Kent County Council
kent.gov.uk

CABINET

AGENDA

Monday, 12th December, 2016, 10.00 am	Ask for:	**Louise Whitaker**
Darent Room, Sessions House, County Hall, Maidstone	Telephone:	**Tel:03000416824**
	Email:	**louise.whitaker@kent.gov.uk**

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

Webcasting Notice

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

By entering into this room you are consenting to being filmed. If you do not wish to have your image captured please let the Clerk know immediately

<u>UNRESTRICTED ITEMS</u>

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

1. Introduction/Webcasting

2. Apologies

   To receive apologies for absence and notifications of substitutions.

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

   To receive declarations of interest in items on the agenda

4. Minutes of the Previous meeting (Pages 3 - 6)

   To agree the minutes of the previous meeting, held on 31 October 2016

5. Revenue and Capital Budget Monitoring Report - October 2016-17 (Pages 7 - 82)

   To consider the budget monitoring position as at October 2016 – 17.

6. Chancellor's Autumn Budget Statement

   Cabinet will receive a verbal update on the Chancellor's Autumn Statement.

7. Performance Qtr 2 report 2016-17 (Pages 83 - 132)

   To note performance as at quarter two.

8. Corporate Risk Register (Pages 133 - 176)

   To receive the annual risk register update.

John Lynch,
Head of Democratic Services
03000 410466
Friday, 2 December 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, 31 October 2016.

PRESENT: Mr P B Carter (Leader, Chairman), Mr J D Simmonds (Deputy Leader) Mr M Balfour, Ms S J Carey, Mr G Cooke, Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr P Oakford

UNRESTRICTED ITEMS

187. Apologies

No apologies were received.

188. Declarations of interest

No declarations of interest were received.

189. Minutes of the previous meeting

The minutes of the meeting held on 26 September 2016 were agreed and signed by the Chairman accordingly.

190. Revenue and Capital Budget Monitoring Report – August 2016-17

(Item 5 – Report of Mr John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement and Andy Wood, Corporate Director of Finance and Procurement).

Cabinet received a report providing the budget monitoring position up to 31st August 2016-17 for both revenue and capital budgets, including an update on key activity data for the highest risk budgets.

Mr John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement introduced the item for members. In particular he referred to the following:

i. That the forecast overspend was reported at £9.9million rising to £10.7million when roll forwards were included.
ii. Pressures continued to appear in the areas of SEN transport where demand was greater than anticipated, Specialist Children's Services where the costs of fostering services and the tendency of the courts towards Special Guardianship Orders created difficulties and in providing support for Unaccompanied Asylum Seeking Children (UASC) where negotiations with government continued to try to secure a fairer funding arrangement.

Mr Simmonds referred to the Capital budget. There was a reported variance of £18.2million, of which approximately £12million was rephasing and £6million real variance, which he considered to be a satisfactory position.

Andy Wood, Corporate Director for Finance and Procurement spoke to the item. He reminded members and officers that at the last meeting of Cabinet it had been considered that, with management action, the forecast overspend could be reduced to £1.5million which he expected would be resolved by the financial year end in order that a balanced budget could be delivered. However, a large part of this assumption was that the overspend in Specialist Children's Services could be halved in that time. This assumption had been tested in discussions and it was now considered that a reduction to £5million was more realistic. Corporate Directors would continue to identify areas where savings may be possible; it was not considered that a blanket moratorium was practical or necessary but promised management actions would be strictly applied.

The Leader referred to the significant and continuing pressure of UASC support and reported that he and Mr Oakford, Cabinet Member for Specialist Children's Services would be meeting with the Minister for Immigration the next day to discuss the matter of unmet costs. He reminded members of the well reported further risk to the authority's budget as UASC children turned 18, when the funding gap would increase significantly, and this matter would also be addressed with the Minister.

In response to a question from the Leader, Andy Wood confirmed that he believed the budget could be balanced without blanket restrictions on spending or recruitment but that if any such actions were deemed necessary they would be put to Cabinet for consideration at its next meeting.

The Leader summed up; he reminded members and officers of the difficult and important task ahead and expressed confidence that a balanced budget would be achieved if all efforts were made.

It was RESOLVED:

CABINET **Revenue and Capital Budget Monitoring Report – August 2016-17** **31 October 2016**	
1.	That the forecast revenue budget monitoring position for 2016-17 and capital budget monitoring position for 2016-17 to 2018-19, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year be noted.
2.	That the changes to the capital programme as detailed in section 6.4 be agreed.
REASON	
1.	In order that Cabinet can properly conduct its monitoring activities.
2.	In order that the Capital budget accurately reflects the real time position and meets fully the needs of the council.
ALTERNATIVE	None.

OPTIONS CONSIDERED	
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

This page is intentionally left blank

By:	Deputy Leader & Cabinet Member for Finance & Procurement, John Simmonds Corporate Director of Finance & Procurement, Andy Wood Corporate Directors
To:	Cabinet – 12 December 2016
Subject:	**REVENUE & CAPITAL BUDGET MONITORING - OCTOBER 2016-17**
Classification:	Unrestricted

1. SUMMARY

1.1 This report provides the budget monitoring position up to 31st October 2016-17 for both revenue and capital budgets, including an update on key activity data for our highest risk budgets.

1.2 The format of this report is:

- This covering summary report which provides a high level financial summary and highlights only the most significant issues, as determined by Corporate Directors.
- Appendix 1 – a high level breakdown of the directorate monitoring positions;
- Appendix 2 – activity information for our highest risk budgets;
- Appendix 3 – details of the Asylum service forecast and key activity information including grant rates compared to actual forecast unit costs;
- Appendix 4 – October monitoring of Prudential Indicators.

1.3 Cabinet is asked to note the forecast revenue and capital monitoring position. In the light of further government funding reductions in the short to medium term, it is essential that a balanced revenue position is achieved in 2016-17, as any residual pressures rolled forward into 2017-18 will only compound an already extremely challenging 2017-18 budget position. This forecast revenue pressure of £7.484m (after Corporate Director adjustments), increasing to £8.295m including roll forward requirements, is very clearly a concern, and needs to be managed down to at least a balanced position.

1.4 Although we continue to urge budget managers to be less guarded with their forecasting, and after taking into account that all current anticipated management action is now included in the Corporate Directors adjustments reflected in this report, the residual position shows no real signs of improving and has in fact worsened again this month. The only potential outstanding adjustment relates to Asylum, so assuming that we receive funding from the Home Office to offset the Asylum pressure, **and this is by no means certain**, then the overall position would reduce by a further £2.136m from £8.295m to £6.159m. This compares to a residual pressure reflected in section 1.5 of the September monitoring report (attached as a background paper to this report) of £4.850m, so a further underlying deterioration of £1.309m this month. This increase predominately relates to further pressure on the SEN transport and Waste budgets, partially offset by improvements within Financing Items, Children's Disability and GET management & support budgets. We therefore still remain a long way short of achieving a balanced position.

1.5 Senior management have worked collectively to identify common areas where spend could be reduced and they remain committed to achieving a balanced position by year end without imposing a more draconian set of authority wide moratoria. Whilst we haven't introduced moratoria, we are:

- holding vacancies for non-essential posts and having director level authorisation for those posts that we do recruit to;
- ensuring rigorous contract management;

- running a PR campaign to all staff giving the message to stop all non-essential expenditure and increase income generation wherever possible;
- rigorously reviewing any external advertising for recruitment;
- promoting the message of “think before you print”;
- stopping any external room hire wherever possible and practical.

1.6 Corporate Directors continue to look for further savings, however small, that we hope will be reflected in these forecasts in the coming months. Any residual overspend would need to be funded from reserves, which is a one-off solution, still requiring the underlying pressure to be dealt with by in-year management action in the very early part of 2017-18.

1.7 The remainder of this report focusses on the underlying £8.295m forecast overspend.

2. RECOMMENDATIONS

Cabinet is asked to:

i) **Note** the forecast revenue budget monitoring position for 2016-17, and the seriousness of this position, and the capital budget monitoring position for 2016-17 to 2018-19, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

ii) **Agree** the changes to the capital programme as detailed in section 6.4.

iii) **Note** the October monitoring of prudential indicators reflected in Appendix 4.

3. SUMMARISED REVENUE MONITORING POSITION

3.1 Overall the net projected revenue variance for the Council as reported by budget managers is a pressure of £8.128m. Corporate Directors have adjusted this position by -£0.644m, leaving a residual pressure of £7.484m. After allowing for roll forward requirements, the position increases to a pressure of £8.295m. Details of the Corporate Director adjustments and roll forward requirements are provided below in sections 3.4 and 4. respectively. This forecast position, after roll forward requirements, represents a movement of -£0.851m from the September monitoring position (attached as a background paper to this report). The main reasons for this movement are provided in section 3.3 below. In total this position reflects that we are on track to deliver the majority of the £81m of savings included in the approved budget for this year, but further work is urgently required to identify options to eliminate the residual £8.295m forecast pressure. The position by directorate, together with the movement from the last report, is shown in table 1 below.

3.2 Table 1a: Directorate **revenue** position

Directorate		Budget	Net Forecast Variance *	Corporate Director adjustment	Revised Net Variance	Last Reported position	Movement
		£m	£m	£m	£m	£m	£m
Education & Young People's Services		65.906	0.477	1.322	1.799	0.128	1.672
Social Care, Health & Wellbeing - Specialist Children's Services		128.428	6.014	-0.976	5.038	5.186	-0.148
Social Care, Health & Wellbeing - Asylum		0.550	2.136		2.136	2.284	-0.148
Sub Total SCH&W - Specialist Children's Services		*128.978*	*8.150*	*-0.976*	*7.174*	*7.470*	*-0.296*
Social Care, Health & Wellbeing - Adults		369.915	0.815	-0.790	0.025	1.912	-1.887
Social Care, Health & Wellbeing - Public Health		-0.016	0.000		0.000	0.000	0.000
Growth, Environment & Transport		166.851	0.645	-0.200	0.445	0.100	0.345
Strategic & Corporate Services		69.848	0.026		0.026	0.120	-0.095
Financing Items		118.075	-1.984		-1.984	-1.395	-0.589
TOTAL (excl Schools)		**919.556**	**8.128**	**-0.644**	**7.484**	**8.335**	**-0.851**
Schools (E&YP Directorate)		*0.000*	*22.277*		*22.277*	*6.702*	*15.576*
TOTAL		**919.556**	**30.406**	**-0.644**	**29.762**	**15.037**	**14.725**
Variance from above (excl schools)					**7.484**	**8.335**	**-0.851**
Roll forwards	- committed				0.090	0.090	0.000
	- re-phased				0.721	0.721	0.000
	- bids				0.000	0.000	0.000
Total roll forward requirements					0.811	0.811	0.000
(-ve Uncommitted balance / (+ve) Deficit					**8.295**	**9.146**	**-0.851**

* the variances reflected in appendix 1 & 2 will feature in this column

Table 1b: Directorate **revenue** position after roll forwards:

Directorate		Variance	Roll Forwards		Revised Variance	Corporate Director adjustment	Variance after roll fwds & CD adj
			committed	un-committed			
		£m	£m	£m	£m	£m	£m
Education & Young People's Services		0.477		0.721	1.198	1.322	2.520
Social Care, Health & Wellbeing - Specialist Children's Services		6.014	0.090		6.105	-0.976	5.129
Social Care, Health & Wellbeing - Asylum		2.136			2.136		2.136
Sub Total SCH&W - Specialist Children's Services		*8.150*	*0.090*	*0.000*	*8.240*	*-0.976*	*7.264*
Social Care, Health & Wellbeing - Adults		0.815			0.815	-0.790	0.025
Social Care, Health & Wellbeing - Public Health		0.000			0.000		0.000
Growth, Environment & Transport		0.645			0.645	-0.200	0.445
Strategic & Corporate Services		0.026			0.026		0.026
Financing Items		-1.984			-1.984		-1.984
TOTAL (excl Schools)		**8.128**	**0.090**	**0.721**	**8.939**	**-0.644**	**8.295**

3.3 The main reasons for the movement of -£0.851m since the last report are:

3.3.1 Education & Young People's Services:

The movement in the forecast variance (excluding schools and before roll forward requirements but after Corporate Director adjustments) shows an increase of £1.672m this month. The Corporate Director adjustment of +£1.322m relates to the Pupil and Student Transport services forecast which was not available by the monitoring deadline. The majority of this month's movement relates to Pupil and Student Transport Services, which has increased by £1.554m, with SEN Home to School transport accounting for a significant proportion of this increase (£1.517m). This latest forecast is based on the most up to date data contained within the Routewise system which includes the impact of transport arrangements for pupils who started school in September 2016.

Overall the number of pupils being transported is broadly in line with the predicted affordable levels, therefore the additional pressure relates to the price that we are paying, not the number of pupils. The average cost per child has increased from £27 per day in 2015-16 to £31 per day in 2016-17 (based on the latest forecast), an increase of £4 or 14%. The 2016-17 budget assumed that the price increase would be restricted to 1%. This information has only recently come to light and we are undertaking an exercise with colleagues in Public Transport to look into the detail to ascertain the reasons why this increase is higher than anticipated.

3.3.2 Social Care, Health & Wellbeing – Specialist Children's Services:

The current forecast variance represents a reduction of (-£0.222m) since the September monitoring report, together with a reduction in the Corporate Director adjustment of (+£0.074m) which represents an overall reduction of (-£0.148m) as shown in table 1a above. This reduction comprises of a number of small movements across a number of services.

3.3.3 Social Care, Health & Wellbeing – Specialist Children's Services – Asylum:

The current forecast pressure of £2.136m represents a small reduction of (-£0.148m) since September.

3.3.4 Social Care, Health & Wellbeing – Adult Social Care:

The pressure on Adults Social Care has reduced by -£1.859m, which is due to a number of movements, the most significant movements include +£1.174m on Learning Disability (LD) residential care, mainly due to the slippage in timeline of transformation savings where clients were expected to be transferred from residential care to supported living. Therefore this is largely offset by a reduction in the position on LD Supported Living of -£0.818m. There is a further increase in the pressure on residential and nursing care for the other client groups of +£0.629m that is offset by a reduction in Preventative and Other Adult Services of -£1.384m, which comprises of a number of movements, the most significant being: housing related support (-£0.305m) due to the re-phasing of savings being revised; reduced costs and demand for equipment (-£0.418m), and a reduction of (-£0.683m) relating to a review of all centrally held budgets, particularly those which were being held to cover specific potential risks in relation to care act activity. Adult Social Care staffing has reduced by a further -£0.556m this month which is across all client groups. A Corporate Director adjustment of -£0.762m is reflected, which includes the further release of all remaining uncommitted one-off monies of £0.612m together with management action of £0.150m. The remaining balance of -£0.142m is across a number of other budget lines including day care of -£0.138m.

3.3.5 Social Care, Health & Wellbeing – Public Health:

There is an overall movement of -£0.574m since the last reported position in September, this will be transferred to the Public Health reserve, hence no movement is reflected in table 1. The movement is largely accounted for by a reduced forecast on Sexual Health Services -£0.321m due to slippage on premises conversion programme and reduced activity, and 0-5 Year Olds Health Visiting service -£0.203m due to under achievement of providers agreed performance targets.

3.3.6 Growth, Environment and Transport:

The current forecast outturn for the directorate is a +£0.445m overspend, representing an increase of +£0.345m since the last report. The +£0.445m overspend is net of the Corporate Director adjustment set out below in section 3.4.6.9 of -£0.200m, which is consistent with the prior month and relates to anticipated contract reviews within the Waste Service.

There are other compensating pressures and underspends but the primary reason for the movement is a +£0.645m pressure on the Waste budgets, predominately Treatment and Disposal of Residual Waste. This month has seen an additional 3,869 tonnes of waste added to the forecast, with tonnage levels of 723,092 now predicted.

Further increases in General Highways Maintenance & Emergency Response (+£0.271m) – additional safety critical inspections and works on high speed roads – has been more than offset by reductions in Other Highways Maintenance and Management (-£0.291m) and GE&T Management and Support Services (-£0.109m).

The movement in Other Highways Maintenance and Management comprises two areas, the first is further savings on maintenance budgets due to the roll out of the LED Conversion Programme, as well as a release of the budget for the Central Management System (CMS) as the budget was built assuming an annual charge but the actual cost is linked to nodes connected to the system and therefore this cost builds up over the project life.

Other minor variances (-£0.171m) across the directorate, reconcile the explanations above to the overall adverse +£0.345m movement this month.

3.3.7 Strategic and Corporate Services:

The Directorate forecast (excluding the Asset Utilisation target) has moved by -£0.095m to an underspend of -£0.487m, whilst the position on Asset Utilisation remains unchanged at +£0.513m, giving an overall small pressure of +£0.026m. All the Divisions within the control of the S&CS Directorate have moved by less than £0.050m each.

3.3.8 Financing Items:

The underspend has increased by £0.589m this month which relates to an expected £0.5m increase in the retained business rates levy from being part of a business rates pool with Kent District Councils, together with a small increase of £0.089m in the underspend on the net debt charges budget due to higher forecast interest returns.

3.4 **Revenue budget monitoring headlines (please refer to Appendix 1)**

3.4.1 <u>Education & Young People's Services</u>

3.4.1.1 The forecast variance of £0.5m before a Corporate Director adjustment (excluding schools and before roll forward requirements) is made up of a small number of large variances on a number of service lines as follows:

3.4.1.2 There is a forecast pressure on Pupil & Student Transport Services of £1.5m. This forecast is based on the latest available information and includes overspends on SEN Home to School Transport, SEN Home to College transport and Mainstream Transport as reported last month. However since then the forecast pressure has increased by a further £1.3m via a Corporate Director adjustment as mentioned in paragraph 3.3.1 above. Such adjustments do not appear in appendix 1. The service is working closely with colleagues in Public Transport to try and ascertain the main reasons for this position.

