria for expansion. At the meeting to which the Cabinet Member had referred, each catholic school in the county had been assessed in order to identify those that could be cost effectively expanded and Prof. Bamford had been able to share with the Cabinet Member the innovative ways that the Commission work with other authorities to provide low cost and efficient expansion of our schools.
- iii. That 90% of catholic schools in Kent were rated as 'good' or 'outstanding' but the diocese was concerned that the proportion of places in these high performing catholic schools has declined steadily in Kent. In real terms there had been a decrease of just over 10% as the catholic sector has declined by 0.5% while the overall sector has increased by approximately 9%.
- iv. The proportion of Catholic children within the pupil population in Kent was approximately 10% while the provision of catholic school places currently hovered at approximately 5%. Furthermore, Prof. Bamford claimed that inward migration strongly favoured catholic families especially those from Poland and other Eastern European countries. Yet, despite this and the large number of expansions in the primary school sector, the catholic sector had not had any increase in places, funded by KCC, in the last 5 years.
- v. That the commission was pleased that three catholic schools had been identified for expansion in the coming year and hoped that this trend would continue. The Commission believed that the catholic school sector could make a valuable and positive contribution to the provision of additional places

for all children in Kent and asked Cabinet Members for their support in redressing the decline in places that had occurred over last 5 years.

The Leader thanked Professor Bamford and following a question she confirmed that currently the Catholic church could not sponsor free schools as any religious requirement for pupils was capped at 50% and this would not accord with the charity law by which catholic schools are governed. However the government was revisiting this position and if the cap were amended the diocese would be keen to open free schools.

Mr Gary Cooke, Cabinet Member for Corporate and Democratic Services welcomed the plan and the success it had brought to date in achieving its aims, not least facilitating parental choice. He also highlighted the good work of the property group in delivering the expansion programme. The Cabinet Member for Education and Health Reform responded to report that, secondary offer day had just passed and had seen an increase in the number of families achieving their first preference and a significant reduction in the those families who had not secured any of their choices.

Education Commissioning Plan Cabinet 21 March 2016	
1.	That the Commissioning Plan for Education Provision 2016 – 20 be agreed
Reasons	
1.	In order that the forecasts and relevant actions are agreed and future need can continue to be met.
Alternative options considered and rejected	None.
Dispensations received	None

161. Lower Thames Crossing - KCC Consultation Response
(Item 8)

Cabinet received a report outlining the proposed response from KCC to Highways England’s (HE) consultation on the Lower Thames Crossing (LTC) route options.

The Leader introduced the item and set out briefly the reasons for executive support for option C. Although he empathised with residents who may be affected by the route, he and the executive believed it to be the best option subject to two crucial matters being resolved; firstly that the ‘WSL’ route be used to link the A2/M2 to the option C solution and secondly that the proposed links to the A226 should not be undertaken objection.

Mr Mathew Balfour, Cabinet Member for Environment and Transport introduced the item, in particular he referred to the following:

- i. That KCC was responding to a consultation and not making any decision on the proposals. He expressed sympathy with anyone who might be affected by the proposals for a new crossing but also regarded relief of issues for residents of Dartford and elsewhere as a priority.

- ii. That the channel tunnel was crucial to trade and delivery in Britain and, as it could not be moved, Kent must facilitate HGV traffic in a way that was as efficient as possible and that impacted upon local roads as little as possible. This was the basic principle behind the support for option C.
- iii. KCC supported the inclusion of a tunnel that was as long as possible in order to protect the environment and reduce the impact of emissions.
- iv. That the WSL was crucial to the support of KCC for option C and for the success of an option C Thames Crossing.

Katie Stewart, Director of Environment, Planning and Enforcement reported that the response for consideration was the product of consultation with both the Growth, Economic Development & Communities Cabinet Committee and the Environment and Transport Cabinet Committee and with local councils potentially affected by the proposals.

The Leader expressed concern regarding the lack of long term strategic vision displayed by HE and felt that it was crucial to achieving satisfactory outcomes for the strategic highways network in Kent, in particular the links between the option C solution and the M2 corridor and M20 corridor.

Mr Mark Dance, Cabinet Member for Economic Development reported from the last meeting of SELEP: Medway Unitary Council would also be supporting the WSL option; and a debate took place about the length of time that the development would take to deliver and how to ensure that plans made now would be fit for purpose once realised.

Joe Ratcliffe, Transport Strategy Manager, spoke to the item to further confirm the need for a strategic overview to any proposals, including the link between the M2 and the M20; the A249 connection and all the other improvements and other considerations contained within the proposed response and on which KCC support was dependent.

It was RESOLVED that the proposed response be endorsed.

162. Legal Services - Procurement Project

(Item 9)

[This is a public minute of an 'exempt' item].

Cabinet received a report providing details of the conclusions drawn from the Facing the Challenge market engagement for Legal Services and putting forward recommendations for approval on the outcome of the procurement process, the implementation of the council's commissioning strategy and a new service delivery model for Kent Legal Services.

Geoff Wild, Director of Governance and Law introduced the report for members and highlighted the key findings of the work undertaken and the recommendations for consideration by members.

Ben Watts, Head of Law – Litigation and Social Welfare and Guy Record, Strategic and Corporate Services, Finance and Procurement were also in attendance to provide information for members. Guy Record gave a presentation which set out the

approach taken to assessing value for money and a comparison of the two options considered.

Cabinet welcomed the report and the information provided by officers present. Cabinet considered carefully the information received, put forward views and asked questions of officers who in turn provided responses.

It was RESOLVED that

Cabinet 21 March 2015	
1.	That the Council does not enter into a joint venture and officers be instructed to advise the remaining bidder that their bid has been unsuccessful be agreed
2.	That the creation of a wholly-owned company and seeking of Solicitors Regulation Authority approval for it to operate as an Alternative Business Structure for the delivery of legal services to the Council and the wider market be agreed
3.	That the conclusion of the procurement process by awarding the contract for legal services to the wholly-owned company be agreed.
Reason	
1, 2 & 3	In order that the core objectives of the review; to create a service which is better, cheaper and more profitable can be achieved in the most effective manner.
Alternative options considered	Alternative options were fully considered during a lengthy process that is fully documented in update reports to the Policy and Resources Cabinet Committee.
Conflicts of interest	None
Dispensations granted	None

- (a) **FIELD**
- (b) **FIELD_TITLE**

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

To: CABINET - 25 April 2016

Subject:

- (1) **REVENUE AND CAPITAL BUDGET MONITORING FOR 2015-16 - JANUARY**
- (2) **KEY ACTIVITY MONITORING FOR 2015-16 - JANUARY**

Classification: **Unrestricted**

1. SUMMARY

1.1 This report provides the budget monitoring position for January 2015-16 for both revenue and capital budgets, including an 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
- There are seven annexes to this executive summary report, as detailed below:
 - **Annex 1** **Education & Young People's Services**
 - **Annex 2** **Social Care, Health & Wellbeing** - Specialist Children's Services
 - **Annex 3** **Social Care, Health & Wellbeing** - Adults
 - **Annex 4** **Social Care, Health & Wellbeing** - Public Health
 - **Annex 5** **Growth, Environment & Transport**
 - **Annex 6** **Strategic & Corporate Services**
 - **Annex 7** **Financing Items**

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.

3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 The net projected variance against the combined directorate revenue budgets is an underspend of -£2.612m. However, there is some minor re-phasing of budgets which we will need to roll forward to 2016-17 to fulfil our legal obligations, detailed in section 3.7, therefore this changes the position to an underspend of -£2.226m as shown in the headline table below. There is also some significant underspending within the forecast, detailed in section 3.8, which we would ideally like to roll forward in order to continue with these initiatives in 2016-17. If we allow for this, then this changes the position to a small **underlying underspend of -£0.111m**. This shows that the Authority as a whole is currently forecasting an underspend sufficient to allow for all of these roll forwards, but these roll forwards will only be possible if the position does not deteriorate before year end. The annexes to this report provide the detail of the overall forecast position which is summarised in table 1 below.
- 3.2 Although the position has improved again this month, by -£0.572m, after allowing for an increase in the roll forward requirements this changes to a slight worsening of the position by +£0.030m. All proposed management action has now been implemented and is included within these forecasts. After allowing for roll forwards, we are forecasting only a very small underspend, so we are not out of danger yet and with the budget savings already required over the medium term, we must do all we can to avoid going into 2016-17 with any overspend.
- 3.3 This report does not attempt to explain movements month on month, but explains why we have a forecast variance. However, we will report the headline movement, which for this month is a £0.572m reduction in the forecast position (excluding schools), as shown in table 1 below. This is mainly due to:

E&YP (excluding schools) - the position has deteriorated by £0.229m this month, but this is largely due to a reduction in the underspend on the Kent Youth Employment programme of £0.644m, which has also reduced the requirements for roll forward to 2016-17. In addition, there have been many other smaller movements totalling -£0.415m, the most significant being within Early Intervention & Prevention, mainly due to further staffing savings; within School Improvement predominately due to further underspending on the Intervention Fund and Advisor vacancies; together with improvements in the positions of Youth Offending Service, Children's Centres, Strategic Management & Directorate Support budgets and Mainstream Home to School Transport. There are also a number of movements in the forecasts against the DSG funded budgets totalling -£0.5m, but in accordance with regulations these will be matched by a transfer to the central DSG reserve of £0.5m as we cannot use this underspending to offset pressures elsewhere within the directorate budget.

E&YP (schools delegated budgets) - the position has deteriorated by £0.047m this month which reflects an increased drawdown from the schools unallocated DSG reserve to fund a small pressure on Early Years Education for two year olds.

SCH&W (SCS - Asylum) - a small reduction in the Asylum costs of £0.057m following a further slow down in migrant activity since the last report, with 28 referrals in February and 17 for the first 16 days of March, whereas the previous forecast assumed 50 referrals for each of these two months. The forecast now assumes 25 referrals for March.

SCH&W (SCS) - Within the other Specialist Children's Services (excluding Asylum), the underspend has increased by £0.504m this month. This is mainly due to a reduction in the Children's social care staffing pressure of -£0.160m, predominately within non disability teams; an increase in the underspending within Adoption & other permanent care arrangements service of -£0.146m predominately due to vacancy management within the County Adoption Team, and an increase in the underspend within Strategic Management & Directorate Support budget of -£0.120m including increased savings from vacancy management. In addition, there are lower than anticipated costs for Safeguarding (-£0.108m) and Family Support (-£0.116m). These improvements are partially offset by an increased pressure on the Fostering service of +£0.116m.

SCH&W (Adults) - the overall Adult Social Care position has deteriorated by £0.189m this month, which predominately relates to the cancellation of an outstanding debt relating to Ordinary Residence, based on latest legal advice. In addition, an increase in the pressure on nursing & residential care (+£0.4m) is offset by an improvement in the forecast for direct payments (-£0.3m) and domiciliary care (-£0.1m). A reduction in the underspend on Adaptive & Assistive Technology (+£0.1m) is offset by an increase in the underspend on Adult Social Care staffing (-£0.1m), but this underspend relates to the delay in undertaking Deprivation of Liberty Safeguard (DOLS) assessments and is required to roll forward.

SCH&W (Public Health) - the underspend on the Public Health services has increased by £0.457m this month which will be matched by an increased transfer to the Public Health reserve. This is mainly due to reductions in spend within the 0 -5 year olds health visiting service and sexual health services, which is predominately because of a reduction in the revenue contribution to capital due to re-phasing of the Community Sexual Health Services capital scheme to 2016-17.

GE&T - the underspend has marginally increased by £0.041m this month, however within this are a number of larger offsetting movements, the main ones being: a worsening in the positions for Concessionary Fares (+£0.106m) and Young Person's Travel Pass (+£0.273m) based on early indications of usage in quarter 4 and a number of YPTP passes having not yet been renewed for the second half of the academic year; and reduction in income expected from the European Regional Development Fund within Environmental Management (+£0.254m). These have been more than offset by further underspending on streetlight maintenance (-£0.407m), where the underspending because of a delay in works due to resource issues with our external provider has increased, resulting in an increase in the amount of roll forward required; an increase in the underspending on the Libraries, Registration & Archives service of -£0.113m mainly due to savings against staffing budgets; underspending on Development Planning of -£0.095m and a number of other smaller movements totalling -£0.059m.

S&CS - the underspend has marginally improved by £0.043m this month due to a number of minor movements, of which £0.055m is required to roll forward (see section 3.7).

FI - the underspend has increased by £0.345m this month due to a further increase in the forecast interest on cash balances as a result of higher cash balances, investing for longer durations and increased dividends. In addition, the underspend on the Insurance Fund has increased by -£0.5m, due to a reduction in the forecast for claims settlements to be paid in year. This will result in an increase in the transfer to the Insurance reserve at the end of the financial year of +£0.5m.

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

	Cash Limit	Variance Before Mgmt Action	Management Action - already in place	Net Variance after Mgmt Action	Last Report	Movement
Directorate Totals	+931,015	-2,612	-	-2,612	-2,040	-572
Adjustments: - Legally committed roll fwd (see section 3.7 for detail)		+386	-	+386	+314	+72
Underlying position (incl. legally committed roll fwd requirements only)	+931,015	-2,226	-	-2,226	-1,726	-500
- Roll fwd / re-phasing required to continue / complete existing initiatives (see section 3.8 for detail)		+2,115	-	+2,115	+1,585	+530
Underlying position (incl. ALL roll fwd requirements)	+931,015	-111	-	-111	-141	+30

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

Annex	Directorate	Budget £'000	Net Variance (before mgmt action) £'000	Management Action already in place £'000	Net Variance (after mgmt action) £'000	Last Report £'000	Movement £'000
1	Education & Young People's Services	72,083.8	-60	-	-60	-289	+229
2	Social Care, Health & Wellbeing - Specialist Children's Services	133,084.8	-1,188	-	-1,188	-684	-504
	Social Care, Health & Wellbeing - Asylum	280.0	+1,972	-	+1,972	+2,029	-57
	<i>Sub Total SCH&W - Specialist Children's Services</i>	<i>133,364.8</i>	<i>+784</i>	<i>-</i>	<i>+784</i>	<i>+1,345</i>	<i>-561</i>
3	Social Care, Health & Wellbeing - Adults	350,266.1	+5,450	-	+5,450	+5,261	+189
4	Social Care, Health & Wellbeing - Public Health	-	-	-	-	-	-
5	Growth, Environment & Transport	173,505.5	-1,635	-	-1,635	-1,594	-41
6	Strategic & Corporate Services	71,952.2	-2,397	-	-2,397	-2,354	-43
7	Financing Items	129,842.5	-4,754	-	-4,754	-4,409	-345
	TOTAL (excl Schools)	931,014.9	-2,612	-	-2,612	-2,040	-572
1	<i>Schools (E&YP Directorate)</i>	<i>-</i>	<i>+14,113</i>	<i>-</i>	<i>+14,113</i>	<i>+14,066</i>	<i>+47</i>
	TOTAL	931,014.9	+11,501	-	+11,501	+12,026	-525

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

- a) We have suffered in year government funding cuts in relation to Public Health grant of £4.033m and Youth Justice Board grant of £0.139m. See section 3.10 below for further details.
- b) The position included in this report for Asylum is a pressure of £1.972m, and this reflects the latest grant offer from the Home Office of the new weekly rates of £200 for age 18 and over (from £150), £700 for 16 and 17 year olds (from £637) and £1,050 for under 16's (from £798). A condition of this grant offer is that it is subject to a Home Office audit of our costs. The position also reflects the impact of migrant activity up to the end of February and assumes 25 new referrals for March. Provisional figures show that there were 28 referrals in February and 32 for March, so we remain close to this forecast. Also included within the forecast is the fit out costs for a new temporary reception centre. National dispersal of some young people to other local authorities is helping to mitigate the pressure on this service. However, it is likely that the increased migrant activity levels since June 2015 will produce an additional pressure on our Asylum budget in future years as more Asylum young people reach age 18, because our costs have consistently exceeded the grant receivable for this age group.
- c) There is a forecast underspend on Specialist Children's Services (exc. Asylum). The net position of -£1.188m includes an underspend of -£0.159m relating to the re-phasing of Kent Safeguarding Children Board costs into 2016-17 which is required to roll forward in order to meet our obligation to the board under the terms of the multi agency agreement. The underlying £1.029m underspend mainly relates to underspending on adoption, partly due to fewer children requiring this permanent care arrangement, fostering, safeguarding, Virtual School Kent, Family Support Services and strategic management & directorate support budgets. These underspends are partially offset by pressures on children's social care staffing, as a result of increased costs of agency social workers due to the ongoing difficulties in recruiting to posts and the establishment of additional Adolescent Support Team posts targeted at increasing the proportion of young people re-united with their families within the early weeks of care, together with pressures on Residential Care, which result from a lack of suitable independent foster care placements and small pressures on Care Leavers and Legal Charges. The position assumes that the transformation savings will be delivered in line with the savings profiles agreed with our transformation partner, however there is a risk that, due to recent increases in numbers of Looked After Children, the savings on Fostering and Residential care will not be fully achieved, which could result in a deterioration of the current forecast position.
- d) The pressure of £5.450m within Social Care, Health & Wellbeing - Adults is largely the net effect of a continuation of increased activity experienced in the final quarter of 2014-15 on residential and homecare services for older people and physically disabled clients, together with significant pressures on residential care for mental health clients, the supported living service for learning disabled and physically disabled clients, day care for learning disability clients and support for carers. In addition, revised phasing of the anticipated delivery of phase 2 transformation savings is adding to this pressure in the current year, although progress against these phase 2 savings plans in 2015-16 to date is better than we anticipated earlier in the year. These pressures are partially offset by further delivery of phase 1 transformation savings, increased non residential charging income as a result of the pressures on domiciliary care, supported living and day care, staff vacancy savings, underspending on direct payments for older people and learning disability clients, learning disability residential care, Community Support services for Mental Health clients, Adaptive & Assistive Technology and the use of so-far uncommitted funding held within Other Adult Services and Adult Social Care Staffing, including the release of £4.2m of Care Act funding following the Government announcement to delay implementation of phase 2 Care Act reforms and some of the funding provided in the budget for social care prices following completion of the prices review (see Annex 3 for further information).

- e) As previously reported, a high profile social care provider has recently failed their Care Quality Commission inspection and are in the process of going into liquidation. This may result in additional costs against the adult social care budget as we need to find alternative placements for clients who are currently with this provider. However, existing placements can continue for the remainder of 2015-16, so any impact of this will be in the new financial year.
- f) Within Education & Young People's Services, a pressure on the SEN Home to School Transport budget of £2.183m is partially offset by a continuation from last year of the reduced demand for mainstream home to school transport (-£0.782m) and an underspend on the Kent 16+ Travel Card mainly due to a reduction in estimated journey costs and increased income from sale of passes (-£0.270m). In addition, the Directorate is showing a net pressure in relation to costs associated with the new Early Help Module; refurbishment costs for Youth Centres and costs of cabling and wireless routers in Children's Centres; a staffing pressure with the Youth Offending Service partly due to staffing levels not reducing in line with reductions in income streams; shortfalls against income targets for nursery provision, early years training and school improvement, together with a pressure on the Community Learning & Skills service due to costs associated with service redesign and a reduction in contract/grant income. These pressures are partially offset by lower than budgeted annual pension capitalisation costs; an underspend across the area and district Early Help & Preventative Services teams due to vacancies and staff appointed below the budget assumption of mid point of grade; advisor vacancies within School Improvement; increased income from non statutory psychology traded services; savings on commissioned services and legal fees, and delivery of management action relating to the Intervention Fund and maximising the use of DSG within Assessment & Support of Children with SEN and Early Years & Childcare. In addition, significant underspending is forecast relating to the Troubled Families Programme and to a lesser extent, the Kent Employment Programme but, if possible, roll forward is required to continue these schemes in 2016-17. As a result, the directorate as a whole is forecasting a net underspend excluding schools of £0.060m. However, in order to fund the roll forward requirements, an underspend of £0.715m is required, so the directorate is investigating options to cover the shortfall of £0.655m in order to achieve this position, particularly from maximising trading income from schools and academies through aggressive marketing campaigns as well as reviewing all discretionary non staffing expenditure.
- g) A net pressure on the high needs education budgets (+£2.378m), a pressure on Early Years Education for 2 year olds (+£0.047m) and other schools related pressures (+£2.958m) will be met by a drawdown from the schools unallocated DSG reserve. School reserves are also forecast to reduce by £1.309m as a result of an expected 12 schools converting to academies, and by £7.421m for the remaining Kent schools based on their 9 month monitoring returns. Overall the school reserves are therefore currently forecast to reduce by £14.113m to £39.896m.

- h) The Growth, Environment and Transport Directorate is forecasting an underspend of £1.635m. Within this position are some larger offsetting variances, the most significant are a pressure on Concessionary Fares of +£0.632m due to increased usage; a pressure on the highways maintenance budgets of +£0.715m, mainly due to pothole and drainage works following an extension to the find and fix campaign (+£1.462m) offset by underspending on streetlight maintenance (-£0.306m) and underspending on adverse weather (-£0.522m); a pressure on the Environmental Management budget of +£0.212m mainly due to a reduction in income expected from European Regional Development Fund and a net pressure on the waste management budgets of +£0.232m (see item (i) below for further details). These pressures are more than offset by underspending on the highways management budgets of -£1.286m mainly due to a rebate following a reconciliation of winter 2014-15 and summer 2015-16 usage of streetlight energy and a lower than budgeted electricity price increase for 2015-16 (-£0.574m), together with an underspend on traffic management largely relating to increased income from the Kent Permit Scheme and streetworks (-£0.337m) and undrespending on Development Planning (-£0.159m) and Highway Improvements (-£0.142m); an underspend on the Young Person's Travel Pass of -£0.464m due to fewer than budgeted passes in circulation; additional registration income mainly from ceremonies of -£0.440m; underspending within Libraries, Registration & Archives of -£0.322m partly due to staff vacancy savings and an underspend against the budget allocation to deliver transformation projects due to a delay in the transfer of libraries to trust status, and underspends within the strategic management & directorate support budgets of -£0.547m mainly as a result of an underspending on staffing and early retirement costs; together with a number of smaller variances across the other service units.
- i) The high waste volumes experienced during 2014-15 have continued into the first ten months of 2015-16 with a forecast overspend of £2.260m currently reported. This is largely offset by savings on management fees at waste facilities sites, in-vessel composting, higher than anticipated income from recyclables, lower cost of waste to energy disposal, contract savings at Household Waste Recycling Centres and transfer stations, savings from a new haulage contract and a re-phasing of works at closed landfill sites into 2016-17, giving an overall net pressure on the waste budgets of +£0.232m. The tonnage for the first ten months of 2015-16 was 13,800 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £2.142m assumes tonnage will be 709,900 tonnes for the full year, 19,400 tonnes above the budgeted level of 690,500 tonnes. This forecast appears high when comparing to year to date tonnage, but it assumes that the profile of waste volumes for the remainder of the year will be higher than that experienced this time last year, as a result of Easter falling in March 2016. Waste tonnage for the first ten months of the year is 1.4% below waste tonnage for the same period last year.
- j) The forecast underspend for Public Health has increased by £0.457m to £1.224m which will be transferred to the Public Health reserve in line with government guidelines, for use in future years. This position is after the cash limits have been reduced to reflect the £4.033m in year government funding cut as a result of the Government's austerity measures. Please see section 3.10 (i) for further details.
- k) Within Strategic & Corporate Services an underspend of £2.397m is now reported with pressures within the Contact Centre, Gateways & Customer Relationship and ICT being more than offset by underspending mainly within Property & Infrastructure, Communications & Consultation, Business Services Centre, Finance & Procurement, Business Strategy and Human Resources. In addition an underspend is forecast against the budget for Member Community Grants based on the level of projects anticipated to be approved before the end of the financial year.

- l) Within Financing Items, increased interest on cash balances; a forecast increase in Education Services Grant as fewer schools are anticipated to convert to academy status this financial year than assumed at the time the budget was set; higher than expected Business Rate compensation grant for the impact of measures introduced by the Government in the 2012, 2013 and 2014 Autumn Statements; a retained levy as a result of being in a business rate pool with 10 of the Kent District Councils and an underspend against the external audit fee all contribute to a forecast underspend of £4.754m. The accounting treatment for the retained levy has only been agreed this financial year, hence why this was not factored into the 2015-16 budget build, but it has been reflected in the recently approved 2016-17 budget. The final figure for the retained levy will not be known until the final stages of closing the 2015-16 accounts, so this forecast position could change.
- m) The centrally held procurement and commissioning saving has transferred in year from Finance & Procurement, within Strategic & Corporate Services (annex 6) to Financing Items (annex 7). The detailed action plan from our project partner (KPMG) on how this will be delivered has been finalised. This contains a number of proposals for delivering these savings in future years, but for the current year the recommendation is that this be delivered from tactical savings across the authority. The impact of these savings is also currently being reported within Financing Items.
- n) Many of the pressures and savings highlighted in the headlines above have implications for the 2016-19 MTFP, as they are expected to be ongoing. The approved 2016-17 budget, includes an element of budget re-basing for these pressures and savings.

Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 4 shows that within the current forecast revenue position there is a requirement to roll forward £0.386m to 2016-17, relating to initiatives where we have a legal obligation to provide the funding. This relates to:

▪ re-phasing of Kent Youth Employment programme in to 2016-17 (see annex 1)	+113 k
▪ re-phasing of Kent Children's Safeguarding Board in to 2016-17. This represents KCC's share of the underspend of the KCSB. Under the terms of the multi-agency agreement, KCC has an obligation to provide this funding to the Board. The underspending relating to partners contributions is held in a Fund (see annex 2)	+159 k
▪ re-phasing of Kent & Medway Safeguarding Vulnerable Adults Committee in to 2016-17. 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 (see annex 3)	+59 k
▪ Re-phasing into 2016-17 of costs relating to setting up the Property LATCo (see annex 6)	+55 k
	+386 k

These roll forward requirements are included as we have a legal obligation and therefore legally we have no choice.

3.8 Details of Roll Forward/Re-phasing required to complete existing initiatives, if the outturn position allows:

In addition to the roll forward requirements that we are legally obliged to provide for, which are detailed above, there is some significant underspending within the forecast which we would ideally like to roll forward in order to continue with these initiatives in 2016-17. The Authority as a whole would need to achieve an underspending position at year end of at least -£2.501m in order to fund all of these (£2.115m as detailed below and +£0.386m per section 3.7 above). We are currently forecasting an underspend of -£2.612m, so we have a surplus of £0.111m as highlighted in the headline table on page 4. Our forecast underspend must remain at least equal to the value of the roll forward requirements in order for roll forward for these initiatives to be considered. These initiatives are:

▪ Kent Youth Employment programme (see annex 1)	+16 k
▪ Tackling Troubled Families (see annex 1)	+586 k
▪ Re-phasing of Deprivation of Liberty Safeguard assessments funded by one-off grant (see annex 3)	+261 k
▪ Highways Maintenance - re-phasing of streetlight maintenance (see annex 5)	+277 k
▪ Emergency Response & Resilience (incl Flood Risk Management) - Sustainable Urban Drainage Scheme works (see annex 5)	+55 k
▪ re-phasing of Local Member Grants (see annex 6)	+920 k
	<hr/>
	+2,115 k

In line with usual practice, **all** roll forward proposals will be subject to Cabinet approval in the summer, in view of the overall outturn position and the pressures facing the authority over the medium term.

3.9 Revenue budget virements/changes to budgets

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the budget was set to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates/divisions.

3.10 In year cuts to Government funding levels

Making an early start on tackling the public finances in this Parliament, the Chancellor announced in the Queen's Speech in early June that the in-year budget review process was completed and provided details of the savings by Government Department. Some of these cuts have had a direct impact on our finances in the current year and, potentially, future years. Details announced include:

i) **Public Health**

- As reported to Cabinet on 6 July in the first monitoring report for 2015-16, the Government announced that £200m of in year savings from the Department of Health are to come from public health budgets devolved to local authorities. National consultation setting out possible options on reducing Local Authority (LA) public health allocations ran from 31 July to 28 August. The options included:
 - (1) take a larger share from LAs that are significantly above their target allocation;
 - (2) take a larger share of the savings from LAs that carried forward unspent PH reserves into 2015-16;
 - (3) apply a flat rate percentage reduction to all LAs allocations;
 - (4) apply a standard percentage reduction to every LA unless an authority can show that this would result in particular hardship.The Department of Health's stated preferred option was to apply a 6.2% reduction across the board (option 3 above), which for Kent equates to a cut in funding of £4.033m. On this basis, the service identified options for dealing with an in-year 2015-16 budget reduction of this level, but a reduction of this size requires cuts to service levels. Our response to the consultation was that option 1 was our preferred option. Kent is currently below our target allocation. On 4 November, the DoH announced that, despite their preferred option only being backed by a quarter of respondents to the consultation, on balance this remained their preference as it is the option most consistent with the underpinning principles for managing the saving that the DoH has set out: it delivers the £200 million, it is the least disruptive to services and it is compliant with the Public Sector Equality Duty and the health inequality duty. The saving has therefore been taken via a reduction to the fourth quarterly instalment of the PH grant and the PH cash limits shown in annex 4 have been reduced accordingly.

Adult Education

- The Skills Funding Agency (SFA) announced a 3.9% cut to adult skills budget and discretionary learner support allocations, which was made in response to the £450m in year savings required of the Department for Business, Innovation & Skills. Additionally, the SFA will attempt to save money by withdrawing all funding for mandated English for speakers of other languages (ESOL) provision for the 2015-16 funding year. This 3.9% cut has been made across the board to non-apprenticeship allocations. The impact on the Community Learning & Skills budget was a reduction in funding of £0.359m but the service has been able to cease some direct service costs and with the implementation of management action, the residual impact is estimated at £0.1m, and this is included in the E&YP directorate forecast reflected in this report.

iii) **Youth Offending Service**

- The formal consultation regarding a 14% (£12m) in year government cut in Youth Offending Team grant from Youth Justice Board (YJB) concluded in September. We, and other local authorities, responded to YJB stating that an in year cut in grant would be too detrimental to the service and suggested that the reduction should be taken from the central YJB budget. The YJB met on 28 October to consider the consultation responses and to make a decision on how to achieve the reduction. On 5 November the YJB announced that £9m of the required reduction will need to be taken from the 2015-16 grant, which equates to a 10.6% reduction in the annual allocation. This equates to approximately a £0.139m reduction in our YJB funding and the impact is reflected in the E&YP directorate forecast included within this report.

4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2015-16 Capital Programme is £266.042m (£262.299m excluding PFI). This has now been updated to reflect the budget approved in February 2016. The forecast outturn against this budget is £254.198m (£250.455m excluding PFI) giving a variance of -£11.844m (-£11.844m excluding PFI). The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 **Table 2** Directorate capital position

Directorate	2015-16 Cash Limit per Budget Book £'000	2015-16 Working Budget £'000	2015-16 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education & Young People's Services	145,060	124,854	-5,357	84	-5,441	1
Social Care, Health & Wellbeing - Specialist Children's Services	626	827	-	-	-	2
Social Care, Health & Wellbeing - Adults	30,049	10,169	-1,898	9	-1,907	3
Social Care, Health & Wellbeing - Public Health	-	180	-180	-	-180	4
Growth, Environment & Transport	102,134	108,444	-3,730	1,374	-5,104	5
Strategic & Corporate Services	20,155	21,568	-679	869	-1,548	6
Financing Items	-	-	-	-	-	7
TOTAL	298,024	266,042	-11,844	2,336	-14,180	

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

- a) The majority of schemes are rated green, meaning they are within budget and on time.
- b) +£2.336m of the -£11.844m variance is due to **real** variances as follows:

Integrated Transport Schemes (GET) +£0.465m for purchase of additional buses and community transport minibuses to be funded from a revenue grant.

Marsh Millions (GET) +£0.377m reflects expected match funding from partners.

Libraries Wi-Fi Project (GET) +£0.313 reflects new funding from the Arts Council to add or upgrade Wi-Fi in 66 libraries.

Customer Relationship Management Solution (S&CS) +£0.858m reflects costs that have now been identified as capital rather than revenue, to be funded by revenue contribution.

The remaining +£0.323m of real variances are made up of a number of minor real over and underspends on projects across the capital programme. The annexes to this report provide the detail.

- c) -£14.180m of the -£11.844m variance relates to **rephasing** on a number of projects. The main projects comprising the rephasing are as follows:

Trinity Free School, Sevenoaks (EYP) +£2.000m. Works are proceeding ahead of schedule due to good weather.

Basic Need Programme (EYP) -£3.000m. Following a review of the Kent Commissioning Plan, some projects that were due to commence with pre-construction activities in the current year will now start in 2016-17.

Special School Review Phase 2 (EYP) -£2.989m. Rephasing following significant delays at the planning and contract execution stages of a number of complicated projects which has impacted on start dates.

Modernisation Programme (EYP) -£1.112m. Rephasing of some works due to a delay in the procurement of contractors and changes made to the scoping of projects. No delivery delays are expected.

Lowfield Street (SCH&W Adults) -£0.976m. The project is on hold due to the development of the site not progressing. Further negotiations are underway with all parties on how to proceed.

Wheelchair Accessible Housing (SCH&W Adults) -£0.533m. This budget is being managed alongside other priorities within the service and will now be spent in the following financial year.

Learning Disability Good Day Programme - Community Hubs and Initiatives (SCH&W Adults) -£0.441m. The KCC Asset Management Strategy stipulates a requirement to review all KCC properties when looking for alternative accommodation. In order to meet this requirement some projects are being rephased into next year.

Highway Major Enhancement (GET) -£0.970m. -£-0.770m due to delays with procurement on Grosvenor Bridge, and -£0.200m works design and procurement delays on Clapham Hill.

Swale Transfer Station (GET) -£0.866m to reflect rephasing to allow the scheme to complete in 2016/17.

Empty Property Initiative (GET) -£0.347m rephasing to reflect realignment of the loan payment spend profile to match that of the expected loan repayments.

Major Road Schemes (GET):

East Kent Access Phase 2 -£0.639m;

Sittingbourne Northern Relief Road -£0.399m; and

Victoria Way -£0.319m.

Rephasing to cover land compensation payments in future years; the timing of which is notoriously difficult to predict.

SELEP Projects (GET):

Sittingbourne Town Centre Regeneration -£0.250m;

A26 London Road/Staplehurst Road/Yew Tree Junction +£0.305m;

A28 Chart Road, Ashford -£0.574m; and

Maidstone Gyratory Bypass: -£0.256m.

Rephasing of schemes following realignment of cost and associated funding due to nature of SELEP schemes.

Property Investment & Acquisition Fund (S&CS) -£1.415m. Due to the removal or revaluation of some properties as a result of the restrictions on title and use.

The remaining -£1.399m rephasing comprises minor rephasing across the capital programme. The annexes to this report provide the detail.

4.4 Capital budget virements/changes to cash limits

- Any cash limit changes due to virements are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.
- There are no proposed cash limit changes to the capital programme in this report.

5. CONCLUSIONS

5.1 The overall forecast position after taking into account the requirements to roll forward, has slightly worsened this month by £0.030m from -£0.141m to -£0.111m. Within this position is a -£0.057m reduction in the Asylum forecast reflecting the impact of a continuation of the slowing down of migrant activity in recent weeks from the high levels experienced from June through to October. The forecast includes 28 referrals for February and assumes 25 for March. Provisional figures show that migrant activity was close to these assumptions, so we appear to be on track against this latest forecast. Excluding Asylum, the position for all other services has therefore marginally deteriorated this month, after allowing for roll forward requirements, by £0.087m. However, in view of where we were only a few months ago, a small forecast underspend after roll forward requirements is still a great achievement, but with the further substantial budget savings included in the approved 2016-17 budget and more government funding cuts in the medium term we must do all we can to enter 2016-17 with as big an underspend as possible.

5.2 There are a number of ongoing emerging issues that have been addressed in the approved 2016-17 budget / 2016-19 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

6. RECOMMENDATIONS

Cabinet is asked to:

- Note** the report, including the latest monitoring position on both the revenue and capital budgets.

7. BACKGROUND DOCUMENTS

None

8. CONTACT DETAILS

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EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE
JANUARY 2015-16 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
Total (excl Schools) (£k)	+72,084	-60	-	-60	+113	+602	+655
Schools (£k)	-	+14,113	-	+14,113	-	-	+14,113
Directorate Total (£k)	+72,084	+14,053	-	+14,053	+113	+602	+14,768

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000	£'000		
Education & Young People's Services							
Delegated Budget:							
Schools & Pupil Referral Units Delegated Budgets	673,975.2	-673,975.2	0.0	+14,113	+1,309	Drawdown from school reserves for 12 expected academy converters	
					+7,421	Expected drawdown of reserves for remaining Kent schools based on schools nine month monitoring	
					+2,958	Expected drawdown from the schools unallocated reserve to fund other in year schools related pressures	
					+2,425	Expected drawdown from the schools unallocated reserve to fund in year High Needs and Early Years pressures	
TOTAL DELEGATED	673,975.2	-673,975.2	0.0	+14,113			
Non Delegated Budget:							
E&YP Strategic Management & directorate support budgets	9,746.7	-8,704.2	1,042.5	+356	+316	Pressure on the Information and Intelligence team budget including £220k of costs associated with the new Early Help Module (<i>includes a DSG variance of +£82k</i>)	The Early Help Module pressure has been reflected in the approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +250 Additional Area Education staffing costs together with plans to capitalise staffing costs for basic need provision not now going ahead <i>(includes a DSG variance of +£230k)</i> -219 Underspend on legal fees +9 Other minor variances	Part of this saving is expected to be ongoing and has been reflected in the approved 2016-19 MTFP
<u>Children's Services - Early Help</u>						
- Children's Centres	8,389.1	-2,076.5	6,312.6	-131	+129 Underachievement of savings on commissioned contracts due to only a part year effect being delivered in 2015-16 and the percentage saving applied being lower than anticipated -140 Underspend on Commissioned services -120 Other minor variances, each less than £100k, across a number of centres	
- Early Intervention & Prevention	20,447.9	-5,353.1	15,094.8	-919	-909 Underspend across area and district EH&PS teams, mainly due to staffing vacancies and staff budgeted to be at mid point of scale but appointed at the bottom of scale <i>(includes a DSG variance of -£228k)</i> +140 ICT costs for wireless routers, cabling etc in Children's Centres +100 Refurbishment costs for Youth Centres including Whitstable and Tunbridge Wells -160 Net savings on commissioned services <i>(includes a DSG variance of -£11k)</i> -89 DSG variance - underspend on Family Liaison Officers (FLOs) -1 Other minor variances	
	28,837.0	-7,429.6	21,407.4	-1,050		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000			
Children's Services - Education & Personal							
- 14 - 24 year olds	2,986.0	-941.0	2,045.0	-156	-129	Kent Youth Employment programme placements; £113k of this underspend will need to be rolled forward to fund our legal obligation to continue with the current placements. If the directorate and the authority as a whole achieve an underspending position sufficient to allow it, roll forward of the remaining £16k will be requested in order to fund future placements.	
					-27	Other minor variances	
- Attendance & Behaviour	2,587.9	-2,449.3	138.6	-404	-332	<i>DSG variance - underspend on individual tuition due to staff vacancies and fewer tutors being used</i>	
					-106	Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£96k)</i>	
					+34	Other minor underspends	
- Early Years & Childcare	6,369.7	-4,939.8	1,429.9	-189	+332	Shortfall in the budgeted surplus for the 3 nursery provisions	A management action plan has been put in place to improve the premises through building renovation work, alongside a marketing campaign, which should increase the level of income in 2016-17.
					+308	Under recovery of Early Years Training income	
					-369	Underspend on Sufficiency and Sustainability non staffing budget, as bid to be a pilot area to increase the free entitlement for 3 & 4 year olds from 15 to 30 hours per week was unsuccessful <i>(includes a DSG variance of -£317k)</i>	
					-228	Underspend on Sufficiency and Sustainability staff <i>(includes a DSG variance of -£196k)</i>	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -90 <i>DSG variance - underspend on collaboration projects between early years settings</i> -86 Underspend on Every Child a Talker project -300 Re-badging of eligible base funded Early Years expenditure now to be funded from DSG +300 <i>DSG variance - re-badging of eligible Early Years expenditure to be funded from DSG</i> -56 Other minor variances	
- Early Years Education	56,493.0	-56,493.0	0.0	+47	+47 <i>Schools unallocated DSG variance on early years provision to 2 year olds</i>	
- Education Psychology Service	2,966.8	-675.0	2,291.8	-270	-245 Increased income for non statutory psychology traded services -25 Other minor variances	
- Individual Learner Support	7,151.5	-6,671.4	480.1	+1		
- Statemented Pupils	4,809.8	-4,809.8	0.0	-240	-202 <i>DSG variance - reduced therapy statemented support costs</i> -230 <i>DSG variance - recoupment income received for other local authority pupils in Kent schools</i> -281 <i>DSG variance - an increase in places in SEN provision has led to a reduction in Individual Tuition costs</i> +366 <i>DSG variance - increase in Severe Complex Accessibility Funding (SCAF) agreements for 2 year old nursery pupils</i> +107 <i>DSG variance - Other minor variances</i>	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Youth Service	2,962.2	-1,726.2	1,236.0	+119	+114 Net shortfall in the budgeted surplus for the outdoor education sites. The shortfall reported in July associated with the change of use of the Appledore Unit at the Swattenden Centre to a reception centre for unaccompanied asylum seeking children, is now being fully reimbursed from the Asylum service. +5 Other minor variances	
- Youth Offending Service	2,063.7	-1,632.1	431.6	+669	+672 Staffing pressure, due partly to staff being budgeted at mid point of scale but existing staff are being paid above this, and partly as staffing levels have not reduced in line with reduced income streams. This position has also been exacerbated by an in year reduction to the grant from the Youth Justice Board (YJB). -3 Other minor variances	
	88,390.6	-80,337.6	8,053.0	-423		
<u>Children's Services -Other Children's Services</u>						
- Safeguarding	512.1	-150.0	362.1	-94		
<u>Community Services</u>						
- Community Learning & Skills (CLS)	13,826.4	-15,366.1	-1,539.7	+793	+632 Pressure due to costs associated with the service redesign, a reduction in contract income with no corresponding reduction in costs and a requirement to fund the additional costs of total contribution pay. +100 An in year cut of £359k by the Skills Funding Agency is partially being offset by ceasing some direct service delivery costs and implementing management action to reduce other costs but this leaves a residual problem of £100k. +61 Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Supporting Employment	806.6	-335.0	471.6	0			
- Troubled Families Programme	4,783.2	-2,514.9	2,268.3	-586	-586	Underspend due to projects supporting families spanning financial years. In addition, due to the payment by results element of the programme, the grant has increased in year but the projects associated with this increase do not begin until the income is received. If the directorate and the authority as a whole achieve an underspending position sufficient to allow it, roll forward of this £586k will be requested in order to continue supporting families, in 2016-17, as part of the Tackling Troubled Families government initiative.	
	19,416.2	-18,216.0	1,200.2	+207			
School & High Needs Education Budgets							
- Exclusion Services	2,495.4	-2,495.4	0.0	0			
- High Needs Further Education Colleges - Post 16 year olds	2,338.0	-2,338.0	0.0	+397	+397	<i>Schools unallocated DSG variance - increased costs of high needs placements for post 16 students in colleges</i>	<i>This pressure has been included in the approved 2016-17 budget</i>
- High Needs Independent Sector Providers - Post 16 year olds	4,591.0	-4,591.0	0.0	-590	-590	<i>Schools unallocated DSG variance - reduction in costs of independent sector placements for post 16 students</i>	<i>This saving has been included in the approved 2016-17 budget</i>
- High Needs Independent Special School placements	19,650.4	-19,650.4	0.0	+2,781	+2,781	<i>Schools unallocated DSG variance - increase in costs of independent special school places</i>	<i>This pressure has been included in the approved 2016-17 budget</i>
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0			
	52,884.8	-52,884.8	0.0	+2,588			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
<u>Schools Services:</u>						
- High Needs Pupils - Recoupment	1,500.0	-1,500.0	0.0	-210	+281 Schools unallocated DSG variance - increase in costs of Kent children with high needs receiving education in other local authority schools -491 Schools unallocated DSG variance - additional income from other local authorities with pupils in Kent schools	<i>This pressure has been included in the approved 2016- 17 budget</i> <i>This saving has been included in the approved 2016-17 budget</i>
- Other Schools Services	6,779.3	-6,885.5	-106.2	+327	+310 DSG variance - Pressure on budget for mobile classrooms to fulfil basic need +17 Other minor variances	
- Redundancy Costs	1,363.7	-1,363.7	0.0	-501	-501 DSG variance - reduction in the expected number of school staff redundancies	
- School Improvement	8,909.1	-6,108.6	2,800.5	-809	+270 Shortfall in budgeted income targets for teams across the units +59 Increased costs of moderation training and school visits -668 DSG variance on school collaboration projects which will continue into the summer term -255 Underspend on the Intervention Fund following the delivery of management action -172 Net underspend on advisor vacancies partially offset by the costs of consultants covering some of the vacant posts -66 Support team staff vacancies +23 Other minor variances	
- Schools Staff Services	2,617.6	-2,514.6	103.0	-35		
- Teachers & Education Staff Pension Costs	8,416.3	-2,684.0	5,732.3	-911	-911 Reduced annual capitalisation costs	Part of this saving is expected to be ongoing has been reflected in the approved 2016- 19 MTFP
	29,586.0	-21,056.4	8,529.6	-2,139		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Transport Services</u>							
- Home to School/College Transport (SEN)	21,599.5	-900.0	20,699.5	+2,183	+1,861	Higher than budgeted numbers of pupils travelling and savings from re-rendered contracts not being as high as anticipated	This pressure has been reflected in the approved 2016-19 MTFP
					+328	Rise in college transport costs due to increased number of SEN students	
					+103	Lower than budgeted recoupment income from other local authorities	
					-109	Other minor variances	
- Mainstream HTST	8,795.0	-50.0	8,745.0	-782	-782	Fewer than budgeted numbers of pupils travelling	This saving has been reflected in the approved 2016-19 MTFP
- Kent 16+ Travel Card	3,452.4	-2,575.0	877.4	-270	-150	Reduction in estimated journey costs	
					-120	Increased income from the sale of passes	
	33,846.9	-3,525.0	30,321.9	+1,131			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	8,503.1	-7,336.0	1,167.1	+65	+67	<i>DSG variance - additional Occupational Therapy and Communication equipment</i>	
					-73	Underspend on general non staffing costs to offset the pressure on Occupational Therapy and Communication equipment (<i>includes a DSG variance of -£66k</i>)	
					-300	Re-badging of eligible base funded SEN expenditure, now to be funded from DSG	
					+300	<i>DSG variance - re-badging of eligible SEN expenditure to be funded from DSG</i>	
					+71	Other minor variances	
	8,503.1	-7,336.0	1,167.1	+65			
TOTAL NON DELEGATED	271,723.4	-199,639.6	72,083.8	+641			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
- <i>Transfer to(+)/from(-) DSG reserve</i>				-701	£'000 Net transfer to the Central DSG reserve to offset: +1,545 <i>DSG variances of -£1,545k explained above</i> +179 <i>A number of other smaller DSG variances totalling +£179k</i> Net transfer from the Schools Unallocated DSG reserve to offset: -2,425 <i>DSG variances of +£2,425k on High Needs Education & recoupment and Early Years</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	271,723.4	-199,639.6	72,083.8	-60		
Total E&YPS	945,698.6	-873,614.8	72,083.8	+14,053		
Assumed Mgmt Action					Delivery of £800k of management action is now reflected within School Improvement, Early Years & Childcare and the Assessment of Children with SEN, in the latter two areas by maximising the use of DSG. Whilst the forecast at this stage is an underspend of £60k (excl. schools), a roll forward of £113k is required to fund the continuation of current placements under the Kent Youth Employment Programme, and if possible roll forward of the remaining £16k underspend against this programme and £586k against the Troubled Families Programme is required for these schemes to continue into 2016-17. To enable this an underspending position of £715k (£113k+£16k+£586k) for the directorate will need to be achieved, as well as an underspending position for the overall authority as a whole. The directorate continues to look at options to cover the remaining £655k required to achieve this position.	
Total E&YPS Forecast <u>after</u> mgmt action	945,698.6	-873,614.8	72,083.8	+14,053		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2012-13	2013-14	2014-15	2015-16
	as at 31-3-13	as at 31-3-14	as at 31-3-15	projection for 31-3-16
Total number of schools	463	449	412	395
Total value of school reserves	£48,124k	£45,730k	£54,009k	£39,896k
Number of deficit schools	8	18	8	20
Total value of deficits	£364k	£2,017k	£2,650k	£2,767k

Comments:

- The information on deficit schools for 2015-16 has been obtained from the schools nine month monitoring and show 20 schools predicting a deficit. 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 are working with these 20 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.
- KCC has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority.
- The total number of schools is based on the assumption that 12 primary schools will convert to academies before the 31st March 2016, 4 schools are closing and 2 are merging.
- The value of schools reserves is forecast to reduce by £14,113k this financial year. This movement includes a reduction in the schools unallocated reserve to fund both a pressure on the high needs & early education budgets of £2,425k and other schools related items of £2,958k. There is an estimated drawdown of £1,309k due to 12 schools expected to convert to academy status this financial year. In addition, a drawdown of £7,421k is forecast against the remaining individual Kent schools reserves.

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

	2013-14				2014-15				2015-16			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr	3,934	4,145	14,667	14,119	3,808	4,051	12,493	11,400	3,752	3,896	9,866	9,426
May	3,934	4,172	14,667	14,119	3,808	4,056	12,493	11,436	3,752	3,877	9,866	9,454
Jun	3,934	4,206	14,667	14,106	3,808	4,073	12,493	11,468	3,752	3,904	9,866	9,491
Jul	3,934	4,167	14,667	14,093	3,808	4,041	12,493	11,307	3,752	3,913	9,866	9,505
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,934	3,761	14,667	10,300	3,808	3,725	12,493	8,969	3,752	3,599	9,866	6,576
Oct	3,934	3,981	14,667	11,258	3,808	3,785	12,493	9,123	3,752	3,847	9,866	7,422
Nov	3,934	4,010	14,667	11,267	3,808	3,826	12,493	9,237	3,752	3,840	9,866	7,571
Dec	3,934	4,021	14,667	11,296	3,808	3,816	12,493	9,220	3,752	3,875	9,866	7,671
Jan	3,934	4,037	14,667	11,314	3,808	3,853	12,493	9,258	3,752	3,898	9,866	7,751
Feb	3,934	4,086	14,667	11,368	3,808	3,885	12,493	9,357	3,752	3,901	9,866	7,802
Mar	3,934	4,041	14,667	11,375	3,808	3,899	12,493	9,388	3,752	0	9,866	0

Comments:

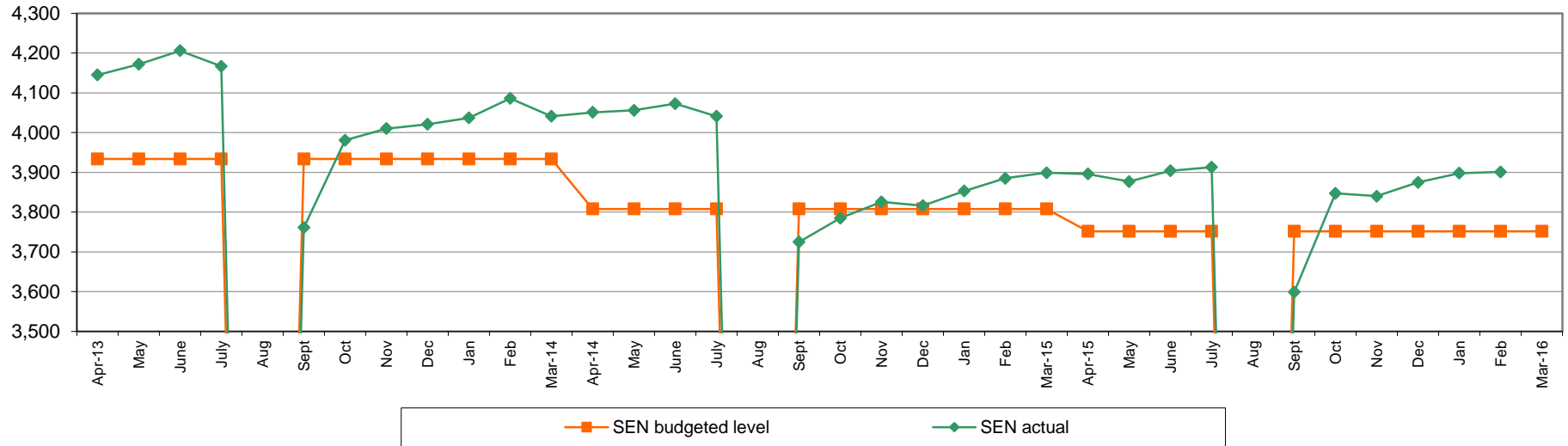
SEN HTST

- Apart from in September, the number of children travelling is higher than the budgeted level. There are also a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. A pressure of +£1,861k is therefore reported in table 1, which is offset by minor underspends totalling -£109k on independent travel training and personal transport budgets. There are also additional pressures of +£103k due to anticipated lower than budgeted recoupment income from other local authorities for the transport of their pupils to Kent schools and +£328k on home to college transport for SEN students.
- Changes in the commissioning of SEN transport during 2014-15, where some special schools and PRUs are given an allocation to provide their own transport, mean that since September 2014 these journeys are not included within the budgeted levels or the actual numbers travelling.

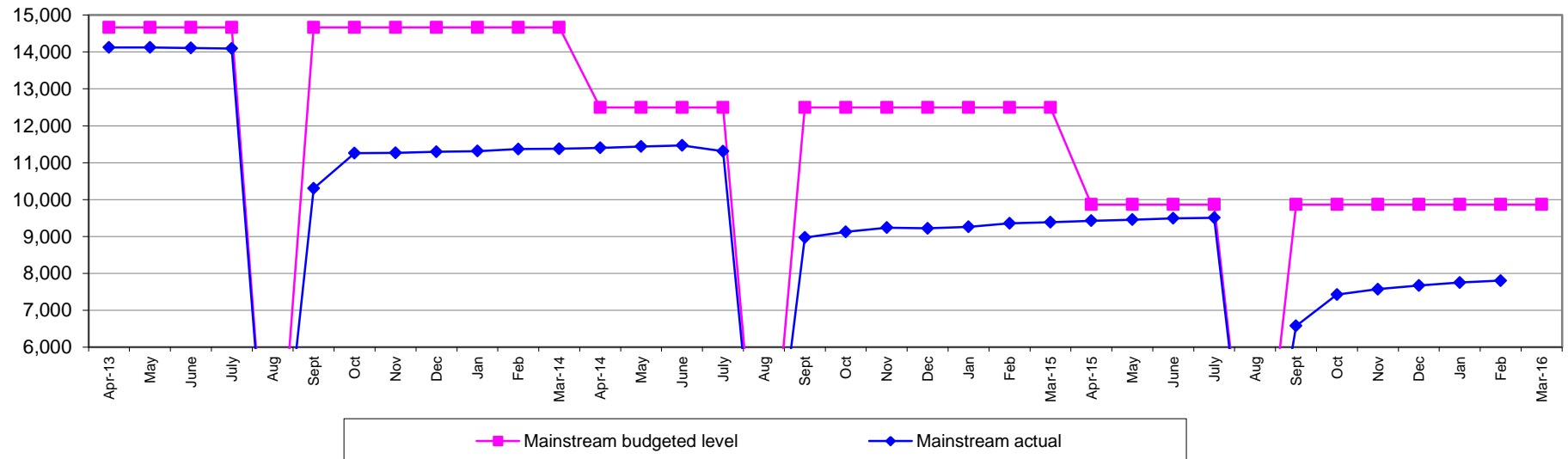
Mainstream HTST

- The number of children receiving transport is lower than the budgeted level, therefore an underspend of -£782k is reported in table 1. As expected, the number of children requiring transport has reduced for the new academic year due to a reduction in the secondary aged population and the impact of a further school year cohort affected by the selective and denominational school transport policy change implemented in 2012-13.

Number of children receiving assisted SEN transport to school



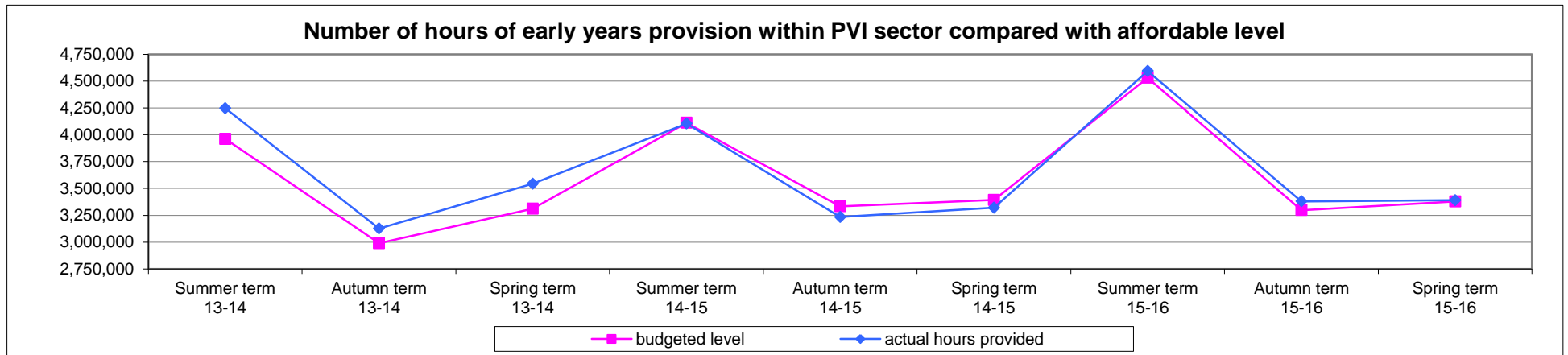
Number of children receiving assisted Mainstream transport to school



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

	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 *
Summer term	3,961,155	4,247,461	4,110,576	4,104,576	4,531,281	4,592,273
Autumn term	2,990,107	3,126,084	3,333,465	3,234,394	3,297,864	3,379,525
Spring term	3,310,417	3,543,567	3,392,138	3,320,479	3,378,367	3,390,313
TOTAL	10,261,679	10,917,112	10,836,179	10,659,449	11,207,512	11,362,111

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



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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 forecast number of hours of early years provision for 3 & 4 year olds is 11,362,111 which is 154,599 hours more than budgeted.
- The affordable number of hours was uplifted in the July monitoring report, presented to Cabinet in October, as a result of an increase in Dedicated Schools Grant to reflect the January 2015 pupil numbers. Although actual hours provided are more than budgeted, the Dedicated Schools Grant will be uplifted before the end of the financial year to reflect January 2016 pupil numbers and therefore no overspend is currently forecast for early years provision to 3 & 4 year olds. As this budget is entirely funded from DSG, any surplus or deficit at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere within the directorate budget, therefore any pressure or saving will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

3. CAPITAL

3.1 The Education and Young People's Services Directorate has a working budget (excluding schools) for 2015-16 of £124,854k (this has now been updated to reflect the 2016-19 budget set by County Council on 11 February 2016). The forecast outturn against the 2015-16 budget is £119,497k giving a variance of -£5,357k.

3.2 **Table 2** below details the Education and Young People's Services Capital Position by Budget Book line

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Annual Planned Enhancement Programme	9,000	10,778	0	0			Green		
Pupil Referral Units	1,209	514	-65	-65	Rephasing	The requirements for the North West Kent PRU provision have been revised, work will commence next summer. Works for West Kent PRU cannot commence until April 2016 when new premises can be accessed.	Green	Rephasing has previously been reported and there are no further anticipated delays to completion dates.	
Youth - Modernisation of Assets	0	0	0	0					

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Basic Need Schemes - to provide additional pupil places:									
Basic Need Programme	61,767	61,145	-3,000	-3,000	Rephasing	Following a review of the Kent Commissioning Plan, some projects that were due to commence with pre-construction activities in the current year will now start in 2016/17.	Green	This has not impacted on the completion dates.	
Basic Need - Aylesham Primary School	0	0	0	0				Project to commence in later years.	
Goat Lees Primary School, Ashford	0	25	0	0			Green		
Repton Park Primary School, Ashford	0	109	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Future Years	2,000	1,935	-1,112	-1,112	Rephasing	Rephasing of some works due to a delay in the procurement of contractors and changes made to the scoping of projects. No delivery delays are expected.	Green		
St Johns / Kingsmead Primary School, Canterbury	0	70	0	0			Amber	A £650k payment due from Canterbury Diocese as part of the contract is overdue.	
Special Schools Review - major projects supporting the special schools review:									
Special Schools Review phase 1	0	628	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Special Schools Review phase 2	47,200	29,076	-2,989	-2,989	Rephasing	<p>Foreland School - delays in contract execution and agreement has impacted on commencement of works and expected completion date which has moved from September 2016 to December 2016.</p> <p>Ridge View - delays due to planning issues at the original site, an alternative has now been found.</p> <p>Portal House - review and redesign was necessary following objections to planning permission. Enabling works are underway and a revised planning application has now been submitted.</p> <p>Five Acre Wood - delays at planning stage, planning approval has now been given and work will commence on the school follow.</p>	Amber		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Academy Projects:									
Astor of Hever (St Augustine's Academy), Maidstone	0	19	0	0			Green		
Dover Christ Church	3,000	2,760	0	0			Green		
Skinner's Academy	0	140	0	0			Green		
Spires Academy	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
John Wallis	0	0	0	0			Green	Project complete.	
Wilmington Enterprise College	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
The Knole Academy	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
Duke of York Academy	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
Academy Unit Costs	233	798	0	0			Green		
BSF Wave 3 Build Costs	500	498	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
BSF Unit Costs	0	51	0	0			Green		
Other Projects:									
Primary Improvement Programme	0	4	0	0			Green		
Canterbury Family Centre	0	0	0	0			Green	Project complete.	
Integrated Youth Service - Youth Hub Reprovision	0	760	13	13	Real - £13k Prudential		Amber	<p>Unforeseen additional project costs. To be funded from underspends elsewhere within the programme.</p> <p>A £200k payment due from Dover District Council is outstanding due to a delay in KCC signing the lease agreement relating to the land on which the Youth Hub is built.</p>	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Nursery Provision for Two Year Olds	0	271	-81	-81	Rephasing	New premises being sought for additional nursery provision in Gravesham, works to commence in 2016/17. There will be no impact on overall cost. Nursery provider previously required to vacate a KCC building but this is no longer the case. Funding to be provided at alternative settings in 2016/17.	Green	The majority of rephasing has been previously reported.	
One-off Schools Revenue to Capital	0	63	0	0			Green		
Platt CEPS	0	85	-85	-85	Rephasing		Green	Rephasing has been previously reported.	
Grammar School Annex at Sevenoaks	10,000	500	0	0		Works had halted pending the outcome of the Secretary of State decision. Following approval, contract documentation will now be worked through prior to any construction contract being agreed.	Green	Sevenoaks Grammar was approved by the Secretary of State for Education on 15 October 2015.	
Trinity Free School, Sevenoaks	7,000	11,898	2,000	2,000	Rephasing	Works proceeding ahead of programme due to good weather.	Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
EYPS Single System (previously known as Early Help Single System)	1,800	343	-109	-109	Rephasing	A decision has been made to go out to a full procurement which has lead to a delay in purchasing products and services.	Amber		
Ashford North Youth Centre	0	50	0	0			Green		
Priority School Build Programme	0	250	0	0			Green	The PSBP is managed by the EFA. KCC's contribution relates to works required for schools to increase their PAN since submission in 2011, and any works required under the Town and Country Planning Act 1990.	
Universal Infant Free School Meals	1,075	1,207	16	16	Real - Grant		Green		
The Piggery, Swattenden	0	40	0	0			Green		
Vocational Education Centre	0	148	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Tunbridge Wells Youth Centre Hub	0	0	55	55	Real - Developer Contribution		Green		
Early Help Module	276	689	0	0			Green	Phase 1 went live in June 2015. Phase 2 went live in November 2015. Phase 3 to go live in May 2016. Phase 4 will be delivered next financial year as the Commissioning Services function is currently being redefined. Phase 4 to go live in September 2016.	
Total	145,060	124,854	-5,357	-5,357					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
SPECIALIST CHILDREN'S SERVICES
JANUARY 2015-16 MONITORING REPORT

1. REVENUE

	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
Total excl Asylum (£k)	+133,085	-1,188	-	-1,188	+159	-	-1,029
Asylum (£k)	+280	+1,972	-	+1,972	-	-	+1,972
Total (£k)	+133,365	+784	-	+784	+159	-	+943

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Specialist Children's Services						
Strategic Management & Directorate Support budgets	5,459.6	-257.9	5,201.7	-659	-205 Lower than anticipated spend in the Access to Resource Team, the Central Support Team and the Management Information Unit, principally due to vacancy management -381 Appropriate recharge of overheads to the Asylum Service -73 Other minor variances	
Children's Services - Children in Care (Looked After)						
- Fostering - In house service	24,165.6	-252.2	23,913.4	+20	-126 Forecast -330 weeks below affordable level of 52,485 weeks +626 Forecast average unit cost +£11.92 above affordable level of £371.10 -229 Lower than anticipated costs in the County Fostering Team relating primarily to recruitment and training costs, including lower use of specialists	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-72	Higher than anticipated income from recharges to the Asylum Service owing to greater Asylum activity	
					-188	Lower than anticipated Fostering related costs, including transport costs	
					+9	Other minor variances	
- Fostering - Commissioned from Fostering Agencies	8,184.3	0.0	8,184.3	-194	-269	Forecast -287 weeks below affordable level of 8,812 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					+105	Forecast average unit cost +£11.90 above affordable level of £925.36	
					-30	Other minor variances	
- Legal Charges	6,769.0	0.0	6,769.0	+102	+118	Pressure related to ongoing cases which were previously part of the special operation that has now concluded	
					-16	Other minor variances	
- Residential Children's Services - in house services (short breaks units)	3,227.4	-682.4	2,545.0	-181	-139	Higher than anticipated income from venue hire and funding from health & other local authorities	
					-42	Other minor variances	
- Residential Children's Services - commissioned from independent sector	13,625.9	-2,567.7	11,058.2	+642	+195	Forecast +59 weeks above affordable level of 2,660 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					+620	Forecast average unit cost +£233.18 above affordable level of £3,079.85	
					+345	Children with a Disability: Forecast +133 weeks above affordable level of 1,489 weeks	
					-558	Children with a Disability: Forecast average unit cost -£374.51 below affordable level of £2,968.70	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+462	Lower than anticipated service income for Children with a Disability, mainly relating to fewer contributions for care costs from Health & Education as a result of an increase in split payments of care at source, resulting in lower costs and recharge income. As such, this reduction in income should be considered alongside the reduced unit cost variance for Children with a Disability reported above.
					-367	Lower than anticipated spend on Secure Accommodation based on year to date usage
					-55	Other minor variances
- Virtual School Kent	4,914.3	-3,481.9	1,432.4	-115	-104	Underspending on core business predominately due to fewer non-asylum looked after children requiring this service
					-11	Other minor variances
	60,886.5	-6,984.2	53,902.3	+274		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Children's Services - Children in Need						
- Family Support Services	10,944.5	-1,660.0	9,284.5	-85	+195	Informal Arrangements: Following the rates and charges reviews the majority of Informal Arrangements were expected to become Child Arrangement Orders, the budget for which is within the "Adoption & other permanent care arrangements" A-Z service line below. However, the rates and charges reviews of these current informal arrangements have only recently been completed resulting in higher than expected costs for Informal Arrangements and a compensating lower than expected cost for Child Arrangement Orders (see "Adoption & other permanent care arrangements" below).
					-215	Disability Commissioned Services: Renegotiation and rationalisation of current commissioned services contracts, including bringing the Information and Advice Service in-house
					-280	Children with a Disability Direct Payments: Forecast -2,961 weeks below affordable level of 36,299 weeks
					+140	Children with a Disability Direct Payments: Forecast average unit cost +£3.86 above affordable level of £90.87
					+75	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Children's Services - Other Social Services						
- Adoption & other permanent care arrangements	12,908.8	-104.0	12,804.8	-897	+701	Guardianship: Primarily due to the full year effect of an increase in Special Guardianship Orders (SGOs) in the previous year. In addition, finalising the rates and charges review in 2015-16, has increased the number of SGOs. (Part of the remit of the Rates & Charges reviews is to establish the type of legal arrangement in place and re-categorise accordingly)
					-661	County Adoption Team: fewer adoption arrangements are being made due to fewer children requiring this permanent care arrangement, so current vacancies are being managed
					-417	Inter-agency placement variance predominately due to more adoption arrangements being made on behalf of other local authorities than those carried out by other local authorities on KCC's behalf
					-125	Adoption Allowances underspend due to fewer adoptions arrangements being made which require financial support
					-200	Child Arrangement Orders: As a result of the Rates and Charges Review, most continuing services were expected to become Child Arrangement Orders, so the cash limit was held on this A-Z service line, awaiting further information. This underspend partly offsets increases in Guardianship, which has been one of the outcomes of the Rates and Charges Review.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-195	Child Arrangement Orders: offsets the pressure relating to Informal Arrangements within the "Family Support Services" A-Z service line above.
- Asylum Seekers	19,619.1	-19,339.1	280.0	+1,972	-207	There is currently a small projected surplus on the under 18 Unaccompanied Asylum Seeking Children (UASC) who are eligible for grant funding. Within the overall forecast it is assumed that this can be kept to offset the greater shortfall on eligible Care Leavers.
					+409	Expenditure on UASC who are no longer deemed eligible for grant funding due to their Asylum status. Each of these cases is currently being reviewed and discussed with the Home Office.
					+849	Expenditure for Care Leavers including the first 25 (aged 18 and over) being greater than the grant payable by the Home Office (see activity section 2.6 below), mainly due to the fact that the grant rate does not adequately recognise the level of infrastructure that is required to support the 350+ eligible young people being supported.
					+1,201	Cost of supporting those Care Leavers whose rights to appeal are now exhausted, (£342k relates to direct costs for All Rights Exhausted (ARE) clients), and those who are ineligible for grant funding due to their Asylum status. Similarly these cases are all being reviewed on an individual basis.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-280	The Asylum budget was originally set based on the Council being required to fund the first 25 Care Leavers, this is no longer the case, hence the underspend against this specific budget.
- Care Leavers	6,657.1	-2,105.4	4,551.7	+48	+381	Higher than expected costs for 16 and 17 year old Looked After Children (LAC) requiring this service in order to provide stability and continuity whilst they continue their education as they prepare to leave care. This is partly due to individuals being placed in a broader variety of placements including 'step down' placements from residential care.
					-429	Lower than expected costs for Care Leavers (non LAC), mainly aged 18+, requiring this service in order to provide stability and continuity whilst they continue their education. This is partly due to individuals being helped towards independence quicker than anticipated.
					+280	Higher than anticipated staffing and related costs
					-184	Lower than anticipated costs on Supported Lodging provision contract
- Safeguarding	5,819.3	-1,003.9	4,815.4	-444	-159	<i>Pooled Budget variance:</i> KCC's share of re-phasing into 2016-17 of Kent Safeguarding Children Board (KSCB) funding. This will be required to roll forward to meet our obligation to the board under the terms of the multi-agency agreement.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-101	<i>KCC Base Funded Budget variance:</i> Lower level of activity than anticipated for KSCB, although this is partly offset by a higher level of provision of immersive learning training than planned.
					-110	Lower than anticipated spend for Safeguarding staffing, resulting from the implementation of a new structure
					-74	Other minor variances
	45,004.3	-22,552.4	22,451.9	+679		
<u>Assessment Services</u>						
- Children's social care staffing	46,410.7	-3,886.3	42,524.4	+575	+4,565	Pressure on staffing budgets for Non-Disability teams due to appointment of agency staff due to difficulties in recruiting to salaried posts. Part of this forecast overspend is linked to the increased numbers of Asylum young people and is offset by the increased recharge below.
					-3,822	Higher than expected recharged costs to Asylum service for social care staffing (offsetting part of the above staff costs) due to increased Asylum activity
					+170	Establishment of additional Adolescent Support Team posts targeted at increasing the proportion of young people re-united with their families within early weeks of care.
					+289	Pressure on staffing budgets for Disability teams due to appointment of agency staff as a result of difficulties in recruiting to salaried posts
					-166	Lower other non-staffing spend in Disability teams predominately due to lower than anticipated staff travel costs
						This pressure has been addressed in the approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-168	Lower other non-staffing spend in Non-Disability teams mostly due to lower than anticipated staff travel costs
					-100	Additional income relating to Occupational Therapy equipment for 2014-15, for which no debtor was raised in the 2014-15 accounts
					-193	Other minor variances each below £100k, including income for Non-Disability teams and Children's Equipment
Total SCH&W (SCS)	168,705.6	-35,340.8	133,364.8	+784		
Assumed Mgmt Action						
Total SCH&W (SCS) Forecast after mgmt action	168,705.6	-35,340.8	133,364.8	+784		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of Looked After Children (LAC) :

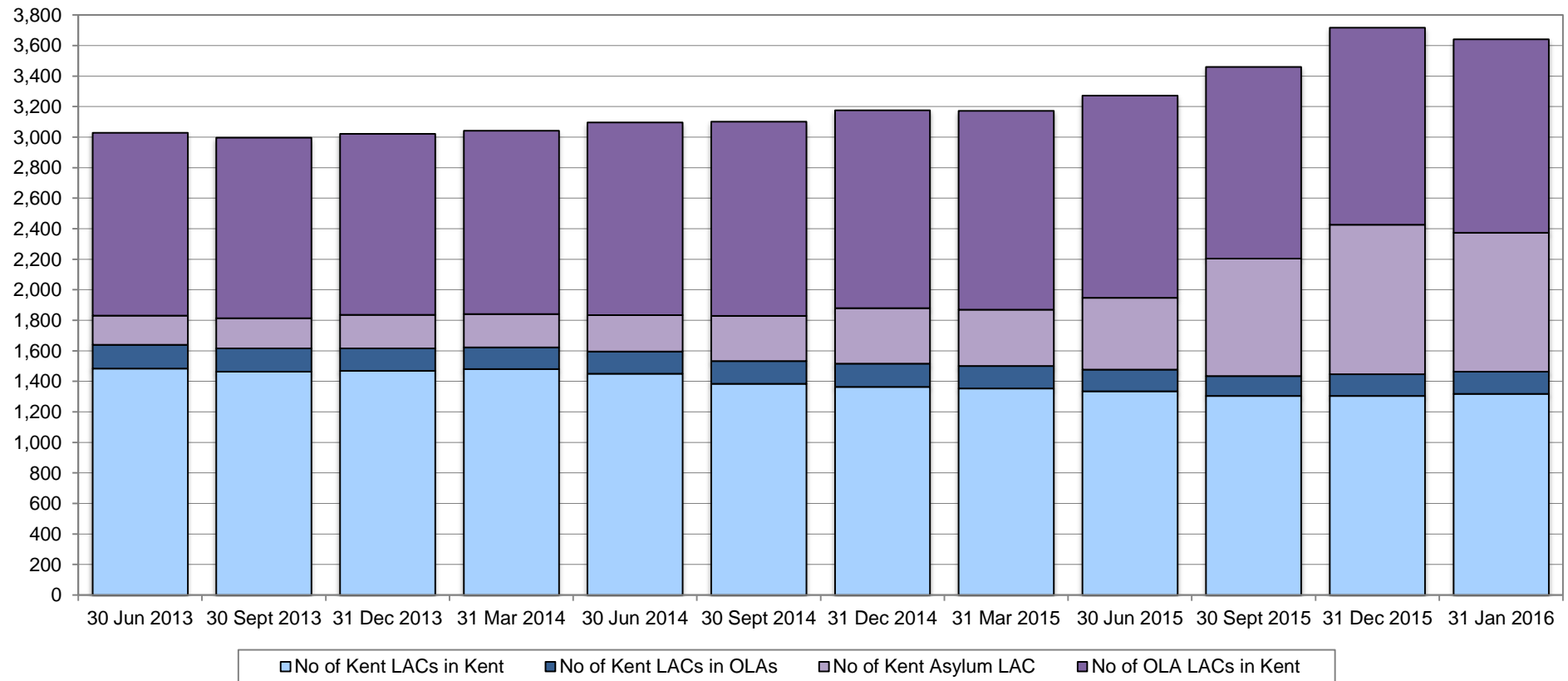
		No. of Kent LAC placed in Kent	No. of Kent LAC placed in OLAs	TOTAL NO. OF KENT LAC (excluding Asylum)	No of Kent Asylum LAC	TOTAL NUMBER OF LAC IN KENT	No. of OLA LAC placed in Kent	TOTAL NUMBER OF LAC IN KENT
2013-14	30-Jun	1,485	155	1,640	192	1,832	1,197	3,029
	30-Sep	1,465	152	1,617	198	1,815	1,182	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
2015-16	30-Jun	1,336	141	1,477	471	1,948	1,324	3,272
	30-Sep	1,305	130	1,435	771	2,206	1,254	3,460
	31-Dec	1,306	141	1,447	980	2,427	1,290	3,717
	31-Jan	1,319	146	1,465	909	2,374	1,267	3,641

Comments:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The figures represent a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore, although the number of Kent looked after children had reduced by 37 as at January of this financial year, there could have been more (or less) during the period.
- Following the reduction in the number of Kent LAC, there is no longer an overall forecast pressure on the SCS budget. After taking into account anticipated transformation savings, however, there are still some pressures primarily relating to the LAC headings of residential care and legal charges and non-LAC headings such as staffing and care leavers.