3.4.1.3 A major part of the -£0.8m underspend on Early Help & Prevention for Children and Families relates to Tackling Troubled Families (£0.7m) for which a roll forward request, into the next financial year, will be submitted in order to continue the scheme.

3.4.1.4 There is a forecast pressure of £0.1m within Early Years Education & Childcare which predominately relates to the three in-house nurseries. The service has restructured these nurseries, resulting in some one-off costs, and they have recently been relaunched, aiming to reduce costs, increase income and move towards a balanced budget for next year.

3.4.1.5 There is a forecast pressure of £0.6m on Other Schools' Related. £0.2m of this relates to payments for employee tribunal cases for former school staff. The remaining pressure of £0.4m mainly relates to revenue maintenance costs that are in excess of the capital grant available.

3.4.1.6 There is a forecast underspend of -£0.1m on SEN & Psychology Services which is largely from additional income from schools and academies.

3.4.1.7 There is a forecast underspend of -£0.1m on Youth and Offending Services which relates to a saving on youth commissioning following a retendering exercise.

3.4.1.8 Finally there is a forecast underspend of -£0.7m on EYPS Management & Support Services, most of which relates to Education Pensions as capitalisation costs are lower than expected.

3.4.2 Social Care, Health & Wellbeing – Specialist Children's Services

3.4.2.1 The overall forecast position for Specialist Children's Services (excluding Asylum) is a pressure of £6.0m. A corporate director adjustment is proposed of (-£1.0m) which will reduce this pressure to +£5.0m (excluding Children's Disability Services).

3.4.2.2 The main areas of pressure continue in elements of Children in Care (Looked After) Services - residential care +£2.7m and independent fostering (+ £1.3m); Adoption & Other Permanent Children's Arrangements (+£1.1m) (mostly relating to special guardianship orders +£1.5m), and Children's Assessment Staffing (+£1.5m) offset by underspends on other budgets including Safeguarding of -£0.4m.

3.4.2.3 In summary, the pressures on residential and independent fostering are due to full year effect of increases in numbers during 2015-16 which have continued into 2016-17; costs rising due to increasing complexity and needs, and in part due to transformation and other savings being unachievable. Although the number of children in residential placements has stabilised over this year (see Appendix 2.9), the numbers in IFA's have risen overall during the year, but show a reduction in October (as seen in Appendix 2.8).

3.4.2.4 Similarly the pressure on Special Guardianship orders is due to increased numbers of orders being granted at court which are greater than the affordable level budgeted for. Although the overall numbers have increased over the year, they seem to have stabilised over the past 3 months (as seen in Appendix 2.11).

3.4.2.5 The pressure on Children's Assessment Staffing (+£1.5m) is primarily in relation to the need to retain agency staff at a higher cost, because of the continuing difficulties in recruiting permanent social workers.

3.4.2.6 There is a Corporate Director adjustment of -£1.0m reflecting that an extensive management action plan is now in place with the intention of both achieving a reduction in expenditure in the current year to reduce the overspend to £5m (excluding Children's Disability Services) and to reduce the committed expenditure going in to the financial year 2017-18. The plan is wide ranging and focused particularly on the areas which saw increased activity in the second half of 2015-16.

3.4.3 Social Care, Health & Wellbeing – Specialist Children's Services - Asylum

3.4.3.1 The current forecast pressure for Asylum has fallen slightly to £2.1m, which is in the main due to the fact that the number of new arrivals is low in comparison to recent months, and generally the National Transfer Scheme (NTS) is keeping pace with the current rate of arrivals. Whilst there is some reasonable expectation that it will keep pace and be able to deal with the new entrants, it is looking far less likely that it will achieve the transfer of any of the legacy cases. There is a diminishing opportunity for this as the more settled young people become the more the Council would be open to challenge from individuals about being moved against their best interests. This situation is exacerbated by the age profile of the Unaccompanied Asylum Seeking Children (UASC) in Kent. They are turning 18 at the rate of approximately 30 per month and we know that over 100 will have their eighteenth birthday in January 2017. Under the current financial arrangements it remains the case that the Government does not fund local authorities for the full cost of the over 18, care leaver cohort. In order to avoid a significant escalation in the costs of Asylum to the Council directly, the Government needs to change its funding regime. The Council is actively pursuing a meeting with the Home Office to discuss the current financial situation and in relation to funding arrangements for 2017-18.

3.4.4 Social Care, Health & Wellbeing – Adult Social Care

3.4.4.1 The forecast variance of +£0.8m reflects total pressures of +£8.7m resulting from the direct provision of services to clients across adult social care, which is partially offset by anticipated underspends on assessment staffing across all client groups of (-£1.9m), preventative services (-£2.7m) along with the use of one off monies (-£2.8m) to offset the rising costs of social care, and other support budgets (-£0.5m).

3.4.4.2 Mental Health direct services are forecasting a total pressure of £2.7m. There are still significant pressures on Mental Health residential care and supported living services (+£2.3m & +£0.7m respectively) which are only partially offset by minor underspends on other community based services (-£0.3m). The service is still seeing significant increases in the cost of residential care due to both the increased complexities of clients going into care along with financial pressures in the market leading to higher costs.

3.4.4.3 Learning Disability direct services are forecasting a total pressure of +£2.7m. Significant pressures continue in supported living commissioned externally (+£1.5m see appendix 2.2), residential care (+£2.0m see appendix 2.1) and day care services (+£0.7m). These are offset by underspends across other services, the most significant being shared lives services (-£0.8m), direct payments (-£0.1m see appendix 2.3) and in-house supported living (-£0.2m). An over recovery of non-residential charging income (-£0.4m) is also offsetting the pressure. The overall pressure on this service is partially due to the delay in the delivery of transformation savings (+£1.1m). The forecast does however assume that further savings of -£0.7m will be delivered before the end of the financial year.

3.4.4.4 Older People and Physical Disability residential and community direct services are forecasting a net pressure of (+£3.3m), which includes a number of offsetting variances. The most significant are outlined below: the actual pressure on commissioned domiciliary care services is £4.7m of which, £3.8m relates specifically to Older People as outlined in appendix 2.6. This is partially offset by higher levels of client income resulting from this activity (-£1.4m), along with underspends against direct payments of (-£2.7m). The overall pressure on residential & nursing care is now (+£2.6m), mainly due to higher than anticipated demand for older people residential care services (see appendix 2.4) partially offset by lower demand for older people nursing care (see appendix 2.5). This forecast also assumes that funding is set aside for winter pressures. If there is no increased spend as a result of winter then this funding will be available to offset other pressures. In addition, the forecast for Older People and Physical Disability services assumes (+£0.1m) of the MTFP savings are still to be achieved before the end of the financial year.

3.4.4.5 Within Adult & Older People Preventative & Other Services, there is a significant pressure on the equipment budget of +£0.5m resulting from higher than anticipated demand; re-phasing of some of the savings on housing related support +£0.3m, offset by forecast underspends (-£2.0m) on social support services such as carers, information and early intervention and social isolation; Social Fund of (-£0.3m); uncommitted Care Act monies of (-£0.4m) and other minor underspends of (-£0.7m), together with the use of one off monies (-£2.8m) to offset the rising costs of social care.

3.4.4.6 There is a Corporate Director Adjustment of -£0.8m, which allows a further release of all remaining uncommitted one-off monies of £0.6m and management action.

3.4.5 Social Care, Health & Wellbeing – Public Health

3.4.5.1 The overall variance prior to any transfer to/from the Public Health reserve is a forecast underspend of -£1.2m.

3.4.5.2 There are pressures forecast on three services: Other Children's Public Health Programmes (+£0.3m) due to continuing costs of supporting new mothers with breast feeding, whilst a new model is in development as part of health visiting transformation, and higher than budgeted costs on school nursing; Obesity & Physical Activity (+£0.2m) due to the costs of additional Tier 3 Weight Management and Dietetics activity, and Drug & Alcohol Services (+£0.1m). These pressures have been more than offset by underspends in: Targeting Health Inequalities (-£0.4m), which includes underspending resulting from the number of health checks being below the budgeted level; Tobacco Control & Stop Smoking Services (-£0.3m) and Sexual Health Services (-£0.6m) which primarily relate to unrealised creditors set up in 2015-16 and slippage on premises conversion programme and reduced activity; 0-5 Year Olds Health Visiting service (-£0.3m) due to providers under achievement of agreed performance targets; and Public Health Staffing Advice and Monitoring is also underspending (-£0.2m) due to staff vacancies.

3.4.6 Growth, Environment and Transport

3.4.6.1 The overall variance for the Directorate, before Corporate Director adjustments, is a pressure of +£0.6m.

3.4.6.2 The pressure against Young Persons Travel Pass (YPTP) relates to the saving of +£0.5m built into the budget to reflect the reduced take-up and fewer journey numbers seen in 2015-16 at the time the budget was being set. Unfortunately increased journey numbers and cost in the third and fourth quarters of 2015-16 has put this saving at risk. This trend has failed to reverse in the current period and this pressure is being part-managed within the Public Transport area, with the Concessionary Fares and Subsidised Bus Services budgets delivering an underspend.

3.4.6.3 Waste is forecasting an overall pressure of +£1.5m (and activity of +9,398 tonnes) compared to budget, with a net movement of +3,869 tonnes this month.

- Waste Processing is responsible for +£0.6m (and activity of -3,841 tonnes) of this overspend (see Appendix 2.15).
  The pressures, however, are not tonnage related as costs have increased slightly this month, yet tonnages have reduced by -2,089 tonnes. The non-tonnage related pressures are detailed in Appendix 2.15.
  Importantly, in future months, it is likely that there will be additional tipping away payments in relation to North Farm (Tunbridge Wells) following the serious fire on 22nd October 2016. The impact of this, and an update on any tonnage related pressures, will be confirmed in the coming months.

- The Treatment and Disposal of Residual Waste budget is now showing a net pressure of +£1.0m (and activity of +13,239 tonnes - see Appendix 2.14 for further details) following this month's +£0.6m increase in the pressure, with tonnages increasing by +5,958 this month.

- There is an underspend of -£0.1m on Waste Management, explaining how the overall pressure on the Waste Service is +£1.5m.

A Corporate Director adjustment (see 3.4.6.9) of -£0.2m has been reflected to part mitigate pressures on the Waste Service as a whole, with the service continuing to review its contracts over the coming months but the service is of course subject to fluctuating, and unfortunately rising, tonnage levels.

3.4.6.4 Economic Development and Other Community Services is forecasting a pressure of +£0.2m, primarily due to the +£0.5m commercial business rate pool saving being forecast as unlikely to be delivered in the current period. There are ongoing negotiations in terms of the current and future years but the service has prudently held vacancies and phased recruitment to the new structure throughout the year to part mitigate this pressure.

In addition, the agreed management charge against the Kent and Medway Business Fund scheme (continuing on from the Regional Growth Fund schemes) has reduced the pressure, as this is to be recharged to capital. This recharge is linked to activity as it is based on the level of loans approved in-year.

3.4.6.5 The pressure on the Coroners service (Public Protection) of +£0.1m remains in respect of increased activity and unbudgeted staff costs.

3.4.6.6 The £0.6m pressure within General Highways Maintenance and Emergency Response is primarily explained by a spate of safety critical and inspection works that were required on the road network, especially high speed roads.

3.4.6.7 To offset the above pressure, and to reduce the forecast overspend on the directorate as a whole, expenditure within Other Highways Maintenance & Management now shows a forecast underspend of -£1.1m, primarily due to maintenance savings on the LED Streetlight conversion project, the re-procurement of the Traffic Management contract and the part-year impact of the hosting costs for the Central Management System on the same project.

3.4.6.8 The other primary underspends in the directorate relate to Libraries, Registration and Archives (LRA) -£0.4m, Concessionary Fares (ENCTS) -£0.3m, Environment -£0.2m and Subsidised Bus Services -£0.1m. In addition, there is also a -£0.2m underspend shown within GE&T Management and Support Services.

These above movements can be explained by the over-delivery of registration income and holding vacancies (LRA); the forecast reduction in journey numbers in line with national trends (ENCTS); grant income of £0.1m that was due to be received in 2015-16 but had been challenged by the auditors of the funding body; the challenge has now been resolved with a successful outcome for KCC (Environment) and staffing underspends.

The ENCTS variance of -£0.3m can be seen visually in Appendix 2.12, whereby journeys are forecast to be -£0.2m under budgeted levels.

3.4.6.9 A Corporate Director adjustment of -£0.2m has been made in this monitoring report to partially offset the adverse variance of +£1.5m for Waste Services. The Service has been implementing management action to mitigate the forecast overspend, as well as reviewing contracts/terms as they expire.

Prior to the Corporate Director adjustment of £0.2m, the above variances explain an overall pressure within the directorate of +£0.6m.

3.4.7 <u>Strategic and Corporate Services</u>

3.4.7.1 The overall variance reflected in appendix 1 for the directorate is a break-even position which is made up of -£0.5m for the directorate and +£0.5m relating to the Corporate aspirational savings target for Asset Utilisation, held within the Corporate Landlord budgets of the Infrastructure & Business Services Centre line of Appendix 1, the delivery of which depends on operational service requirements and Member decisions regarding the exiting of buildings.

3.4.7.2 The Directorate variance of -£0.5m relates to -£0.3m for Finance & Procurement coming from unbudgeted income opportunities which have arisen in Procurement from work with the West Kent CCG and Revenue Finance for hosting the Better Care Fund; -£0.3m Engagement, Organisation Design & Development relating primarily to staffing vacancies which is partially off-set by +£0.1m on the Contact Centre, Digital Web & Gateways A-Z line; +£0.2m Infrastructure which consists of many variances, each under £0.1m, across all units within the Division, including the Business Services Centre; -£0.2m Strategy, Policy, Relationships & Corporate Assurance resulting from staff maternity and secondments together with unbudgeted project income from the NHS; +£0.2m Legal Services primarily due to staff vacancies, recruitment and training of new staff which is impacting income generation; Democratic Services and Strategic Business Development & Intelligence each have underspends of -£0.1m relating to staffing and unbudgeted income opportunities.

3.4.8 Financing Items

The financing items budgets are currently forecast to underspend by £2m, which is due to:

3.4.8.1 Additional Government funding compared to our assumptions at the time of setting the budget, together with additional retained business rates relating to 2015-16, and an expected increase in the retained business rates levy for 2016-17 result in a forecast underspend of £1.4m.

3.4.8.2 A forecast underspend of £0.5m on the net debt charges budget, mainly due to lower than budgeted interest costs and higher interest receipts, a reduction in bank charges following the recent retendering for banking services and savings on brokerage fees, as we are not looking to take out any new borrowing this financial year.

3.4.8.3 A £0.1m underspend is forecast as a result of lower than budgeted external audit fees.

3.5 **Schools delegated budgets:**

The schools delegated budget is currently forecast to overspend by £22.277m which is due to:

- +£2.219m as a result of an estimated 21 schools converting to academy status and taking their accumulated reserves with them;
- +£2.088m use of schools unallocated reserves to offset pressures on High Needs and Early Years education;
- +£4.763m use of schools unallocated reserves to fund in year schools related pressures.
- +£13.207m use of schools reserves for the remaining Kent schools according to their six month monitoring returns.

As a result, schools reserves are forecast to reduce from £46.361m to £24.084m.

3.6 Table 2: **Performance of our wholly owned companies**

Dividends/Contributions (£m)	Budget	Forecast	From trading surplus	from reserves
Commercial Services	8.700	8.700	6.764	1.936
GEN2	0.542	0.542	0.542	0.000

4. DETAILS OF REVENUE ROLL FORWARDS/RE-PHASINGS

Table 3: **Breakdown of the roll forward figures shown in tables 1a and 1b**.

	Committed £m	Uncommitted £m
Tackling Troubled Families (EYP directorate)		0.721
Re-phasing of Kent Children's Safeguarding Board in to 2017-18. This represents KCC's share of the underspend of the KCSB, which under the terms of the multi-agency agreement, KCC has an obligation to fund (SCHW SCS)	0.090	

5. REVENUE BUDGET VIREMENTS/CHANGES TO BUDGETS

5.1 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 the allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.

6. SUMMARISED CAPITAL MONITORING POSITION

6.1 There is a reported variance of -£22.804m on the 2016-17 capital budget (excluding schools and PFI). This is a movement of -£0.402m from the previously reported position and is made up of -£2.763m real variance and -£20.041m rephasing.

6.2 Table 4: Directorate **capital** position

Directorate	2016-17 Working budget	2016-17 Variance	Real variance	Re-phasing variance	Last reported position		Movement	
					Real	Rephasing	Real	Rephasing
	£m	£m	£m	£m	£m	£m	£m	£m
Education & Young People's Services	145.094	-2.663	-0.762	-1.901	-0.762	-1.270	0.000	-0.631
Social Care, Health & Wellbeing - Specialist Children's Services	0.109	0.040	0.040	0.000	0.040	0.000	0.000	0.000
Social Care, Health & Wellbeing - Adults	6.401	-3.312	0.488	-3.800	0.542	-3.602	-0.054	-0.198
Social Care, Health & Wellbeing - Public Health	0.360	-0.235	0.000	-0.235	0.000	-0.235	0.000	0.000
Growth, Environment & Transport	130.670	-16.345	-2.436	-13.909	-2.918	-14.041	0.482	0.132
Strategic & Corporate Services	20.502	-0.289	-0.093	-0.196	0.032	-0.188	-0.125	-0.008
Financing Items	0.000				0.000	0.000	0.000	0.000
TOTAL	**303.136**	**-22.804**	**-2.763**	**-20.041**	**-3.066**	**-19.336**	**0.303**	**-0.705**

6.3 Capital budget monitoring headlines

Movements greater than £0.100m on real variances and movements greater than £1.0m due to rephasing are described below:

Education & Young People's Services

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Social Care, Health & Wellbeing – Specialist Children's Services

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Social Care, Health & Wellbeing – Adults

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Social Care, Health & Wellbeing – Public Health

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Growth, Environment & Transport

Highways, Transportation & Waste

- M20 Junction 4 Eastern Overbridge: Real movement of +£0.133m. This movement takes the total overspend on this project to +£0.694m. The movement this month is due to a revised assessment of costs from the cost consultants as a result of project delays, unforeseen site issues and design changes. This will be funded by developer contributions and from underspends elsewhere on the SELEP grant.