- The OLA LAC information has a confidence rating of 53% 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.

Number of Looked After Children

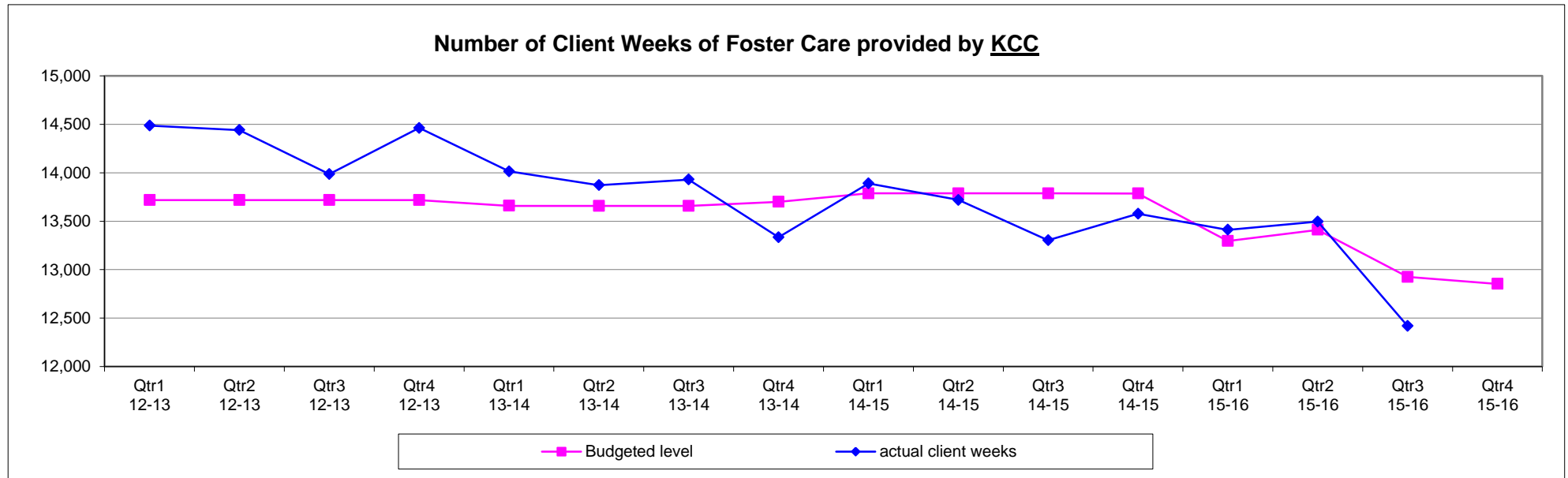


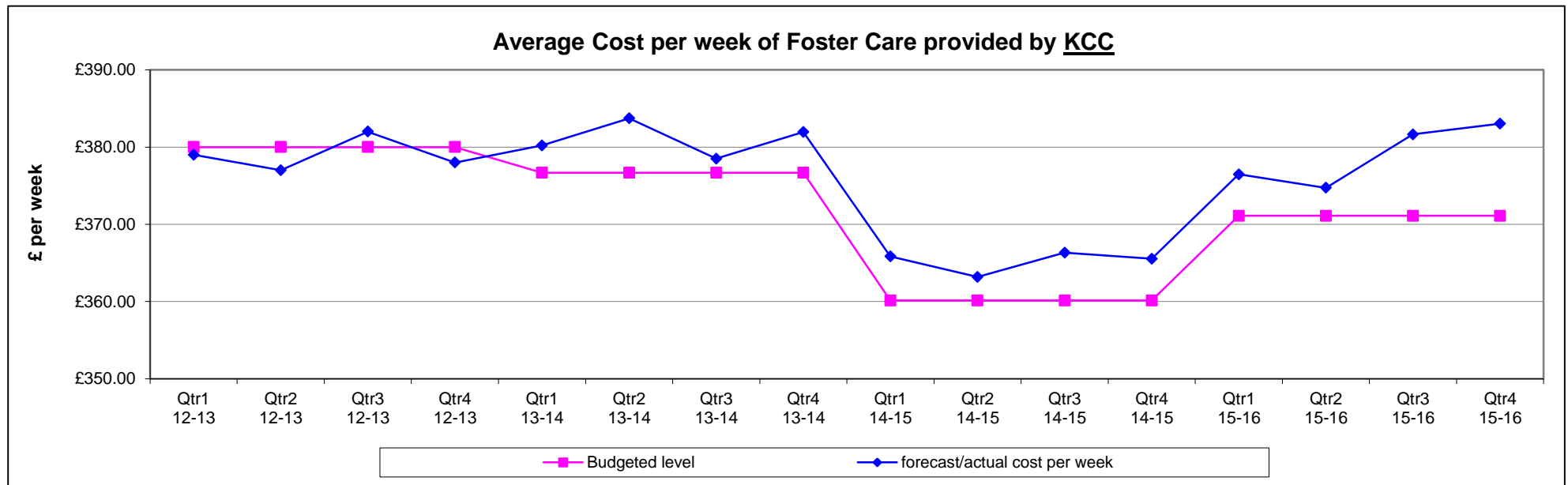
2.2 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC:

	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	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	13,659	14,014	£376.67	£380.22	13,787	13,889	£360.14	£365.85	13,296	13,411	£371.10	£376.47
Jul to Sep	13,658	13,871	£376.67	£383.72	13,787	13,719	£360.14	£363.19	13,411	13,496	£371.10	£374.73
Oct to Dec	13,658	13,929	£376.67	£378.50	13,787	13,304	£360.14	£366.33	12,925	12,418	£371.10	£381.65
Jan to Mar	13,700	13,334	£376.67	£381.94	13,786	13,577	£360.14	£365.54	12,853	4,534	£371.10	£383.02
	54,675	55,148	£376.67	£381.94	55,147	54,489	£360.14	£365.54	52,485	43,859	£371.10	£381.65

January position

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Comments:

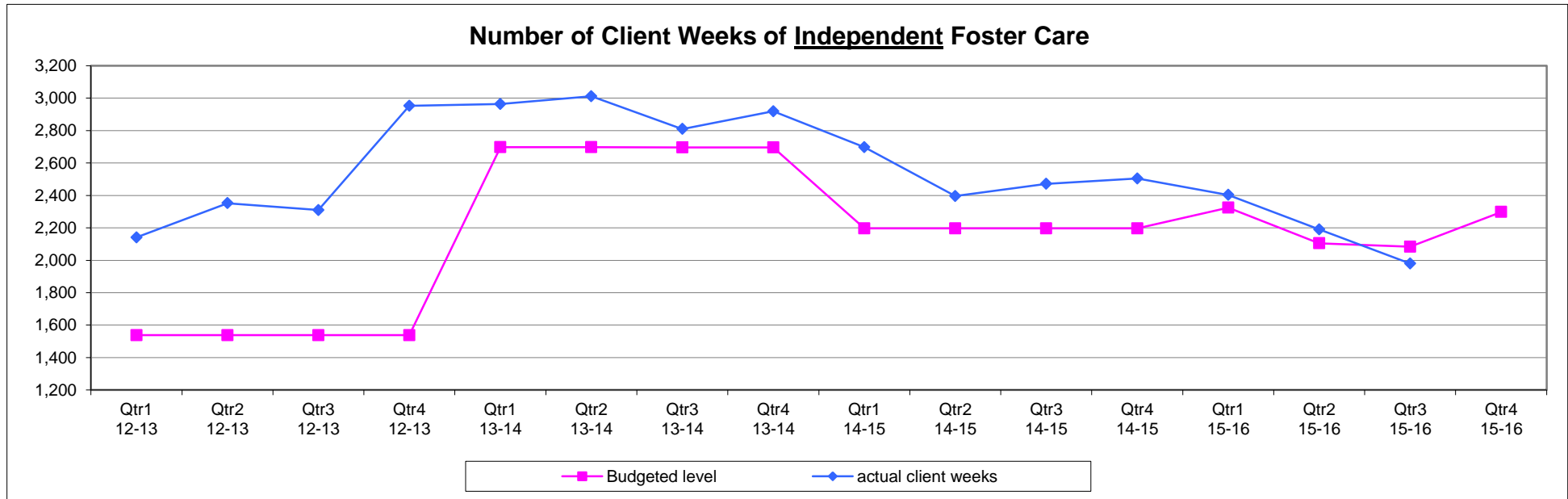
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the affordable weekly cost.
- The 2015-16 budgeted level reflects the 2015-16 Quarter 1 realignment of budgets reported to Cabinet on 21 September.
- The forecast number of weeks (excluding asylum) is 52,155 weeks against an affordable level of 52,485, a difference of -330 weeks. At the forecast unit cost of £383.02 per week, this reduced activity decreases the forecast position by -£126k, as shown in Table 1. The current year to date activity suggests a slightly higher level of activity than forecast, although early indications are that the number of in-house fostering placements are increasing in the final weeks of 2015-16, but this is as yet unvalidated, which will have a limited impact on 2015-16, but a more significant impact on 2016-17.
- The forecast unit cost of +£383.02 is higher than the affordable level of +£371.10 and this difference of +£11.92 gives a pressure of +£626k when multiplied by the affordable weeks, as shown in Table 1.
- Overall, therefore, the combined gross underspend on this service is +£500k (-£126k +£626k).
- The reduction in activity and corresponding increase in unit cost between Quarter 2 and Quarter 3 of 2015-16 is thought to be due to more timely activity data and improved forecasting resulting from the use of the ContrOCC payments system as the primary source of data. This means that the forecast is now more closely linked to payments and activity data.
- The special operation which was previously excluded from this activity indicator has concluded, so from April 2015-16 this indicator reflects all In House Foster Care activity.

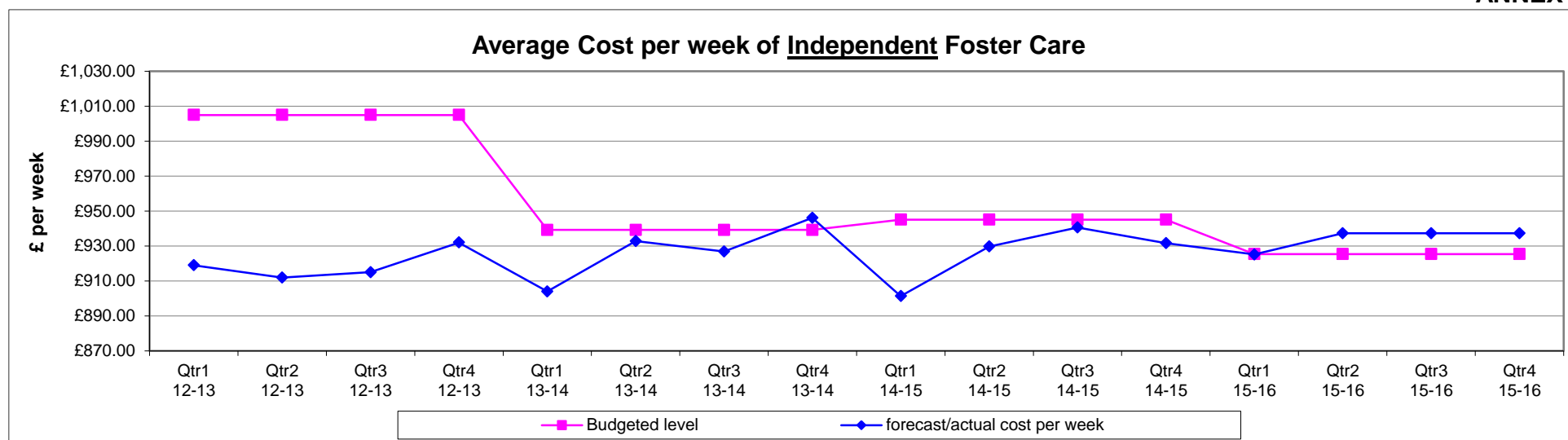
2.3 Number of Client Weeks & Average Cost per Client Week of Independent Foster Care:

	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	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	2,697	2,964	£939.19	£904.01	2,197	2,697	£945.07	£901.37	2,325	2,403	£925.36	£925.17
Jul to Sep	2,697	3,012	£939.19	£932.83	2,197	2,396	£945.07	£929.73	2,105	2,191	£925.36	£937.35
Oct to Dec	2,696	2,810	£939.19	£926.83	2,197	2,471	£945.07	£940.61	2,084	1,980	£925.36	£937.26
Jan to Mar	2,696	2,919	£939.19	£946.08	2,197	2,504	£945.07	£931.60	2,298	660	£925.36	£937.26
	10,786	11,705	£939.19	£946.08	8,788	10,068	£945.07	£931.60	8,812	7,234	£925.36	£937.26

January position

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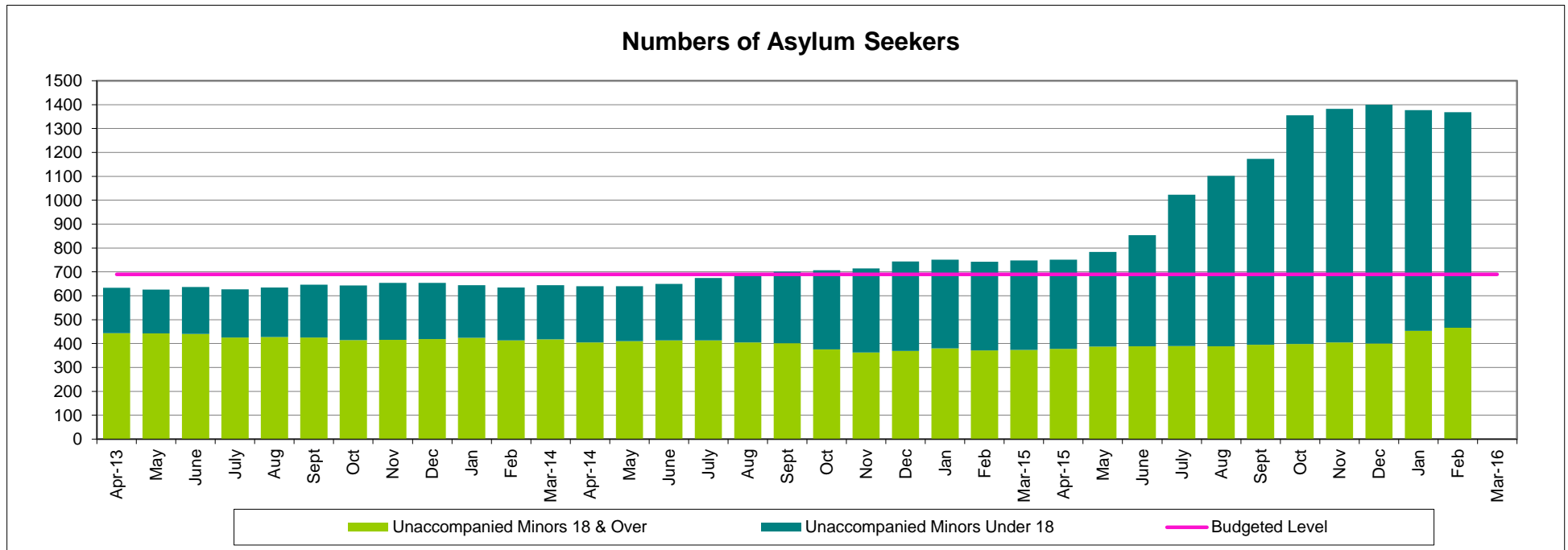
Comments:

- 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 2015-16 budgeted level reflects the 2015-16 Quarter 1 realignment of budgets reported to Cabinet on 21 September.
- The forecast number of weeks (excluding asylum) is 8,525 weeks against an affordable level of 8,812, a difference of -287 weeks. At the forecast unit cost of £937.26 per week, this reduced activity decreases the forecast position by -£269k, as shown in Table 1. The forecast is based on the transformation savings profiles which assume a range of durations of care/placement end dates. The current year to date activity suggests a higher level of activity for the year than currently forecast. This is chiefly because the forecast assumes an overall reduction in usage of independent fostering due to targeted action to reduce numbers coming into care and to reunify families after only a short period of care. However, early indications are that the number of independent fostering placements are increasing in the final weeks of 2015-16, which will have a limited impact on 2015-16, but a more significant impact on 2016-17.
- The forecast unit cost of +£937.26 is higher than the affordable level of +£925.36 and this difference of +£11.90 gives a pressure of +£105k when multiplied by the affordable weeks, as shown in Table 1.
- Overall therefore, the combined gross underspend on this service is -£164k (-£269k +£105k).
- The forecast average unit cost of £937.26 includes some mother and baby placements, which are subject to court orders. These placements often cost in excess of £1,500 per week.
- The special operation which was previously excluded from this activity indicator has concluded, so from April 2015-16 this indicator reflects all Independent Foster Care activity.

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2013-14			2014-15			2015-16		
	Under 18	18 & Over	Total	Under 18	18 & Over	Total	Under 18	18 & Over	Total
Apr	190	443	633	235	405	640	373	378	751
May	184	442	626	230	410	640	396	387	783
Jun	197	440	637	237	413	650	466	388	854
Jul	202	425	627	261	413	674	633	390	1,023
Aug	208	427	635	282	405	687	713	389	1,102
Sep	221	425	646	301	401	702	778	395	1,173
Oct	229	414	643	332	375	707	958	398	1,356
Nov	238	416	654	351	363	714	978	405	1,383
Dec	235	419	654	375	369	744	1,000	400	1,400
Jan	220	424	644	371	380	751	924	453	1,377
Feb	222	413	635	372	371	743	903	466	1,369
Mar	226	418	644	375	373	748			

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Comments:

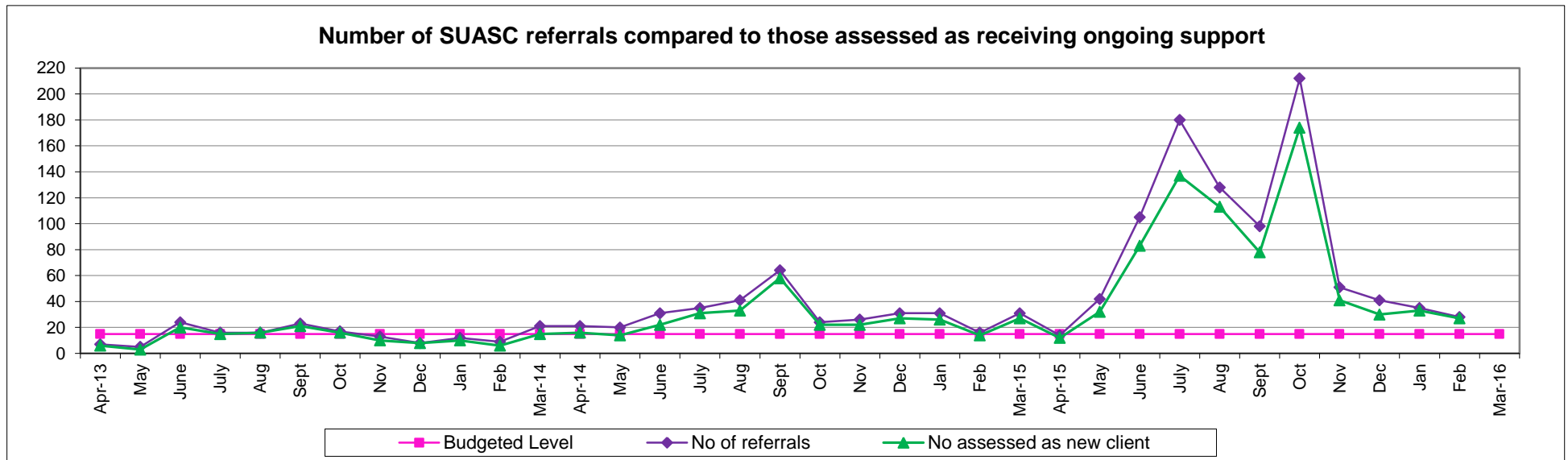
- The overall number of children is increasing, with numbers peaking in December at the highest level they have been since August 2003, but numbers are now slowly declining again. The current number of clients supported is above the budgeted level of 690.
- The budgeted number of referrals for 2015-16 is 15 per month, with 9 (60%) being assessed as under 18.
- We are responsible for those aged 18 and over if they are a Former Relevant Child and have eligibility for Care Leaver status. These are those young people who had been looked after for at least 13 weeks which began after they reached age 14 and ended after they reached age 16. Additionally young people over 18 may qualify for advice or assistance if they have been in care for at least 24 hrs aged 16 or 17.
- The numbers of 18 and over young people who are All Rights of appeal Exhausted (ARE) or Certified Refusals have been steadily decreasing, particularly since the introduction of Human Rights Assessments (HRAs). Certified Refusals are similar to ARE in that these individuals are expected to leave the UK immediately and have no recourse to public funds, but they have never had in-country appeal rights. On the 29th of February 2016 there were 56 ARE or Certified Refusal cases in Kent, compared to 67 in February 2015 and 85 in February 2014.
- The number of young people leaving the service at age 21 rather than remaining in the service up to age 24 has increased in recent months. In previous years, the number of young people supported who are 18 and over has been larger than those aged under 18, but this trend is reversing due to the current high numbers of arrivals of under 18's and the numbers leaving the service at age 21. The number of young people who became 18 on the 1st of January 2016 (the first of January is used where the real Date of Birth is not known) was 64, reflecting the high numbers of arrivals over the Summer and Autumn of 2015. A further 28 young people turned 18 during February, highlighting the significant proportion of the total under 18's who are only just under 18.
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim, but once their assessment has been completed, or when successfully appealed, their category may change.
- The number of Asylum LAC shown in table 2.1 above is different to the number of under 18 UASC clients shown within this indicator, due to UASC under 18 clients including both Looked After Children and 16 and 17 year old Care Leavers.
- The February UASC numbers shown in the table above include approximately 223 clients who are ineligible for grant funding.

2.5 Number of Unaccompanied Asylum Seeking Children (UASC):

	2013-14			2014-15			2015-16		
	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	6	86%	21	16	76%	14	12	86%
May	5	3	60%	20	14	70%	42	32	76%
Jun	24	20	83%	31	22	71%	105	83	79%
Jul	16	15	94%	35	31	89%	180	137	76%
Aug	16	16	100%	41	33	80%	128	113	88%
Sep	23	21	91%	64	58	91%	98	78	80%
Oct	17	16	94%	24	22	92%	212	174	82%
Nov	13	10	77%	26	22	85%	51	41	80%
Dec	8	8	100%	31	27	87%	41	30	73%
Jan	12	10	83%	31	26	84%	35	33	94%
Feb	9	6	67%	16	14	88%	28	27	96%
Mar	21	15	71%	31	27	87%			
	171	146	85%	371	312	84%	934	760	81%

Since the 2014-15 Q3 monitoring report, a revised methodology has been adopted - UASC are now only included when their Looked After Child (LAC) status has formally commenced.

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Comments:

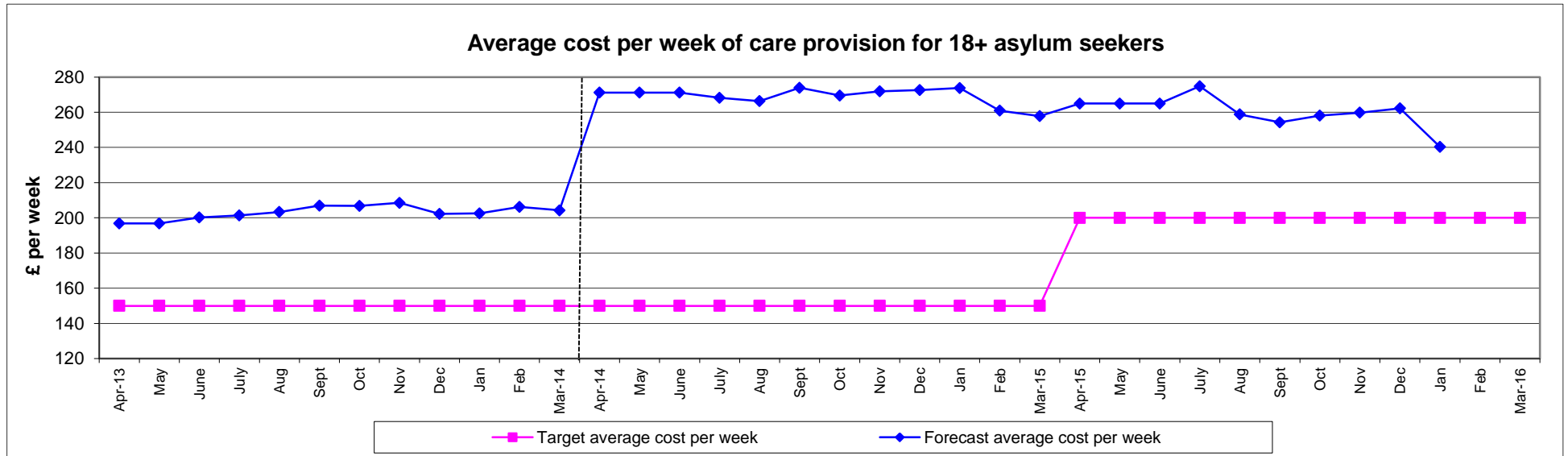
- Please note that UASC Referrals are assumed to be new clients until an assessment has been completed, which usually can take up to 6 weeks, however, as a result of the recent high number of referrals it is currently taking longer to complete individual assessments. Therefore the number of UASC assessed as new clients shown in the table may change once the assessment has taken place.
- The average number of referrals per month for the year to date is 85, which is above the budgeted number of 15 referrals per month. However within this average, as can be seen in the graph above, there is a significantly increasing trend reflecting the volatility in migrant activity during 2015-16.
- 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 2015-16 is
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 69 i.e. 667% higher than budgeted.
- Where a young person has been referred but does not become an ongoing client this may be for various factors. The number of these cases is relatively low but would include those where an age assessment has determined the young person to be aged 18 or above (and therefore they have been returned to immigration for dealing with through the asylum process for Adults) and more recently, transfers of case responsibility to Other Local Authorities. We are only able to claim grant for 28 days for an Asylum Seeker who, on arrival to the UK, is assessed as age 18 or over, but due to the current high number of arrivals it is taking longer than this for the assessments to be completed, resulting in an increased unfunded pressure on the Asylum budget.
- 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 (particularly at this stage given the high volumes encountered since June), 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.

	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
Apr	150	196.78	150	271.10	200	264.91
May	150	196.78	150	271.10	200	264.91
Jun	150	200.18	150	271.10	200	264.91
Jul	150	201.40	150	268.15	200	274.77
Aug	150	203.29	150	266.33	200	258.73
Sep	150	206.92	150	273.87	200	254.29
Oct	150	206.74	150	269.47	200	258.05
Nov	150	208.51	150	271.85	200	259.78
Dec	150	202.25	150	272.56	200	262.24
Jan	150	202.49	150	273.75	200	240.38
Feb	150	206.24	150	260.94	200	
Mar	150	204.27	150	257.79	200	

The current forecast average weekly cost for 2015-16 is £240.38, +£40.38 above the £200 claimable under the grant rules. This adds +£2,050k to the forecast outturn position, (+£849k for eligible clients and +£1,201k for ineligible/AREs as shown in table 1), for which we have a cash limit of £280k, giving a variance of +£1,770k.

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. From 2014-15 onwards we no longer receive a Gateway Grant, so all staff and infrastructure costs have been allocated to age groups. Therefore, the increased weekly cost since April 2014 reflects 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 2015-16 target average weekly cost was increased in the Quarter 2 report from £150 to £200 based on the latest offer from the Home Office received in early November.
- The reduction in unit cost between January and February 2015 follows a restructure of the service that took place at the start of December 2014 to bring Asylum support alongside mainstream care. Following this restructure a data cleansing exercise was performed. This revealed a number of elements that required revision, including changes to 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 (LA) 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 £200, 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 number of AREs supported has fallen in recent months. 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.
- The issue remains that 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. In addition, the increase in numbers over recent months has reduced the availability of lower cost properties.
- As part of our strive to achieve a net unit cost of £200 or below, we will be insisting on take-up of state benefits for those entitled. The proportion of young people being accepted for asylum has begun to increase in recent months (reversing a previous decline), meaning that a higher proportion of young people are able to claim state benefits, bringing down the average cost. In addition, the service has improved forecasts around the costs of support for those who have recently turned 18 for whom the cost of support arrangements has changed (e.g. ending foster care arrangements and commencing supported lodging placements or independent living; they may be entitled to benefits, which are netted off against the support costs). The costs for these cases were on average lower than predicted, which has also resulted in a decrease to the average cost.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Children's Services has a working budget for 2015-16 of £827k (this has now been updated to reflect the 2016-19 budget set by County Council on 11 February 2016). The forecast outturn against the 2015-16 budget is £827k giving a variance of £0k.