- Resurfacing of Thanet Way is being funded from underspends and rephasing within the Directorate.

Environment, Planning and Enforcement and Libraries, Registration and Archives

- Sustainable Access to Maidstone Employment Areas: Real movement of +£0.390m. The movement in variance is due to the cash limit change to reflect the decrease in the level of external income that will be received. The project has been scaled back accordingly and was reflected in the prior month's monitoring.

Economic Development

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Strategic & Corporate Services

- Corporate Property Strategic Capital: Real movement of -£0.120m to reflect use of grant within revenue.

6.4 **CAPITAL BUDGET PROPOSED CASH LIMIT CHANGES**

Project	Directorate	Amount £m	Year	Funding	Reason
LD Good Day Prog – Community Hubs	SCH&WB - Adults	0.010	2016-17	Dev conts	Additional projects funded from dev contributions.
Developer Funded Community Schemes	SCH&WB – Adults	0.017	2016-17	Dev conts	Additional projects funded from dev contributions.
Modernisation of Assets (MOA)	S&CS	-2.584	2016-17	Prudential	Virement form signed – to transfer to New Ways of Working.
New Ways of Working	S&CS	2.584	2016-17	Prudential	Virement form signed – transferred from MOA.

7. CONCLUSIONS

7.1 It is concerning that the revenue position after all expected adjustments has deteriorated again this month from +£4.850m to +£6.159m, which predominately relates to adverse movements on SEN Transport and Waste budgets, partially offset by improvements within Financing Items, Children's Disability services and GET management & support budgets. However, the forecasts show the majority of the £81m savings are on track to be delivered and the intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant Directorate will be made as appropriate. However, as we progress through the year and further pressures are identified, there is a risk that alternative saving plans cannot be developed and implemented quickly enough to impact fully in this financial year. It is our expectation that once these alternative plans are finalised and agreed then the forecast pressure will reduce but it is questionable, at this point in the year, whether these alone will be sufficient to deliver a balanced position. As a consequence, senior management have taken the actions listed in paragraph 1.5 and are looking for further opportunities to bring this situation under control. The objective remains, and will do so throughout this financial year, to eliminate this forecast overspend with minimal impact on front-line services. This situation will be kept under review over the coming weeks, but Cabinet need to be aware that this is a serious situation and a breakeven position is by no means certain.

7.2 Should we end the year with an overspend, we will have to meet the shortfall from reserves, with the implications of this outlined in paragraph 1.6.

8. RECOMMENDATIONS

Cabinet is asked to:

8.1 **Note** the forecast revenue budget monitoring position for 2016-17, and the seriousness of this position, and the capital budget monitoring position for 2016-17 to 2018-19, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

8.2 **Agree** the changes to the capital programme as detailed in section 6.4.

8.3 **Note** the October monitoring of prudential indicators reflected in Appendix 4.

9. BACKGROUND DOCUMENTS

9.1 As there was no suitable Cabinet meeting for the September monitoring report to be presented to, this was made available to Cabinet Members and Corporate Directors via SharePoint and is attached to this report as a background paper. The movement shown in this October monitoring report reflects the movement from the position shown in the attached September monitoring paper.

10. CONTACT DETAILS

Director:	Andy Wood Corporate Director of Finance & Procurement 03000 416854 andy.wood@kent.gov.uk
Report Authors:	Chris Headey Central Co-ordination Manager, Revenue Finance 03000 416228 chris.headey@kent.gov.uk Jo Lee/Julie Samson Capital Finance Manager 03000 416939 / 03000 416950 joanna.lee@kent.gov.uk julie.samson@kent.gov.uk

Appendix 1

Breakdown of Directorate Monitoring Position

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
Education & Young People					
Early Help & Prevention for Children and Families	28.9	-9.8	19.1	-0.8	0.1
Early Years Education & Childcare	63.7	-62.4	1.3	0.1	-0.1
Attendance, Behaviour and Exclusion Services	5.1	-4.9	0.1	0.0	0.0
High Needs Education Budgets (excl. Schools & Pupil Referral Units)	31.2	-31.2	0.0	0.0	0.0
SEN & Psychology Services	18.0	-14.7	3.3	-0.1	-0.1
Other Services for Young People & School Related Services	17.6	-13.2	4.4	0.0	0.1
Pupil & Student Transport Services**	34.2	-3.7	30.5	1.5	-0.1
Other Schools' Related Costs	33.9	-33.8	0.1	0.6	-0.8
Youth and Offending Services	5.2	-3.5	1.7	-0.1	0.0
Adult Education and Employments Services for Vulnerable Adults	13.5	-14.4	-0.9	0.0	0.0
EYP Management & Support Services	20.2	-14.0	6.2	-0.7	-0.4
Sub Total E&YP directorate	**271.5**	**-205.6**	**65.9**	**0.5**	**-1.3**
Social Care, Health & Wellbeing					
Learning Disability Adult Services**	156.9	-12.4	144.5	2.7	0.3
Physical Disability Adult Services	36.2	-4.2	32.0	-0.4	-0.1
Mental Health Adult Services	13.8	-1.7	12.2	2.7	0.1
Older People Adult Services**	169.5	-81.9	87.6	3.6	0.6
Adult & Older People Preventative & Other Services	66.1	-20.8	45.3	-5.4	-1.4
Adult's Assessment & Safeguarding Staffing	43.8	-6.3	37.5	-1.9	-0.5
Children in Care (Looked After) Services**	59.5	-7.2	52.3	4.0	-0.1
Adoption & Other Permanent Children's Arrangements	11.6	-0.1	11.5	1.1	-0.1
Family Support & Other Children Services	25.1	-6.8	18.2	-0.3	0.0
Asylum Seekers**	46.5	-46.0	0.6	2.1	-0.1
Children's Assessment Staffing**	51.6	-9.8	41.8	1.5	0.0
Public Health	78.7	-77.4	1.3	-1.2	-0.6
Transfer to/from Public Health Reserve	-1.3	0.0	-1.3	*1.2*	0.6
SCH&W Management & Support Services	16.7	-1.1	15.6	-0.9	-0.1
Sub Total SCH&W directorate	**774.5**	**-275.7**	**498.9**	**9.0**	**-1.5**

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
<u>Growth, Environment & Transport</u>					
Libraries Registrations & Archives	16.9	-6.0	11.0	-0.4	-0.1
Environment	9.3	-5.4	3.9	-0.2	0.0
Economic Development and Other Community Services	9.1	-3.8	5.3	0.2	0.0
General Highways Maintenance & Emergency Response	9.2	-0.5	8.7	0.6	0.3
Other Highways Maintenance & Management	31.3	-8.1	23.2	-1.1	-0.3
Public Protection & Enforcement	11.1	-2.1	8.9	0.1	0.0
Planning & Transport Strategy and Other Related Services (inc School Crossing Patrols)	4.6	-0.7	3.9	0.0	0.0
Concessionary Fares	17.1	0.0	17.1	-0.3	0.0
Subsidised Bus Services	8.3	-2.2	6.0	-0.1	-0.1
Young Person's Travel Pass	14.4	-6.1	8.3	0.5	0.0
Waste Management	2.1	0.0	2.0	-0.1	0.0
Waste Processing**	29.8	-1.4	28.4	0.6	0.1
Treatment and Disposal of Residual Waste**	36.2	0.0	36.2	1.0	0.6
GE&T Management & Support Services	4.0	-0.1	3.9	-0.2	-0.1
Sub Total GE&T directorate	**203.3**	**-36.5**	**166.9**	**0.6**	**0.3**
<u>Strategic & Corporate Services</u>					
Contact Centre, Digital Web Services & Gateways	5.6	-0.4	5.2	0.1	0.0
Local Democracy	5.3	0.0	5.3	0.0	0.0
Infrastructure (ICT & Property Services) & Business Services Centre	78.7	-42.4	36.3	0.7	0.0
Finance & Procurement	17.1	-6.2	10.8	-0.3	0.0
Engagement, Organisation Design & Development (HR, Comms & Engagement)	11.4	-1.8	9.6	-0.3	0.0
Other Support to Front Line Services	16.1	-11.1	5.1	-0.2	-0.1
S&CS Management & Support Services	2.8	-5.2	-2.4	0.0	0.0
Sub Total S&CS directorate	**136.9**	**-67.1**	**69.8**	**0.0**	**-0.1**
Financing Items	**135.3**	**-17.2**	**118.1**	**-2.0**	**-0.6**
TOTAL KCC (Excluding Schools)	**1,521.6**	**-602.0**	**919.6**	**8.1**	**-3.1**

**See Appendix 2 & 3 within the monitoring report for further details of key cost drivers of specific service lines

Please note that budgets are held in the financial system to the nearest £100 and hence the figures in the table above and throughout Appendix 2 may not add through exactly due to issues caused by rounding the figures for this report.

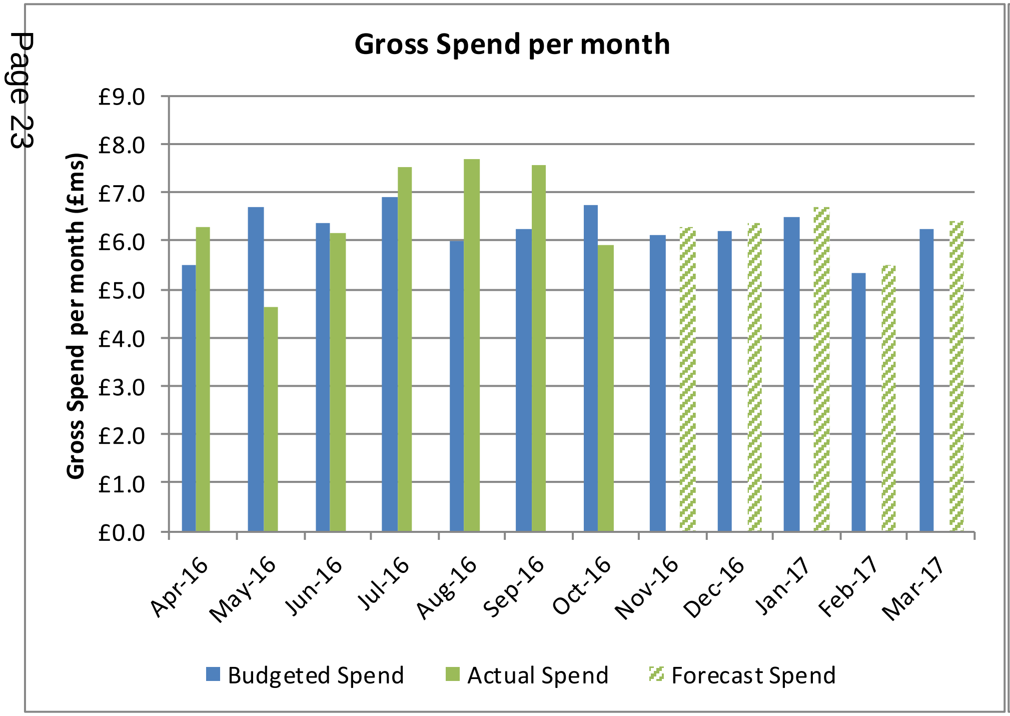
Appendix 2.1: Nursing & Residential Care - Learning Disability (aged 18+)

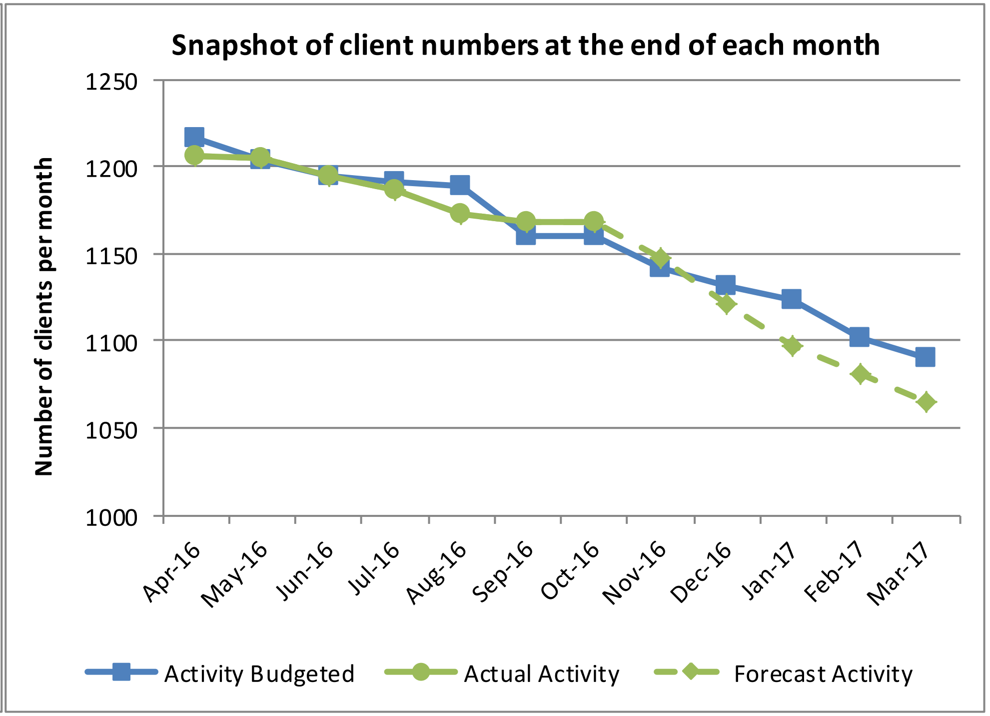
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£74.9	-£6.1	£68.8	1,090
Forecast	£77.0	-£6.2	£70.8	1,065
Variance	£2.0	-£0.1	£2.0	-25

Position as at 31st Oct 2016	Gross £m	Client Number as at 31/10/2016
Budget: Spend/Activity Year to Date	£44.5	1,160
Actual: Spend/Activity Year to Date	£45.8	1,168
Variance as at 31st Oct 2016	£1.3	8

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast overspend of £2.0m is due to higher than anticipated demand (+£1.7m) and higher unit cost (+£0.7m), along with an allowance for net unrealised creditors based on previous years experience (-£0.4m). Higher than expected service user contributions (-£0.1m) linked to a higher average contribution per service user leads to a net forecast overspend of £2.0m.





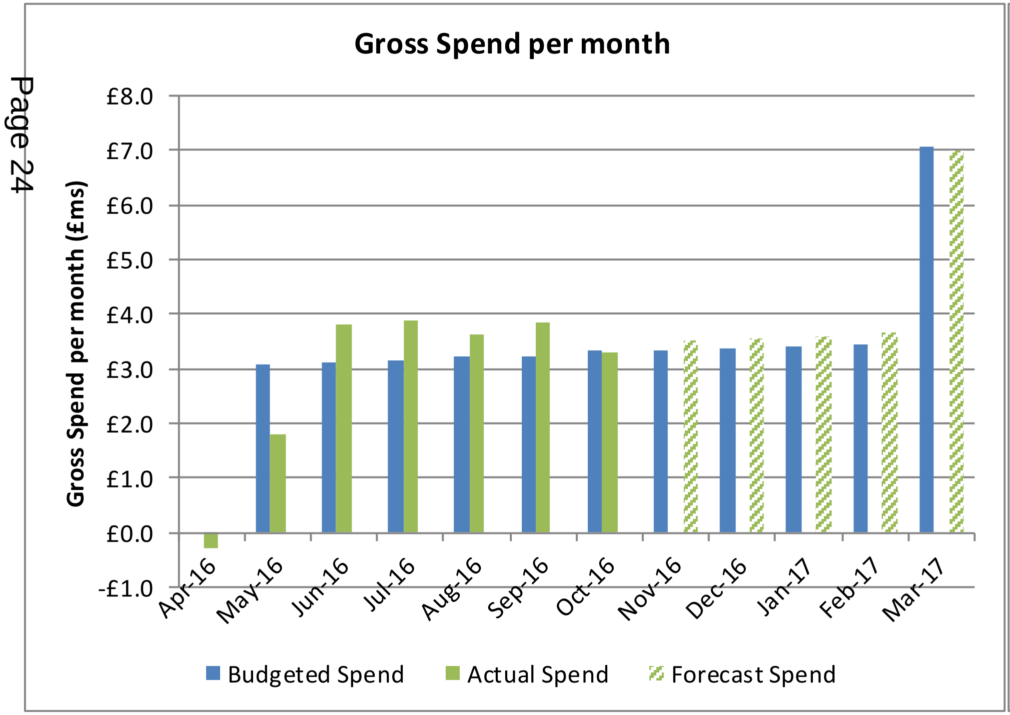
Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements

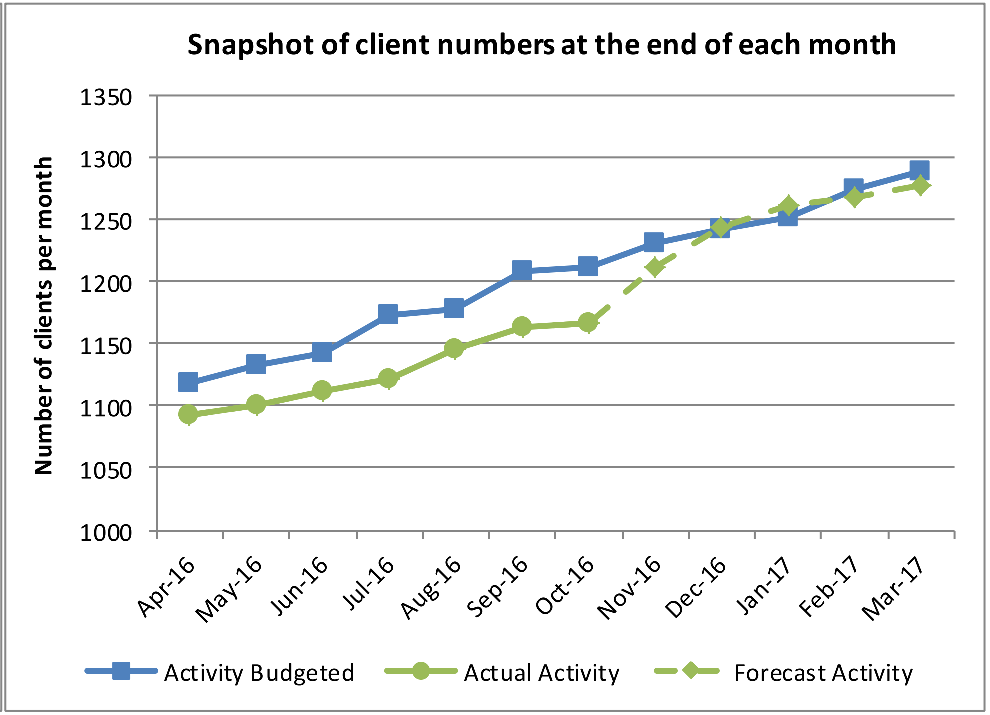
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£39.7	-£0.2	£39.5	1,288
Forecast	£41.2	-£0.2	£41.0	1,277
Variance	£1.5	£0.0	£1.5	-11

Position as at 31st Oct 2016	Gross £m	Client Number as at 31/10/2016
Budget: Spend/Activity Year to Date	£19.1	1,211
Actual: Spend/Activity Year to Date	£20.0	1,167
Variance as at 31st Oct 2016	£0.8	-44

MAIN REASONS FOR FORECAST VARIANCE:

The forecast pressure of +£1.5m is due to higher than anticipated demand (+£2.7m) as clients' eligible needs are greater than originally budgeted for resulting in a higher than budgeted number of hours per client being provided. This is partially offset by a lower unit cost (-£0.5m) due to higher than anticipated contract savings in the first year. In addition an allowance for unrealised creditors based on previous years experience (-£0.8m) along with other minor variances totalling +£0.1m leads to an overall net variance of +£1.5m.





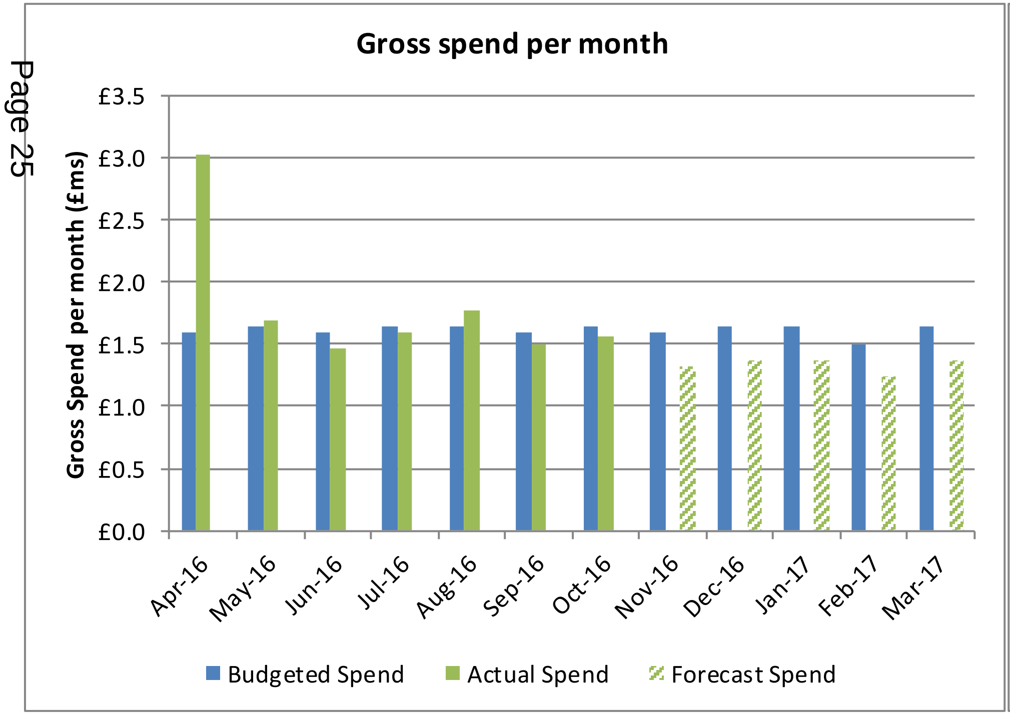
Appendix 2.3: Direct Payments - Learning Disability (aged 18+)

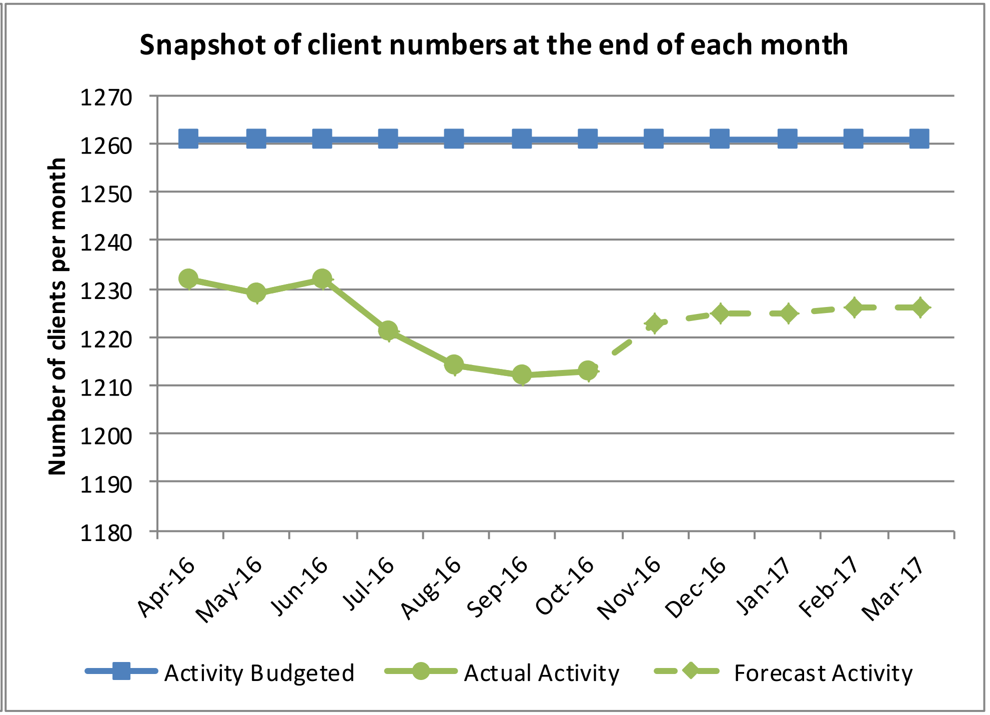
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£19.4	-£0.9	£18.5	1,261
Forecast	£19.3	-£0.9	£18.4	1,226
Variance	-£0.1	£0.0	-£0.1	-35

Position as at 31st Oct 2016	Gross £m	Client Number as at 31/10/2016
Budget: Spend/Activity Year to Date	£11.4	1,261
Actual: Spend/Activity Year to Date	£12.6	1,213
Variance as at 31st Oct 2016	£1.2	-48

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£0.1m can be attributed to lower than anticipated demand (-£0.6m) and higher unit cost (+£0.4m). In addition one-off direct payments (+£0.8m) and prior year costs predominately related to a historic Ordinary Residence case (+£0.3m) are partially offset by the forecast recovery of unspent funds from clients (-£1.0m).





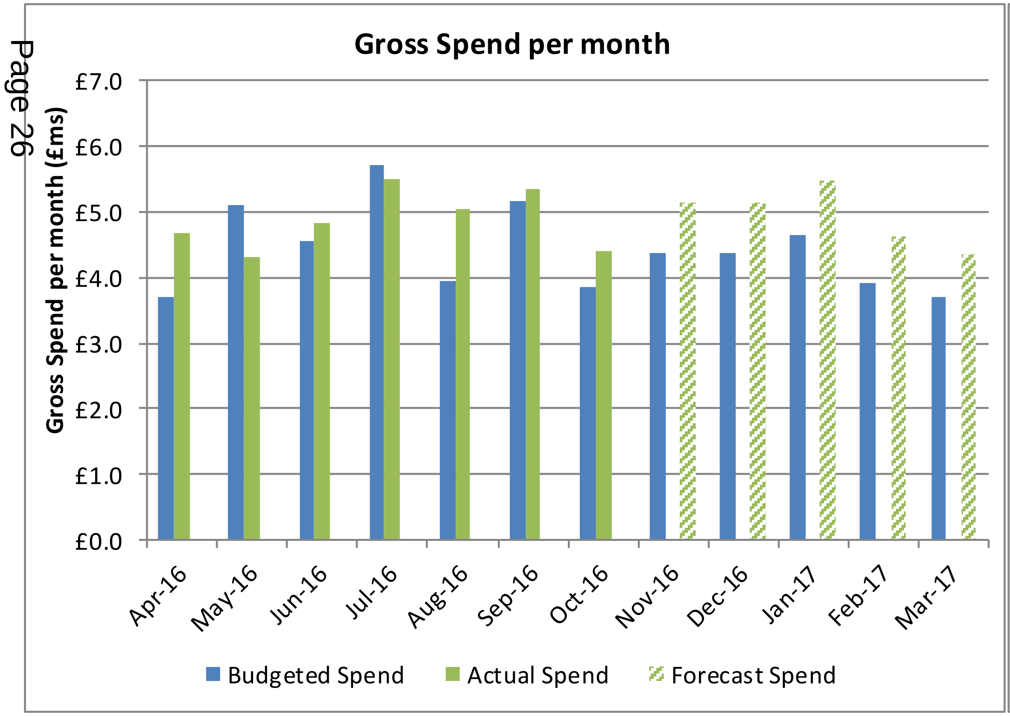
Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service

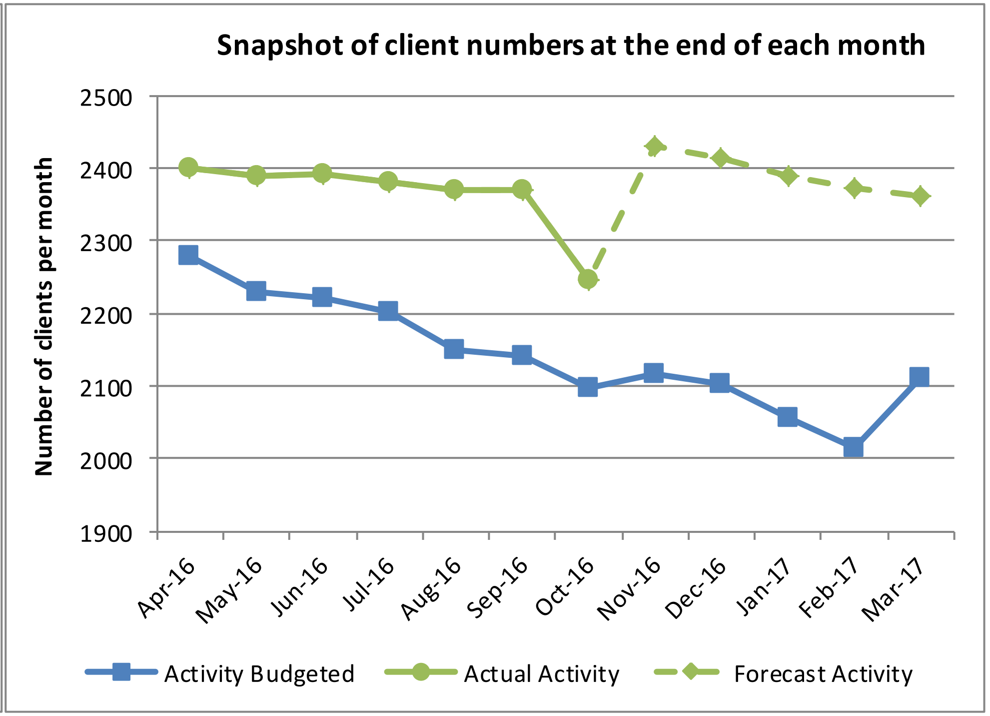
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£53.1	-£27.8	£25.4	2,112
Forecast	£58.8	-£29.2	£29.6	2,361
Variance	£5.7	-£1.4	£4.2	249

Position as at 31st Oct 2016	Gross £m	Client Number as at 31/10/2016
Budget: Spend/Activity Year to Date	£32.1	2,098
Actual: Spend/Activity Year to Date	£34.1	2,246
Variance as at 31st Oct 2016	£2.0	148

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£5.7m is due to higher than anticipated demand (+£5.5m) and higher unit cost (+£0.2m). This is partially offset by higher than expected service user contributions (-£1.4m) linked to the higher demand (-£2.5m) and a lower average contribution per service user (+£1.1m) leading to a net forecast pressure of +£4.2m. The October snapshot of clients on Swift is 108 lower than anticipated due to an input error and is expected to be corrected next month (which would change the reported figure from 2,246 shown above to 2,354).





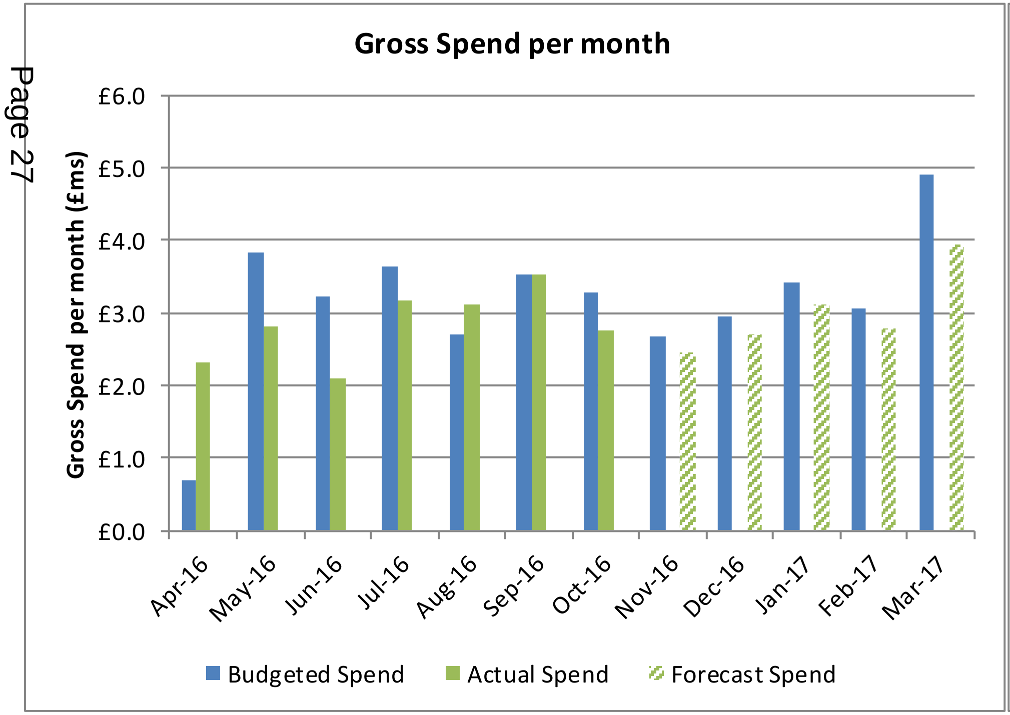
Appendix 2.5: Nursing & Residential Care - Older People (aged 65+) - Nursing

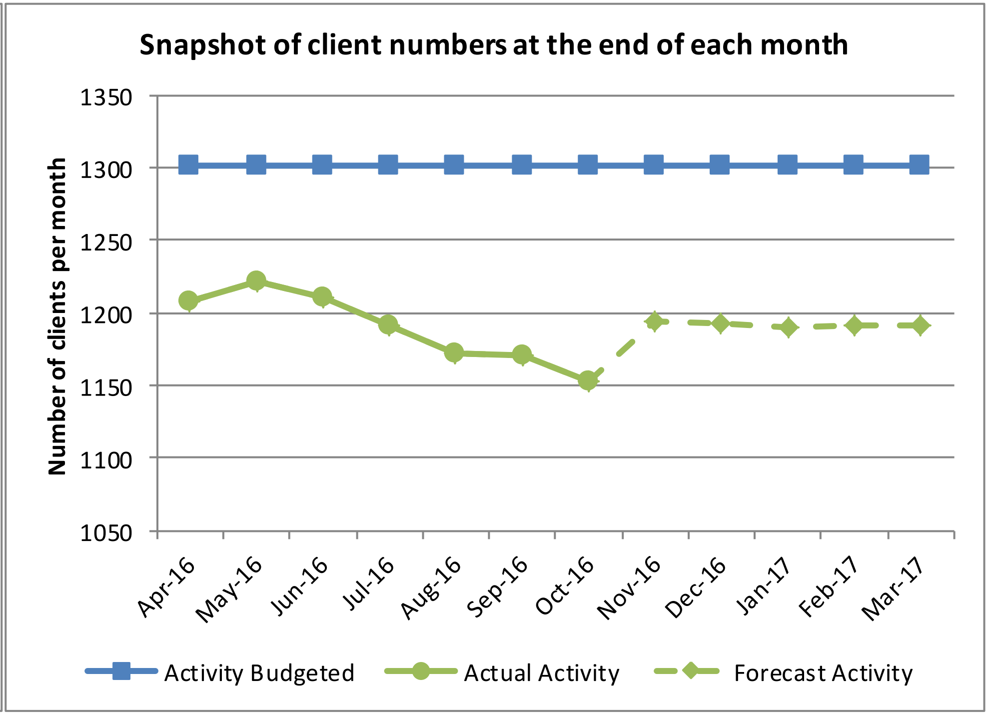
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£37.9	-£14.6	£23.3	1,301
Forecast	£34.7	-£13.2	£21.6	1,191
Variance	-£3.2	£1.5	-£1.7	-110

Position as at 31st Oct 2016	Gross £m	Client Number as at 31/10/2016
Budget: Spend/Activity Year to Date	£21.0	1,301
Actual: Spend/Activity Year to Date	£19.8	1,153
Variance as at 31st Oct 2016	-£1.2	-148

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£3.2m is due to lower than anticipated demand (-£2.5m) and lower unit cost (-£0.1m), along with non-activity variance against health commissioned beds (-£0.6m) which have been decommissioned this year. There is currently a £1.5m shortfall in service user contributions, due to the lower demand (+£1.0m) and a lower average contribution per service user (+£0.5m) leading to a net forecast underspend of -£1.7m. The October snapshot of clients on Swift is 11 lower than anticipated due to an input error and is expected to be corrected next month (which would change the reported figure from 1,153 shown above to 1,164).