3.2 **Table 2** below details the Social Care, Health & Wellbeing Directorate's - Children's Services Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Transforming Short Breaks	70	112	0	0			Green		
ConTROCC	556	715	0	0			Green		
Total	626	827	0	0					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
ADULTS SERVICES
JANUARY 2015-16 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
Total (£k)	+350,266	+5,450	-	+5,450	+59	+261	+5,770

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Adult Social Care							
Strategic Management & Directorate Support budgets	8,104.1	-1,144.5	6,959.6	-840	-272	Staff vacancies within Access to Resources Team	Savings are expected to be ongoing & have been reflected in the approved 2016-19 MTFP
					-339	Staff vacancies across teams within operational support	
					-281	Reduced demand for a number of office support services (including postage, printing and stationery)	
					+52	Other minor variances	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	4,045.2	-623.8	3,421.4	-206	-146	Delays in recruitment to vacancies within the Performance & Information Management team	
					-60	Other minor variances	
<u>Adults & Older People:</u>							
- Direct Payments							
- Learning Disability (aged 18+)	18,346.6	-730.0	17,616.6	-411	+318	Forecast +1,109 weeks above affordable level of 63,723 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					-50	Forecast average unit cost -£0.79 below affordable level of £287.44	
					+1,032	One-off direct payments	
					-1,690	Recovery of unspent funds from clients	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-143	Other local authority income relating to prior year costs for a client who has recently been transferred under Ordinary Residence status	
					+122	Other minor variances including prior year costs where insufficient creditors were raised	
- Mental Health (aged 18+)	1,052.9	-84.3	968.6	+20	+78	Forecast +737 weeks above affordable level of 9,998 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					+6	Forecast average unit cost +£0.61 above affordable level of £105.31	
					+70	One-off direct payments	
					-161	Recovery of unspent funds from clients	
					+27	Other minor variances	
- Older People (aged 65+)	14,572.8	-140.2	14,432.6	-1,560	-1,310	Forecast -6,830 weeks below affordable level of 78,548 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					+504	Forecast average unit cost +£6.41 above affordable level of £185.42	
					+389	One-off direct payments	
					-1,136	Recovery of unspent funds from clients	
					-7	Other minor variances	
- Physical Disability (aged 18-64)	12,837.8	-739.9	12,097.9	+239	+865	Forecast +4,184 weeks above affordable level of 60,937 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					-184	Forecast average unit cost -£3.02 below affordable level of £209.77	
					+661	One-off direct payments	
					-1,141	Recovery of unspent funds from clients	
					+38	Other minor variances	
Total Direct Payments	46,810.1	-1,694.4	45,115.7	-1,712			
- Domiciliary Care							
- Learning Disability (aged 18+)	989.5	-14.0	975.5	-312	-254	Forecast -18,409 hours below affordable level of 63,945 hours	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					-3	Forecast average unit cost -£0.05 below affordable level of £13.84	
					-55	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People (aged 65+) - in house service (KEaH)	7,888.9	-5,415.4	2,473.5	+82	+82	Higher usage of Kent Enablement at Home Service (KEaH) than anticipated for Older People clients	
- Older People (aged 65+) - Commissioned Service	17,275.3	-10,168.6	7,106.7	+9,353	+6,966	Forecast +476,162 hours above affordable level of 1,175,404 hours	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP The revised timing of the anticipated delivery of phase 2 transformation savings has been reflected in the approved 2016-19 MTFP This pressure is expected to be ongoing & has been addressed in the approved 2016-19 MTFP.
					+35	Forecast average unit cost +£0.03 above affordable level of £14.60	
					+1,696	Revised phasing of anticipated delivery of phase 2 transformation savings resulting from work completed by our Transformation Partners during the design stage of the savings programme. The actual savings delivered may vary from these assumptions but any deviation is/will be reflected within the activity variances (no of hours/unit cost) shown above.	
					+588	Commissioning additional block domiciliary related contracts primarily related to providing additional support within Extra Care Sheltered Housing and at home following a hospital discharge.	
					+68	Other minor variances	
- Physical Disability (aged 18-64) - in house service	579.4	0.0	579.4	0			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability (aged 18-64) - Commissioned Service	2,334.8	-21.3	2,313.5	+2,901	+2,515	Forecast +180,964 hours above affordable level of 193,031 hours	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					-23	Forecast average unit cost -£0.12 below affordable level of £14.02	
					+372	Revised phasing of anticipated delivery of phase 2 transformation savings resulting from work completed by our Transformation Partners during the design stage of the savings programme. The actual savings delivered may vary from these assumptions but any deviation is/will be reflected within the activity variances (no of hours/unit cost) shown above.	The revised timing of the anticipated delivery of phase 2 transformation savings has been reflected in the approved 2016-19 MTFP
					+37	Other minor variances	
Total Domiciliary Care	29,067.9	-15,619.3	13,448.6	+12,024			
- Non Residential Charging							
- Learning Disability (aged 18+)	0.0	-3,191.3	-3,191.3	-419	-419	The forecast over-recovery of client contributions towards non-residential care services is linked to the current net pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Living) highlighted in this report.	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
- Older People (aged 65+)	0.0	-7,516.3	-7,516.3	-1,445	-1,445	The forecast over-recovery of client contributions towards non-residential care services is linked to the current net pressure being forecast on other older people community based services (such as Domiciliary, Day Care, Direct Payments & Supported Living) highlighted in this report.	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability (aged 18-64) / Mental Health (aged 18+)	0.0	-1,298.5	-1,298.5	-493	-440	The forecast over-recovery of client contributions towards non-residential care services is linked to the current net pressure being forecast on other physical disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Living) highlighted in this report.	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					-53	Other minor variances	
Total Non Residential Charging Income	0.0	-12,006.1	-12,006.1	-2,357			
- Nursing & Residential Care							
- Learning Disability (aged 18+)	80,876.3	-6,597.4	74,278.9	-1,780	-2,561	Forecast -2,111 weeks below affordable level of 67,787 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					+202	Leading to a shortfall in client contributions	
					+1,199	Forecast average unit cost +£17.69 above affordable level of £1,195.61	
					-179	Independent Sector: forecast average unit client contribution -£2.64 above affordable level of -£93.02	
					-595	Release of unrealised creditors	
					+153	Health income is specific to individual clients and following changes in clients supported, there is a reduction in income expected from health	
					+1	Other minor variances	
- Mental Health (aged 18+)	8,414.1	-1,006.5	7,407.6	+1,324	+1,339	Forecast +2,032 weeks above affordable level of 12,776 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					-81	Leading to an increase in client contributions	
					+9	Forecast average unit cost +£0.74 above affordable level of £658.02	
					+61	Independent Sector: forecast average unit client contribution +£4.76 below affordable level of -£44.62	
					-4	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People (aged 65+) - Nursing	37,654.6	-16,250.7	21,403.9	-89	-2,951 +1,134 +949 +754 +113 -88	Forecast -5,765 weeks below affordable level of 73,811 weeks Leading to a shortfall in client contributions Forecast average unit cost +£12.86 above affordable level of £499.03 Independent Sector: forecast average unit client contribution +£10.21 below affordable level of -£206.98 Prior year costs where insufficient creditors were raised Other minor variances	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
- Older People (aged 65+) - Residential - in house service	20,057.6	-5,468.8	14,588.8	+474	+215 +155 +90 +200 -186	Additional agency staff to cover staff vacancies, along with higher than anticipated usage of agency staff for specialist care/nursing roles at Gravesham Place. Increase in running costs for Gravesham Place associated with a recharge from Health for staff, clinical items, utilities and unitary charge. Other minor variances for Gravesham Place including reduced health income associated with Registered Nursing Care Contributions (RNCC) Health are disputing their share of the contribution towards the running costs of an integrated care centre. Although negotiations continue with Thanet CCG, it is considered prudent to reflect this as a pressure until the situation is resolved. Other minor variances within other residential units	This may result in an ongoing pressure which is not provided for in the 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People (aged 65+) - Residential - commissioned service	55,564.5	-29,367.8	26,196.7	+2,438	-3,031	Forecast -7,074 weeks below affordable level of 139,087 weeks	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					+1,404	Leading to a shortfall in client contributions	
					+801	Forecast average unit cost +£5.76 above affordable level of £422.68	
					+476	Independent Sector: forecast average unit client contribution +£3.42 below affordable level of -£201.94	
					+1,941	Revised phasing of anticipated delivery of phase 2 transformation savings resulting from work completed by our Transformation Partners during the design stage of the savings programme. The actual savings delivered may vary from these assumptions but any deviation is/will be reflected within the activity variances (no of hours/unit cost) shown above.	The revised timing of the anticipated delivery of phase 2 transformation savings has been reflected in the approved 2016-19 MTFP
					+607	Prior year costs where insufficient creditors were raised	
					+188	Health (Thanet CCG) have confirmed they will no longer contribute to an element of running costs for an integrated care centre following a review of current contractual agreements.	This pressure has been addressed in the approved 2016-19 MTFP
					+118	Health have indicated that they will no longer contribute towards the cost of short term residential placements within East Kent, previously received through a long standing agreement. Although negotiations continue with South Kent Coast CCG, it is considered prudent to reflect this as a pressure until the situation is resolved.	This pressure has been addressed in the approved 2016-19 MTFP
					-66	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Physical Disability (aged 18-64)	13,489.3	-1,729.9	11,759.4	+15	-124 Forecast -146 weeks below affordable level of 15,843 weeks +16 Leading to a shortfall in client contributions +57 Forecast average unit cost +£3.62 above affordable level of £851.42 -24 Independent Sector: forecast average unit client contribution -£1.49 above affordable level of -£109.19 +90 Other minor variances	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
Total Nursing & Residential Care	216,056.4	-60,421.1	155,635.3	+2,382		
- Supported Living						
- Learning Disability (aged 18+) - in house service	3,787.4	-1,593.7	2,193.7	-354	-100 Completion of the Pathway to Independence project pilot at lower cost than anticipated -297 Local action plans in place to pool resources in preparation for move to Kent Pathways Service, leading to overall reduction in staffing costs as vacancies and secondments are not being filled +43 Other minor variances	
- Learning Disability (aged 18+) - shared lives scheme	3,579.3	-246.9	3,332.4	+145	+170 Forecast +60,858 hours above affordable level of 1,068,310 hours -43 Forecast average unit cost -£0.04 below affordable level of £2.84 +18 Other minor variances	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
- Learning Disability (aged 18+) - other commissioned supported living arrangements	31,448.5	-189.2	31,259.3	+3,460	+3,887 Forecast +397,419 hours above affordable level of 3,177,961 hours -254 Forecast average unit cost -£0.08 below affordable level of £9.86 -610 Release of unrealised creditors +193 Estimated costs of unfilled block-purchased supported living placements	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					+227	Cancellation of outstanding debt relating to ordinary residence based on latest legal advice	
					+17	Other minor variances	
- Older People (aged 65+) - in house service	4,825.0	-4,825.0	0.0	+10			
- Older People (aged 65+) - commissioned service	395.9	0.0	395.9	+52	+29	Forecast +3,887 hours above affordable level of 48,756 hours	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					-38	Forecast average unit cost -£0.78 below affordable level of £8.12	
					+61	Other minor variances	
- Physical Disability (aged 18-64) / Mental Health (aged 18+) - in house service	107.4	-107.4	0.0	0			
- Physical Disability (aged 18-64) / Mental Health (aged 18+) - commissioned service	4,416.2	-221.9	4,194.3	+1,842	+603	Mental Health forecast +47,531 hours above affordable level of 177,735	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					+158	Mental Health forecast average unit cost +£0.89 above affordable level of	
					+1,497	Physical Disability forecast +267,744 hours above affordable level of 312,847 hours	
					-460	Physical Disability forecast average unit cost -£1.47 below affordable level of £7.06	
					+44	Other minor variances	
Total Supported Living	48,559.7	-7,184.1	41,375.6	+5,155			
- Other Services for Adults & Older People							
- Adaptive & Assistive Technology	6,106.6	-3,666.2	2,440.4	-453	-297	Estimated savings from reduced prices and quantity being purchased following the renegotiation of the equipment contract, affecting occupational therapy equipment, telecare and the pooled budget arrangement with health to provide equipment.	Savings are expected to be ongoing & have been reflected in the approved 2016-19 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-341	Lower than anticipated demand for telecare leading to a reduction in anticipated revenue contribution to capital	
					+185	Other minor variances, each below £100k in value	
- Community Support Services for Mental Health (aged 18+) - in house service	1,383.8	-64.4	1,319.4	-131	-131	Delay in the recruitment to vacancies within the short term recovery team	
- Community Support Services for Mental Health (aged 18+) - commissioned service	1,716.5	-693.9	1,022.6	-72			
- Day Care							
- Learning Disability (aged 18+) - in house service	6,627.5	-70.7	6,556.8	-210	-102	Countywide reduction in Agency and contracted staffing costs resulting from 1:1 costs now being commissioned externally within the supported living service (now within the activity reported on the Learning Disability - other commissioned supported living A-Z line)	Savings are expected to be ongoing & have been reflected in the approved 2016-19 MTFP
					-141	Reduced costs of staff following the recent restructure of day care services and more effective management of resources	
					+33	Other minor variances	
- Learning Disability (aged 18+) - commissioned service	7,043.6	-13.9	7,029.7	+897	+763	Pressure reflecting current demand for services provided by the independent sector	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
					+219	Leading to an increase in transport related costs	
					-85	Other minor variances	
- Older People (aged 65+) - in house	877.9	-45.0	832.9	-40			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Older People (aged 65+) - commissioned service	945.1	0.0	945.1	-145	-145	Underspend reflecting current demand for services provided by the independent sector including transport related costs	Demographic pressures & savings are expected to be ongoing & have been addressed in the approved 2016-19 MTFP
- Physical Disability (aged 18-64)	974.2	0.0	974.2	-28			
Total Day Care	16,468.3	-129.6	16,338.7	+474			
- Other Adult Services	3,864.8	-3,695.3	169.5	-3,013	-3,275	Use of so-far uncommitted funding, held within Other Adult Services, to offset increased activity on Older People A-Z budget lines.	
					+203	Meals service pressure, primarily due to lower than anticipated client contributions	
					+59	Other minor variances including additional mental health client support costs	
- Safeguarding	2,331.7	-702.1	1,629.6	-78	-135	Delays in the commissioning of Deprivation of Liberty Safeguard (DOLS) assessments by an external agency, along with a phased approach to recruitment, due to difficulties in finding suitable candidates, have led to a request to re-phase the one-off DOLS Grant received in 2015-16, for use in 2016-17. The roll forward of £135k will be required to enable higher levels of DOLS assessments to be completed. There has been a significant rise in the number of DOLS assessments required in both care homes and hospital settings following a legal judgement and this grant has been given in recognition of this pressure on local councils.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+57	Other minor variances, each below £100k, including -£59k relating to KCC's share of re-phasing into 2016-17 of Kent & Medway Safeguarding Vulnerable Adults Committee. This will be required to roll forward to meet our obligation to the Committee under the terms of the multi-agency agreement.
- Social Support						
- Carers - in house service	3,550.9	-0.3	3,550.6	+87		
- Carers - commissioned service	10,440.9	-6,172.1	4,268.8	+876	+768	Higher than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations)
					+398	Lower than anticipated client income for Social Support to Carers
					-290	Lower than anticipated demand for Carers direct payments
- Information & Early Intervention	6,517.0	-2,254.9	4,262.1	-608	-362	Lower than anticipated demand for advocacy services
					-300	A review of the process required to complete the Deprivation of Liberty Safeguard assessments of clients in a domestic setting, has resulted in only part year costs being incurred in 2015-16 although the budget allows for the full year effect.
					+54	Other minor variances
- Social Isolation	6,269.2	-2,288.5	3,980.7	+30	+115	Payments to voluntary organisations as a result of higher than anticipated demand for Learning Disability services
					-85	Other minor variances
Total Social Support	26,778.0	-10,715.8	16,062.2	+385		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Support & Assistance Service (Social Fund)	1,481.5	0.0	1,481.5	0			
Total Other Services for Adults & Older People	60,131.2	-19,667.3	40,463.9	-2,888			
<u>Community Services</u>							
- Local Healthwatch & NHS Complaints Advocacy	1,138.4	-705.9	432.5	-105	-105	Reduction in the anticipated demand for advocacy services, along with staff savings	
<u>Housing Related Support for Vulnerable People (Supporting People)</u>							
- Administration	536.1	-150.0	386.1	-54			
- Adults - Learning Difficulties	3,352.2	0.0	3,352.2	-26			
- Adults - Physical Difficulties	138.5	0.0	138.5	0			
- Adults - Mental Health (aged 18+)	2,904.3	0.0	2,904.3	-58			
- Older People (aged 65+)	3,891.5	0.0	3,891.5	-46			
- Other Adults	7,421.6	-193.2	7,228.4	0			
- Young People	3,677.9	0.0	3,677.9	0			
Total Housing Related Support for Vulnerable People	21,922.1	-343.2	21,578.9	-184			
<u>Public Health</u>							
- Drug & Alcohol Services (LASAR)	429.9	0.0	429.9	-35			
<u>Assessment Services</u>							
- Adult Social Care Staffing	44,648.7	-11,237.9	33,410.8	-5,784	-980	Delays in the recruitment to vacancies within the Mental Health assessment teams and the usage of locum/agency staff. This is partly due to recent staffing reviews along with general difficulties in recruiting to speciality mental health practitioners.	
					-463	Delays in the recruitment to vacancies across Learning Disability assessment teams	

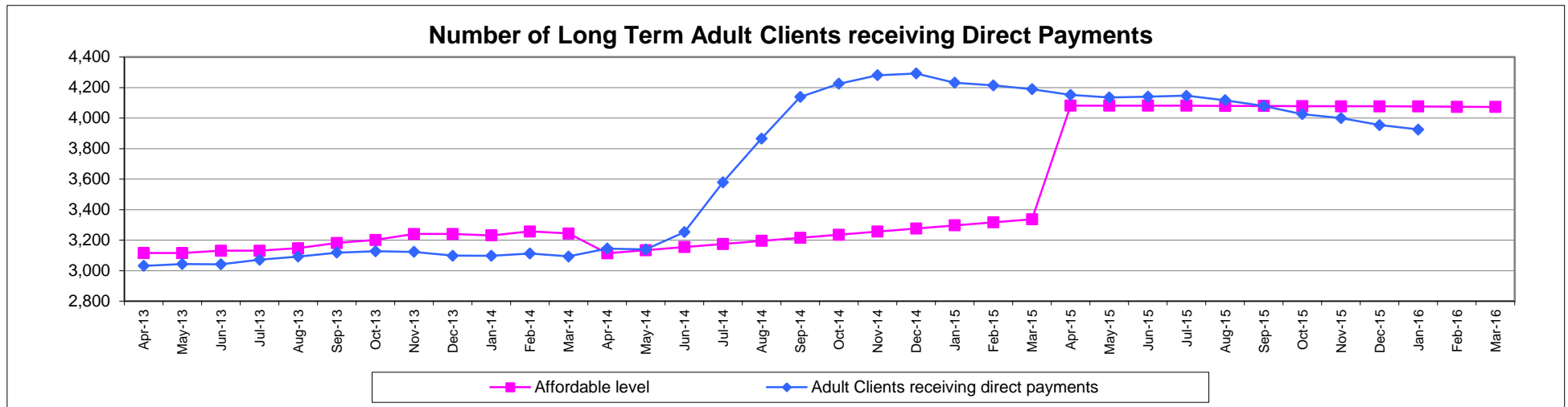
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+349	Use of agency staff within the Older People and Physical Disability teams partly due to delays in the recruitment to vacancies along with general difficulties in recruiting within specific
					-190	Delay in implementation of new Care Planning Management System
					-126	Delays in undertaking the Deprivation of Liberty Safeguard (DOLS) assessments due to a review of the process required, have led to a request to re-phase the one-off DOLS Grant received in 2015-16, for use in 2016-17. The roll forward of £126k will be required to enable higher levels of DOLS assessments to be completed. There has been a significant rise in the number of DOLS assessments required in both care homes and hospital settings following a legal judgement and this grant has been given in recognition of this pressure on local councils.
					-154	Use of so-far uncommitted funding held within Adult Social Care staffing to offset spending on new Care Act responsibilities within the Older People Domiciliary Care A-Z budget line above
					-4,227	Use of so-far uncommitted funding following the Government announcement to delay the implementation of phase 2 Care Act
					+150	Provision for the possible outcome of a legal case
					-143	Other minor variances, each below £100k
Total SCH&W (Adults)	480,913.7	-130,647.6	350,266.1	+5,450		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

The affordable levels for 2015-16 were updated in the December Monitoring Report, presented to Cabinet in March 2016, to reflect the outcome of the work undertaken by the Procurement and Commissioning teams on the adult social care prices review, which includes the impact of additional price pressures resulting from current market conditions.

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

	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
Apr	3,116	3,032	164	3,114	3,145	216	4,081	4,152	153
May	3,116	3,043	169	3,134	3,139	160	4,081	4,135	137
Jun	3,130	3,042	120	3,155	3,253	184	4,081	4,140	214
Jul	3,130	3,072	173	3,175	3,579	215	4,081	4,146	229
Aug	3,147	3,092	158	3,195	3,866	200	4,080	4,117	191
Sep	3,181	3,118	134	3,215	4,139	209	4,080	4,080	202
Oct	3,201	3,127	179	3,235	4,225	204	4,078	4,026	173
Nov	3,240	3,123	144	3,256	4,281	167	4,077	4,000	155
Dec	3,240	3,098	159	3,276	4,292	115	4,077	3,954	102
Jan	3,231	3,097	176	3,297	4,232	135	4,076	3,925	97
Feb	3,257	3,112	135	3,317	4,214	128	4,074		
Mar	3,244	3,093	121	3,337	4,189	144	4,073		
			1,832			2,077			1,653



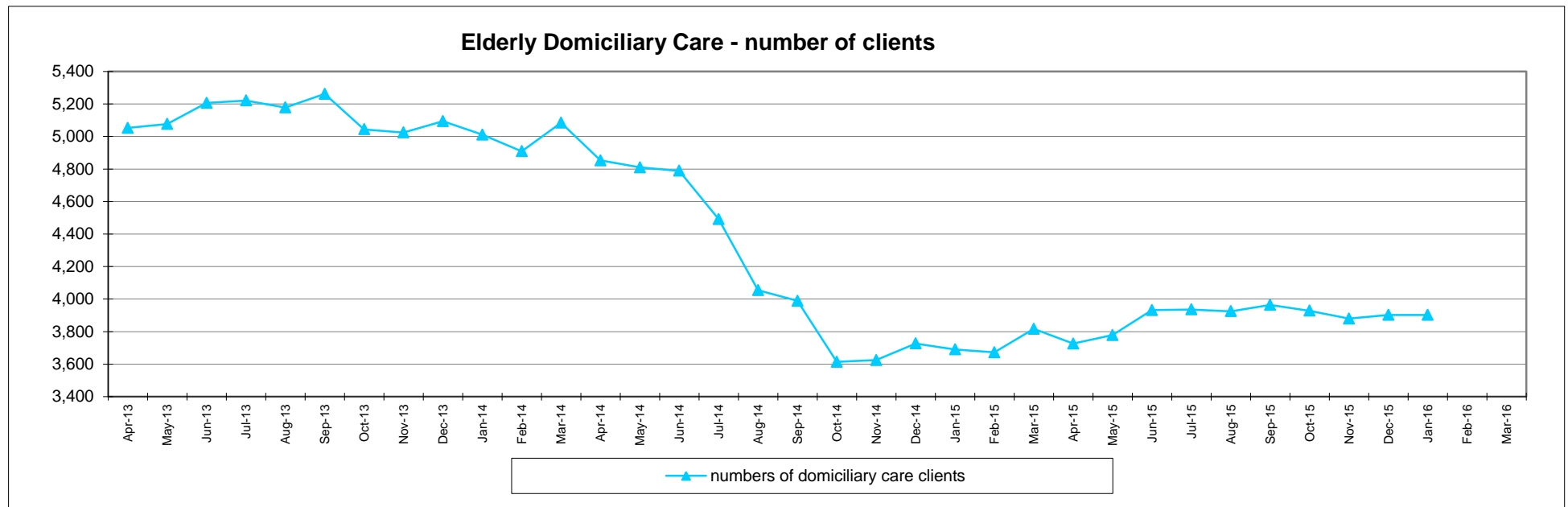
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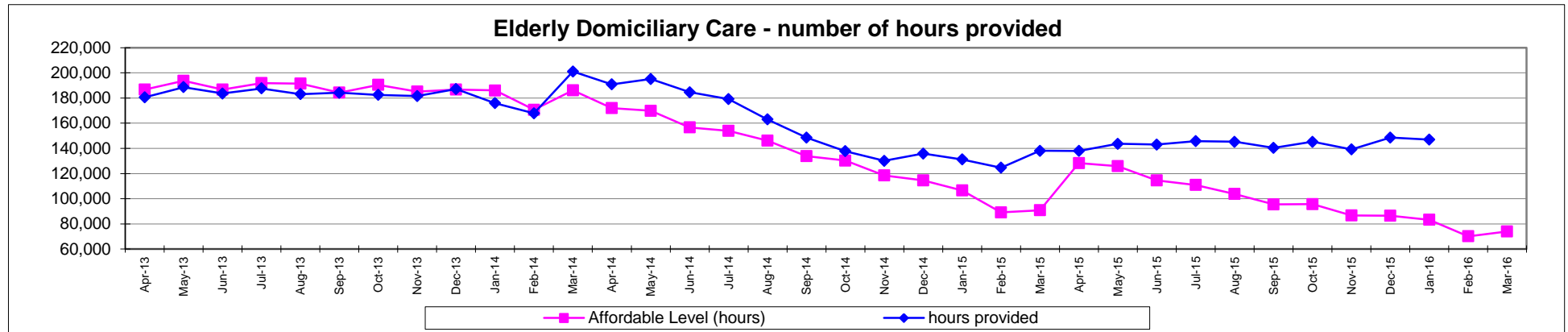
- A long term client in receipt of a regular direct payment may also receive a one-off payment if required. Only the long term clients are presented on the graph above.
- Please note that due to the time taken to record changes in direct payments onto the client database the number of clients and one-off direct payments for any given month may change, therefore the current year to date activity data is refreshed in each report to provide the most up to date information.
- Current activity to date compared against the profiled budget would suggest a lower level of activity than currently forecast on this service, however the current forecast includes a number of known clients not yet recorded on the activity database. This position is being offset by recoveries of unspent funds from clients. The overall effect of these factors across individual client groups is reflected in Table 1, which shows a forecast underspend of -£1,712k against the overall direct payments budget.
- The affordable level was updated in the quarter 3 monitoring report, presented to Cabinet in March, to reflect the transfer of responsibilities for former independent living fund clients, along with the outcome of the prices review (referred to at the start of section 2 of this annex).

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

	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
Apr	186,809	180,585	5,053	171,979	190,804	4,853	128,349	138,025	3,726
May	193,717	188,656	5,077	169,813	195,051	4,810	125,833	143,582	3,778
Jun	186,778	183,621	5,206	156,692	184,572	4,789	114,538	143,059	3,932
Jul	191,791	187,621	5,221	154,016	179,105	4,492	110,944	145,708	3,936
Aug	191,521	183,077	5,178	146,118	163,006	4,054	103,747	145,224	3,925
Sep	184,242	184,208	5,262	133,761	148,649	3,989	95,449	140,360	3,964
Oct	190,446	182,503	5,044	130,322	137,790	3,614	95,708	145,262	3,928
Nov	185,082	181,521	5,025	118,474	130,108	3,625	86,749	139,234	3,880
Dec	186,796	187,143	5,094	114,525	135,832	3,727	86,556	148,514	3,902
Jan	186,006	175,916	5,011	106,627	131,261	3,690	83,287	146,990	3,903
Feb	170,695	167,774	4,909	89,174	124,714	3,672	70,204		
Mar	186,184	201,069	5,085	90,829	138,077	3,817	74,040		
	2,240,067	2,203,694		1,582,330	1,858,968		1,175,404	1,435,958	

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Comments:

- Figures exclude services commissioned from the Kent Enablement At Home Service.
- The current forecast is 1,651,566 hours of care against an affordable level of 1,175,404, a difference of +476,162 hours. Using the forecast unit cost of £14.63 this increase in activity increases the forecast by +£6,966k, as shown in table 1.
- 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 based on the revised savings plans agreed with our transformation partners. Due to the anticipated revised phasing of the second tranche of savings, based on work undertaken by our Transformation partners during the design stage of the savings programme early in this financial year, a separate pressure of £1,696k is reported in table 1. However, this was based on a best estimate at the time and actual savings delivered may vary from this. Any deviation from these assumptions is/will be reflected within the forecast activity shown within this activity indicator.
- To the end of January 1,435,958 hours of care have been delivered against an affordable level of 1,031,160, a difference of +404,798 hours. The budgeted level assumes a continual reduction in client numbers in line with transformation plans and the general trend experienced in recent years. Current activity suggests that the forecast should be lower on this service when compared to the budgeted profile, however the forecast reflects the continuation of the higher levels of activity experienced in 2014-15 and in the first ten months of 2015-16, which have offset the effect of the transformation savings that are built in to the affordable profile. Based on current activity levels, the forecast appears low but it is likely the activity to date is overstated due a delay in closing domiciliary packages on the system.
- 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 2012-2013 average hours per client per week was 8.0, whereas the average figure for 2013-14 was 8.3 and 8.7 for 2014-15. For 2015-16, the current actual average hours per client per week is 8.5.
- The affordable level was updated in the quarter 3 report, presented to Cabinet in March, to reflect the transfer of responsibilities for former independent living fund clients, along with the outcome of the prices review (referred to at the start of section 2 of this annex).

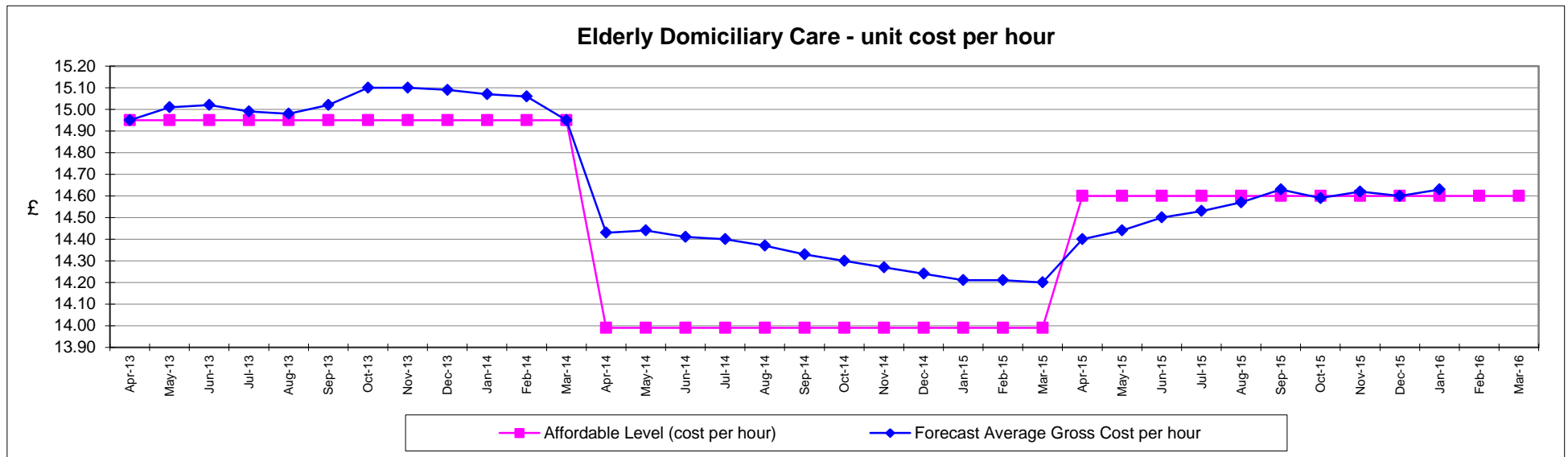
2.3 Average gross cost per hour of older people domiciliary care compared with affordable level:

	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
Apr	14.95	14.95	13.99	14.43	14.60	14.40
May	14.95	15.01	13.99	14.44	14.60	14.44
Jun	14.95	15.02	13.99	14.41	14.60	14.50
Jul	14.95	14.99	13.99	14.40	14.60	14.53
Aug	14.95	14.98	13.99	14.37	14.60	14.57
Sep	14.95	15.02	13.99	14.33	14.60	14.63
Oct	14.95	15.10	13.99	14.30	14.60	14.59
Nov	14.95	15.10	13.99	14.27	14.60	14.62
Dec	14.95	15.09	13.99	14.24	14.60	14.60
Jan	14.95	15.07	13.99	14.21	14.60	14.63
Feb	14.95	15.06	13.99	14.21	14.60	
Mar	14.95	14.95	13.99	14.20	14.60	

Comments:

- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The forecast unit cost of +£14.63 is higher than the affordable cost of +£14.60, and this difference of £0.03 increases the position by £35k when multiplied by the affordable hours, as is shown in table 1.
- The affordable unit cost for 2015-16 reflects the result of the domiciliary re-let during 2014-15, along with the recent outcome of the prices review and funding of current market pressures.

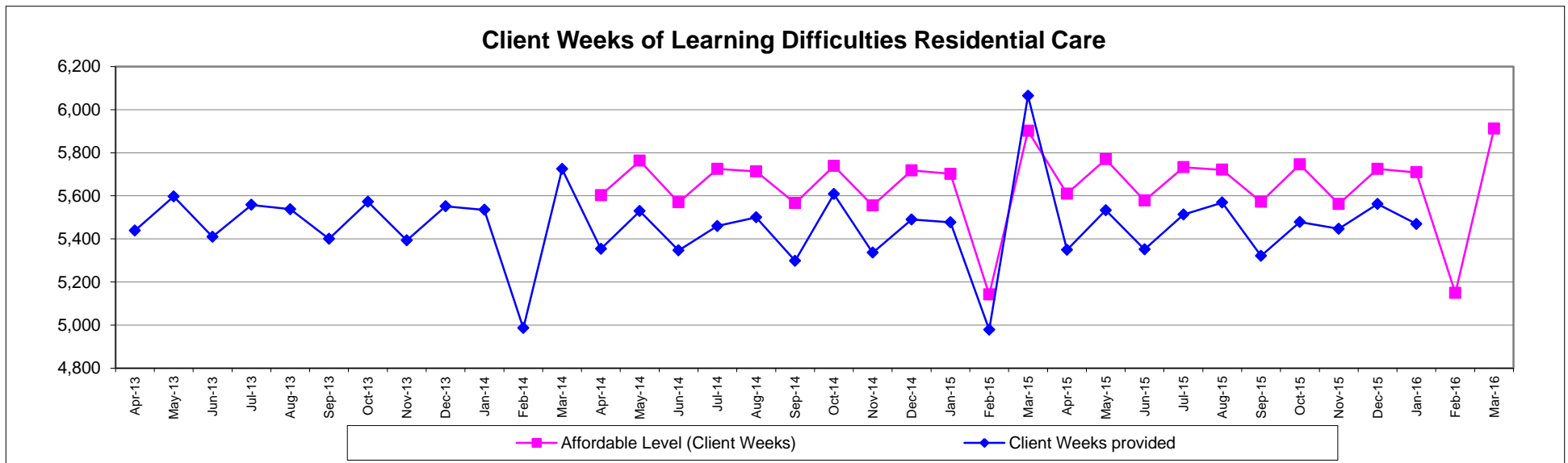
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2.4 Number of client weeks of learning disability residential care provided compared with affordable level:

	2013-14	2014-15		2014-15	
	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	5,439	5,603	5,354	5,610	5,349
May	5,597	5,763	5,529	5,770	5,533
Jun	5,410	5,570	5,347	5,578	5,351
Jul	5,558	5,725	5,460	5,733	5,513
Aug	5,538	5,713	5,500	5,721	5,569
Sep	5,400	5,566	5,298	5,572	5,321
Oct	5,572	5,739	5,608	5,746	5,479
Nov	5,393	5,555	5,336	5,562	5,447
Dec	5,551	5,718	5,490	5,725	5,562
Jan	5,535	5,702	5,477	5,709	5,469
Feb	4,986	5,142	4,978	5,149	
Mar	5,724	5,901	6,064	5,912	
	65,703	67,697	65,441	67,787	54,594

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 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:

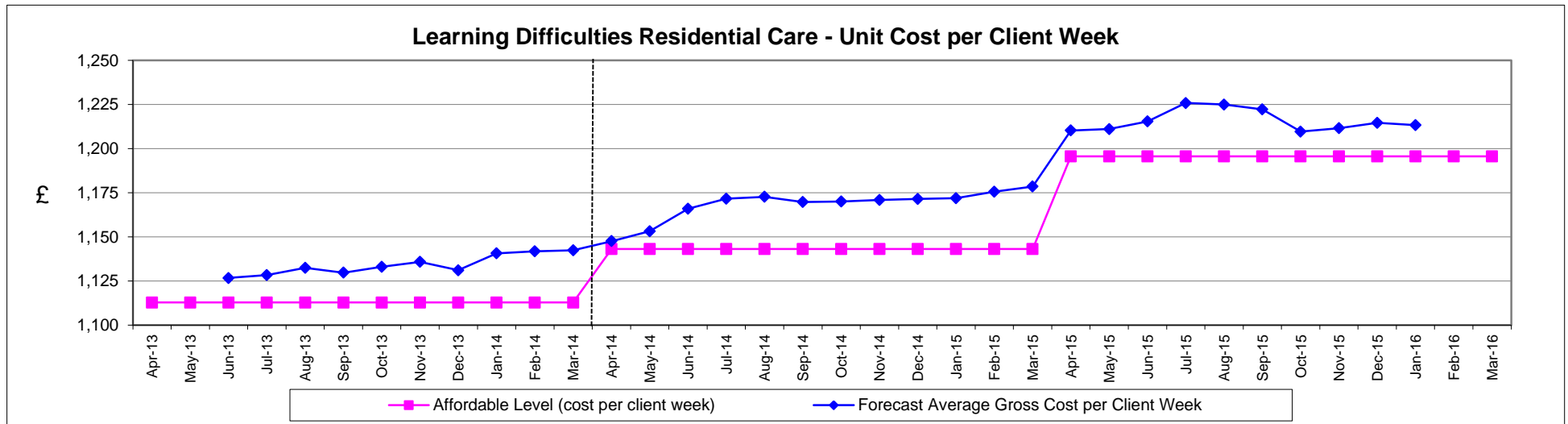
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care (including preserved rights clients) at the end of 2013-14 was 1,254, at the end of 2014-15 it was 1,258 and at the end of January 2016 it was 1,226. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 65,676 weeks of care against an affordable level of 67,787, a difference of -2,111 weeks. Using the forecast unit cost of £1,213.30, this reduced activity decreases the forecast by -£2,561k, as shown in table 1.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of January 54,594 weeks of care have been delivered against an affordable level of 56,726, a difference of -2,132 weeks. The year to date activity suggests a lower level of activity than currently forecast, however, this is mainly due to delays in the recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated. In addition, the forecast assumes that some activity for transitional and provisional clients will, by necessity, need to be backdated due to bespoke contracts that have to be agreed individually with providers.

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

	2013-14		2014-15		2015-16	
	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week
	£p	£p	£p	£p	£p	£p
Apr	1,112.86		1,143.16	1,147.62	1,195.61	1,210.33
May	1,112.86		1,143.16	1,153.21	1,195.61	1,211.12
Jun	1,112.86	1,126.76	1,143.16	1,165.91	1,195.61	1,215.42
Jul	1,112.86	1,128.39	1,143.16	1,171.61	1,195.61	1,225.85
Aug	1,112.86	1,132.54	1,143.16	1,172.74	1,195.61	1,224.95
Sep	1,112.86	1,129.75	1,143.16	1,169.82	1,195.61	1,222.21
Oct	1,112.86	1,133.04	1,143.16	1,170.10	1,195.61	1,209.68
Nov	1,112.86	1,135.86	1,143.16	1,170.90	1,195.61	1,211.57
Dec	1,112.86	1,131.13	1,143.16	1,171.47	1,195.61	1,214.58
Jan	1,112.86	1,140.70	1,143.16	1,171.99	1,195.61	1,213.30
Feb	1,112.86	1,141.90	1,143.16	1,175.62	1,195.61	
Mar	1,112.86	1,142.45	1,143.16	1,178.59	1,195.61	

- From April 2014 there was 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 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.