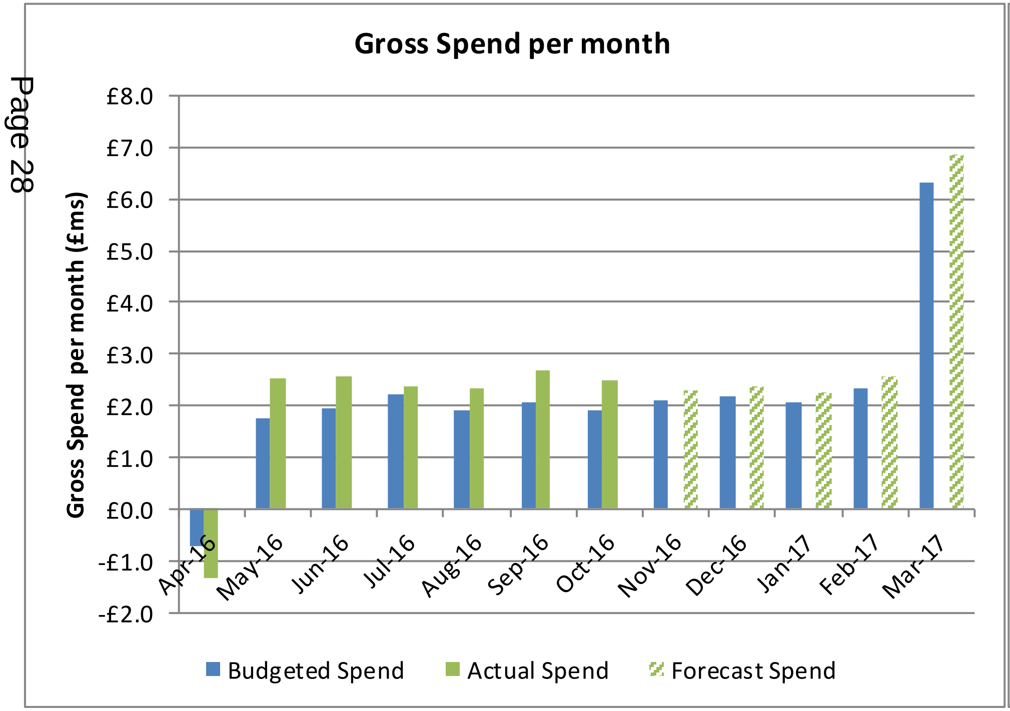
Appendix 2.6: Domiciliary Care - Older People (aged 65+) - Commissioned service

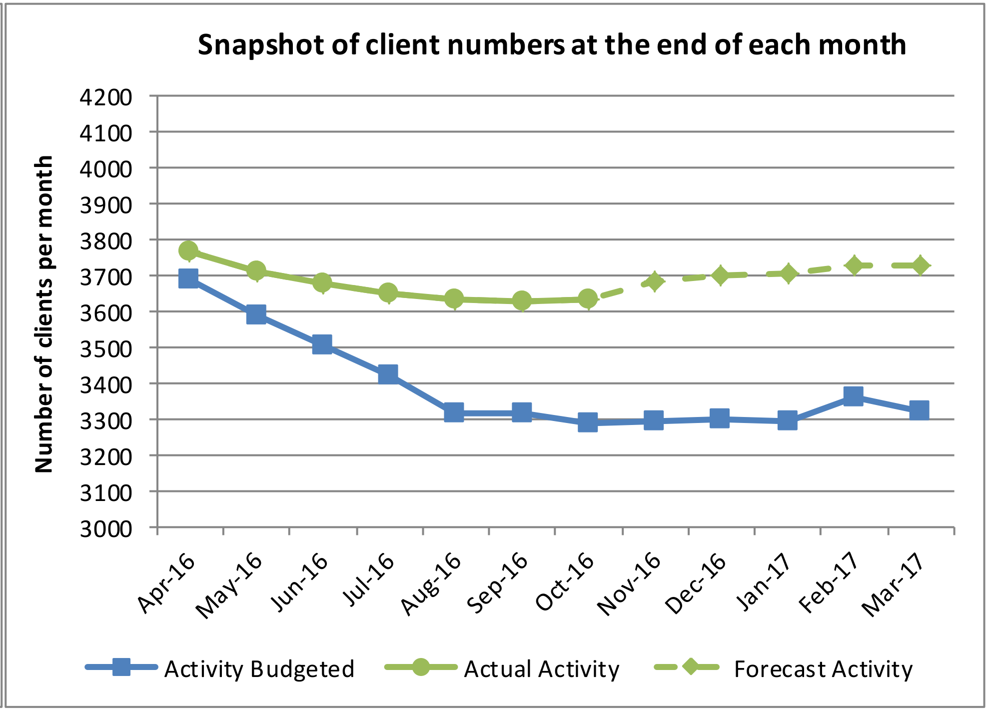
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£26.2	-£10.2	£16.0	3,321
Forecast	£29.9	-£10.2	£19.7	3,726
Variance	£3.8	£0.0	£3.8	405

Position as at 31st Oct 2016	Gross £m	Client Number as at 31/10/2016
Budget: Spend/Activity Year to Date	£11.2	3,286
Actual: Spend/Activity Year to Date	£13.7	3,634
Variance as at 31st Oct 2016	£2.5	348

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£3.8m is due to higher than anticipated demand (+£3.3m) linked to both increased care packages and higher than budgeted client numbers along with a higher unit cost (+£0.2m). Additional extra care support has lead to a pressure of +£0.3m, leading to a net forecast pressure of +£3.8m.





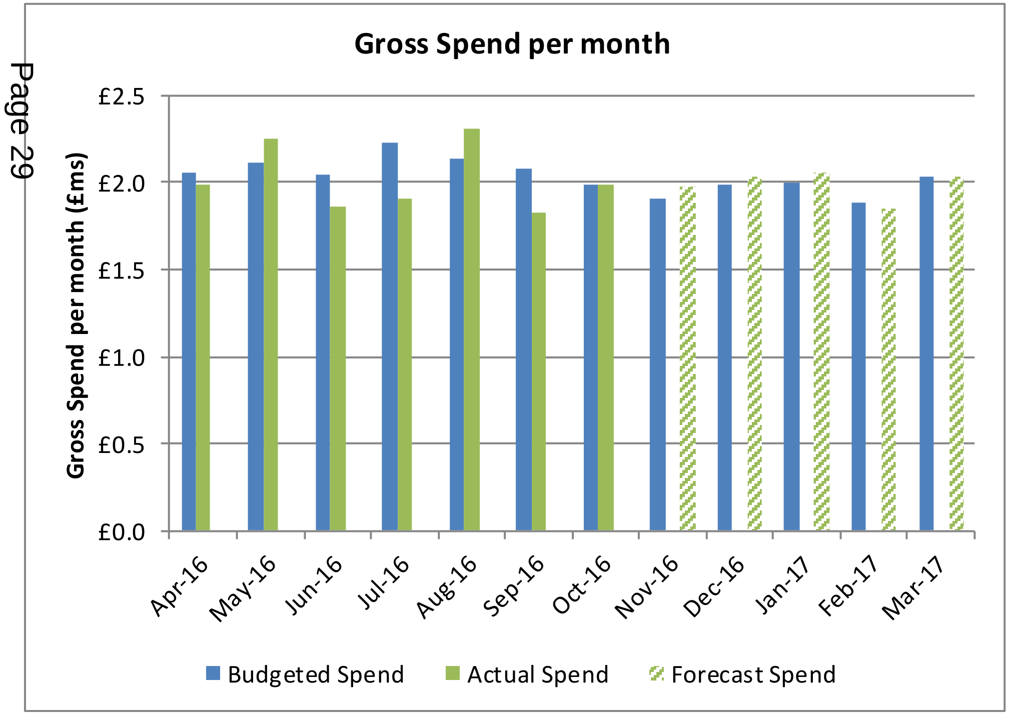
Appendix 2.7: Children in Care (Looked After) - Fostering - In house service

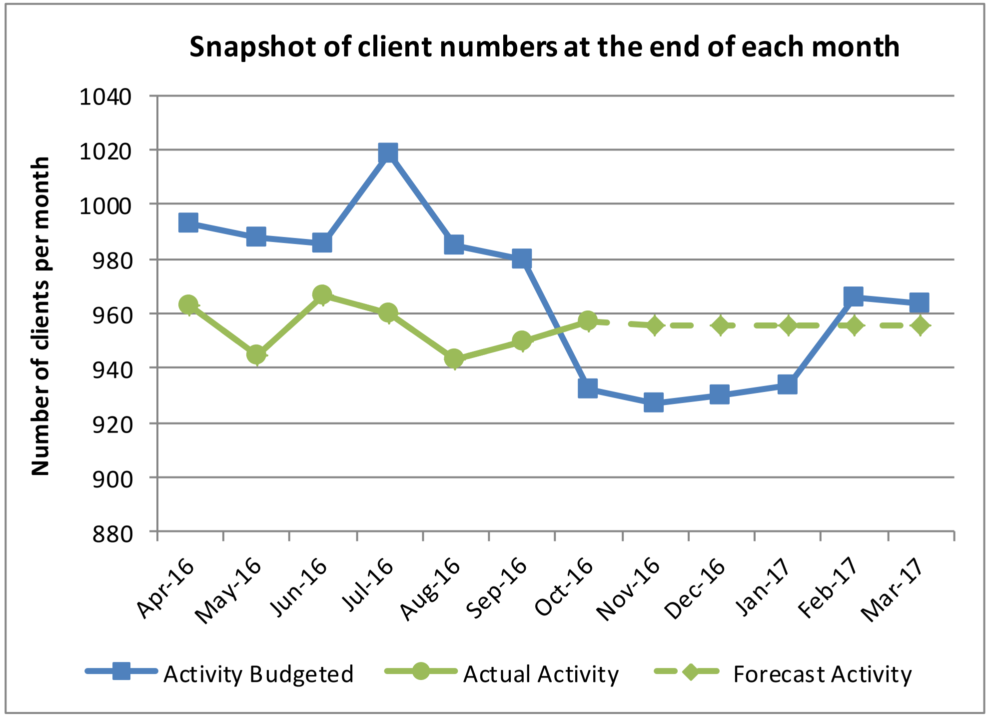
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£24.4	-£0.5	£24.0	964
Forecast	£24.1	-£0.2	£23.8	956
Variance	-£0.4	£0.2	-£0.1	-8

Position as at 31st Oct 2016	Gross £m	Client Number as at 31/10/2016
Budget: Spend/Activity Year to Date	£14.6	932
Actual: Spend/Activity Year to Date	£14.1	957
Variance as at 31st Oct 2016	-£0.5	25

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£0.4m is due to a higher unit cost (+£0.4m), along with other variances of -£0.8m due to -£0.4m funding allocated for prices not committed, -£0.5m mainly due to current vacancy levels in County Fostering staffing, -£0.1m for lower than expected activity on Connected Persons fostering placements, net against a £0.2m overspend on other In-House Fostering related expenditure. Combined with the lower than expected income of +£0.2m due to fewer than anticipated fostering placements made for Unaccompanied Asylum Seeking Children (UASC), resulting in lower contributions from the UASC Service, leads to a net forecast underspend of -£0.1m.





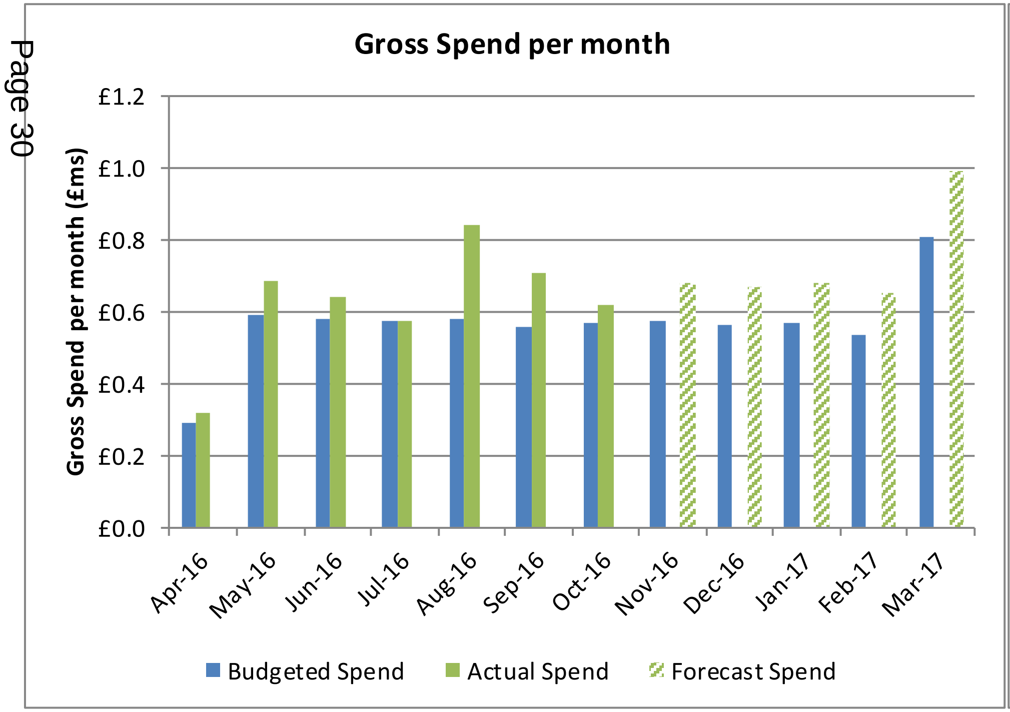
Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies

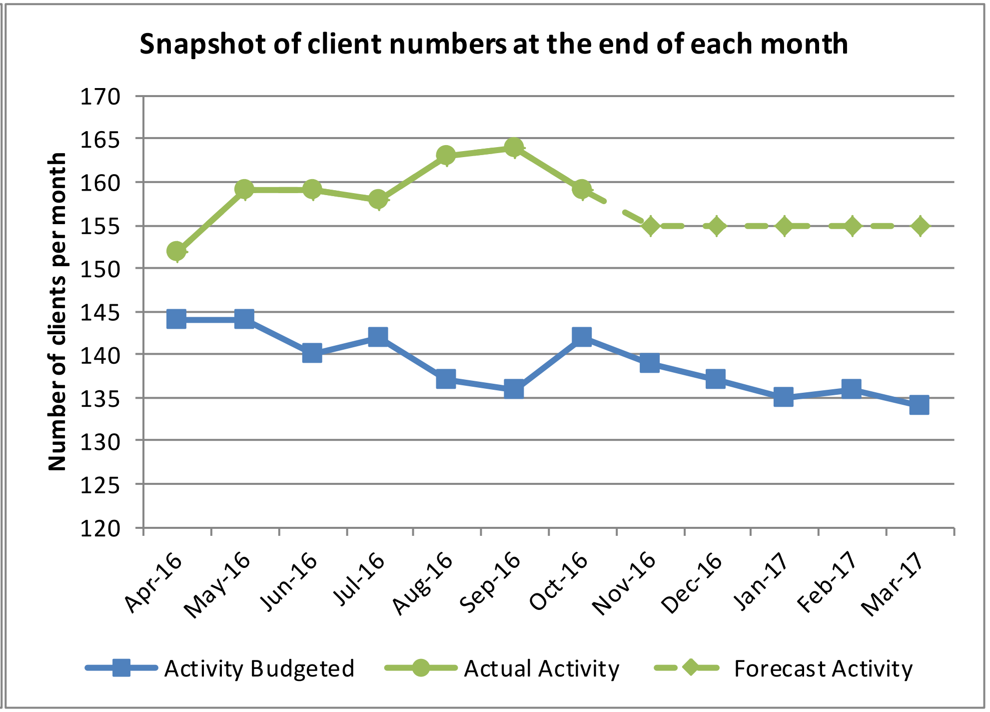
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£6.8	£0.0	£6.8	134
Forecast	£8.0	£0.0	£8.0	155
Variance	£1.3	£0.0	£1.3	21

Position as at 31st Oct 2016	Gross £m	Client Number as at 31/10/2016
Budget: Spend/Activity Year to Date	£3.7	142
Actual: Spend/Activity Year to Date	£4.4	159
Variance as at 31st Oct 2016	£0.6	17

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.3m is due to higher than anticipated demand (+£1.0m) and higher unit cost (+£0.2m).