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Comments:

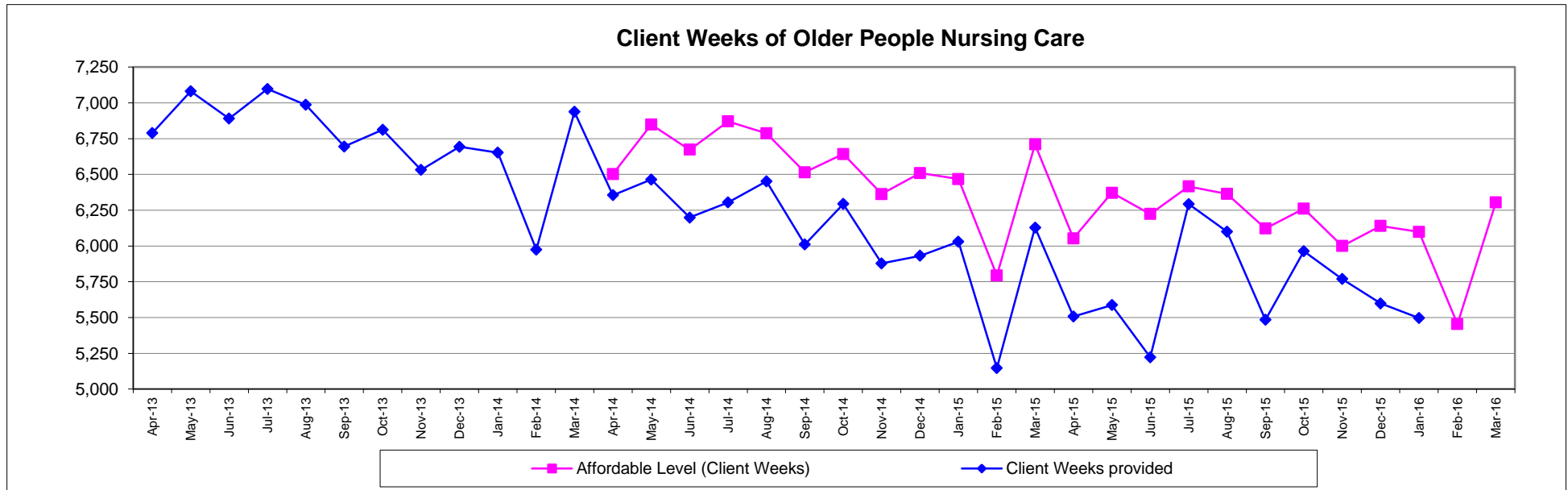
- Clients being placed in residential care are those with very complex and individual needs which make it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,200 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases.
- The forecast unit cost of +£1,213.30 is higher than the affordable cost of +£1,195.61 and this difference of +£17.69 adds +£1,199k to the position when multiplied by the affordable weeks, as shown in table 1.
- The steep price increase in July has been influenced by a home closure requiring the clients to be transferred to new settings. As a result of the short notice of closure, many of these new placements are more expensive.
- The reduction in the forecast unit cost in October reflects the outcome of the prices review whereby the actual price uplift applied was less than anticipated in previous monitoring reports.

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

	2013-14	2014-15		2015-16	
	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	6,789	6,502	6,355	6,053	5,507
May	7,081	6,848	6,464	6,372	5,587
Jun	6,891	6,673	6,199	6,224	5,222
Jul	7,097	6,871	6,304	6,416	6,293
Aug	6,986	6,788	6,452	6,364	6,100
Sep	6,695	6,515	6,011	6,123	5,484
Oct	6,812	6,643	6,294	6,261	5,964
Nov	6,532	6,363	5,878	6,000	5,770
Dec	6,693	6,510	5,932	6,141	5,599
Jan	6,653	6,468	6,030	6,098	5,496
Feb	5,975	5,795	5,147	5,455	
Mar	6,937	6,710	6,129	6,304	
	81,141	78,686	73,195	73,811	57,022

From April 2014 there was 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 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.

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Comments:

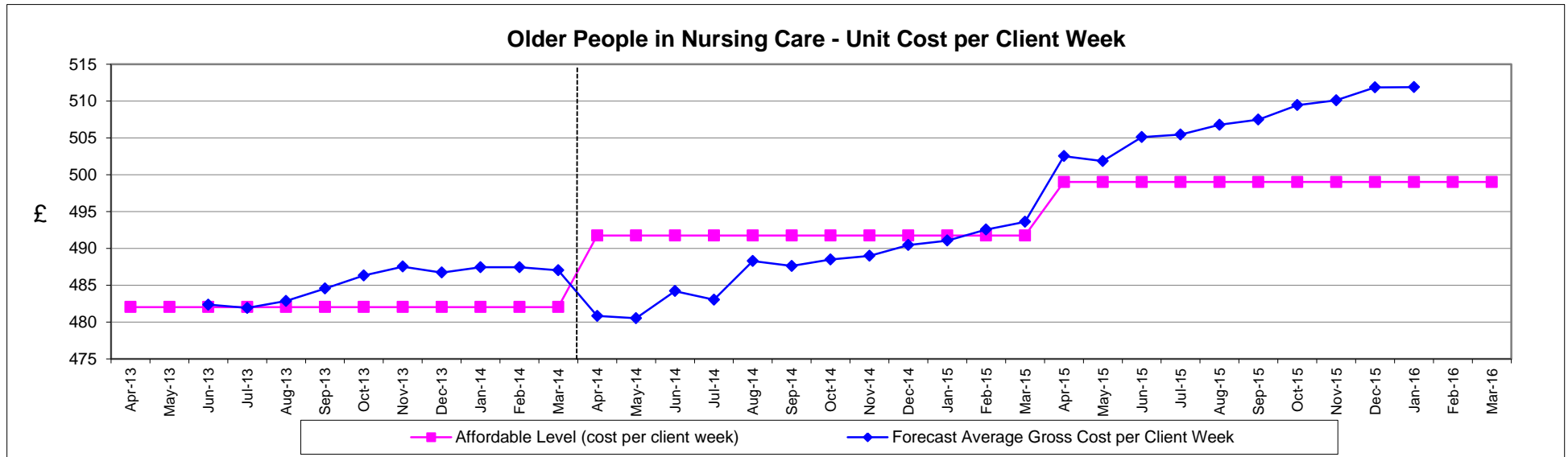
- The graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2013-14 was 1,423, at the end of 2014-15 it was 1,253 and at the end of January 2016 it was 1,212.
- The current forecast is 68,046 weeks of care against an affordable level of 73,811, a difference of -5,765 weeks. Using the forecast unit cost of £511.89, this reduced activity decreases the forecast by -£2,951k, as shown in table 1.
- To the end of January 57,022 weeks of care have been delivered against an affordable level of 62,052, a difference of -5,030 weeks. The year to date activity suggests a lower level of activity than currently forecast. However, it is believed the year to date activity reported for short term beds is still understated due to delays in updating the activity database. The sharp increase in activity in July is due to the initial impact of this work and therefore the July activity reported in the table above not only reflects July activity but also some activity relating to previous months. This is also true, but to a lesser extent, of the activity quoted for August to November.
- We are now making contributions under the Health and Social Care Village model for health commissioning of short-term beds in order to support step down from acute hospital, to reduce demand for this service.

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

	2013-14		2014-15		2015-16	
	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week
	£p	£p	£p	£p	£p	£p
Apr	482.05		491.75	480.83	499.03	502.53
May	482.05		491.75	480.53	499.03	501.86
Jun	482.05	482.37	491.75	484.21	499.03	505.11
Jul	482.05	481.93	491.75	483.04	499.03	505.46
Aug	482.05	482.87	491.75	488.31	499.03	506.79
Sep	482.05	484.55	491.75	487.62	499.03	507.49
Oct	482.05	486.34	491.75	488.50	499.03	509.45
Nov	482.05	487.54	491.75	489.00	499.03	510.10
Dec	482.05	486.72	491.75	490.45	499.03	511.87
Jan	482.05	487.46	491.75	491.06	499.03	511.89
Feb	482.05	487.44	491.75	492.57	499.03	
Mar	482.05	487.05	491.75	493.62	499.03	

- From April 2014 there was 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 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.

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Comments:

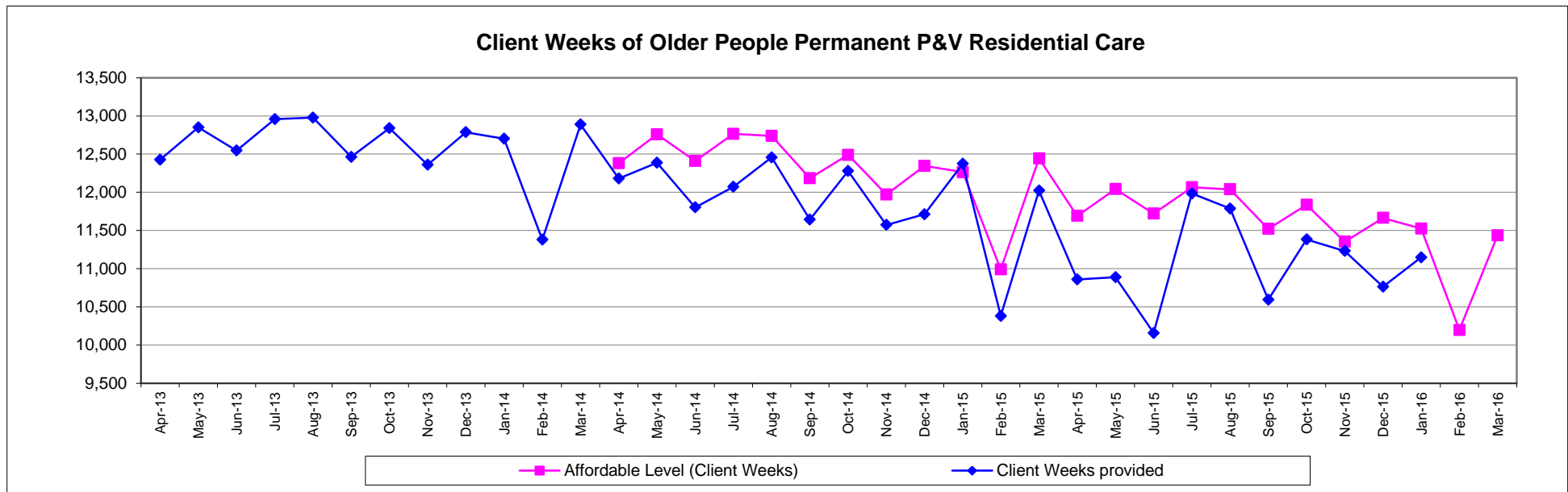
- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile and in recent months this service has seen an increase of older people requiring this more specialist care.
- The forecast unit cost of +£511.89 is higher than the affordable cost of +£499.03 and this difference of +£12.86 increases the position by +£949k when multiplied by the affordable weeks, as shown in table 1.
- The unit cost for 2015-16 includes the full year effect of the price increase which took effect from October 2014, whereas the unit cost in 2014-15 is an average for the year and therefore only includes a part year effect of this price uplift.

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

	2013-14	2014-15		2015-16	
	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	12,427	12,381	12,179	11,690	10,858
May	12,849	12,757	12,388	12,043	10,888
Jun	12,547	12,409	11,802	11,720	10,157
Jul	12,959	12,764	12,071	12,065	11,983
Aug	12,978	12,739	12,456	12,038	11,787
Sep	12,463	12,184	11,644	11,521	10,594
Oct	12,839	12,490	12,279	11,836	11,382
Nov	12,360	11,972	11,573	11,353	11,231
Dec	12,787	12,345	11,712	11,664	10,764
Jan	12,701	12,264	12,373	11,524	11,147
Feb	11,380	10,991	10,381	10,197	
Mar	12,887	12,443	12,022	11,436	
	151,177	147,739	142,880	139,087	110,790

From April 2014 there was 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 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.

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Comments:

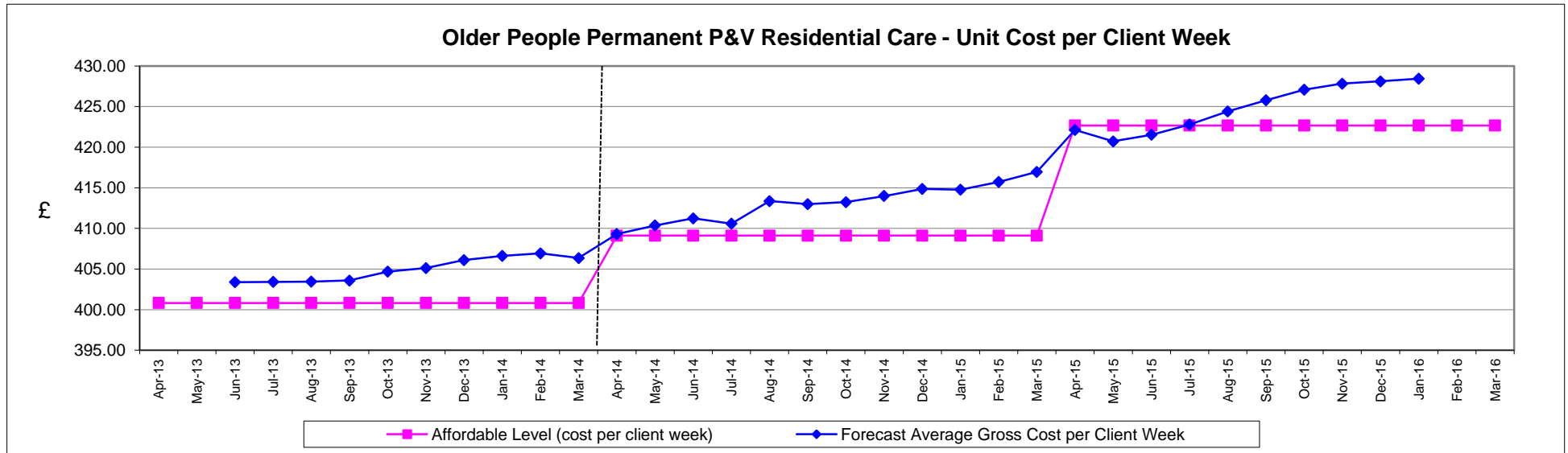
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2013-14 was 2,704, at the end of 2014-15 it was 2,480 and at the end of January 2016 it was 2,380. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 132,013 weeks of care against an affordable level of 139,087, a difference of -7,074 weeks. Using the forecast unit cost of £428.44, this reduced activity decreases the forecast by -£3,031k, as shown in table 1.
- To the end of January 110,790 weeks of care have been delivered against an affordable level of 117,454 a difference of -6,664 weeks. Current activity suggests that the forecast should be lower on this service when compared to the budgeted profile, however the forecast assumes a continuation of current levels of activity for the remainder of the financial year.
- Due to delays earlier in the year in updating the activity database, work is being undertaken to clear this backlog. The sharp increase in activity in July is due to the initial impact of this work and therefore the July activity reported in the table above not only reflects July activity but also some activity relating to previous months. This is also true, but to a lesser extent, for the activity quoted for August to November.
- We are now making contributions to the Health and Social Care Village model for health commissioning of short-term beds in order to support step down from acute hospital, to reduce demand for this service.

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

	2013-14		2014-15		2015-16	
	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	Forecast Average Gross Cost per Client Week £p
Apr	400.83		409.12	409.31	422.68	422.12
May	400.83		409.12	410.36	422.68	420.72
Jun	400.83	403.38	409.12	411.25	422.68	421.54
Jul	400.83	403.43	409.12	410.59	422.68	422.80
Aug	400.83	403.46	409.12	413.36	422.68	424.41
Sep	400.83	403.59	409.12	413.00	422.68	425.79
Oct	400.83	404.67	409.12	413.25	422.68	427.07
Nov	400.83	405.12	409.12	413.99	422.68	427.83
Dec	400.83	406.10	409.12	414.86	422.68	428.11
Jan	400.83	406.62	409.12	414.76	422.68	428.44
Feb	400.83	406.94	409.12	415.73	422.68	
Mar	400.83	406.35	409.12	416.97	422.68	

- From April 2014 there was 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 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.

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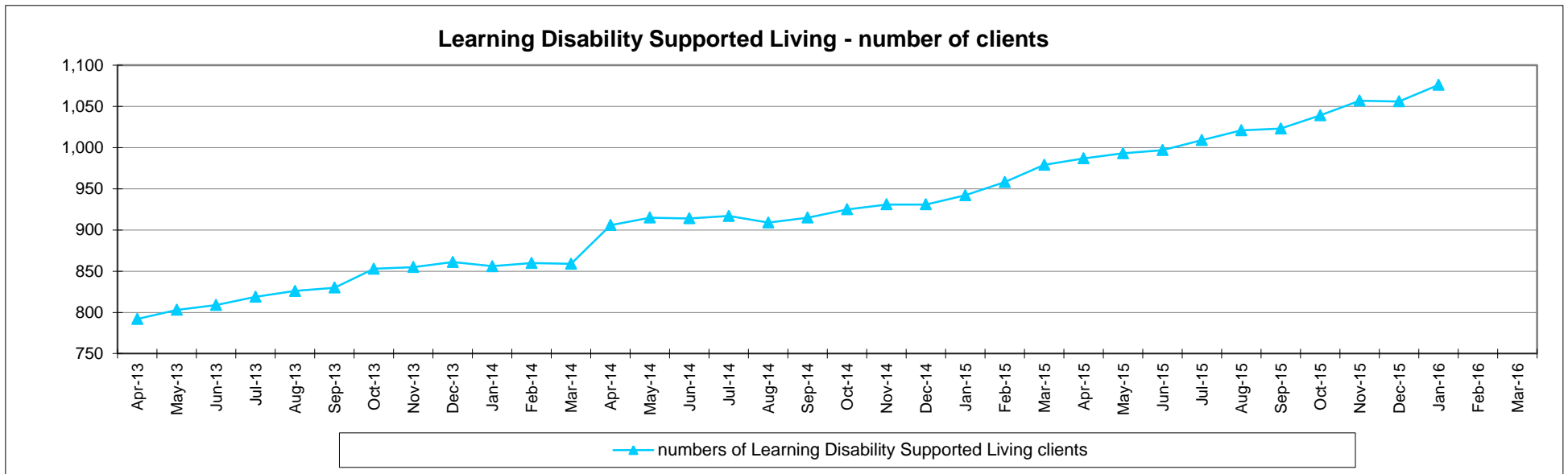
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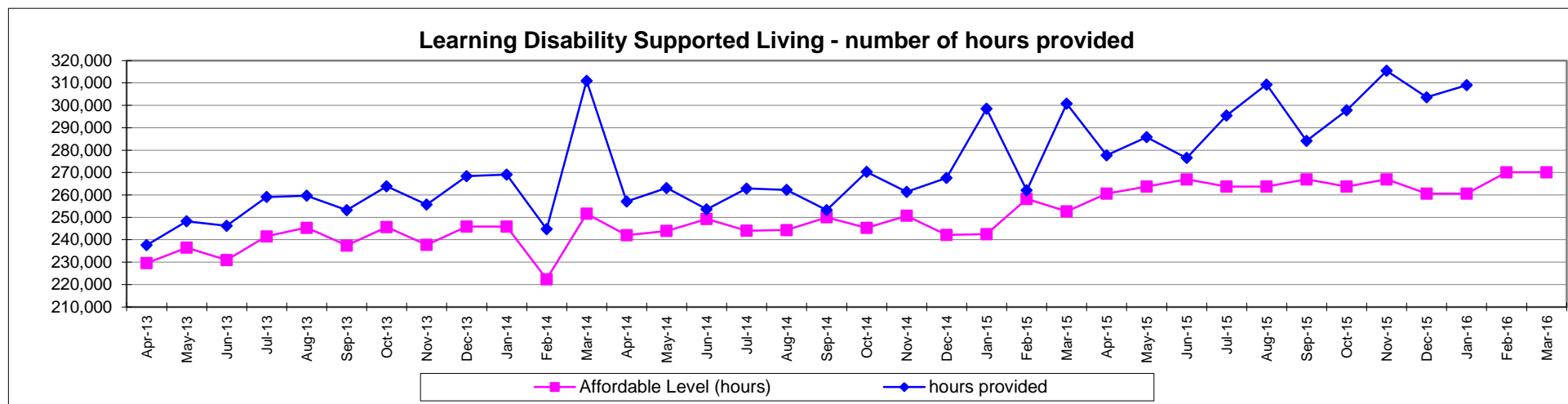
- The forecast unit cost of +£428.44 is higher than the affordable cost of +£422.68 and this difference of +£5.76 adds +£801k to the position when multiplied by the affordable weeks, as shown in table 1.
- This general increasing trend in average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above. New cases are likely to enter the service at higher unit costs, reflecting the fact that only those with higher needs are directed towards residential care, while those with lower needs are directed towards other forms of support.

2.10 Learning Disability Supported Living – numbers of clients and hours provided in the independent sector

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	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
Apr	229,595	237,586	792	242,016	257,102	906	260,593	277,711	987
May	236,463	248,239	803	243,920	263,101	915	263,771	285,786	993
Jun	230,924	246,245	809	249,306	253,552	914	266,949	276,507	997
Jul	241,526	259,125	819	244,064	262,906	917	263,771	295,434	1,009
Aug	245,366	259,688	826	244,360	262,245	909	263,771	309,295	1,021
Sep	237,459	253,230	830	250,030	253,263	915	266,949	284,119	1,023
Oct	245,710	263,849	853	245,304	270,298	925	263,771	297,797	1,039
Nov	237,732	255,747	855	250,730	261,412	931	266,949	315,436	1,057
Dec	245,833	268,439	861	242,207	267,598	931	260,593	303,594	1,056
Jan	245,925	269,112	856	242,547	298,520	942	260,593	309,019	1,076
Feb	222,397	244,716	860	258,264	262,038	958	270,124		
Mar	251,616	310,965	859	252,712	300,749	979	270,127		
	2,870,543	3,116,941		2,965,460	3,212,783		3,177,961	2,954,698	





Comments:

- This indicator has changed for 2015-16 and now excludes activity relating the adult placement scheme as this is now reported within a separate budget line. This measure continues to incorporate 2 different supported living arrangements; supported accommodation (mainly S256 clients) and Supporting Independence Service. Services for individual clients are commissioned in either sessions or hours, however for the purposes of this report, sessions are converted into hours on a standard basis. In addition, the details of the number of clients in receipt of these services is given on a monthly basis. Activity for 2013-14 and 2014-15 has also been restated to exclude the adult placement scheme to ensure data is directly comparable.
- The current forecast is 3,575,380 hours of care against an affordable level of 3,177,961, a difference of +397,419 hours. Using the forecast unit cost of £9.78, this increased activity increases the forecast by +£3,887k, as shown in table 1.
- To the end of January 2,954,698 hours of care have been delivered against an affordable level of 2,637,710, a difference of +316,988 hours. The forecast number of hours reflects an increase in activity expected in future months which is also reflected in the profile of the budgeted level. However, the year to date activity still suggests a lower level of activity than currently forecast, which is mainly due to a delay in the recording of transitional and provisional clients on the activity database. Such delays are intrinsic to this service as a result of the channels through which referrals take place, i.e. ordinary residence cases, where complex negotiations are involved to determine the point at which different local authorities have responsibility for clients, in addition to the number of bespoke contracts that have to be agreed individually with providers.
- The affordable level was updated in the quarter 3 monitoring report, presented to Cabinet in March, to reflect the transfer of responsibilities for former independent living fund clients, along with the outcome of the prices review (referred to at the start of section 2 of this annex).

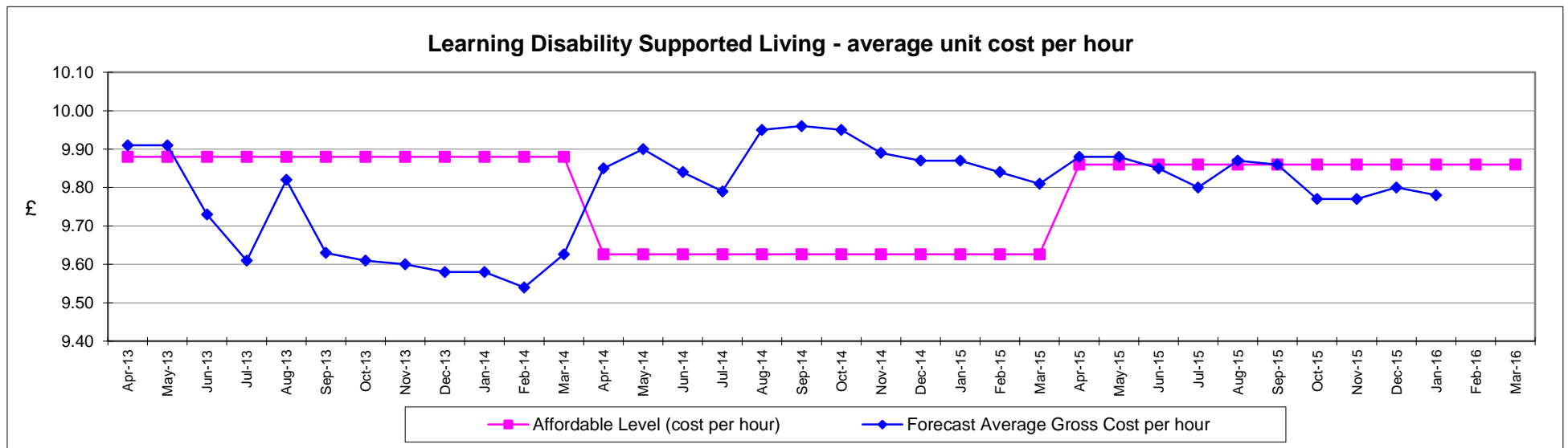
2.11 Average gross cost per hour of Supported Living service compared with affordable level:

	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
Apr	9.88	9.91	9.63	9.85	9.86	9.88
May	9.88	9.91	9.63	9.90	9.86	9.88
Jun	9.88	9.73	9.63	9.84	9.86	9.85
Jul	9.88	9.61	9.63	9.79	9.86	9.80
Aug	9.88	9.82	9.63	9.95	9.86	9.87
Sep	9.88	9.63	9.63	9.96	9.86	9.86
Oct	9.88	9.61	9.63	9.95	9.86	9.77
Nov	9.88	9.60	9.63	9.89	9.86	9.77
Dec	9.88	9.58	9.63	9.87	9.86	9.80
Jan	9.88	9.58	9.63	9.87	9.86	9.78
Feb	9.88	9.54	9.63	9.84	9.86	
Mar	9.88	9.63	9.63	9.81	9.86	

Comments:

- This measure comprises 2 distinct client groups and each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report. The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- The forecast unit cost of +£9.78 is lower than the affordable cost of +£9.86 and this difference of -£0.08 reduces the position by -£254k when multiplied by the affordable hours, as shown in table 1.
- The reduction in the forecast unit cost in October reflects the outcome of the prices review whereby the actual price uplift applied was less than anticipated in previous monitoring reports.

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2. SOCIAL CARE DEBT MONITORING

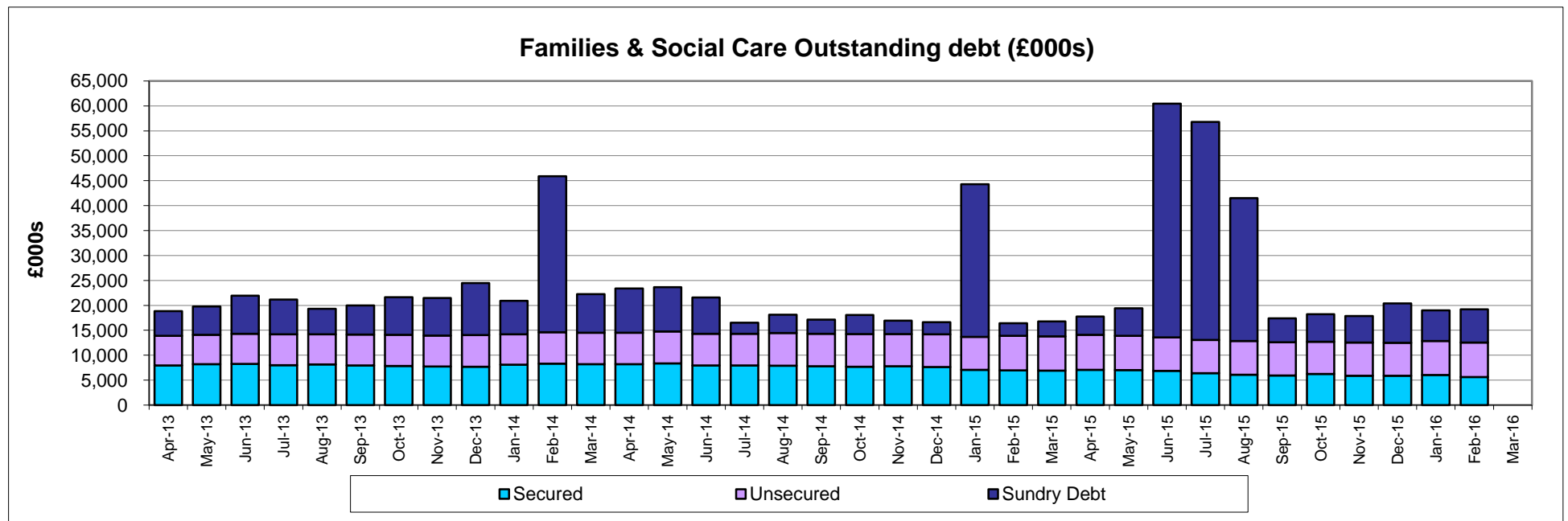
The outstanding debt as at the end of February was £19.213m compared with January's figure of £19.003m excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £6.668m of sundry debt compared to £6.138m in January. It is not unusual for sundry debt to fluctuate for large invoices to Health. As previously reported, in June invoices were raised across the East Kent Clinical Commissioning Groups (CCGs) for the Better Care Fund (BCF) totalling £43m. There is minimal risk around this debt as it is secured by a signed Section 75 agreement, meaning that the CCGs are legally obliged to pay. Payments are being received monthly. From September, the remaining BCF debt moved onto a payment plan to reflect the agreed monthly profile of anticipated income receipts and will only show as outstanding debt in the table below if an instalment is not received on time.

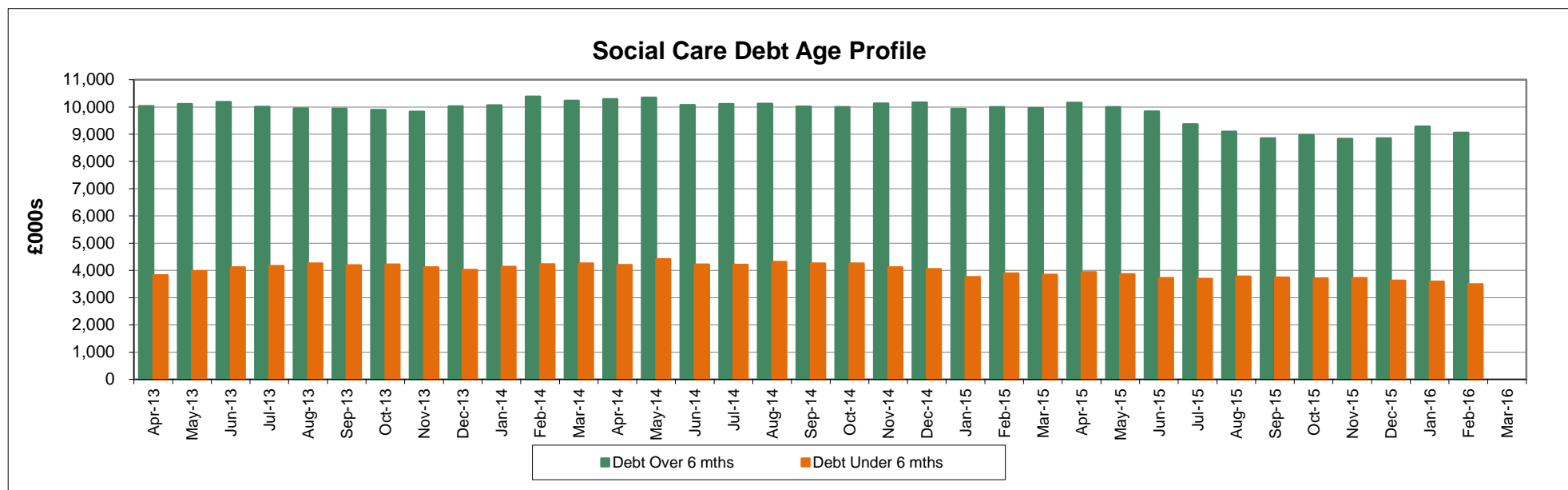
Also within the outstanding debt is £12.545m relating to Social Care (client) debt which is a reduction of £0.320m from the January position. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Social Care Debt				
			Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
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
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
Apr-15	17,764	3,669	14,095	10,155	3,940	7,069	7,026

	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
May-15	19,391	5,534	13,857	9,994	3,863	7,009	6,848
Jun-15	60,443	* 46,885	13,558	9,837	3,721	6,885	6,673
Jul-15	56,795	* 43,741	13,054	9,366	3,688	6,417	6,637
Aug-15	41,514	* 28,648	12,866	9,090	3,776	6,075	6,791
Sep-15	17,391	4,794	12,597	8,854	3,743	5,913	6,684
Oct-15	18,214	5,532	12,682	8,969	3,713	6,231	6,451
Nov-15	17,848	5,298	12,550	8,831	3,719	5,905	6,645
Dec-15	20,408	7,934	12,474	8,849	3,625	5,888	6,586
Jan-16	19,003	6,138	12,865	9,281	3,584	6,012	6,853
Feb-16	19,213	6,668	12,545	9,052	3,493	5,631	6,914
Mar-16							

* incl. BCF debt of £42,867k
 * incl. BCF debt of £39,295k
 * incl. BCF debt of £25,006k
 From Sept 15, the remaining BCF debt has been moved onto a payment plan and will only show in these figures if a monthly instalment is not received on time.