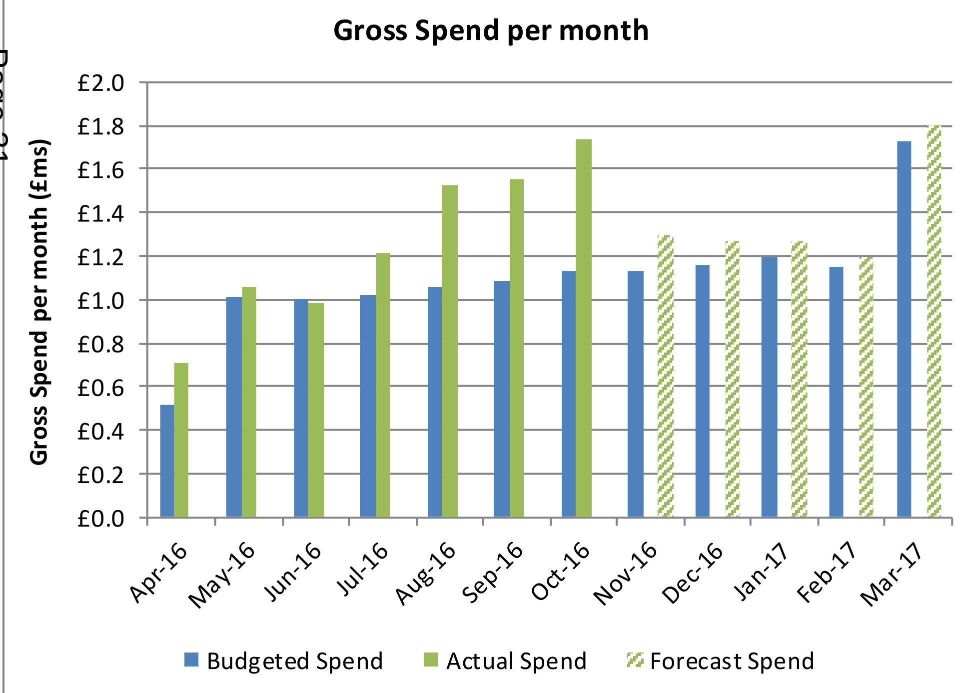
Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector

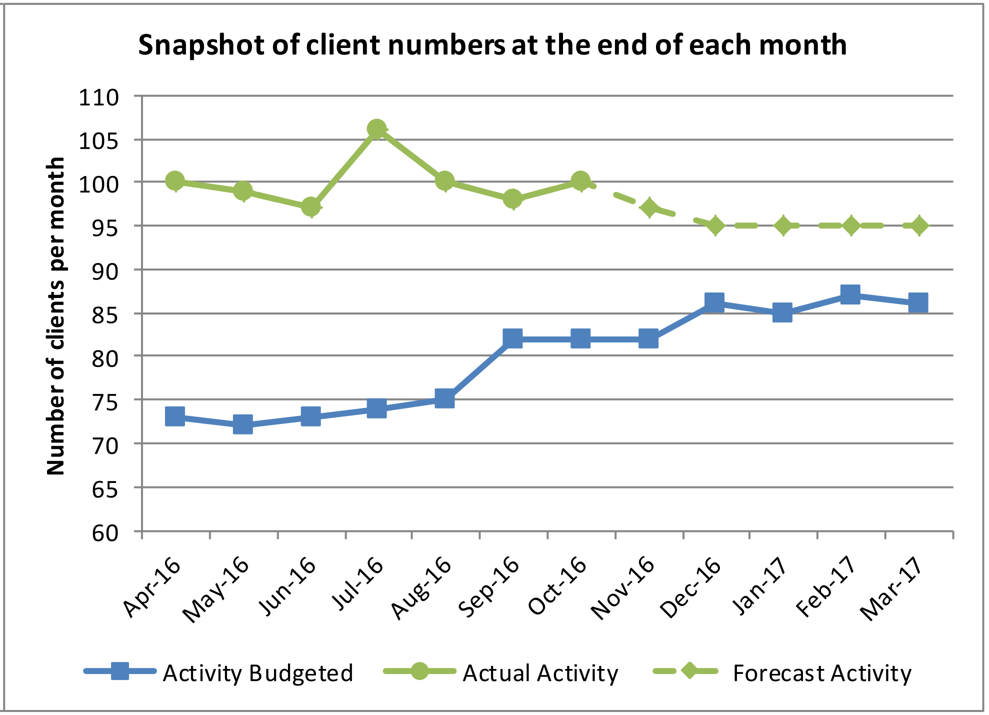
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£13.2	-£2.3	£10.9	86
Forecast	£15.6	-£2.1	£13.5	95
Variance	£2.4	£0.2	£2.7	9

Position as at 31st Oct 2016	Gross £m	Client Number as at 31/10/2016
Budget: Spend/Activity Year to Date	£6.8	82
Actual: Spend/Activity Year to Date	£8.8	100
Variance as at 31st Oct 2016	£2.0	18

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£2.4m is due to higher than anticipated demand (+£2.1m) and higher unit cost (+£0.1m), along with an additional variance of +£0.2m predominately due to greater than anticipated placements in Secure Accommodation. This pressure is further increased by lower than expected income of +£0.2m primarily due to 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. This leads to a net forecast pressure of +£2.7m.





Appendix 2.10: Assessment Services - Children's Social Care (CSC) staffing

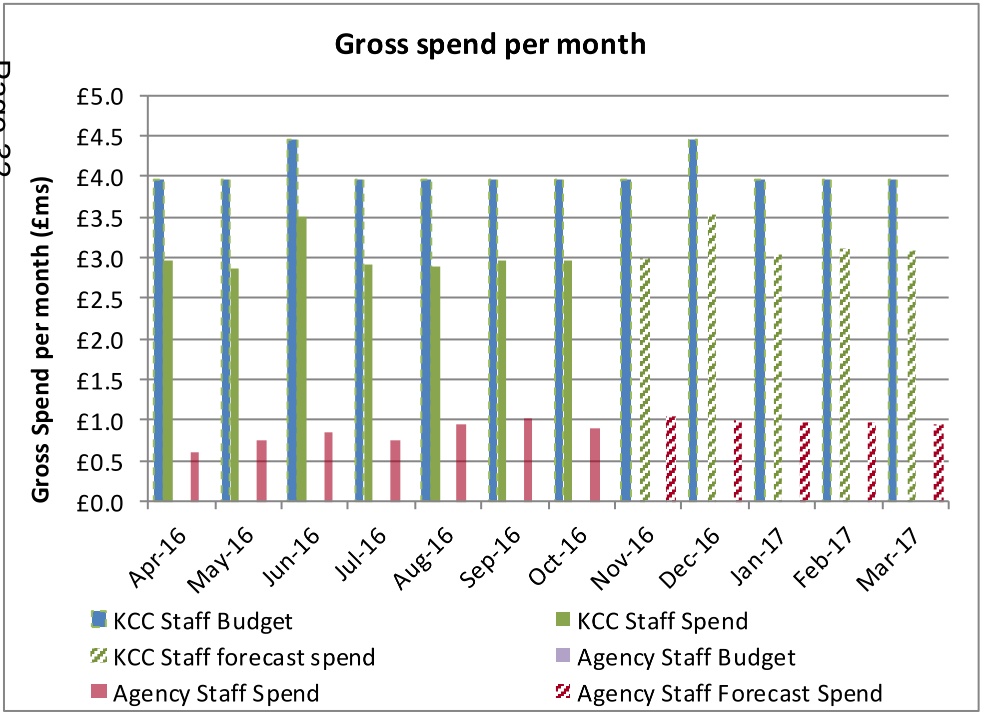
2016-17 Forecast	KCC £m	Agency £m	Gross £m
Budget	£48.5	£0.0	£48.5
Forecast	£36.9	£10.7	£47.6
Variance	-£11.7	£10.7	-£0.9

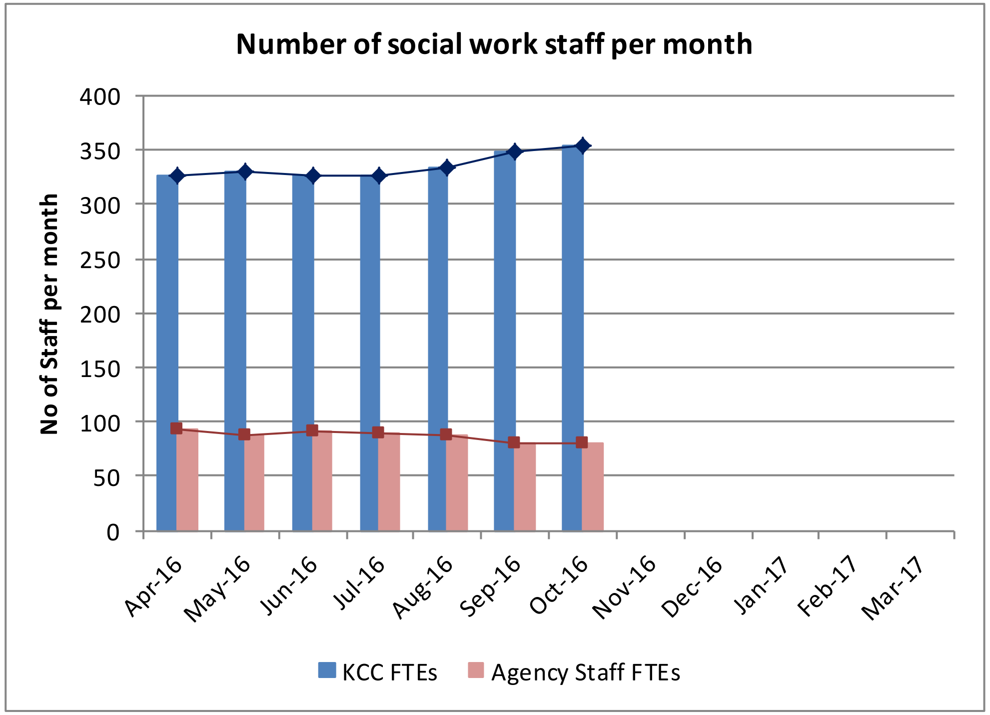
as at 31st Oct 2016	KCC £m	Agency £m	Gross £m
YTD Budget	£28.2	£0.0	£28.2
YTD Spend	£21.1	£5.8	£26.9
YTD Variance	-£7.1	£5.8	-£1.3

Staff numbers	KCC FTEs	Agency Nos
as at 31st Mar 2016	334.6	88.6
as at 31st Oct 2016	353.7	79.2
YTD Movement	19.1	-9.4

MAIN REASONS FOR FORECAST VARIANCE:

This measure focusses on the level of social workers & senior practitioners rather than the overall staffing level within this budget. The budget assumes that CSC Staffing will be met using salaried workers, so every agency worker (who are more expensive than salaried staff) results in a pressure on this budget. This measure shows the extent of the vacancies within CSC that are currently covered by agency workers which contributes to the £1.5m net pressure reported against Children's Assessment staffing in Appendix 1. However, this pressure is offset in the table above by a reduction in the Asylum related gross staffing spend resulting from an expected decline in client numbers due to the planned dispersal programme, but this is matched by a corresponding reduction in income recharges to Asylum (which is not reflected within this indicator as this measure only includes staffing budgets).



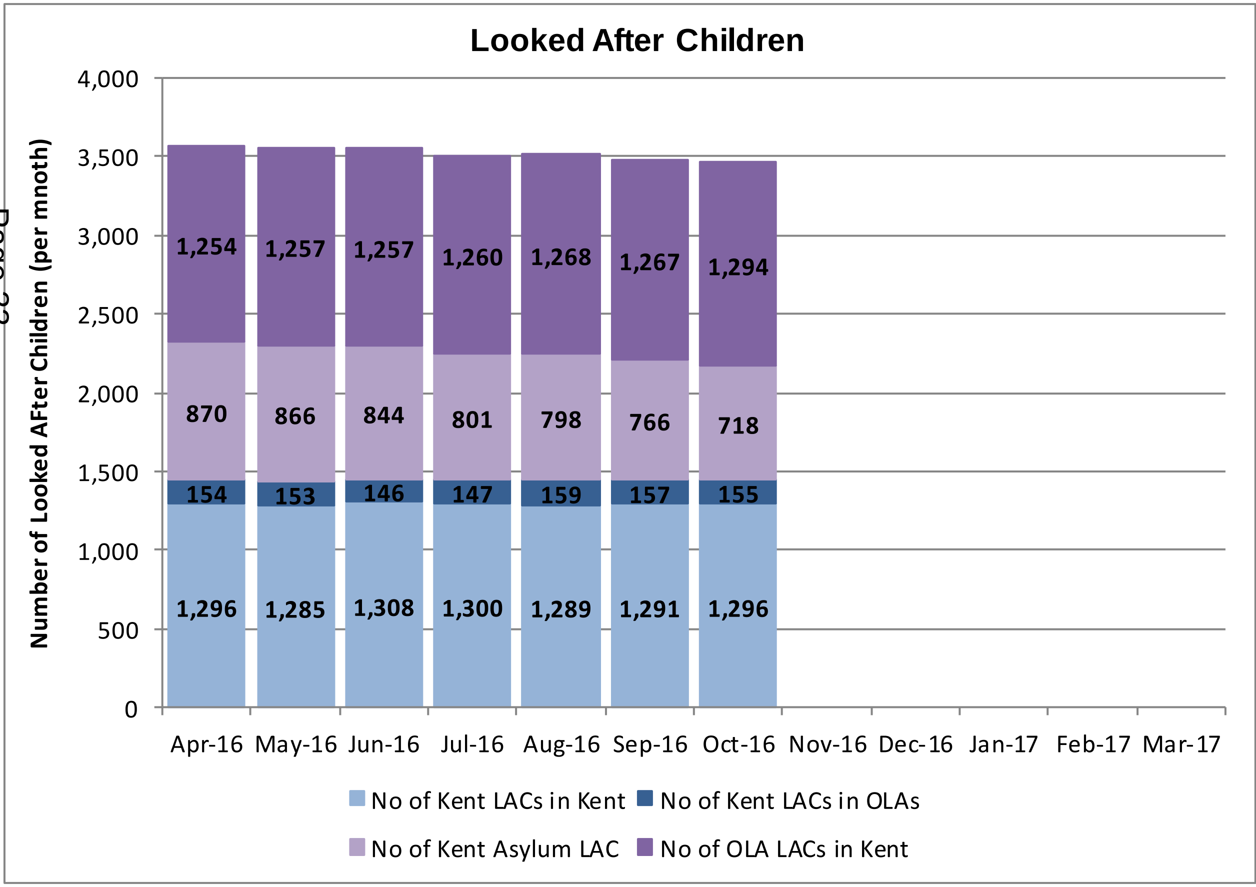


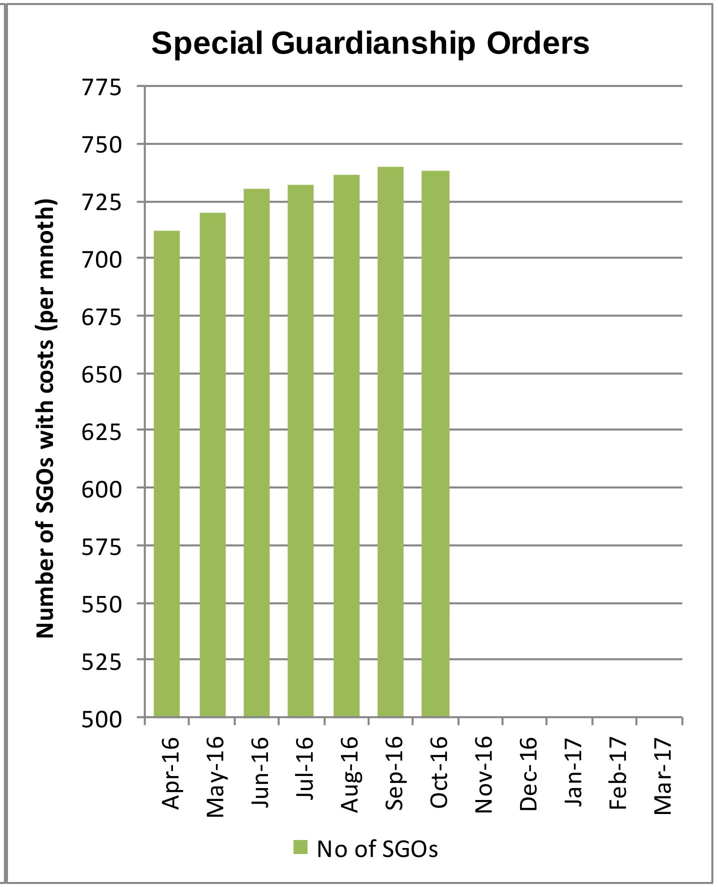
Appendix 2.11: Number of Looked After Children and Number of Special Guardianship Orders (SGOs) with Costs

The left-hand graph shows a snapshot of the number of children designated as looked after at the end of each month (including those currently missing), it is not the total number of looked after children during the period. It is important to note, the OLA LAC information has a confidence rating of 45% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming.

There is an overall forecast pressure on the Specialist Children's Services budget, with key parts of this relating to the LAC headings of Commissioned Residential Care and Commissioned Foster Care and non-LAC headings such as Social Care Staffing, Adoption & other permanent care arrangements (including Special Guardianship Orders (SGOs)), and Leaving Care.

The right hand graph shows the number of SGOs incurring costs, which are approved by the courts. These children are either former LAC or may have become LAC if an SGO was not granted.