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

Social Care debt by Customer Credit Status	January £000s	February £000s	Movement £000s
Secured	6,012	5,631	-381
Unsecured - Deceased/Terminated Service	1,950	2,092	142
Unsecured - Ongoing	4,845	4,799	-46
Caution/Restriction (Unsecured)	58	23	-35
Health (Unsecured)	0	0	0
TOTAL	12,865	12,545	-320

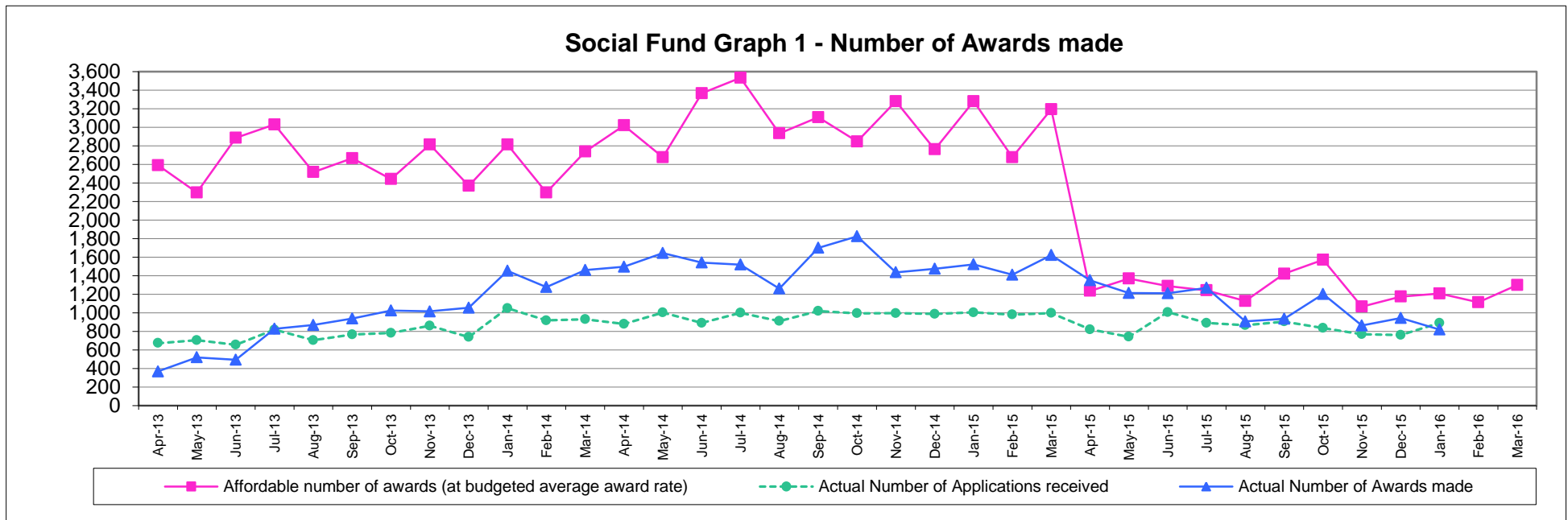
Unsecured debt by Client Group	January £000s	February £000s	Movement £000s
Older People/Physical Disability	6,300	6,369	69
Learning Disability	417	392	-25
Mental Health	136	153	17
TOTAL	6,853	6,914	61

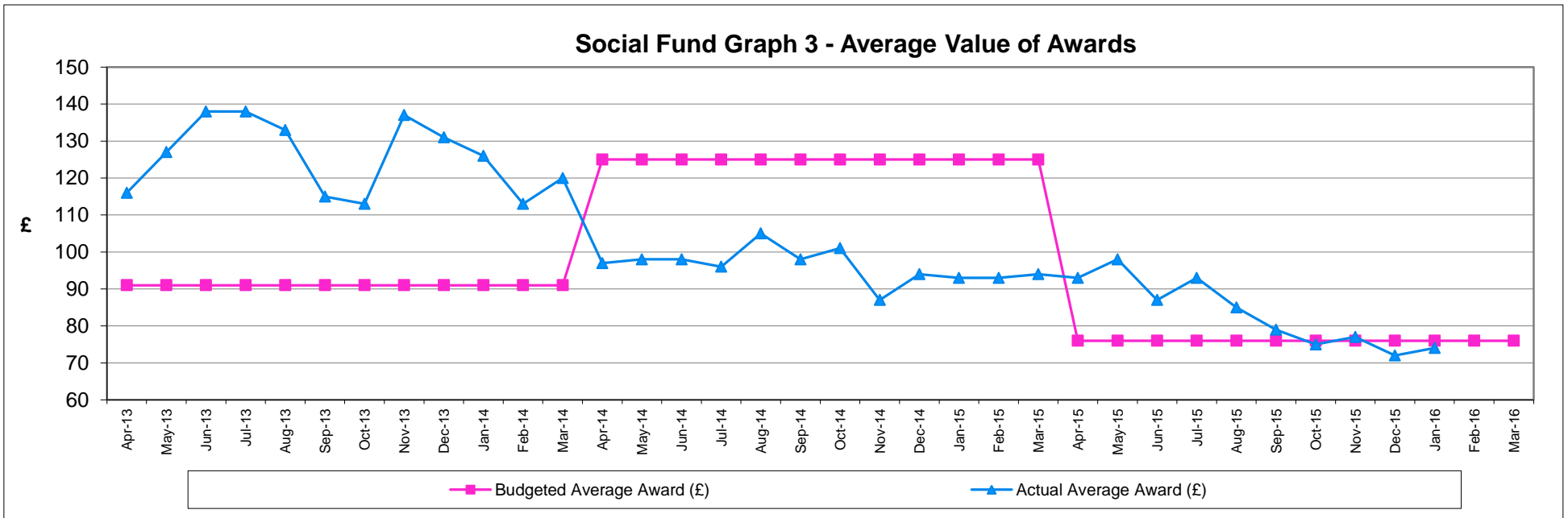
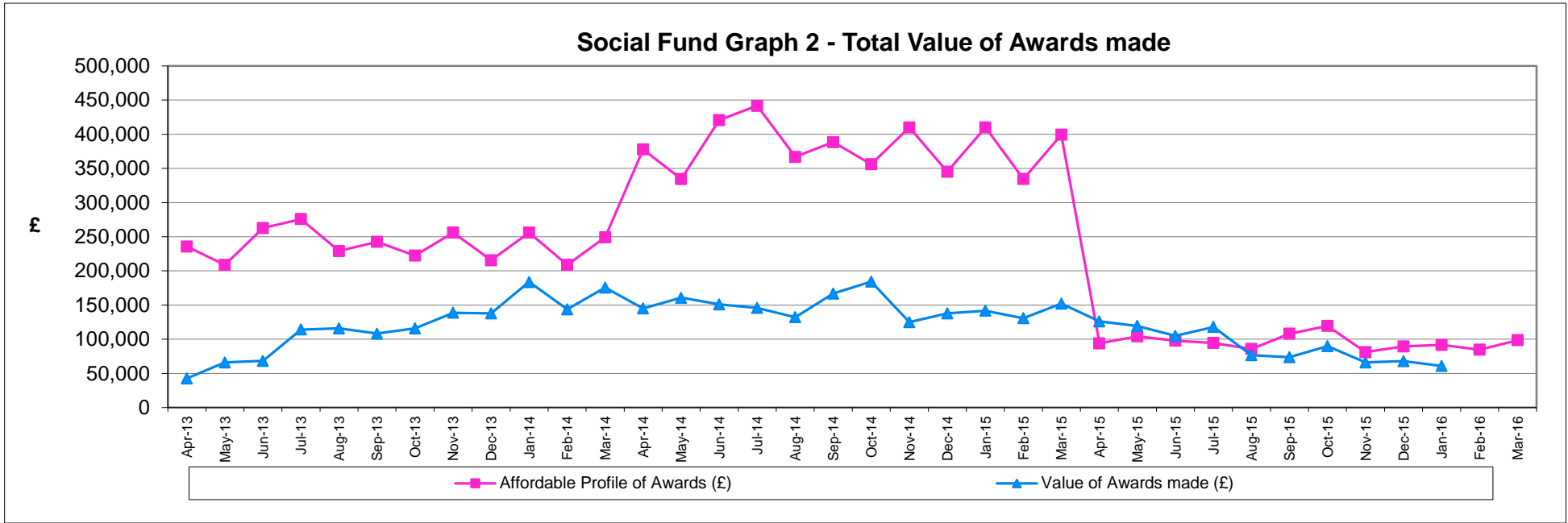
2.13 Number and Value of Social Fund awards made

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

* Columns (a) and (d) are based on available funding which has been profiled by month and type of award (excluding cash awards) in the same ratio as the previous DWP scheme. As the criteria and awards for the scheme differ to the DWP scheme, this does not represent the anticipated demand for the scheme, but represents the maximum affordable level should sufficient applications be received which meet the criteria. *Please note as the data for 2013-14, the first year of our pilot scheme, includes increasing levels of activity as the service commenced, it is not considered to represent a typical year.* 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	1,237	821	1,350	94,000	125,979	76	93
	May	1,370	742	1,214	104,100	119,356	76	98
	Jun	1,288	1,007	1,210	97,900	104,865	76	87
	Jul	1,242	891	1,269	94,400	117,923	76	93
	Aug	1,128	865	907	85,700	76,786	76	85
	Sep	1,422	905	936	108,100	73,593	76	79
	Oct	1,571	835	1,202	119,400	89,806	76	75
	Nov	1,067	768	863	81,100	66,164	76	77
	Dec	1,176	761	945	89,400	67,964	76	72
	Jan	1,208	891	820	91,800	60,900	76	74
	Feb	1,114			84,700		76	
	Mar	1,299			98,700		76	
		15,122	8,486	10,716	1,149,300	903,336	76	84





Comments:

- The pilot scheme commenced in Kent on 1 April 2013 and differed from the previous cash-based Social Fund scheme, previously administered by DWP. The Kent Local Welfare Scheme offers emergency help to those experiencing a crisis; a disaster; or who are in need of help to make the transition into or remain within the local community. This scheme offers 4 types of award including food & clothing, furniture & white goods, energy vouchers and advice & guidance. In addition, all applicants, regardless of whether they receive an award or not, are signposted to the appropriate service to address any causal or underlying needs. This is an emergency fund and is targeted towards 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.
- All applications are immediately prioritised with the intention that high priority applications should receive the award within 24 hours. Medium and low priority applications are assessed within a longer timeframe e.g. applications for furniture from low risk households. 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.
- From April 2013 to March 2015, the scheme was funded from a Government grant. Due to uncertainty about both future levels of demand and government funding, the funding for awards in 2013-14 was ring-fenced and rolled forward to 2014-15 to provide some stability to the service and this roll forward is reflected in the 2014-15 affordable level as shown in the table above. Following the Government announcement to incorporate the Local Welfare Assistance Grant within the Revenue Support Grant (RSG) from 2015-16, the budget for this service as shown in table 1 is now £1,481.5k, in line with the amount identified by Government as being included within our RSG for welfare provision. Within this, £332.2k is the cost of administering the scheme, including signposting applicants to alternative appropriate services, and £1,149.3k is available to award where appropriate (column d in the table 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 the Kent Local Welfare 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 a greater proportion of relevant applications are being received along with some applications resulting in more than one award e.g. an award for food and clothing and an award for energy vouchers.

- **Graph 2** represents the value of awards made against the maximum profiled funding available. In the first four months of the year, the value of the awards made was higher than the affordable level, as the service adjusted to the reduction in budget. However in the past six months this trend has reversed, and is likely to be in part due to the recently agreed changes to the scheme aimed at reducing the overall value of individual awards. The graph illustrates the rise in total monthly award values as the scheme matured during the first year and as the service has successfully signposted applicants to support and advice in their own communities. Changes to welfare reform may impact on the number and overall value of awards in future months. The number and value of awards shown in the table above represents the number and value of awards approved. Although awards are approved for individuals in dire need, not all approved awards are taken up for a variety of reasons. The financial outturn will reflect the value of awards actually paid, therefore will not necessarily match the value of awards approved as shown in the table above.
- **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 scheme 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 reflected a higher than expected number of awards in 2013-14 for furniture & equipment which have a higher award value. In line with the revised funding arrangement from 2015-16 the overall cash limit for awards has been reduced to £1,149.3k. Accordingly, the affordable average award value has been reduced to £76 (from the previously reported figure of £96 included in the 2014-15 Outturn report presented to Cabinet in July) to reflect recently agreed changes to the scheme aimed at reducing the overall value of individual awards. To the end of January 2015, 43% of the number of awards have been for food & clothing representing 38% of the value of awards (the percentages were 36% and 32% respectively in 2014-15). Whilst, Furniture & equipment (incl white goods) accounts for 39% of the number of awards but 50% of the value of awards (the percentages were 39% and 57% respectively in 2014-15). The reduction in the percentage of total value of awards for higher cost items, such as white goods and furniture is also reflected in the reduction of the average award value, from £93 in July 2015 to £74 in January 2016, resulting from the recently agreed changes to the scheme. The forecast for this service assumes higher levels of awards in the final months of the financial year resulting in a balanced position currently being forecast for this service, as reflected in table 1. The awards figures across the Christmas periods include the impact of both energy and food awards being issued for 14 days rather than the normal 7 days to ensure continuity of provision. The scheme has also responded to peaks in demand from civil emergencies such as the floods in December 2013 and more recently the Canterbury fire in July 2015.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Adult Services has a working budget for 2015-16 of £10,169k (£6,426k excluding PFI) (this has now been updated to reflect the 2016-19 budget set by County Council on 11 February 2016). The forecast outturn against the 2015-16 budget is £8,271k (£4,528k excluding PFI) giving a variance of -£1,898k (-£1,898k excluding PFI).

3.2 **Table 2** below details the Social Care Health & Wellbeing Directorate's - Adult Services Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Home Support Fund & Equipment	3,120	3,616	0				Green		
Individual Projects									
Kent Strategy for Services for Older People (OP):									
Think Autism	0	2	0				Green		
OP Strategy - Specialist Care Facilities	4,089	0	0				Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:									
Learning Disability Good Day Programme-Community Hubs	0	728	-284	-284	-£291k Rephasing +£7k Real - Developer Contributions	The KCC Asset Management Strategy stipulates a requirement to review all KCC	Green	Rephasing previously reported	
Learning Disability Good Day Programme-Community Initiatives	0	159	-150	-150	Rephasing	properties when looking for alternative accommodation. In order to meet this requirement some projects are being rephased into next year.	Green	Rephasing previously reported	
Active Care / Active Lives Strategy:									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	19,071	3,743	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Developing Innovative and Modernising Services:									
Information Technology Projects	0	257	43	43	Rephasing		Green		
Lowfield St (formerly Trinity Centre, Dartford)	968	976	-976	-976	Rephasing	Project on hold due to development of site not progressing. In further negotiations with all parties on how to proceed.	Green	Rephasing previously reported	
Care Act ICT Implementation	1,312	0				This project has been removed from the Budget.	Green		
Wheelchair Accessible Housing	600	533	-533	-533	Rephasing	This budget is being managed alongside other priorities within the service and will now be spent in the following financial year.	Amber		
Developer Funded Community Schemes	889	155	2	2	Real - developer contributions		Green		
Total	30,049	10,169	-1,898	-1,898					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
PUBLIC HEALTH
JANUARY 2015-16 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
Total (£k)	-	-1,224	+1,224	-

1.2.1 As reported to Cabinet on 6 July in the first monitoring report for 2015-16, the Government announced that £200m of in year savings from the Department of Health are to come from public health budgets devolved to local authorities. National consultation setting out possible options on reducing Local Authority (LA) public health allocations ran from 31 July to 28 August. The options included:

- (1) take a larger share from LAs that are significantly above their target allocation;
- (2) take a larger share of the savings from LAs that carried forward unspent PH reserves into 2015-16;
- (3) apply a flat rate percentage reduction to all LAs allocations;
- (4) apply a standard percentage reduction to every LA unless an authority can show that this would result in particular hardship.

The Department of Health's stated preferred option was to apply a 6.2% reduction across the board (option 3 above), which for Kent equates to a cut in funding of £4.033m. On this basis, the service identified options for dealing with an in-year 2015-16 budget reduction of this level, but a reduction of this size requires cuts to service levels.

Our response to the consultation was that option 1 was our preferred option. Kent is currently below our target allocation.

On 4 November, the DoH announced that, despite their preferred option only being backed by a quarter of respondents to the consultation, on balance this remained their preference as it is the option most consistent with the underpinning principles for managing the saving that the DoH has set out: it delivers the £200 million, it is the least disruptive to services and it is compliant with the Public Sector Equality Duty and the health inequality duty. The saving has been implemented through a reduction in the fourth quarterly instalment of the PH grant and the cash limits in table 1 below have been reduced accordingly, as approved by Cabinet in November.

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Public Health							
Strategic Management & Directorate Support Budgets	1,095.0	-1,095.0	0.0	-60	-60	Public health grant variance: Other minor variances.	
Public Health:							
- Children's Public Health Programmes: 0-5 year olds Health Visiting Service	11,718.0	-11,718.0	0.0	-94	-94	Public health grant variance: Other minor variances.	
- Other Children's Public Health Programmes	9,266.5	-9,266.5	0.0	-17	-17	Public health grant variance: Other minor variances.	
- Drug & Alcohol Services	15,250.3	-15,250.3	0.0	0	-221	Re-phasing of Family Drug and Alcohol Court costs into 2016-17 together with other minor variances.	
					+221	Reduced draw down from KDAAT reserve.	
- Obesity & Physical Activity	2,347.8	-2,347.8	0.0	+190	+194	Public health grant variance: Additional costs of Tier 3 Weight Management activity.	
					-4	Public health grant variance: Other minor variances.	
- Public Health - Mental Health Adults	2,401.2	-2,401.2	0.0	+19	+19	Public health grant variance: Other minor variances.	
- Public Health Staffing, Advice & Monitoring	3,472.3	-3,472.3	0.0	-10	-10	Public health grant variance: Other minor variances.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Sexual Health Services	13,750.1	-13,750.1	0.0	-810	-360	<i>Public health grant variance: Reduction in revenue contribution to capital due to re-phasing of the Community Sexual Health Services capital scheme to 2016-17.</i>
					-303	<i>Public health grant variance: reduced forecast in activity.</i>
					-100	<i>Public health grant variance: Reduction in accommodation costs of community sexual health services as finding suitable premises that meet the standards for delivery of clinical services has been challenging. This has meant that the service has operated at a reduced capacity in a number of locations, particularly in West and North Kent which has contributed to the underspend on premises.</i>
					-47	<i>Public health grant variance: Other minor variances.</i>
- Targeting Health Inequalities	5,261.7	-5,261.7	0.0	+121	-266	<i>Public health grant variance: Number of health checks is below budget.</i>
					-54	<i>Public health grant variance: Actual cost of checks is below budgeted level.</i>
					+320	<i>Public health grant variance: prior year costs for Dental Health not previously accounted for (insufficient creditors raised in 2014-15).</i>
					+121	<i>Public health grant variance: Other minor variances.</i>

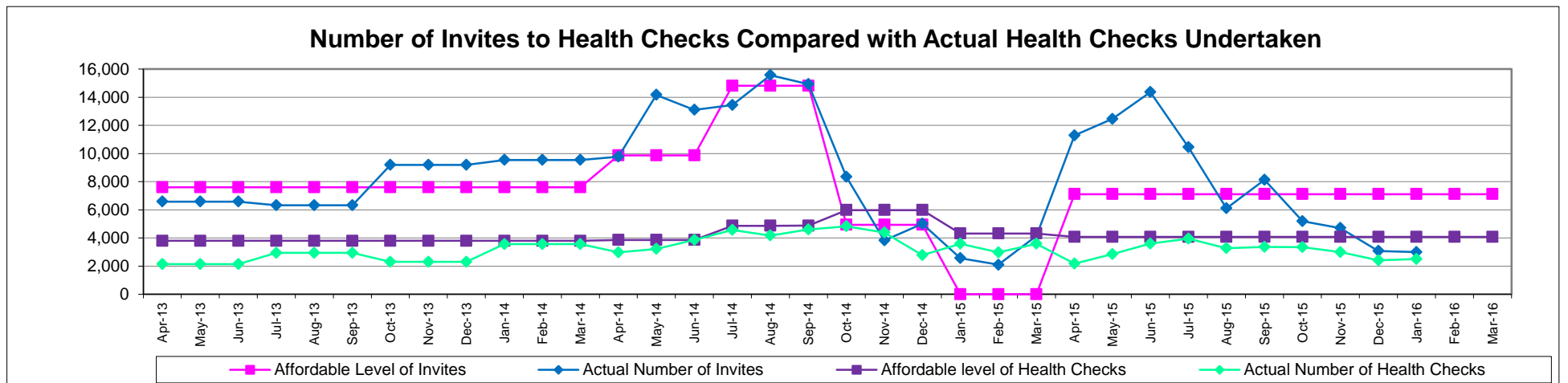
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Tobacco Control & Stop Smoking Services	2,975.9	-2,975.9	0.0	-563	-466	Public health grant variance: Unrealised (prescribing) creditors set up in 2014-15.
					-108	Public health grant variance: reduced prescribing costs in 2015-16.
					+11	Public health grant variance: Other minor variances.
	67,538.8	-67,538.8	0.0	-1,224		
- tfr to(+)/from(-) Public Health reserve				+1,224	+1,224	Net transfer to the Public Health reserve to offset the public health variances of -£1,224k shown above.
Total SCH&W (Public Health)	67,538.8	-67,538.8	0.0	0		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2013-14				2014-15				2015-16			
	Invites		Checks		Invites		Checks		Invites		Checks	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr					9,877	9,776	3,860	2,984	7,121	11,287	4,074	2,189
May	22,810	19,761	11,405	6,455	9,877	14,169	3,860	3,225	7,120	12,464	4,075	2,855
Jun					9,878	13,108	3,862	3,865	7,120	14,363	4,074	3,601
Jul					14,816	13,457	4,874	4,572	7,120	10,463	4,075	3,948
Aug	22,810	18,996	11,405	8,836	14,816	15,577	4,875	4,179	7,120	6,117	4,074	3,279
Sep					14,816	14,933	4,876	4,613	7,120	8,127	4,075	3,372
Oct					4,939	8,345	5,987	4,837	7,120	5,198	4,074	3,343
Nov	22,810	27,608	11,405	6,924	4,939	3,831	5,988	4,389	7,120	4,708	4,075	2,994
Dec					4,938	5,014	5,989	2,782	7,120	3,079	4,074	2,421
Jan					0	2,568	4,324	3,594	7,120	3,000	4,075	2,506
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	78,806	48,893	30,508

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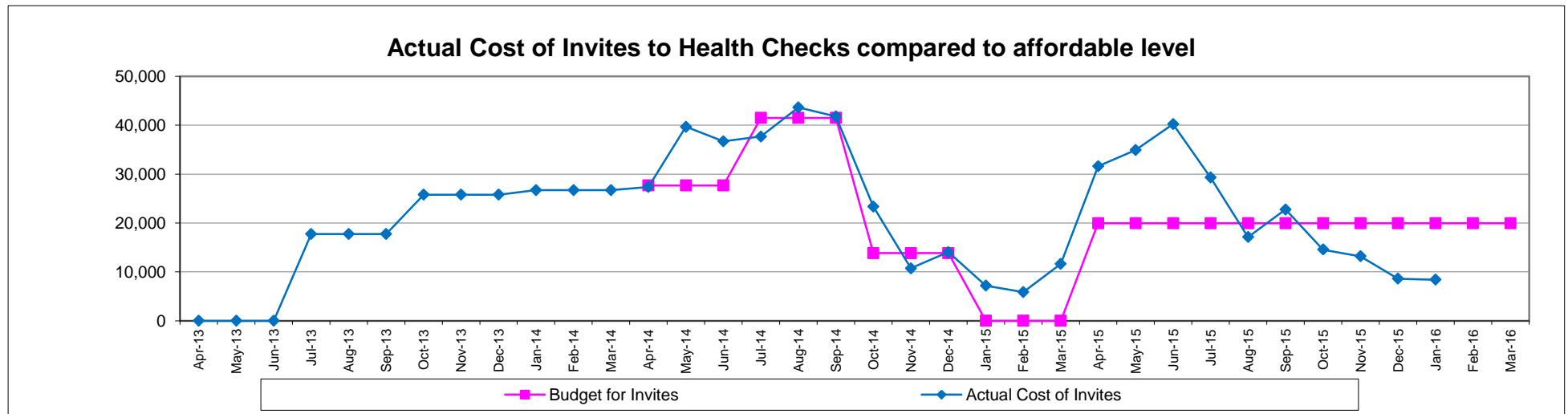
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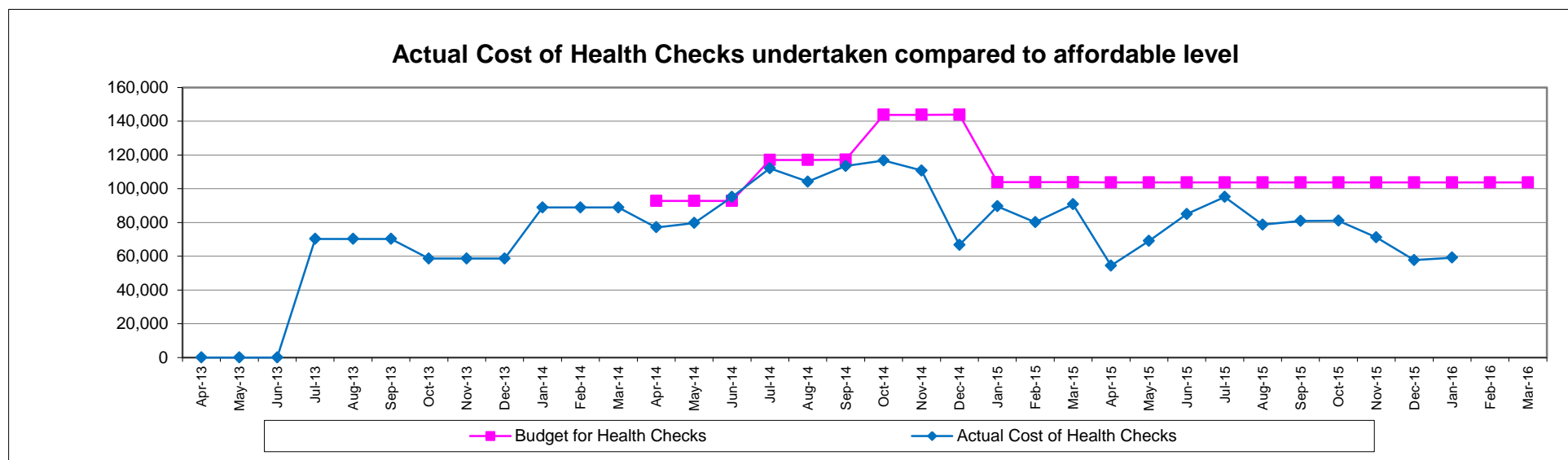
- As can be seen from the difference in total budgeted activity for invites and checks, not all people invited for a health check attend a check and there is often a delay between the invite and the health check taking place.
- In 2014-15, the invites planned activity was weighted towards the early part of the year to give time for the follow-up process to maximise the number of people attending a health check.
- 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.
- For 2015-16 the budgeted 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 is lower than 2014-15 (and lower than the 91,000 invites stated in the 2015-16 budget book) because the eligible population based on the GP registered population is lower this year than last. The population can fluctuate because although everyone between the ages of 40 and 74 will be invited (once every five years) to have a check to assess their risk of heart disease, stroke, kidney disease and diabetes, individuals already diagnosed with any of these conditions become ineligible for a general invite. Also some residents are screened outside of their expected year due to targeted outreach programmes and therefore are removed from the invite list in their year.
- The affordable checks have increased from the figure of 45,000 in the budget book because some standard checks will now be carried out by Kent Community Health NHS Foundation Trust staff, rather than through GPs/Pharmacies, who are able to provide this service cheaper than GPs/Pharmacies.
- Although the actual number of invites is 7,605 above the budgeted level for April to January, the service expect activity to tail off over the remaining months to stay within the overall budgeted level for the year. However the actual number of health checks is well below the budgeted level by 10,237 checks and the current forecast assumes this will increase to 10,445 below budgeted level. This is reflected in the financial forecast as an underspend of -£266k, as reflected in Table 1 .

2.2 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 (£)	actual cost (£)	Budget (£)	actual cost (£)
Apr			27,656	27,373	92,700	77,081	19,939	31,604	103,720	54,397
May	0	0	27,656	39,673	92,700	79,696	19,936	34,899	103,745	69,061
Jun			27,658	36,702	92,748	95,130	19,936	40,216	103,720	84,985
Jul			41,485	37,680	117,052	112,119	19,936	29,296	103,745	95,124
Aug	53,189	210,746	41,485	43,616	117,076	104,137	19,936	17,128	103,720	78,668
Sep			41,485	41,812	117,100	113,424	19,936	22,756	103,745	80,851
Oct			13,829	23,366	143,781	116,768	19,936	14,554	103,720	81,003
Nov	77,302	175,920	13,829	10,727	143,805	110,779	19,936	13,182	103,745	71,162
Dec			13,826	14,039	143,829	66,666	19,936	8,621	103,720	57,655
Jan			0	7,190	103,843	89,540	19,936	8,400	103,745	59,130
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	220,656	1,244,765	732,036

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Comments:

- * 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 2014-15 budget for Health Checks was 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 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 was more than offset by a saving on checks of £236,063 leaving an underspend of £185,289 within the Targeting Health Inequalities budget in 2014-15.
- 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 higher than affordable number of invites to January has generated a pressure of +£21,293 but this is more than offset by an underspend on checks in the same period of -£305,289. The pattern is similar to last year suggesting an overall underspend of -£320k by the end of the financial year on the combined invites and checks activity as reflected in table 1. The -£320k comprises -£266k resulting from reduced activity and also -£54k as the average cost per check is below the budgeted level.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Public Health has a working budget for 2015-16 of £180k (this has now been updated to reflect the 2016-19 budget set by County Council on 11 February 2016). The forecast outturn against the 2015-16 budget is £0k giving a variance of -£180k.

3.2 **Table 2** below details the Social Care, Health and Wellbeing Directorate's - Public Health Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Community Sexual Health Services	0	180	-180	-180	Rephasing	The lease arrangements for the capital project in Dartford have been completed. A change in contractors has meant that the project will now commence in the new financial year.	Amber		
Total	0	180	-180	-180					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE
JANUARY 2015-16 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
						committed	uncommitted	
	Directorate Total (£k)	+173,506	-1,635	-	-1,635	-	+332	-1,303

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Growth, Environment & Transport						
Strategic Management & Directorate Support budgets	4,635.6	-93.6	4,542.0	-547	-197 -181 -85 -76 -8	This is expected to be ongoing and has been reflected in the approved 2016-19 MTFP.
					Underspend on Highways and Transportation Early Retirements budget.	
					Savings on staffing budgets resulting from vacancies and reduced agency costs.	
					Revised estimate of staffing costs covered by the Facing the Challenge budget.	
					Underspend against Director of Economic Development staffing budget to offset pressures within the main Regeneration and Economic Development A-Z Service line below.	
					Other minor variances.	
<u>Children's Services - Education & Personal</u>						
- 14 - 24 year olds (Kent Foundation)	111.9	-59.3	52.6	0		
<u>Community Services:</u>						
- Arts Development (incl. grant to Turner Contemporary)	2,042.3	0.0	2,042.3	-28		
- Gypsies & Travellers	563.0	-424.4	138.6	-5		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Bridges & Other Structures	2,186.5	-221.9	1,964.6	-39		
- General maintenance & emergency response	11,786.9	-475.8	11,311.1	+1,193	+1,062	Additional expenditure relating to the extension to the potholes find and fix campaign.
					+101	Traffic management costs at junctions on high speed roads where additional grass cutting and weed control has been required.
					-207	Income from highways consultancy and maintenance contractors where performance measures have not been met. <i>This has been reinvested as part of the extension to the potholes find and fix campaign.</i>
					+237	Other minor variances, each less than £100k in value.
- Highway drainage	2,981.8	0.0	2,981.8	+389	+400	Additional expenditure on drainage projects as part of the extension to the potholes find and fix campaign.
					-11	Other minor variances.
- Streetlight maintenance	3,419.0	-154.0	3,265.0	-306	+196	Ongoing review of old balance sheet balances resulting in a net write-back to revenue.
					-277	Works expected to be carried out by the end of 2015-16 look likely to be delayed due to resource issues with our external service provider. This work will not be completed until next year and will therefore create a pressure on next year's allocation. This is essential work that is not covered by the general maintenance budget and includes more complex repairs and replacements that are required to keep assets in light, and in a safe condition. This underspend will therefore be requested to roll-forward.

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000			
					£'000		
					-271	Underspend against maintenance and electrical/structural testing due to resource issues with our external service provider.	
					+46	Other minor variances.	
	23,605.0	-851.7	22,753.3	+715			
- Highways Management:							
- Development Planning	1,894.9	-2,135.2	-240.3	-159	-159	Minor variances, each less than £100k in value.	
- Highways Improvements	1,673.9	-33.3	1,640.6	-142	-142	Minor variances, each less than £100k in value.	
- Road Safety	2,834.3	-2,145.4	688.9	-50			
- Streetlight energy	6,007.7	0.0	6,007.7	-574	-411	Lower than budgeted impact of electricity price increase.	This is expected to be ongoing and has been reflected in the approved 2016-19 MTFP.
					-210	Rebate from LASER following price reconciliation of Winter 2014-15 and Summer 2015-16 usage.	
					+156	Impact of the climate change levy with effect from 1 October 2015 as renewable energy is no longer exempt.	
					-109	Other minor variances, each less than £100k in value.	
- Traffic management	5,022.4	-3,363.2	1,659.2	-337	-269	Revised estimates of income relating to the Traffic Systems, Kent Permit Scheme and streetworks budgets, including additional penalties imposed on utility companies.	
					-68	Other minor variances.	
- Tree maintenance, grass cutting & weed control	3,234.0	0.0	3,234.0	-24			
	20,667.2	-7,677.1	12,990.1	-1,286			
<u>Planning & Transport Strategy:</u>							
- Planning & Transport Policy	1,321.6	0.0	1,321.6	-124	-128	Savings on staffing budgets resulting from vacancies.	
					+4	Other minor variances.	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Planning Applications	1,112.7	-650.0	462.7	+73			
	2,434.3	-650.0	1,784.3	-51			
<u>Public Protection</u>							
- Community Safety (incl Community Wardens)	2,436.8	-68.8	2,368.0	-71	-173	Vacancy savings primarily within Community Wardens.	
					+102	Other minor variances primarily within Community Wardens non-staffing budgets.	
- Coroners	3,737.0	-985.7	2,751.3	+93	+93	Pressure on staffing costs resulting from: backfilling long-term sickness absences, extra staff to deal with a back log of cases, and additional supervision and staffing required following transfer of Coroners Officers from Police to deal with current levels of activity.	This is expected to be ongoing and has been reflected in the approved 2016-19 MTFP.
- Emergency Response & Resilience (incl Flood Risk Management)	1,425.8	-180.7	1,245.1	-63	-55	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 Urban Drainage Systems (SuDS) are put in place. The grant funding received this year to build capacity and develop standing advice will not be fully spent, and as this is an un-ringfenced grant and the grant is reducing in 2016-17, the service will request that the balance is rolled forward to support the new responsibilities next year without the need to call on existing funding for flood risk management projects.	There will be a future MTFP bid to cover the shortfall on a permanent basis.
					-8	Other minor variances.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Trading Standards (incl. Kent Scientific Services)	3,817.4	-1,014.8	2,802.6	-71	-241	Staffing saving resulting from early implementation of, and holding vacancies pending, the Trading Standards restructure.
					+120	Expected shortfall in Proceeds of Crime income target based on known court cases.
					+50	Other minor variances.
	11,417.0	-2,250.0	9,167.0	-112		
<u>Regeneration & Economic</u>						
- Regeneration & Economic Development Services	5,427.1	-1,578.1	3,849.0	+57	+55	Staffing pressure due to delay in implementing new structure, offset against underspend on Directorate Management and Support A-Z service line above.
					+2	Other minor variances.
<u>Schools Services</u>						
- Other Schools Services (road crossing patrols)	453.3	0.0	453.3	-1		
<u>Transport Services:</u>						
- Concessionary Fares	16,206.0	-27.0	16,179.0	+632	+632	Increased bus operator costs due to fare increases and journeys being taken are above the affordable level following the reconciliation of data provided by the bus companies for quarter 3 and early indications of activity levels for quarter 4.
- Subsidised Socially Necessary Bus Services (incl Kent Karrier)	9,329.2	-2,348.8	6,980.4	0		
- Transport Operations	1,427.6	-77.5	1,350.1	-54		
- Transport Planning	1,238.5	-918.8	319.7	-38		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Young Person's Travel Pass	14,393.1	-5,595.6	8,797.5	-464	-464	Journey numbers to quarter 3, and early indications for quarter 4, show activity in excess of the budgeted level, but any variance is more than offset as the number of passes in issue is currently below the budgeted level.	Gross and income budgets have been increased in the approved 2016-17 budget to reflect the impact of the £50 increased charge per pass from September 2015.
	42,594.4	-8,967.7	33,626.7	+76			
Waste Management							
- Waste Compliance, Commissioning & Contract Management	845.4	0.0	845.4	-35			
- Partnership & development	728.6	-114.2	614.4	-74			
- Closed Landfill Sites	772.2	-16.0	756.2	-165	-146	Underspend as works have been delayed until next financial year.	
					-19	Other minor variances.	
- Waste Processing							
- Landfill Tax	4,745.3	0.0	4,745.3	-725	-769	A reduction of -9,300 tonnes of residual waste sent to landfill.	The net pressure resulting from an overall increase in tonnage has been addressed in the approved 2016-19 MTFP.
					+44	Budgeted price increase is below actual requirements	This has been addressed in the approved 2016-17 budget.
- Operation of Waste Facilities	16,893.7	-746.4	16,147.3	-1,355	-940	Management fees at waste facilities sites.	This underspend is expected to be ongoing and has been reflected in the approved 2016-19 MTFP.
					-492	Contract changes at household waste recycling centres and transfer stations.	
					-128	Savings resulting from a new haulage contract.	
					+158	Essential site refurbishments related to environmental improvements to ensure compliance with Environment Agency requirements.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +41 Shortfall in income resulting from a reduction in the volume of waste metal which is recycled. +32 Pressure resulting from increased volume of waste. -26 Other minor variances.	The net pressure resulting from an overall increase in tonnage has been addressed in the approved 2016-19 MTFP.
- Payments to Waste Collection Authorities (District Councils)	6,178.9	0.0	6,178.9	+121	+207 Increased tipping away payments primarily to do with the Church Marshes Waste Transfer Station in Swale. It was hoped that the site would be able to take food waste from December however this has been delayed until next year, meaning that Swale Borough Council's contractor must continue to dispose of this at a different site and incur additional costs in doing so. KCC has agreed to reimburse these costs until problems at the site are resolved. -55 A -800 tonne reduction in the amount of waste on which recycling credits are paid. -31 Other minor variances.	
- Recycling Contracts & Composting	7,211.6	-1,149.9	6,061.7	-484	+29 Although a small pressure relating to volume of waste is being forecast the actual volume is -1,600 tonnes below the budgeted level. This budget covers a mixture of waste types and costs, some of which are income generating, and currently it is the less costly lines that are showing the reductions in volumes with the underspends being more than offset by pressures in higher cost/lower volume areas such as mechanical (street) sweepings.	The net pressure resulting from an overall increase in tonnage has been addressed in the approved 2016-19 MTFP.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -401 Price paid is below budgeted estimate; this relates primarily to in-vessel composting. -109 Additional income as the price received for recyclables, especially for paper and card, is greater than budgeted. -3 Other minor variances.	This underspend is ongoing and has been reflected in the approved 2016-19 MTFP.
- Treatment & Disposal of Residual Waste	30,713.3	-480.2	30,233.1	+2,949	+3,121 An additional +31,100 tonnes of residual waste dealt with at Allington Waste to Energy plant. -245 Price variance on Waste to Energy tonnage. -139 A reduction of -9,300 tonnes of residual waste sent to landfill. +20 Budgeted price increase for landfill tax is below actual requirements +116 Shortfall in trade waste income +76 Other minor variances	The net pressure resulting from an overall increase in tonnage has been addressed in the approved 2016-19 MTFP. This saving is expected to be ongoing and has been addressed in the approved 2016-17 budget. The net pressure resulting from an overall increase in tonnage has been addressed in the approved 2016-19 MTFP. This has been addressed in the approved 2016-17 budget.
	68,089.0	-2,506.7	65,582.3	+232		
Total GE&T	208,904.3	-35,398.8	173,505.5	-1,635		
Assumed Mgmt Action						
Total Forecast <u>after</u> mgmt action	208,904.3	-35,398.8	173,505.5	-1,635		

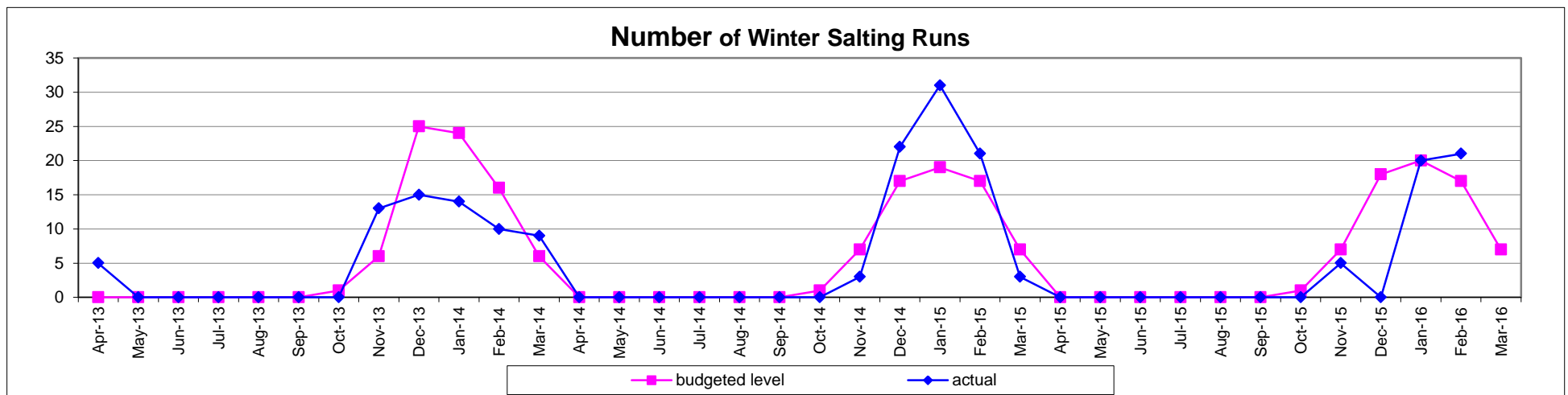
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

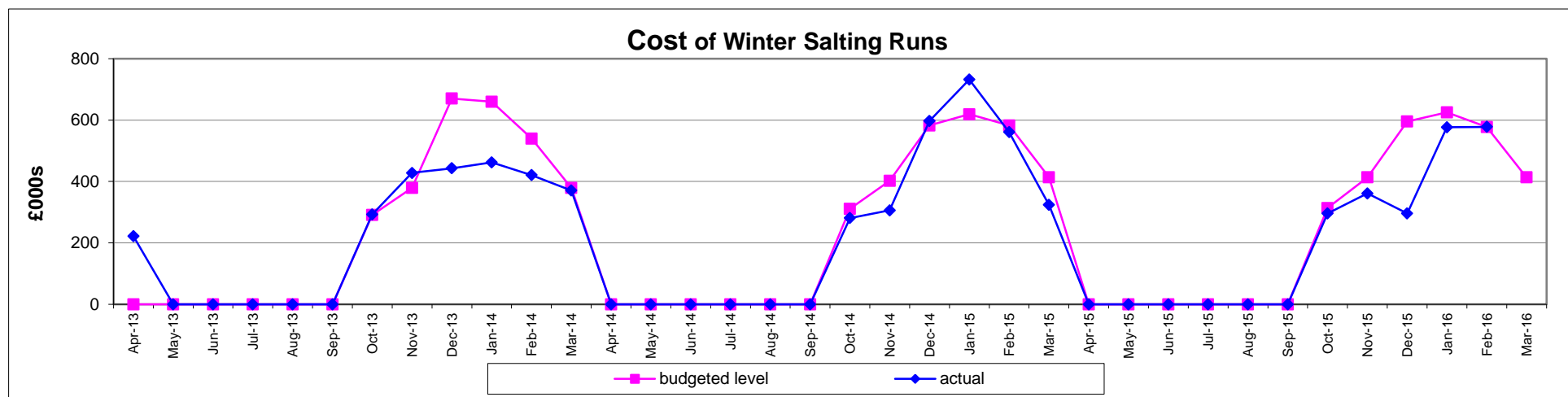
2.1 Number and Cost of winter salting runs

	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	
	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000
Apr	-	5	-	222	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	-	291	293	1	-	311	281	1	-	314	296
Nov	6	13	379	428	7	3	402	306	7	5	413	361
Dec	25	15	670	443	17	22	583	597	18	-	595	296
Jan	24	14	660	462	19	31	619	732	20	20	625	577
Feb	16	10	540	421	17	21	583	561	17	21	578	578
Mar	6	9	379	371	7	3	414	324	7		413	
	78	66	2,919	2,640	68	80	2,911	2,801	70	46	2,938	2,108

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.

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Comments:

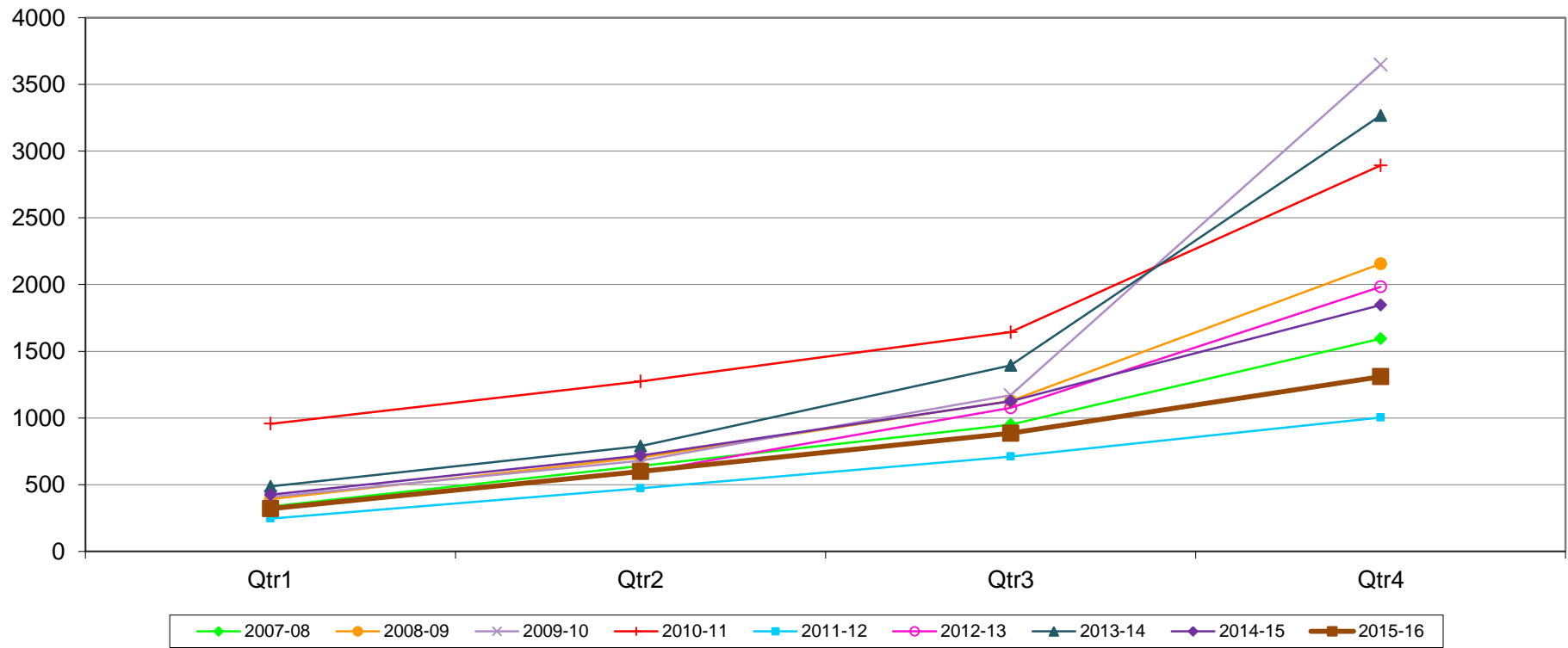
- As a result of the prolonged hard winter in 2012-13 which extended into April 2013, unbudgeted salting runs were required at the start of 2013-14 resulting in additional expenditure of £222k. However the actual number of salting runs was below budgeted levels due to the mild winter of 2013-14. Overall 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 on other costs associated with adverse weather, not directly attributed to salting runs. The 2014-15 and 2015-16 budgeted number of salting runs look low in comparison with the 2013-14 budgeted level, despite the budgeted costs being similar; this is due to a greater proportion of fixed cost to the total cost per run, which results in fewer overall runs being affordable.
- The final activity for 2014-15 was 12 salting runs above the affordable level but £110k below budget. Many of the runs required a lower spread of salt than assumed in the budget and also on a number of occasions the whole county had not been treated, which again resulted in reduced costs. Together, this resulted in the costs of salting runs not being as high as the number of runs may suggest. Overall there was 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.
- Due to the generally mild winter up to the end of February, the activity for 2015-16 is well below the budgeted level, with only 46 runs being required against a budget for this period for 63 runs, none of which required a secondary run. This has so far resulted in an underspend of -£417k.

2.2 Number of insurance claims arising related to Highways

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	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	Cumulative no. of claims
Apr to Jun	337	393	408	956	245	328	487	425	319
Jul to Sep	640	704	680	1,273	473	591	788	718	598
Oct to Dec	950	1,128	1,170	1,643	710	1,075	1,393	1,126	885
Jan to Mar	1,595	2,155	3,647	2,893	1,003	1,983	3,266	1,846	1,309

as at 31 January

Cumulative Number of insurance claims relating to Highways



Comments:

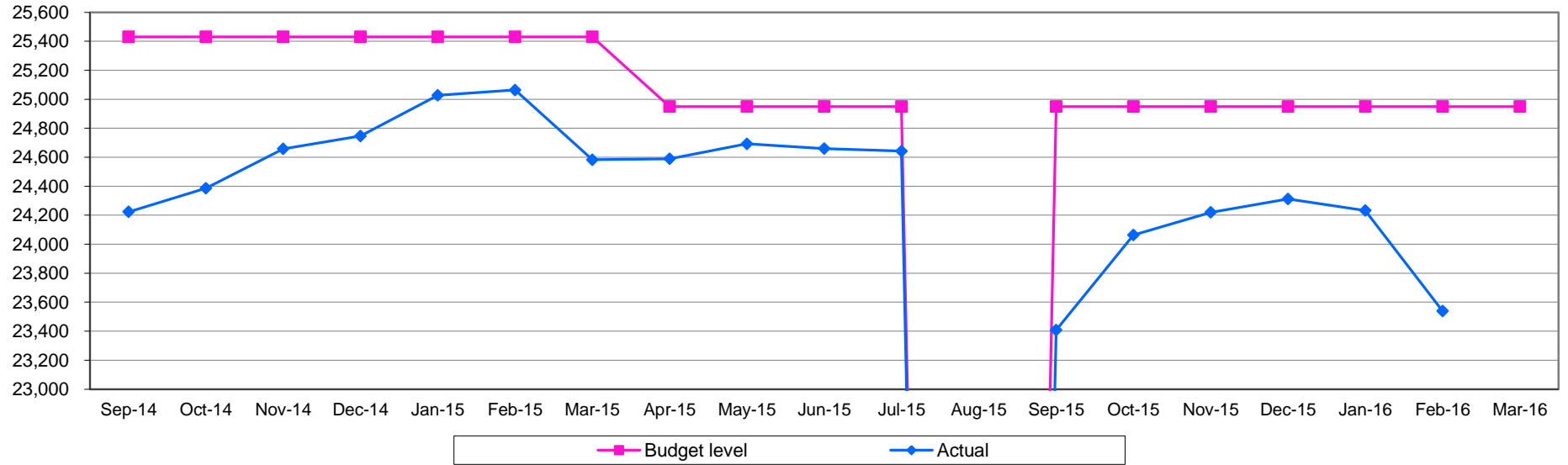
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have three years to pursue an injury claim and six years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 31 January 2016.
- 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. Claim numbers for 2009-10 and 2010-11 could still increase further if 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. Additional funding was made available from the severe weather recovery funding to address this.
- Claims were 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, although claims continue to be received relating to this period.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on claims received over the past 12 months where it is considered that we do not have any liability, of about 90%.

2.3 Young Person's Travel Pass - Number of Passes in Issue

		Full Year, Full price passes		Half Year, Full price passes		Full Year, Reduced price passes		Half Year, Reduced price passes		Free passes		TOTAL passes	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
2014-15	Sept	13,662	13,159	8,268	8,023	1,630	1,159	470	333	1,400	1,549	25,430	24,223
	Oct	13,662	13,248	8,268	8,077	1,630	1,167	470	335	1,400	1,559	25,430	24,386
	Nov	13,662	13,336	8,268	8,175	1,630	1,194	470	352	1,400	1,601	25,430	24,658
	Dec	13,662	13,336	8,268	8,175	1,630	1,194	470	352	1,400	1,690	25,430	24,747
	Jan	13,662	13,454	8,268	8,214	1,630	1,263	470	368	1,400	1,728	25,430	25,027
	Feb	13,662	13,457	8,268	8,208	1,630	1,267	470	366	1,400	1,766	25,430	25,064
	Mar	13,662	13,438	8,268	7,675	1,630	1,263	470	346	1,400	1,861	25,430	24,583
2015-16	Apr	13,262	13,434	8,025	7,657	1,578	1,263	455	356	1,630	1,879	24,950	24,589
	May	13,262	13,430	8,025	7,737	1,578	1,263	455	366	1,630	1,897	24,950	24,693
	Jun	13,262	13,391	8,025	7,730	1,578	1,259	455	374	1,630	1,906	24,950	24,660
	Jul	13,262	13,382	8,025	7,725	1,578	1,257	455	374	1,630	1,904	24,950	24,642
	Aug	0	0	0	0	0	0	0	0	0	0	0	0
	Sept	13,262	11,771	8,025	8,666	1,578	863	455	296	1,630	1,812	24,950	23,408
	Oct	13,262	11,930	8,025	8,831	1,578	942	455	318	1,630	2,043	24,950	24,064
	Nov	13,262	11,967	8,025	8,853	1,578	956	455	324	1,630	2,120	24,950	24,220
	Dec	13,262	11,992	8,025	8,847	1,578	963	455	327	1,630	2,183	24,950	24,312
Jan	13,262	11,914	8,025	8,817	1,578	965	455	327	1,630	2,209	24,950	24,232	
Feb	13,262	11,973	8,025	8,015	1,578	962	455	298	1,630	2,292	24,950	23,540	
Mar	13,262		8,025		1,578		455		1,630		24,950		

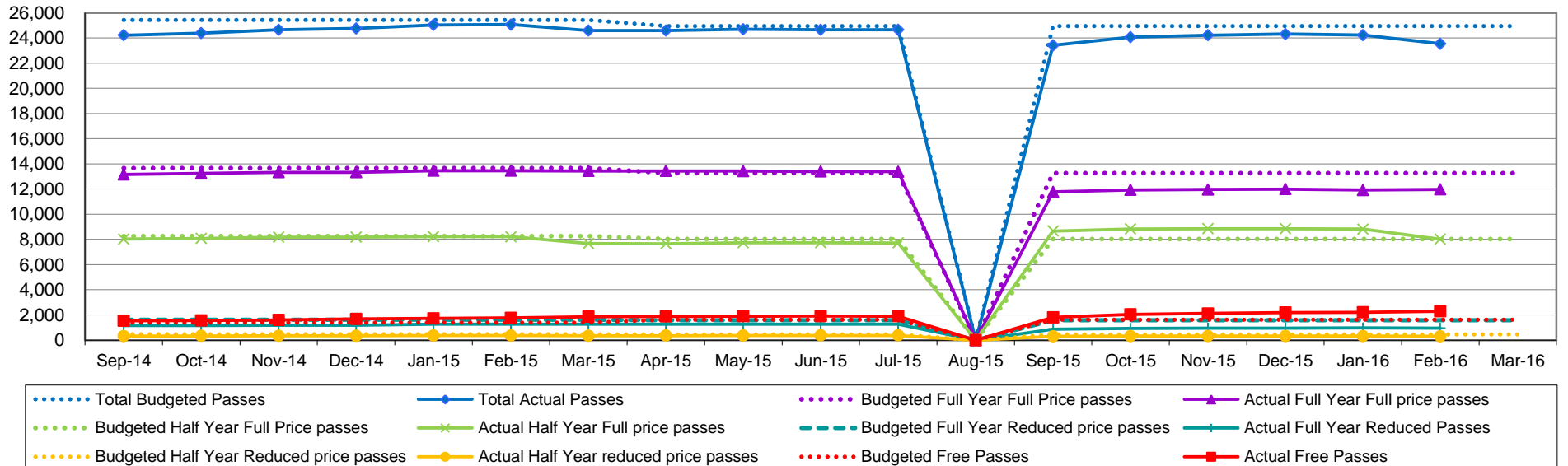
- Pass numbers are shown on a monthly basis from September 2014 when the new Young Person's Travel Pass (YPTP) scheme was introduced.
- As the academic year runs from September to July and passes are no longer valid during the school summer holidays, no passes are recorded for August.
- 2014-15:** YPTP pass numbers remained short of budgeted levels: 24,223 new passes were issued as at 30 September 2014 for the 2014-15 academic year; this increased to 24,747 as at 31 December 2014, but the figure as at 31 March 2015 reduced to 24,583. This reduction was as a result of a number of half year passes not being renewed for the second half of the academic year.
- 2015-16:** 23,540 passes were in issue at the end of February 2016, reflecting a reduction from the position in December as a result of a number of half year passes not yet being renewed for the second half of the academic year (applications were due by early January, although a number of requests for renewals continue to be received). This compares with an affordable level of 24,950 and 24,642 passes in issue at the end of the last academic year (July). The general reduction in passes from September is likely to be in part due to the impact of the price increase from £200 to £250.

Total Number of Young Person's Travel Passes in issue



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Number of Young Person's Travel Passes in issue by type



Comments:

- Passes can either be purchased for the academic year (£250 September 2015 to July 2016) or half yearly (£125 for terms 1-3 or 4-6). Reduced price passes for young people in receipt of free school meals are available (£100 for the full year or £50 for terms 1-3 or 4-6). Passes are free for young carers, young people in care or care leavers. Additional passes are also free for households applying for more than two full cost passes.
- The cost per pass in calculating the 2014-15 affordable level was £537, the fee for a pass was £200, meaning that on average KCC was subsidising the cost of each pass by £337.
The 2015-16 budgeted number of passes of 22,900, as reported to Cabinet in July, was originally based on the number that could be afforded within the budget at the latest cost to KCC per pass of £581 (a subsidy per pass of £381). However, on 1 June 2015 Cabinet approved a reduction in subsidy of £50, raising the price of a standard pass to the user by £50, from £200 to £250, with effect from September 2015. As a result of this additional income, the affordable number of passes has increased to a level more in line with actual demand and this is reflected in the table above. Gross and income cash limits have been realigned within table 1 of section 1.2 of this report, to reflect this increased charge.
- The above figures show that the current number of passes in issue remains below the budgeted number. However, section 2.4 below illustrates that journeys travelled for the first nine months of the year are above the budgeted level, based on the quarter 3 reconciliation by our external provider MCL Transport Services of journeys travelled. Overall a net underspend of -£464k is currently forecast for YPTP, as shown in table 1 of section 1.2 of this annex based on this quarter 3 reconciliation together with early indications of quarter 4 activity levels, reflecting that the saving from the reduced number of passes in circulation more than offsets the pressure from higher than budgeted journey numbers.

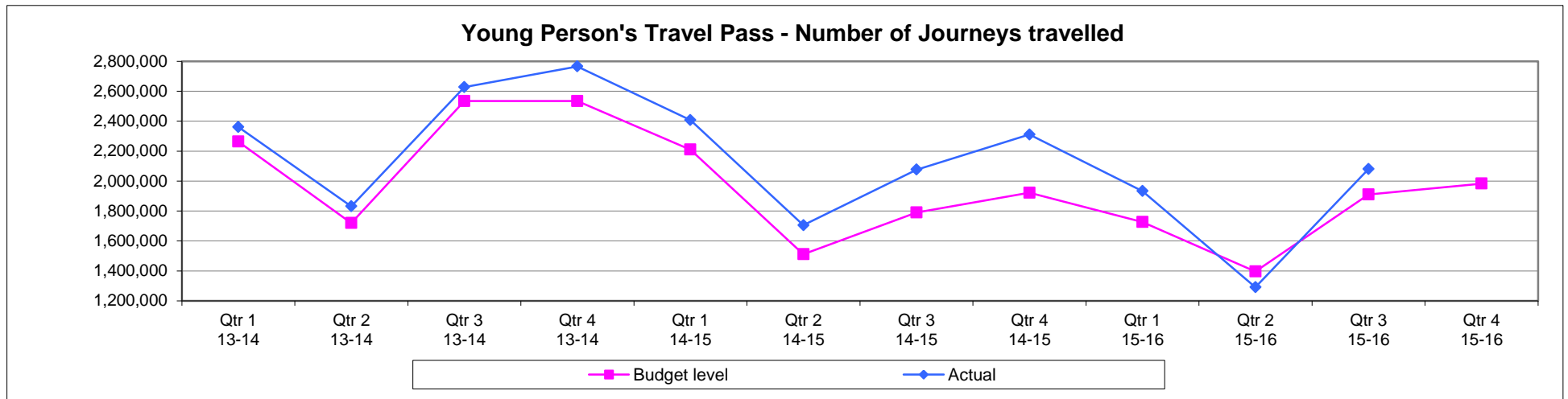
2.4 Young Person's Travel Pass (formerly Freedom Pass until September 2014) - Number of Journeys Travelled

	2013-14		2014-15		2015-16	
	Budget level (000's)	Actual (000's)	Budget level (000's)	Actual (000's)	Budget level (000's)	Actual (000's)
Qtr 1	2,263	2,361	2,210	2,407	1,726	1,933
Qtr 2	1,719	1,832	1,512	1,705	1,395	1,291
Qtr 3	2,534	2,627	1,789	2,076	1,910	2,081
Qtr 4	2,534	2,765	1,922	2,311	1,983	
	9,050	9,585	7,433	8,499	7,014	5,305

The data for this activity indicator is only provided on a quarterly basis by our external provider MCL Transport Services once they have reconciled data from the bus operators.

The figures for actual journeys travelled are reviewed quarterly and updated as further information is received from the bus companies, so may be subject to change.

Budgeted journey numbers are lower in quarter 2 of 2015-16 as, since September 2014, the pass is no longer valid during the school summer holidays.



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Comments:

- The reduction in the budgeted number of journeys for 2014-15 was as a result of the introduction of the Young Persons Travel Pass, 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.
- The additional funding resulting from the increase in income from September 2015 referred to in section 2.3 above resulted in the affordable number of journeys increasing from 6,569,000 to 7,014,000.
- Journey numbers as at the end of quarter 3 in 2015-16 are in excess of the budgeted level but any variance is offset as the number of passes in issue is currently below the budget level.
- This data does 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.

2.5 Concessionary Fares (English National Concessionary Travel Scheme - ENCTS) - Number of Passes in Issue

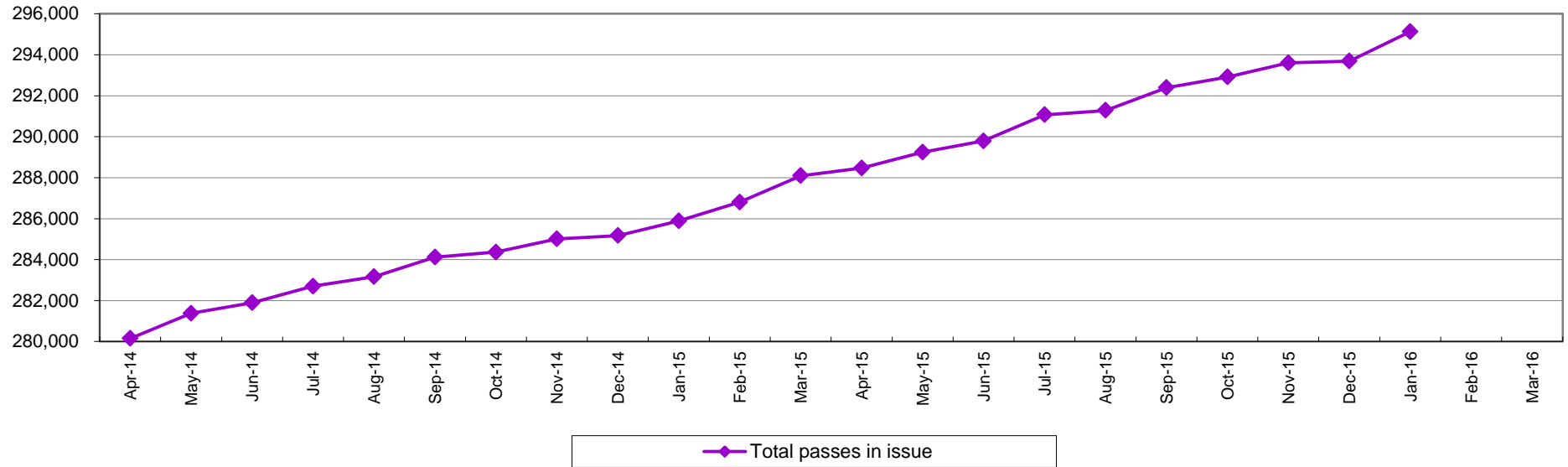
		Senior Citizen's bus passes	Disabled person's bus passes	Disabled Person Companion bus passes	TOTAL passes
		Actual	Actual	Actual	Actual
2014-15	April	258,342	17,961	3,849	280,152
	May	259,299	18,102	3,978	281,379
	June	259,623	18,212	4,055	281,890
	July	260,263	18,352	4,084	282,699
	Aug	260,558	18,438	4,164	283,160
	Sept	261,284	18,586	4,248	284,118
	Oct	261,352	18,701	4,313	284,366
	Nov	261,826	18,800	4,387	285,013
	Dec	261,879	18,868	4,427	285,174
	Jan	262,434	18,964	4,490	285,888
	Feb	263,062	19,176	4,564	286,802
	Mar	264,108	19,341	4,645	288,094
2015-16	April	264,314	19,459	4,692	288,465
	May	264,856	19,594	4,792	289,242
	June	265,180	19,715	4,894	289,789
	July	266,023	20,020	5,028	291,071
	Aug	266,078	20,134	5,069	291,281
	Sept	266,949	20,312	5,133	292,394
	Oct	267,257	20,452	5,204	292,913
	Nov	267,794	20,538	5,273	293,605
	Dec	267,792	20,601	5,296	293,689
	Jan	268,857	20,845	5,428	295,130
	Feb				
	Mar				

- The number of affordable passes is not calculated because the primary driver of cost is the number of journeys people travel.
- Also a passholder in England and Wales can use the pass anywhere in those two countries. The Transport Co-ordinating Authority for that area picks up the cost of any ENCTS pass used for boarding a bus, within its area. Therefore KCC will not only be reimbursing passes for Kent residents but also any Medway holders boarding in Kent or in fact any ENCTS visitor to Kent using a bus.

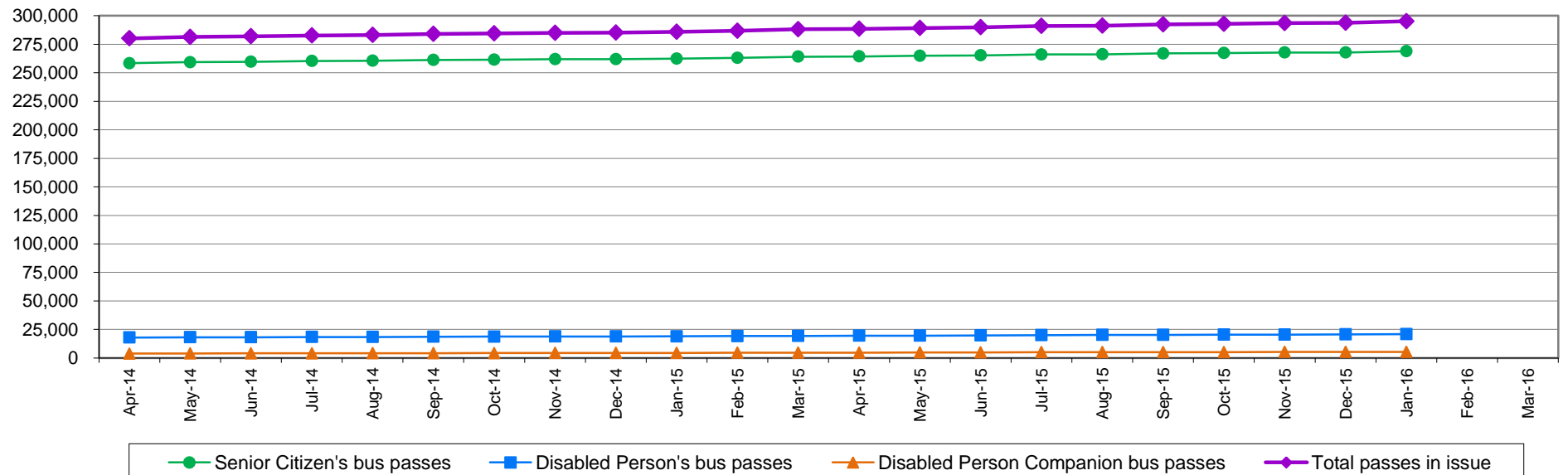
There are three types of passes available to Kent residents:

- A Senior Citizen's bus pass if you are of state pension age or older.
- A Disabled Person's bus pass for people with certain disabilities, for example for people who are blind or partially sighted, profoundly or severely deaf, or have a learning disability. There is no age restriction for the disabled person's bus pass.
- A Disabled Person Companion bus pass is available in cases where a Disabled Person bus pass user is unable to travel alone.

Total Number of Concessionary Bus Passes in issue



Number of Concessionary Bus Passes in issue by type

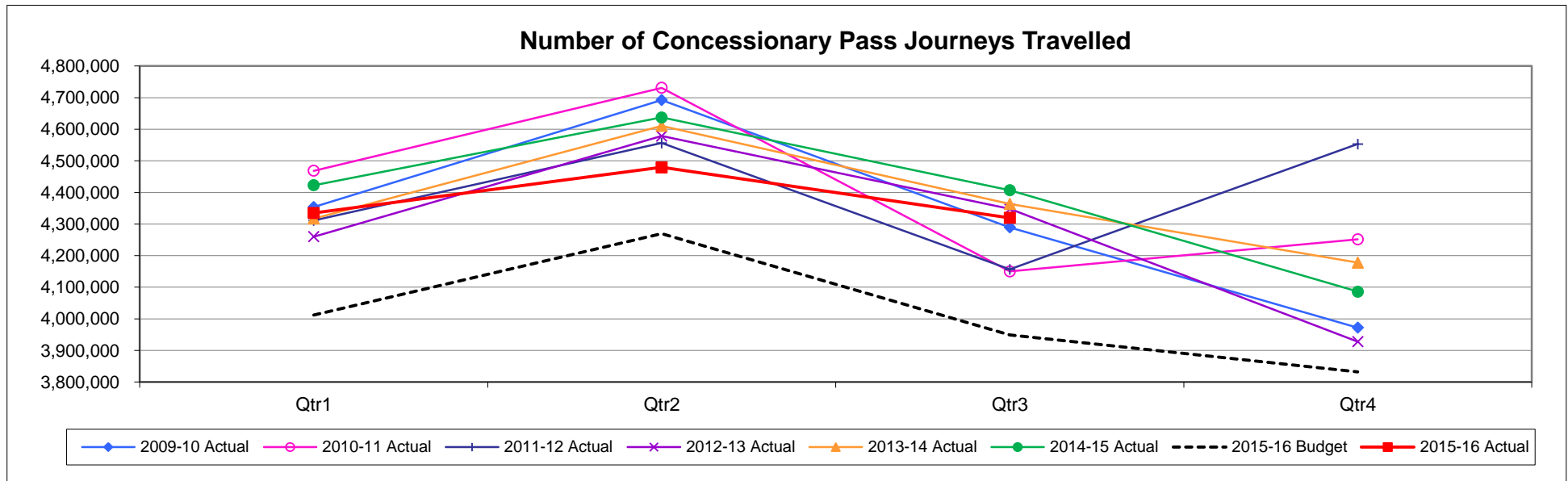


2.6 Concessionary Fares (English National Concessionary Travel Scheme - ENCTS) - Number of Journeys Travelled

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
	Actual (000's)	Actual (000's)	Actual (000's)	Actual (000's)	Actual (000's)	Actual (000's)	Budget level (000's)	Actual (000's)
Qtr 1	4,354	4,469	4,311	4,260	4,317	4,423	4,012	4,335
Qtr 2	4,693	4,731	4,557	4,578	4,611	4,637	4,270	4,479
Qtr 3	4,289	4,150	4,157	4,348	4,364	4,407	3,949	4,320
Qtr 4	3,972	4,251	4,553	3,928	4,178	4,086	3,833	
	17,308	17,601	17,578	17,114	17,470	17,553	16,064	13,134

The data for this activity indicator is only provided on a quarterly basis by our external provider MCL Transport Services once they have reconciled data from the bus operators.

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- As with the Young Persons Travel Pass the figures for actual concessionary journeys travelled are reviewed quarterly and updated as further information is received from the bus companies or our concessionary travel consultant, MCL Transport Services, so may be subject to change.
- Journey numbers as at the end of quarter 3, as reconciled by MCL Transport Services, together with early indications of activity for quarter 4 are in excess of the budgeted level and as a result a financial pressure of +£632k is being forecast, as reflected in Table 1 of section 1.2 above.

2.7 Waste Tonnage

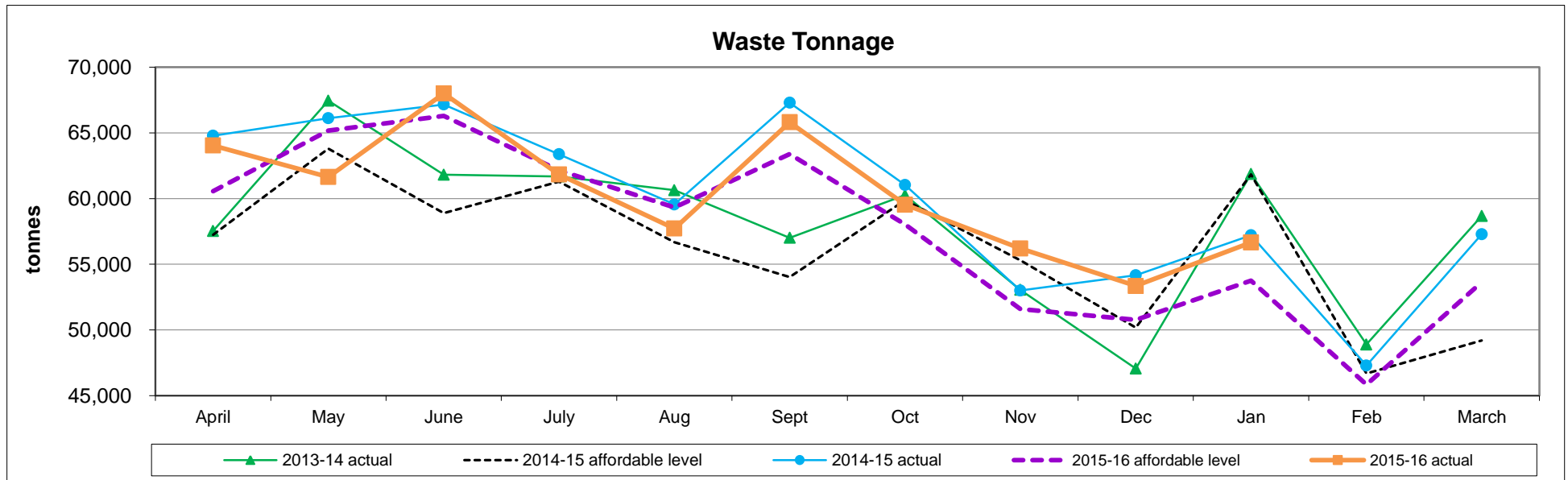
	2013-14	2014-15		2015-16	
	Waste Tonnage	Affordable Level	Waste Tonnage	Affordable Level	* Waste Tonnage
Apr	57,538	57,246	64,792	60,559	64,041
May	67,448	63,802	66,119	65,181	61,648
Jun	61,813	58,899	67,164	66,290	68,014
Jul	61,687	61,282	63,374	62,147	61,847
Aug	60,643	56,684	59,554	59,324	57,717
Sep	57,013	54,032	67,300	63,391	65,811
Oct	60,264	59,881	61,043	58,037	59,538
Nov	53,050	55,294	53,000	51,585	56,200
Dec	47,063	50,167	54,159	50,768	53,352
Jan	61,869	61,844	57,212	53,742	56,651
Feb	48,892	46,682	47,292	45,841	
Mar	58,672	49,187	57,287	53,635	
	695,952	675,000	718,296	690,500	604,819

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

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

Waste tonnages were restated in the quarter 2 report to include Trade Waste activity, which was previously excluded in error.