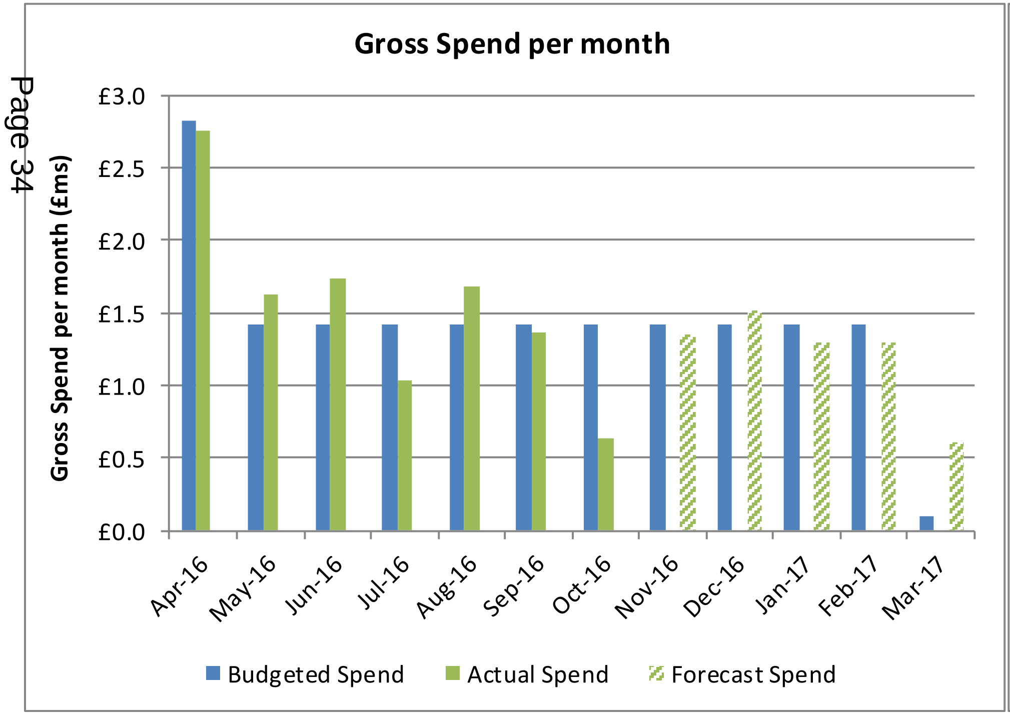
Appendix 2.12: Transport Services - Concessionary fares

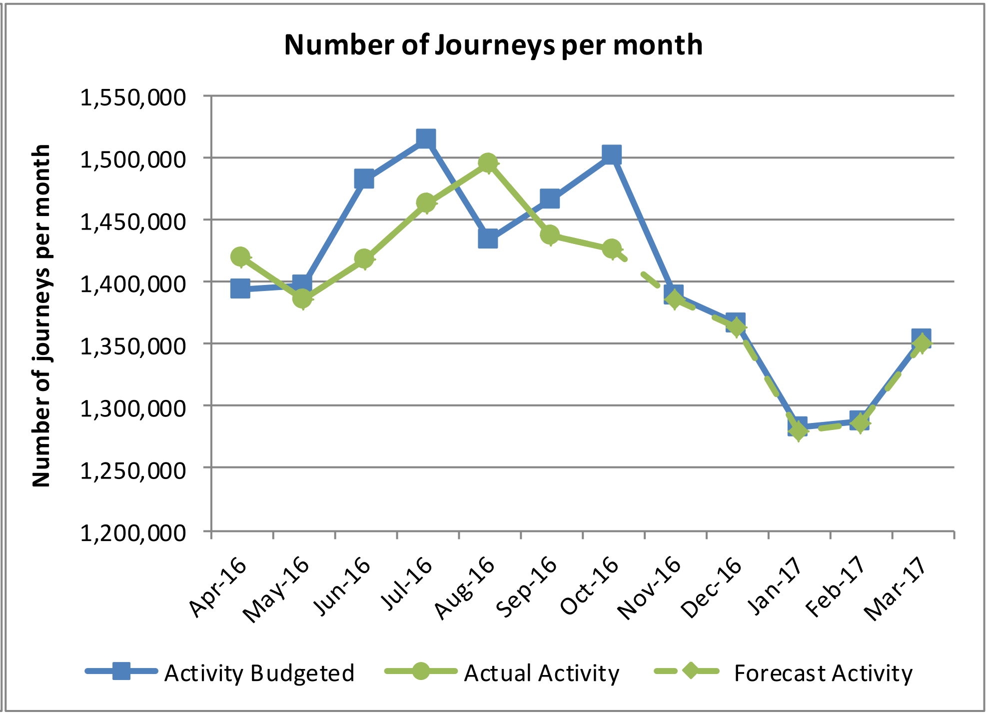
2016-17 Total Forecast	Gross £m	Income £m	Net £m	No of journeys to 31/03/2017
Budget	£17.1	-£0.0	£17.1	16,867,404
Forecast	£16.9	-£0.1	£16.8	16,709,841
Variance	-£0.2	-£0.0	-£0.3	-157,563

Position as at 31st Oct 2016	Gross £m	No of journeys to 31/10/2016
Budget: Spend/Activity Year to Date	£11.4	10,188,166
Actual: Spend/Activity Year to Date	£10.8	10,044,014
Variance as at 31st Oct 2016	-£0.5	-144,152

MAIN REASONS FOR FORECAST VARIANCE:

The forecast underspend of -£0.3m is due to lower than anticipated demand (-£0.2m), along with other minor variances (-£0.1m). The forecast is based on actual activity for April to September, with estimates for the remaining months; the unit has received draft actuals for October which continues to support the overall forecast reduction in the number of journeys for the year. Estimates for the remaining months will continue to be reviewed over the course of the year.





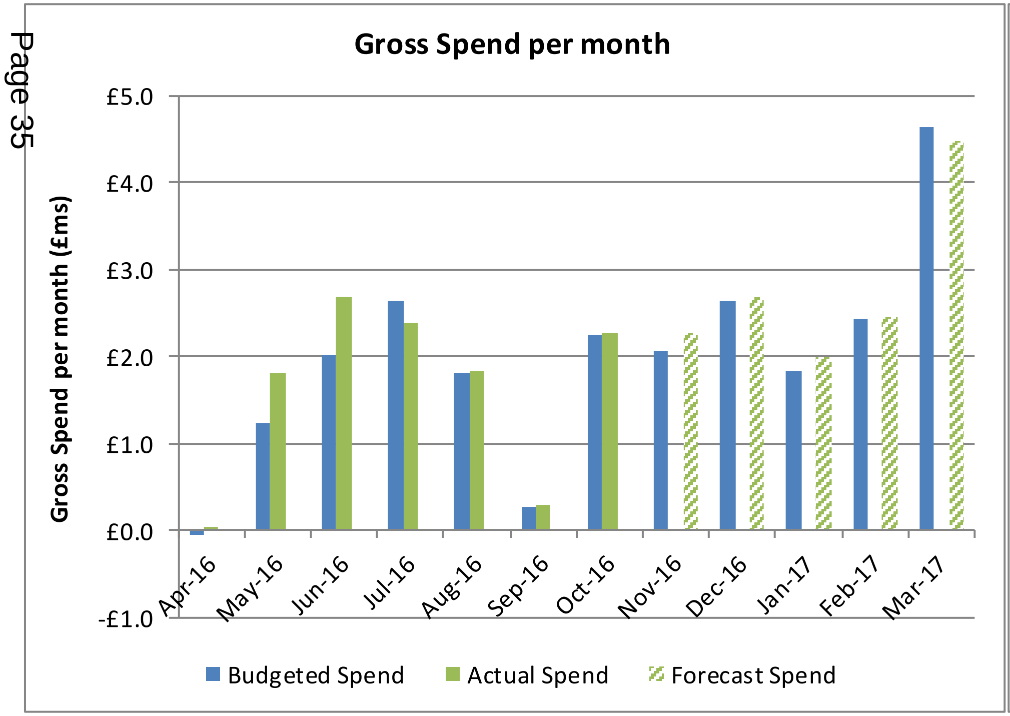
Appendix 2.13: Transport Services - Home to School / College Transport (Special Education Needs)

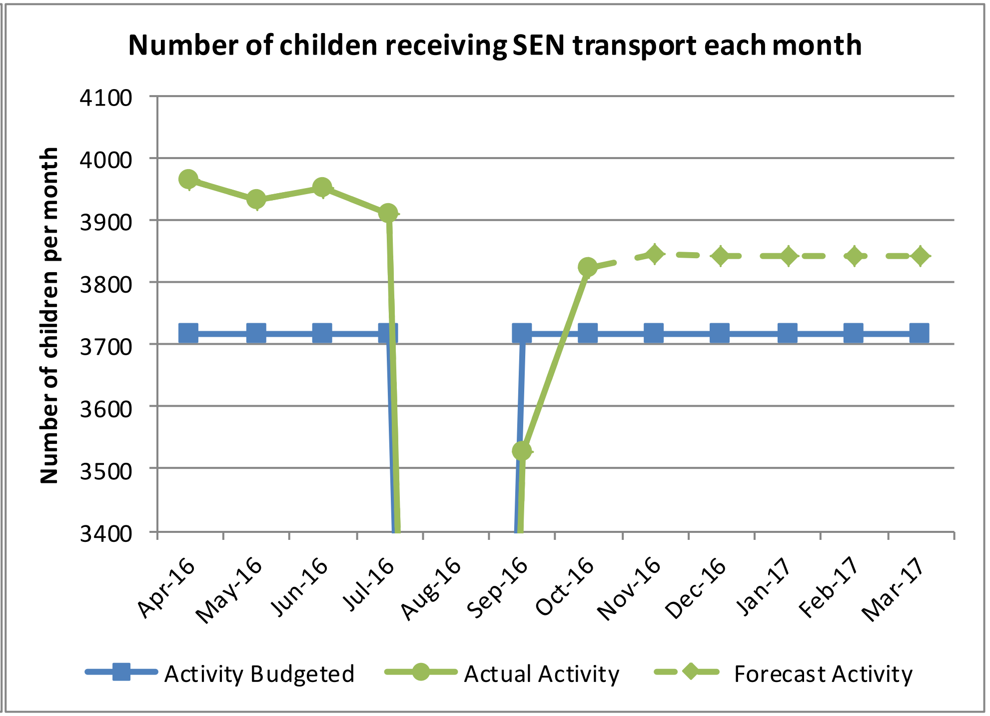
2016-17 Total Forecast	Gross £m	Income £m	Net £m	No of pupils as at 31/03/2017
Budget	£23.8	-£0.8	£23.0	3,717
Forecast	£25.2	-£1.0	£24.2	3,843
Variance	£1.4	-£0.2	£1.2	126

Position as at 31st Oct 2016	Gross £m	No of pupils as at 31/10/2016
Budget: Spend/Activity Year to Date	£10.2	3,717
Actual: Spend/Activity Year to Date	£11.3	3,823
Variance as at 31st Oct 2016	£1.2	106

MAIN REASONS FOR FORECAST VARIANCE:

Within SEN Home to School Transport the gross forecast pressure of +£1.4m is due to higher than anticipated demand (+£0.7m) and higher unit cost (+£0.7m) . These figures do not reflect the Corporate Director Adjustment of £1.3m referred to in the main report para 3.3.1. There are additional pressures of +£0.5m on SEN Home to College Transport, which are offset by an underspend on Personal Transport budgets and Independent Travel of -£0.2m and -£0.1m cessation of payment to PRUs, together with other minor underspends of -£0.2m.





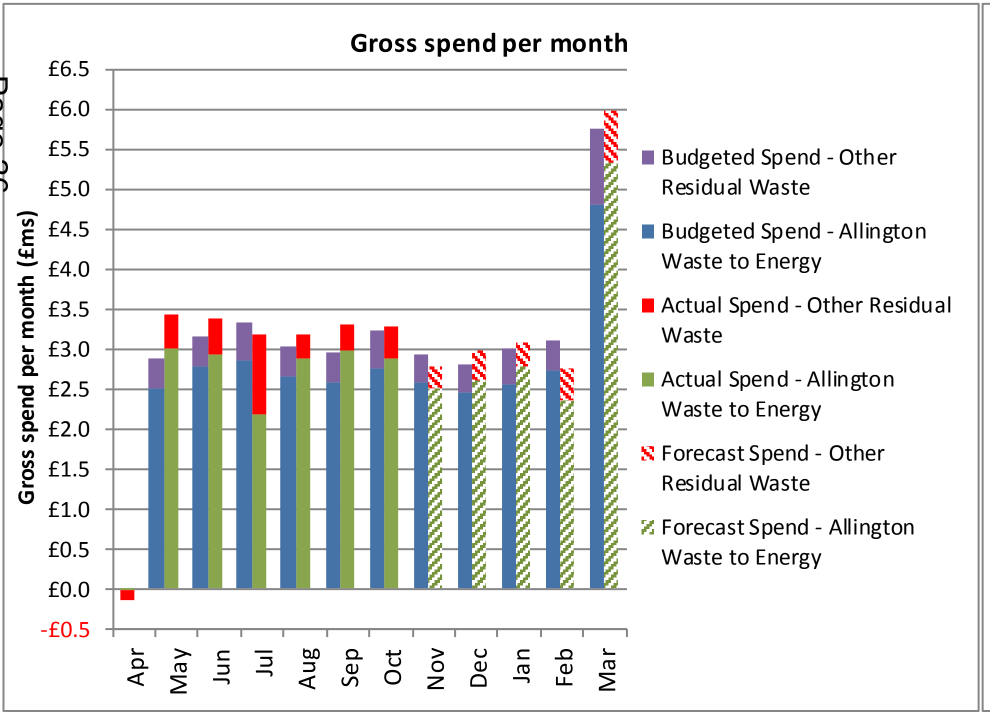
Appendix 2.14: Treatment and disposal of residual waste

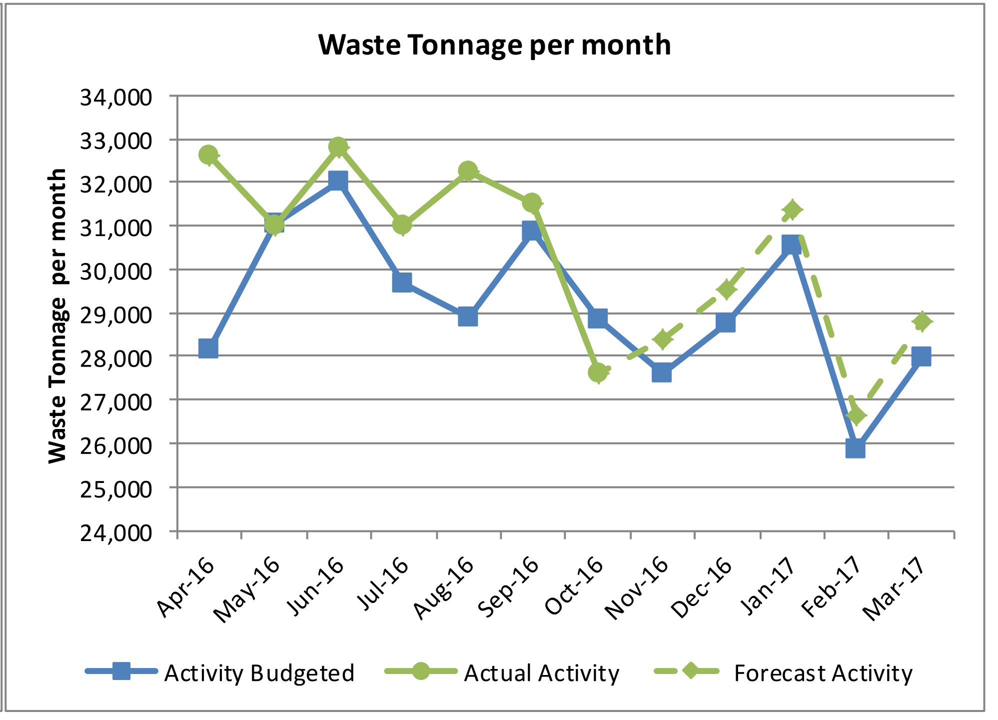
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2017
Budget	£36.2	£0.0	£36.2	350,222
Forecast	£37.5	-£0.3	£37.2	363,461
Variance	£1.3	-£0.3	£1.0	13,239

Position as at 31st Oct 2016	Gross £m	Waste Tonnage to 31/10/2016
Budget: Spend/Activity Year to Date	£18.6	209,485
Actual: Spend/Activity Year to Date	£19.6	218,708
Variance as at 31st Oct 2016	£1.1	9,223

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.3m is due to higher than anticipated demand (+£1.4m), although some of this relates to trade waste, the cost of which is covered through income, and lower unit cost (-£0.1m). This is offset by higher than expected income (-£0.3m), from trade waste tonnes, leading to a net pressure of +£1.0m. The forecast is based on actual activity for April to October, with estimates for the remaining months.