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Comments:

General

- 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 data has also been restated to include Trade Waste activity.

2013-14

- The overall volume of waste managed in 2013-14 was 695,952 tonnes, which was 19,048 tonnes below the affordable level and equated to a saving of £2.155m. However this saving on waste volumes was offset by other pressures within the service, giving an overall saving against the waste management budget of £0.778m.
- The actual tonnage in 2013-14 of 695,952 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 43,296 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. These increased volumes are also continuing into 2015-16.

2014-15

- The actual waste tonnage in 2014-15 of 718,296 tonnes was 43,296 tonnes above the affordable level and equated 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 was 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, which led to a very favourable and advanced growing season, resulting in 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 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 3.2% higher in 2014-15 than 2013-14.

2015-16

- Based on the actual waste tonnage for April to December and forecasts for January to March, the overall volume of waste to be managed this financial year is expected to be approximately 709,900 tonnes, which is 19,400 tonnes above the affordable level and equates to a pressure of £2.260m. The vast majority (c.£2.213m) of this results from residual waste that cannot be recycled and ends up in landfill or burned to generate electricity at the Allington Waste to Energy plant. The pressure on waste volumes is largely offset by favourable price variances and other savings within the service, as detailed in table 1, giving an overall pressure against the waste management budget of £0.232m.
- The figures in Table 1 of section 1.2 are based on actual activity for April to December, with estimates for the remaining months; the division has recently received figures for January and early indications suggest a slightly higher forecast tonnage of 711,900 which may result in an increased financial pressure reported for outturn.
- Overall actual waste volumes are currently 1.4% lower for the first ten months when compared with the same period for last year, whereas the forecast of 709,900 tonnes is just 1.2% below last years activity levels, reflecting that higher waste volumes than last year are expected for March due to the Easter break.
- Waste volumes, both in Kent and nationally, are impacted upon by changes in the economy and the improving economic climate continues to result in higher levels of waste.

3. CAPITAL

3.1 The Growth, Environment and Transport Directorate has a working budget for 2015-16 of £108,444k. The forecast against the 2015-16 budget is £104,714k giving a variance of -£3,730k.

3.2 **Table 2** below details the Growth, Environment and Transport Directorate's Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Country Parks Access and Development	60	46	18	18	Real: +£18k Revenue	Purchase of tractor funded from a revenue reserve.	Green	Rolling Programme	Cash limit increase requested in previous monitoring report
Library Modernisation Programme	0	0	0	0			Green	Rolling Programme	
Management and Modernisation of Assets - Vehicles	110	0	0	0			Green		
Public Rights of Way	915	1,238	12	12	Real: +£12k developer contributions		Green		
Public Sports Facilities Improvement - Capital Grant	100	110	-2	-2	Real: -£2k prudential		Green		
Village Halls and Community Centres - Capital Grants	300	446	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	26,661	29,293	-907	-907	Rephasing: -970k Real: + £24k External other, +£39k Revenue	Rephasing : -£770k rephasing of Grosvenor Bridge works due to delays with procurement, -£200k Clapham Hill works design & related procurement delays. Real overspend: +£24k external income received for Highways Operations. +£39k for weather stations funded from a revenue reserve.	Green	Rolling Programme	
Integrated Transport Schemes under £1 million	3,968	4,093	465	465	Real: +£465k Revenue	+£465k real variance to purchase additional buses and community transport minibuses funded from revenue.	Green	Rolling Programme	
Member Highway Fund	0	169	0	0			Green		
Land compensation and Part 1 claims arising from completed projects	0	265	-70	-70	Rephasing		Green		
Major Schemes - Preliminary Design Fees	100	779	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Dartford Library Plus	434	16	0	0			Green		
Libraries WiFi Project	0	0	313	313	Real: +£313k External	New funding from Arts Council to add/upgrade Wifi in 66 libraries	Green	Funding to be spent in 15-16.	Cash limit increase requested in previous monitoring report
Tunbridge Wells Library	0	181	6	6	Real: +£6k Capital receipt		Red	Project completion has been delayed, final scheme costs have been agreed with the contractor and payment complete. Additional works remain to complete the project.	
New Community Facilities at Edenbridge	0	31	-6	-6	Real: -£6k Capital receipt		Green		
Southborough Hub	250	275	0	0			Green		
Herne Bay Library Plus	427	46	-46	-46	Rephasing		Amber	Amber until completion date agreed.	
Tunbridge Wells Cultural Hub	0	0	0	0				Project to commence in later years but feasibility works currently being undertaken with revenue.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Sustainable Access to Maidstone Employment Areas	820	135	100	100	Rephasing	Rephasing from 16/17 to 15/16 to utilise rephasing on other 15/16 SELEP schemes.	Green		
Sustainable access to Education & employment	200	187	0	0			Green		
Broadband Contract 1	9,763	12,149	0	0			Green		
Broadband Contract 2 (formerly Superfast Extension Programme)	0	155	0	0					
Cyclopark	0	80	-70	-70	Real: -12k prudential Rephasing: -58k	£12k underspend to fund Incubator Development.	Green		
Empty Property Initiative	2,500	3,047	-347	-347	Rephasing	Spend has been re-aligned to match expected project loan repayments.	Green	This has no effect on the completion date of the project. This is a revolving loan scheme.	
Eurokent Road (East Kent)	62	68	-68	-68	Rephasing		Green		
Folkestone Heritage Quarter	680	948	0	0			Green		
Incubator Development	0	1,537	12	12	Real: prudential	£12k to be funded from Cyclopark.	Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Innovation Investment Initiative (i3) (Kent & Medway Growth Hub)	0	1,000	0	0			Green		
Marsh Million	0	540	377	377	Real: External other	Expected match funding from partners.	Green		
No Use Empty - Rented Affordable Homes	442	0	0	0			Green		
No Use Empty - Rented Affordable Homes - Extension	673	409	0	0			Green		
Old Town Hall, Gravesend	0	0	0	0			Green		
Regeneration Fund Projects	0	0	0	0			Green		
Regional Growth Fund - Expansion East Kent	2,141	15,756	0	0			Green		
Regional Growth Fund - Journey Time Improvement (JTI)	3,577	3,554	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rural Broadband Demonstration Project	0	113	0	0			Green		
Swale Parklands	0	0	0	0			Green		
TIGER	2,522	1,699	0	0			Green		
Escalate	311	527	0	0			Green		
Rendezvous Hotel	0	0	0	0				Project to commence in later years.	
Energy and Water Efficiency Investment Fund - External	185	449	0	0			Green		
Energy Reduction and Water Efficiency Investment - KCC	138	270	22	22	Real: +£22k revenue		Green		
Sandwich Sea Defences	435	435	0	0			Green	Project complete.	
Coldharbour Gypsy site	0	0	0	0			Green	Project complete.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):									
Richborough Closed Landfill site - Emergency Works	200	400	10	10	Real +£10k prudential		Amber	Project is expected to overspend due to additional costs for leaching worse than anticipated and works to ramps for Bailey Bridge. Majority of this will be in 16/17.	
Sturry Road Closed Landfill site- Emergency Works	150	199	-169	-169	Rephasing:	Redesign required to pump water direct to waste water treatment plant therefore some works delayed to 16/17.	Amber	Amber due to delays in project, awaiting revised completion date.	
TS/HWRC - Swale	2,780	3,050	-866	-866	Rephasing		Green	Rephasing to allow completion of project in 16/17. Any underspend resulting from revisions to scheme expected to cover predicted overspend on Richborough.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Kent Highway Services:									
East Kent Access Phase 2 - Major Road Scheme	2,524	1,499	-639	-639	Rephasing	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
Rathmore Road Link	1,530	1,746	72	72	Rephasing		Green		
Kent Thameside Strategic Transport Programme	430	200	58	58	Rephasing		Green		
Lorry Park	1,990	0	0	0		This scheme is no longer progressing following the 2015 Spending Review announcement that the Government has allocated funds for a new permanent lorry park. However, KCC will continue to work with Highways England in regard to provision of an overnight solution in addition to the proposed lorry storage facility.			
North Farm Longfield Road, Tunbridge Wells	1,021	3,232	0	0			Green		
Rushenden Link (Sheppey) - major road scheme	609	158	-90	-90	Rephasing		Green	Scheme is complete.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Sandwich Highways Depot	0	0	0	0				Project to commence in later years.	
Sittingbourne Northern Relief Road - major road scheme	1,418	834	-399	-399	Rephasing	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
Street Lighting Column - Replacement Scheme	1,250	1,779	0	0			Green		
Street Lighting Timing - Invest to Save	0	0	0	0			Green	Project complete.	
Thanet Parkway	1,000	600	-89	-89	Rephasing		Green	Revised completion date of 30 September 2019 previously reported.	
Westwood Relief Strategy - Poorhole Lane Improvement	435	1,327	0	0			Green	Scheme completed 30/07/15 but awaiting final accounts.	
LED Conversion	4,000	1,500	0	0			Green	The conversion programme has commenced.	
Sittingbourne Town centre regeneration	4,500	800	-250	-250	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Middle Deal transport improvements	1,500	50	-50	-50	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
A28 Chart Road, Ashford	1,340	1,396	-574	-574	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
Victoria Way	0	385	-319	-319	Rephasing	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
Drovers Roundabout junction	0	154	-97	-97	Rephasing	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
M20 Junction 4 Eastern Over bridge	2,800	704	155	155	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
A26 London Rd/Staplehurst Rd/Yew Tree Junction	1,200	292	305	305	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
A28 Sturry Rural Integrated Transport Package - Canterbury	520	37	-28	-28	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Maidstone Gyratory Bypass	500	1,296	-256	-256	Rephasing	Rephasing variance: see below *	Green		
Folkestone Seafront	500	490	96	96	Real: +£96k Developer contributions	Additional elements added to the scheme funded by developer contributions.	Green		
Tonbridge Town Centre Regeneration	2,220	1,850	-40	-40	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
Sturry Link Road-Canterbury	250	318	-185	-185	Rephasing	Rephasing variance: see below *	Green		
West Kent Local Sustainable Transport- Tackling Congestion	965	951	0	0			Green		
Kent Strategic Congestion Management	800	787	-30	-30	Rephasing		Green		
Kent Sustainable Intervention programme for growth	500	284	-154	-154	Rephasing	Rephasing variance: see below *	Green	Rephasing previously reported.	
Kent Thameside LSTF	2,428	2,080	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
M20 Junction 10a	5,000	0	0	0				Project removed from programme as there is no longer a direct role for KCC in promoting an interim scheme.	
Total	102,134	108,444	-3,730	-3,730					

* Rephasing of schemes following realignment of cost and associated funding due to nature of SELEP schemes.

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

STRATEGIC & CORPORATE SERVICES DIRECTORATE
JANUARY 2015-16 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
						committed	uncommitted	
	Total Directorate (£k)	+71,952	-2,397	-	-2,397	-	-	-2,397

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Strategic & Corporate Services						
Strategic Management & Directorate Support Budgets	2,996.9	-5,168.2	-2,171.3	-54		
<u>Community Services</u>						
- Contact Centre & Citizens Advice Help Line	2,421.5	-387.3	2,034.2	+333	+333	This overspend relates to the period Apr-Nov 15 and the arrangements prior to the move to a new 3rd party contract. The position is being offset by underspends elsewhere within the EODD Division (<i>see Human Resources & Communications & Consultation below</i>). There is no further overspend post the start of the new contract in December.
- Customer Relationship (including Gateways)	1,315.0	-35.0	1,280.0	+172	+313	Delivery of the 2015-16 saving of £0.390m has been delayed pending the restructure of the Engagement, Organisation Design & Development division.
					-141	Other minor variances, each below £100k in value
	3,736.5	-422.3	3,314.2	+505		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Local Democracy</u>						
- Community Engagement	328.0	0.0	328.0	+30		
- County Council Elections	570.0	0.0	570.0	0		
- Local Member Grants	2,704.4	0.0	2,704.4	-1,081	-1,081	Forecast underspend based upon the anticipated level of projects predicted to be approved before year end. £920k of this is required to roll forward
- Partnership arrangements with District Councils	2,163.2	0.0	2,163.2	-3		
	5,765.6	0.0	5,765.6	-1,054		
<u>Support to Frontline Services</u>						
- Business Services Centre	41,855.8	-41,855.8	0.0	-705	-570	Staffing vacancies held during the back office procurement process, together with the impact of a time lag in recruiting to these posts now the service is remaining in-house.
					-159	Additional external income following increased demand for teacher recruitment
					+24	Other minor variances
- Business Strategy	3,279.1	-82.0	3,197.1	-137	-137	Other minor variances, each below £100k in value
- Communications & Consultation	3,055.1	-531.0	2,524.1	-213	-110	Staffing vacancies held pending restructure of the Engagement, Organisation Design & Development division
					-103	Other minor variances, each below £100k in value
- Democratic & Members	3,793.1	-142.0	3,651.1	-71		
- Finance & Procurement	18,525.7	-8,192.6	10,333.1	-219	-219	Minor variances, each below £100k in value
- Human Resources	9,029.8	-1,301.9	7,727.9	-160	-160	Minor variances, each below £100k in value
- Information, Communications & Technology	16,847.4	-1,742.8	15,104.6	+462	+203	One-off Managed Print Service project implementation costs
					+158	Maintenance charge for increased data storage
					+101	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Legal Services & Information Governance	8,688.5	-10,872.2	-2,183.7	+5	+441	Increased use of agency staff due to a number of unexpected vacancies and to provide cover for legal staff working on Facing the Challenge, together with an increased demand for legal services.
					-520	Anticipated increase in internal income based upon last year's income levels together with increased demand for legal services
					+84	Other minor variances
- Property & Infrastructure Support	33,469.3	-8,779.8	24,689.5	-756	-174	Rental saving generated from the purchase of Brook House
					-190	Lower than anticipated cost of repairs to non operational buildings following completion of condition surveys
					-392	Minor variances, mainly relating to Corporate Landlord, each below £100k in value, £55k of which will be the subject of a roll forward requirement to meet costs relating to the set-up of the Property LATCo, which have re-phased in to 2016-17.
- Transformation	0.0	0.0	0.0	0		see Financing Items (Annex 7) for details
	138,543.8	-73,500.1	65,043.7	-1,794		
Total S&CS	151,042.8	-79,090.6	71,952.2	-2,397		
Assumed Management Action						
Total S&CS Forecast <u>after</u> mgmt action	151,042.8	-79,090.6	71,952.2	-2,397		

3. CAPITAL

3.1 The Strategic and Corporate Services working budget for 2015-16 is £21,568k. The forecast against the 2015-16 budget is £20,889k giving a variance of -£679k.

3.2 **Table 2** below details the Strategic & Corporate Services Directorate Capital Position by Budget Book line.

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Corporate Property Strategic Capital	2,650	2,420	0	0			Green		
Disposal Costs	250	650	0	0			Green		
Modernisation of Assets	3,152	1,050	0	0			Green		
Individual Projects									
Building Information Modelling (BIM)	65	123	-123	-123	Rephasing	Ongoing discussions with ICT to determine whether the best solution for the proposed system should be on premise or externally hosted. At present a software solution is being explored which would negate the need for the previously reported procurement process.	Green	This has no effect on the June 2016 completion date.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Connecting with Kent	0	97	0	0			Green		
Customer Relationship Management Solution	842	642	858	858	Real: +£858k Revenue	Real: Payment for the Digital and Engage Platform partially funded by a revenue contribution towards this capital outlay.	Amber	Amber until completion date agreed.	
Electronic Document Management Solution (EDMS) (known as Electronic Document & Records Management (EDRM))	1,276	200	0	0			Amber	Amber until a solution has been agreed.	
Enterprise Resource Programme	0	62	0	0			Green		
HR System Development	60	59	-10	-10	Rephasing		Green	Revised completion date 31st March 2017 has previously been reported.	
Innovative Schemes Fund	0	120	0	0			Green		
LIVE Margate	4,032	794	0	0			Green		
New Ways of Working	4,200	8,627	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Property Asset Management System	0	127	0	0			Red	The status reflects the need for additional funding which has had to be found from elsewhere within the S&CS capital programme and a new revised completion date by the end of this financial year.	
Property Investment & Acquisition Fund	3,000	5,775	-1,415	-1,415	Rephasing	Rephasing due to the removal/revaluation of some properties as a result of restrictions on title and use. The strategic acquisitions approved in November will complete this year.	Green		
Sustaining Kent - Maintaining the Infrastructure	0	0	11	11	Real: +£11k External funding		Amber	Amber status reflects the unforeseen additional costs.	
Swanley Gateway	308	632	0	0			Green		
Web Redevelopment Programme	320	190	0	0			Green		
S&CS Directorate	20,155	21,568	-679	-679					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

FINANCING ITEMS
JANUARY 2015-16 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd	
					committed	uncommitted		
	Total (£k)	+129,843	-4,754	-	-4,754	-	-	-4,754

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Financing Items							
Audit Fees	314.0	0.0	314.0	-157	-157	This reflects the agreed audit fees as notified by our external auditors	A saving has been reflected in the recently approved 2016-19 MTFP
Carbon Reduction Commitment Levy	800.0	0.0	800.0	0			
Commercial Services (net contribution)	0.0	-6,700.0	-6,700.0	0			
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	0			
Contribution to/from Reserves	6,305.2	0.0	6,305.2	+1,138	+1,138	Forecast transfer to Insurance reserve of surplus on Insurance Fund (see below)	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Insurance Fund	4,999.0	0.0	4,999.0	-1,138	-1,138	Forecast surplus on Insurance Fund as the overall claim reserves have reduced following finalisation of the tender of insurances for 2016 and a reduction in value for a couple of notable claims. This has been partially offset by an anticipated further levy payment & increase in the outstanding claims potential relating to the Municipal Mutual Scheme of Arrangements which is expected to generate a further clawback from the Council to meet outstanding liabilities for the insurer and the impact of an increase in insurance premiums from January 2016.
Modernisation of the Council	2,929.4	0.0	2,929.4	0		
Net Debt Charges (incl Investment Income)	128,481.0	-8,178.0	120,303.0	-970	-970	Increased interest on cash balances as a result of higher cash balances, investing for longer durations and increased dividends.
Other	949.0	-36.0	913.0	0		
Unallocated	1,626.9	0.0	1,626.9	-3,627	-1,350	Additional Business Rate compensation grant, above the budgeted level, relating to reimbursement for the impact of tax changes incurred under the business rates retention scheme that were introduced in the 2012, 2013 & 2014 Autumn Statements.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -1,477 Estimated retained levy as a result of being in a Business Rate pool with 10 of the Kent District Councils. We have only finalised the accounting treatment for this, via a sign off of the 2014-15 accounts, hence why this was not reflected in the 2015-16 budget build. The cash will not be received until 2016-17 but we need to accrue for the income this year. This is our best estimate, the final figure will not be known until year end. -800 Additional Education Services Grant as a result of the expected number of schools converting to academy status during the year being lower than assumed when the budget was set. +2,071 The Procurement & Commissioning saving previously held within Finance & Procurement in the S&CS Directorate has now been transferred to be held centrally within Financing Items. The report from our project partner (KPMG) has now been finalised. There are a number of proposals for delivering these savings in future years but for the current year, the recommendation is that this is to be delivered from tactical savings across the authority, the impact of which is also being reported against the Financing Items budget. -2,071	A retained levy has been built into the recently approved 2016-19 MTFP
Underspend rolled forward from previous years	-4,000.0	0.0	-4,000.0	0		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Support to frontline services - Transformation	0.0	0.0	0.0	0	+4,545	0-25 Children's Services Transformation implementation
					-4,545	Drawdown from reserves to meet the costs of 0-25 Children's Services Transformation implementation
					+404	Adults Social Care Transformation Phase 2 design
					-404	Drawdown from reserves to meet the costs of Adults Social Care Transformation Phase 2 design
					+4,020	Adults Social Care Transformation Phase 2 implementation
					-4,020	Drawdown from reserves to meet the costs of Adults Social Care Transformation Phase 2 implementation
					+911	Facing the Challenge costs in excess of the budget of £2,264.8k, to be met by further drawdown from reserves
					-911	Drawdown from reserves to meet the costs of Facing the Challenge in excess of the budgeted amount of £2,264.8k
Total Financing Items	144,756.5	-14,914.0	129,842.5	-4,754		
Assumed Management Action				0		
Total Fin Items Forecast <u>after</u> mgmt action	144,756.5	-14,914.0	129,842.5	-4,754		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

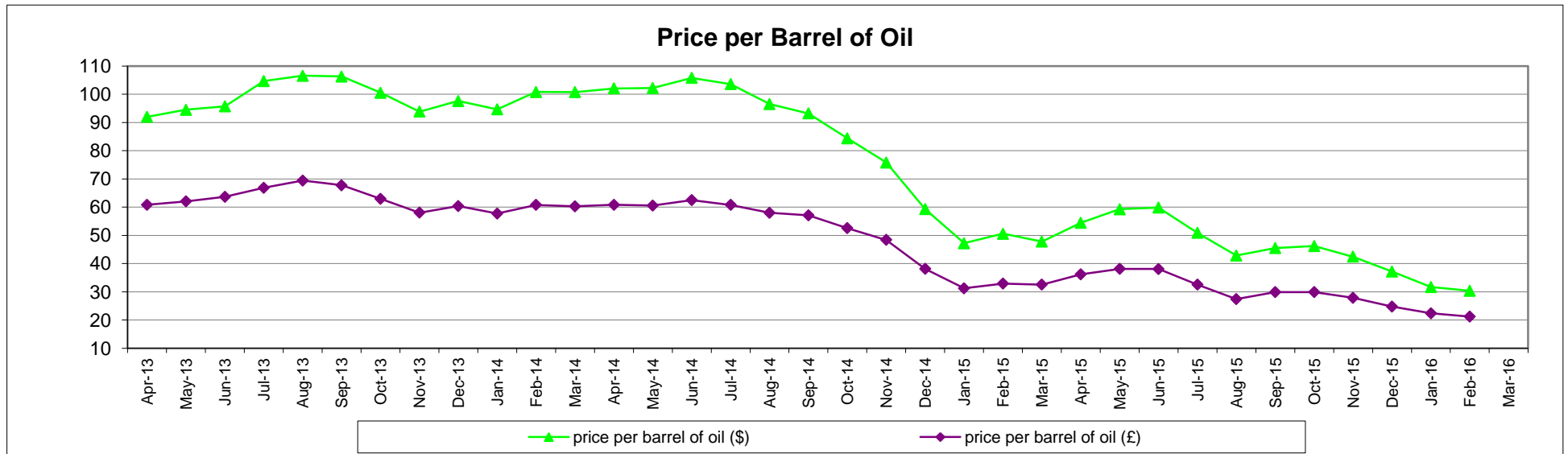
2.1 Price per Barrel of Oil - average monthly price in dollars:

	Price per Barrel of Oil		
	2013-14	2014-15	2015-16
	\$	\$	\$
Apr	92.02	102.07	54.45
May	94.51	102.18	59.26
Jun	95.77	105.79	59.82
Jul	104.67	103.59	50.90
Aug	106.57	96.54	42.87
Sep	106.29	93.21	45.48
Oct	100.54	84.40	46.22
Nov	93.86	75.79	42.44
Dec	97.63	59.29	37.19
Jan	94.62	47.22	31.68
Feb	100.82	50.58	30.32
Mar	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.

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By: Mr Matthew Balfour, Cabinet Member for Environment and Transport
Ms Barbara Cooper, Corporate Director of Growth, Environment and Transport

To: Cabinet meeting – 25 April 2016

Subject: Select Committee: Energy Security

Summary: To receive and comment on the report of the Select Committee on Energy Security.

1. Introduction

Kent County Council has significant existing commitments to supporting energy generation and security, as exemplified in the work of the previous Renewable Energy Select Committee and outlined in the Kent Environment Strategy. Increasing energy prices, limited spare energy capacity and the ongoing effects of climate change make energy security a pressing issue.

The establishment of the Energy Security Select Committee demonstrates Kent County Council's ongoing commitment to furthering a balanced mix of low carbon energy generation measures, reflecting a national shift from a domination of solid fuel and petroleum in the 1970s, to an increase of natural gas from the North Sea in the 1980s, to the current growth of renewable fuels and a decline in coal.

The review also demonstrates KCC's intention to evaluate all applicable energy generation measures and to ensure that Kent has as resilient and sustainable an energy supply as possible. This should reflect an awareness of Kent's environmental opportunities as well as a consideration of matters such as landscape, historical and agricultural impacts.

The work of the Committee aimed to provide an informative and objective basis for the further development of a joint Kent and Medway energy security strategy and inform the updating of the Kent Environment Strategy, which is led by KCC's Sustainable Business and Communities team.

The supply and generation of energy for Kent, as well as the reduction of energy consumption, is of significant importance to citizens, businesses and local government alike, as are the related social, environmental, and economic impacts of such measures. This review reflects a commitment on the behalf of Kent County Council to securing the future energy needs of Kent, and ensuring that this is done in a sustainable, affordable and secure way.

2. Select Committee

2.1 *Membership*

The Chairman of the Select Committee was Mr Jim Wedgbury (Conservative). Other members of the Committee were Mr David Brazier (Conservative), Mr Brian Clark (Lib Dem), Mr Adrian Crowther (UKIP), Mr Christopher Hoare (UKIP), Mr Peter Homewood (Conservative), Mrs Eileen Rowbotham (Labour), Mr Chris Smith (Conservative) and Mrs Carole Waters (Conservative). In addition, Mr Martin Whybrow (Green) was co-opted onto the Committee.

2.2 *Terms of Reference*

The final terms of reference were:

- To clarify the meaning of “Energy Security” and the responsibilities of KCC in ensuring this security.
- To examine and assess a range of energy issues so as to best secure the future energy needs of Kent.
- To identify existing best practice across the UK and abroad on how best to strengthen a sustainable, reliable energy infrastructure for Kent.
- For the Energy Security Select Committee to make recommendations after having gathered evidence and information throughout the review.

2.3 *Evidence*

The Energy Security Select Committee conducted a programme of hearings and visits between October 2015 and January 2016. The Select Committee held fourteen hearings, from which it gathered a wealth of information and evidence from a variety of sources, including:

- Academics
- Energy generators and suppliers
- Community energy groups
- Consultants
- Other local authorities
- KCC officers

This oral evidence was complemented by written evidence which was submitted to the Committee by a variety of sources. Literature stemming from desktop research was also used to inform the review.

Four official visits also took place during the review. The visits included Islington London Borough Council’s district heat network, a range of community energy generation measures carried out by the Sustainable Sheppey project, Dungeness B nuclear power plant, and an anaerobic digester and solar farm at St Nicholas-at-Wade farm in Kent. A list of the

witnesses who provided oral and written evidence, as well as details of the visits, can be found in Appendix 1.

2.4 *Timescale*

The Select Committee met in February 2016 to make recommendations, before producing its report, which was approved at a formal meeting on 22 March 2016. Following consideration by Cabinet the report will be submitted to the County Council on 19 May 2016 for endorsement.

3. **The Report**

The executive summary of the report is attached in Appendix 2. A copy of the full report is available online (https://www.kent.gov.uk/_data/assets/pdf_file/0007/55933/Energy-Security-Select-Committee-report-March-2016.pdf) or via the Select Committee Research Officer (details below).

4. **Conclusion**

We welcome the report and would like to congratulate the Select Committee on completing this piece of work.

We would also like to thank all the witnesses who gave evidence to the Select Committee, and the officers who supported it.

Mr Jim Wedgbury, the Chairman of the Select Committee, and three Members of the Committee from opposition parties, will present the report to Cabinet. The Committee would welcome your comments.

5. Recommendations

5.1 The Select committee be thanked for its work and for producing a relevant and balanced document.

5.2 The witnesses and others who provided evidence and made valuable contributions to the Select Committee be thanked.

5.3 Cabinet's comments on the report and its recommendations be welcomed.

Select Committee Research Officer:

Gaetano Romagnuolo
Research Officer – Overview and Scrutiny
gaetano.romagnuolo@kent.gov.uk
01622 694292

Evidence

Oral Evidence

A summary of the key topics discussed between witnesses and Members has been provided underneath each session.

Friday 13 November 2015

- **Carolyn McKenzie, Neil Hilken, Steve Baggs**, Growth, Environment and Transport Directorate, KCC

Tuesday 17 November 2015

- **Robert Jeffery and Cian Fitzgerald**, OVO Energy
- **Chris Jelly**, Elham Going Green

Thursday 26 November 2015

- **Mary Thorogood and Mel Rogers**, Vattenfall
- **Phillip Jackson**, Daedalus Environmental/E3
- **Nick Swinford**, University of Kent

Friday 4 December 2015

- **Prof. Gordon MacKerron and Emily Cox**, Sussex Energy Group/University of Sussex
- **Dr Wim Melis**, University of Greenwich
- **Stephanie Karpetas**, Sustainability Connections

Tuesday 15 December 2015

- **Jeremy Martin**, Southend-on-Sea Borough Council
- **Matthew Morris**, Kent Downs AONB
- **Joseph Grice**, London Borough of Islington

Wednesday 16 December 2015

- **Andy Morgan**, LASER
- **Carolyn McKenzie, Neil Hilkene, Steve Baggs**, Growth, Environment and Transport Directorate, KCC

Written Evidence

- **James Diggle**, External Communications Manager, EDF Energy
- **Chris Jelly**, Elham Going Green
- **Professor Gordon MacKerron and Miss Emily Cox**, Sussex Energy Group/University of Sussex
- **Dr Wim Melis**, University of Greenwich

Visits

Wednesday, 4 November 2015

- Islington LB District Heat Network

Monday, 30 November 2015

- St Nicholas-at-Wade Farm, St Nicholas-at-Wade

Tuesday 8 December 2015

- Sustainable Sheppey, Isle of Sheppey

Monday, 14 December 2015

- Dungeness B Nuclear Power Station, Dungeness

Executive Summary

1.1. Committee Membership

1.1.1. The Committee consists of ten Members of Kent County Council (KCC): five members of the Conservative Party, two members of the UK Independence Party (UKIP), one member of the Labour Party, one member of the Liberal Democrat Party and one (co-opted) member of the Green Party¹.



Mr David Brazier

Conservative

Sevenoaks North East



Mr Brian Clark

Liberal Democrat

Maidstone South



Mr Adrian Crowther

UKIP

Sheppey



Mr Christopher Hoare

UKIP

Tunbridge Wells East



Mr Peter Homewood

Conservative

Malling Rural North
East



Mrs Eileen Rowbotham

Labour

Deal



Mr Chris Smith

Conservative

Tonbridge



Mrs Carole Waters

Conservative

Romney Marsh

¹ Mr Martin Whybrow (Green Party) participated fully in the evidence gathering meetings, but took no part in the approval of the final report and recommendations.



Mr Jim Wedgbury
Conservative (Chair)
Ashford Central

1.2. Scene Setting

- 1.2.1. Kent County Council has significant existing commitments to energy generation and security, as exemplified in the work of the previous Renewable Energy Select Committee and outlined in the Kent Environment Strategy. Increasing energy prices, limited spare energy capacity and the ongoing effects of climate change make energy security a pressing issue.
- 1.2.2. The establishment of the Energy Security Select Committee demonstrates Kent County Council's ongoing commitment to furthering a balanced mix of low carbon energy generation measures; to fairly evaluating all applicable energy generation measures and to ensuring that Kent has as resilient and sustainable an energy supply as possible.
- 1.2.3. This review will aim to provide an informative and objective basis for the further development of a joint Kent and Medway energy security strategy and inform the updating of the Kent Environment Strategy, which is led by KCC's Sustainable Business and Communities team.
- 1.2.4. The supply and generation of energy for Kent, as well as the reduction of energy consumption, is of significant importance to citizens, businesses and local government alike, as are the related social, environmental, and economic impacts of such measures. This review reflects a commitment on the behalf of Kent County Council to securing the future energy needs of Kent, and ensuring that this is done in a sustainable, affordable and secure way.

1.3. Terms of Reference

- 1.3.1. To clarify the meaning of “Energy Security” and the responsibilities of KCC in ensuring this security.
- 1.3.2. To examine and assess a range of energy issues so as to best secure the future energy needs of Kent.
- 1.3.3. To identify existing best practice across the UK and abroad on how best to strengthen a sustainable, reliable energy infrastructure for Kent.
- 1.3.4. For the Energy Security Select Committee to make recommendations after having gathered evidence and information throughout the review.

1.4. Scope

1.4.1. The complexity of this topic and the tight timeframe of the review required a clear and focused approach. The key themes and aspects that were covered by the review are detailed below:

To clarify the meaning of “Energy Security” and the responsibilities of KCC in ensuring this security.

- a. To explore the definition of “Energy Security”.
- b. To examine the responsibilities and roles that KCC holds in securing energy security.

To examine and assess a range of energy generation methods so as to best secure the future energy needs of Kent.

- a. To investigate the various energy security measures available to KCC, Kent residents, and Kent businesses.
- b. To assess these measures and their suitability in helping to secure the future energy needs of Kent.

To identify existing best practice across the UK and abroad of how best to strengthen a sustainable, reliable energy infrastructure for Kent.

- a. To explore best practice examples, both across the UK and abroad, of how local authorities and other relevant organisations work to develop energy security and sustainability in their area.
- b. To consider how this best practice can be replicated to improve energy security in Kent.

For the Energy Security Select Committee to make recommendations after having gathered evidence and information throughout the review.

a. To use the findings of the review and the resultant recommendations to inform the development of a joint Kent and Medway energy security strategy and to contribute to the updating of the Kent Environment Strategy.

1.5. Recommendations

NB: The recommendations below are arranged in priority order. Numbering reflects order of appearance within the report text.

Recommendations 1, 2, 3, 4, 5 and 6 (combined)

That the Cabinet Member for Environment and Transport writes to the Secretary of State for Energy and Climate Change, to highlight key issues of concern for national and local energy security, such as:

- 1. The importance of further new nuclear both nationally and for Kent.**
- 2. The need for the introduction of stronger national building standards, requiring both increased energy efficiency and generation measures in new developments.**
- 3. The need for additional financial support and incentives for community energy projects following the reduction of the FiT.**
- 4. The need for local authority control and management of any future energy efficiency schemes that replace ECO.**
- 5. The need for energy utilities to produce and implement 25 year management plans, akin to those held by water utilities.**
- 6. The need to ensure that the South-East CORE is adequately resourced and supported so as to facilitate the continued uptake of renewable (wind) energy within Kent.**

Recommendation 7

That KCC, working in partnership with relevant organisations, builds on the work of the Select Committee in identifying key opportunities and risks to Kent's energy infrastructure, ensuring the evidence base underpinning our energy security is up-to-date and robust.

Recommendation 8

That KCC leads by example through driving further energy saving and energy generation measures across its estate - in accordance with KCC's Carbon Management Plan - and in partnership with Kent social housing providers and districts.

Recommendation 9

That KCC creates a communications strategy strengthening its engagement with businesses and local communities to help them understand the benefit of reducing energy use and generating their own energy.

Recommendation 10

That KCC investigates the feasibility of creating investment measures to develop local, low-carbon energy generation and diversification projects.

Recommendation 11

That KCC works with partners and local authorities to influence the design and planning process for developments from the start, so as to ensure that they are as energy efficient as possible.

Recommendation 12

That KCC works with educational institutions within Kent to ensure that students and apprentices are given the necessary skillsets and expertise required for working across the energy sector.

Recommendation 13

That KCC continues to strengthen its ability to work in partnership with local authorities, relevant agencies, businesses, community groups and the education and training sector to make sure that a comprehensive approach is taken in ensuring energy security for Kent.

Recommendation 14

That LASER and Sustainable Business and Communities investigate the feasibility of KCC establishing itself as an energy supplier to the local community.

Recommendation 15

That KCC works in partnership with UKPN and relevant energy generation companies within Kent to better understand the risks to Kent's energy systems and how these can be mitigated.