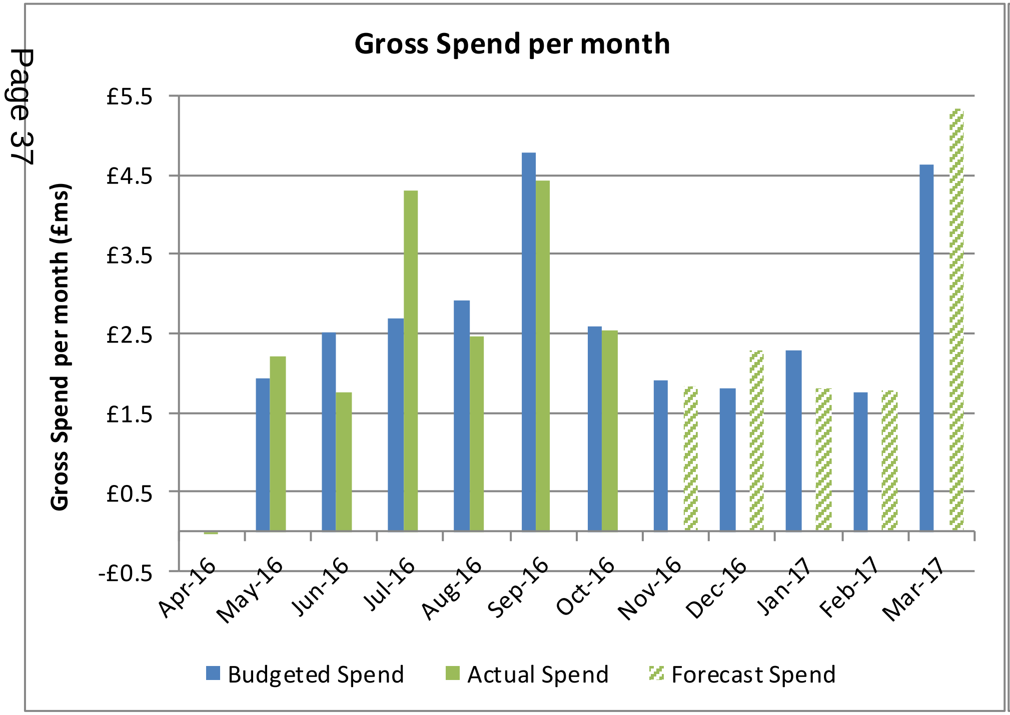
Appendix 2.15: Waste Processing

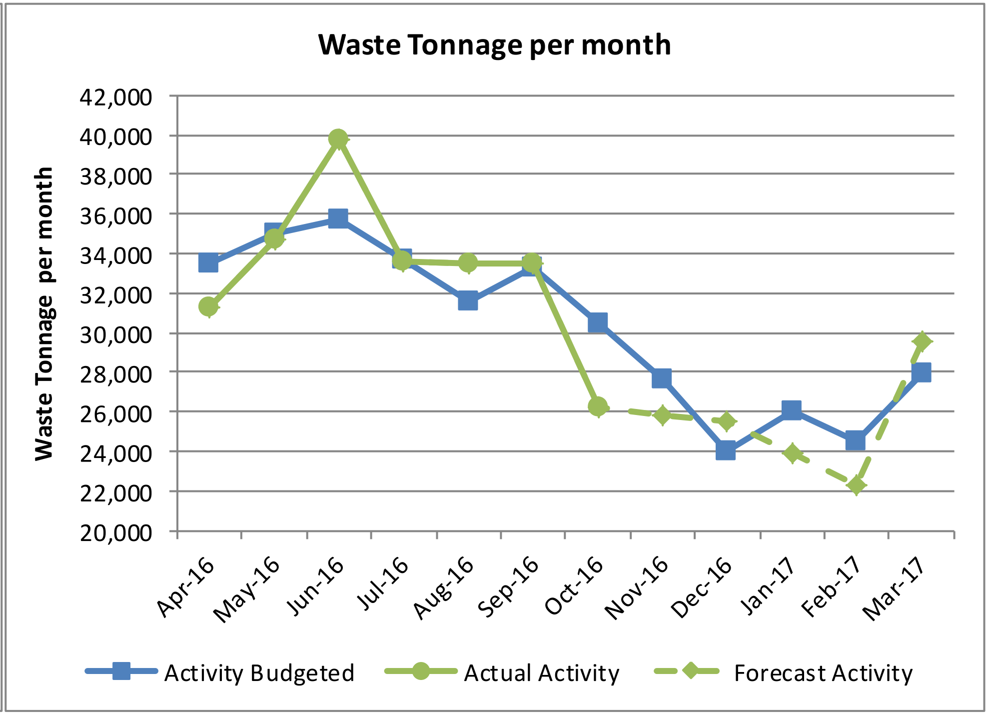
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2017
Budget	£29.8	-£1.4	£28.4	363,472
Forecast	£30.6	-£1.6	£29.0	359,631
Variance	£0.9	-£0.2	£0.6	-3,841

Position as at 31st Oct 2016	Gross £m	Waste Tonnage to 31/10/2016
Budget: Spend/Activity Year to Date	£17.4	233,309
Actual: Spend/Activity Year to Date	£17.6	232,581
Variance as at 31st Oct 2016	£0.2	-728

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.9m is due higher than anticipated demand (+£0.1m) for composting; the re-procurement of the dry recyclables contract (+£0.2m); increased tipping away payments (+£0.3m) as well as a new cost of re-providing a temporary transfer station while Church Marshes is closed for re-development (+£0.2m); other minor variances (+£0.1m) make up the balance. Additional paper and card income (-£0.2m) reduces this to a net forecast pressure of +£0.6m. The forecast is based on actual activity to October, with estimates for the remaining months. Future changes in forecast tonnage may not lead to an increased financial forecast as not all changes in waste types attract an additional cost.





Appendix 2.16: All Staffing Budgets (excluding schools)

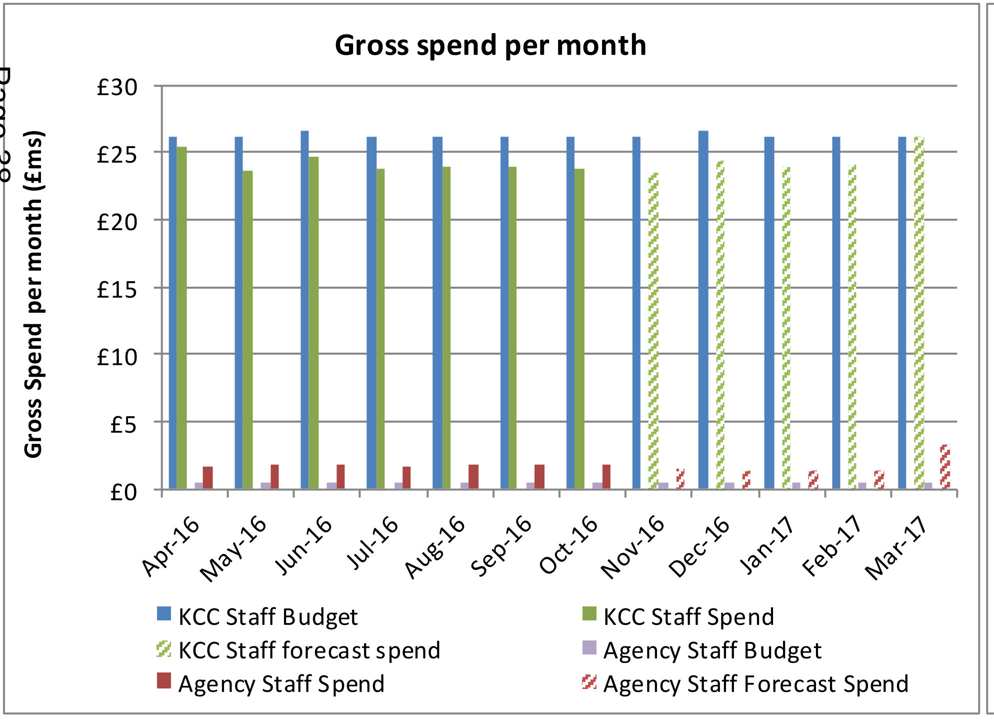
2016-17 Forecast	KCC £m	Agency £m	Gross £m
Budget	£314.1	£5.8	£319.9
Forecast	£291.8	£22.4	£314.1
Variance	-£22.3	£16.5	-£5.8

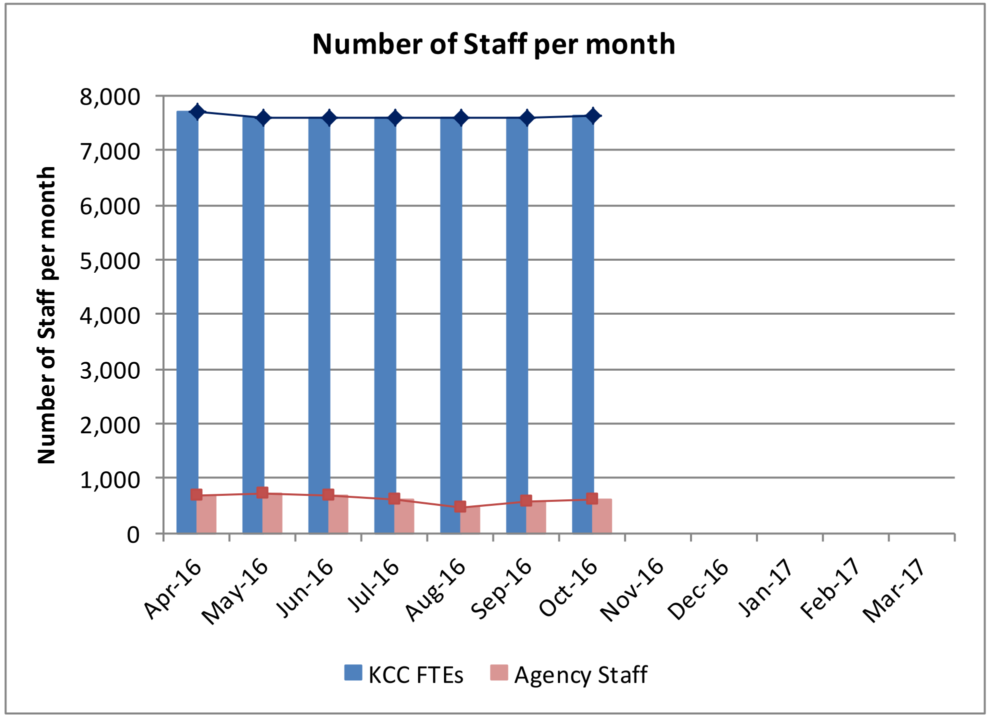
as at 31 Oct 2016	KCC £m	Agency £m	Gross £m
YTD Budget	£183.1	£3.4	£186.5
YTD Spend	£169.0	£12.5	£181.5
YTD Variance	-£14.2	£9.2	-£5.0

Staff numbers	KCC FTEs	Agency Nos
as at 31 Mar 2016	7,719.59	671
as at 31 Oct 2016	7,612.12	599
YTD Movement	-107.47	-72

MAIN REASONS FOR FORECAST VARIANCE:

There is a significant underspend against KCC staff budgets but this is largely offset by an overspend on agency staff.
Vacancies are being held pending the outcome of restructuring and the uncertainty around future budget cuts, which is contributing to the overall underspend against the combined KCC & Agency staff budgets.
The staffing numbers provided are a snapshot position at the end of the month.





Appendix 3

Unaccompanied Asylum Seeking Children (UASC)

1. Forecast position compared to budget by age category

The current position is a forecast overspend of £2.1m as detailed below:

	Cash Limit			Forecast Variance		
	Gross £m	Income £m	Net £m	Gross £m	Income £m	Net £m
Aged under 16	13.1	-13.1	0.0	-5.9	5.2	-0.7
Aged 16 & 17	25.0	-25.0	0.0	-4.0	5.8	1.8
Aged 18 & over (care leavers)	8.4	-7.9	0.6	-1.7	2.8	1.1
	46.5	**-46.0**	**0.6**	**-11.7**	**13.8**	**2.1**

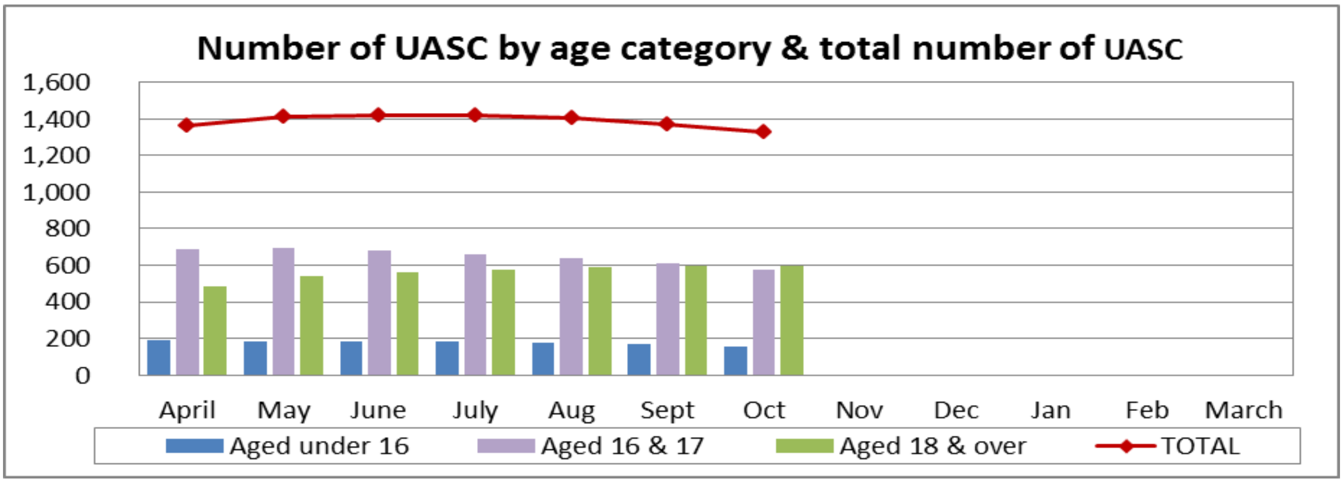
2. Grant rates compared to actual forecast unit costs by age category

	Grant rate per week	Forecast Unit cost per week	Difference
Aged under 16	£1,050	£877	-£173
Aged 16 & 17	£700	£683	-£17
Aged 18 & over (care leavers)	£200	£218	£18

The grant rate shown is paid for all periods of time that qualify as eligible under Home Office grant rules.
The forecast unit cost per week is for all UASC, including both those who are eligible and ineligible for the grant under Home Office grant rules.

3. Number of UASC & Care Leavers by age category

	Aged under 16	Aged 16 & 17	Aged 18 & over	**TOTAL**
April	191	689	486	**1,366**
May	181	691	539	**1,411**
June	182	679	561	**1,422**
July	182	660	577	**1,419**
Aug	176	638	590	**1,404**
Sept	167	613	594	**1,374**
Oct	157	577	595	**1,329**
Nov				
Dec				
Jan				
Feb				
March				



The number of Asylum LAC shown in Appendix 2.11 is different to the total 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.

4. Number of Eligible & Ineligible Clients incl All Rights of appeal Exhausted (ARE) clients at the end of each month

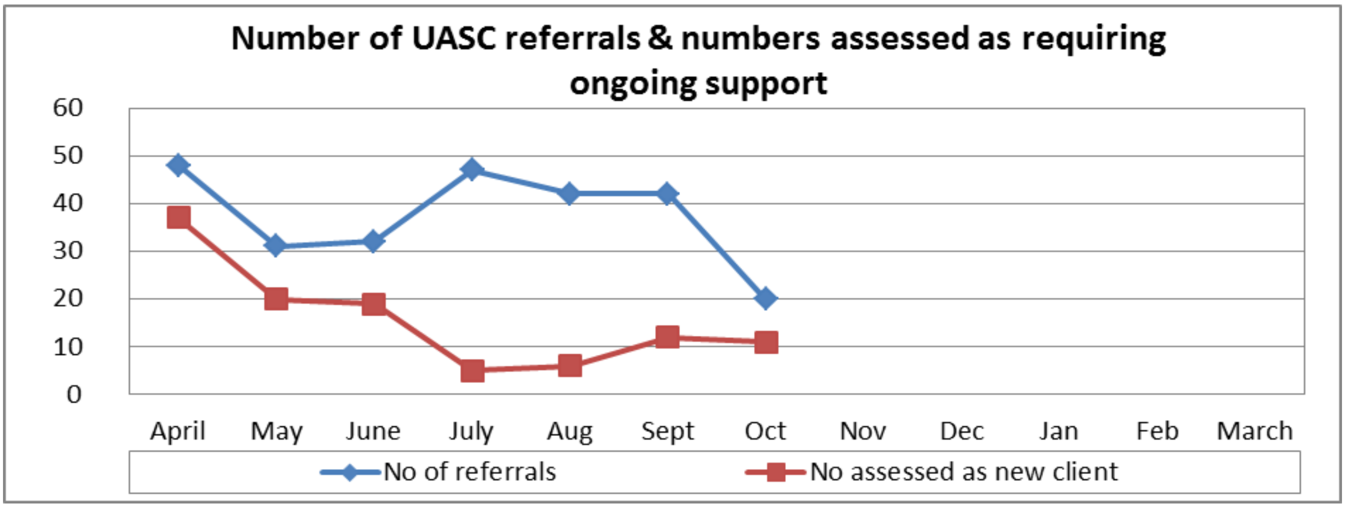
	Eligible Clients	of which AREs	Ineligible Clients	of which AREs	Total Clients	Total AREs
April	1,158	7	208	56	1,366	63
May	1,171	7	240	51	1,411	58
June	1,181	12	241	45	1,422	57
July	1,187	12	232	47	1,419	59
Aug	1,156	19	248	42	1,404	61
Sept	1,134	19	240	40	1,374	59
Oct	1,083	16	246	38	1,329	54
Nov					0	0
Dec					0	0
Jan					0	0
Feb					0	0
March					0	0

Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed.

Ineligible clients are those who do not meet the Home Office grant rules criteria. For young people (under 18), this includes accompanied minors and long term absences (e.g. hospital or prison). For care leavers, there is an additional level of eligibility as the young person must have leave to remain or "continued in time" appeal applications to be classed as an eligible client.

5. Numbers of UASC referrals, assessed as requiring ongoing support

	No of referrals	No assessed as new client	%
April	48	37	77%
May	31	20	65%
June	32	19	59%
July	47	5	11%
Aug	42	6	14%
Sept	42	12	29%
Oct	20	11	55%
Nov			
Dec			
Jan			
Feb			
March			
TOTAL	262	110	42%



6. Total number of dispersals – new referrals & existing UASC

	Arrivals who have been dispersed post new Government Dispersal Scheme (w.e.f 01 July 16)	Former Kent UASC who have been dispersed (entry prior to 01 July 16)	TOTAL
April		12	12
May		4	4
June		10	10
July	14	11	25
Aug	33		33
Sept	33	8	41
Oct	33		33
Nov			0
Dec			0
Jan			0
Feb			0
March			0
TOTAL	113	45	158

The 113 new arrivals that have been dispersed since July are included within the referrals in table 5. The dispersal process has been slower than expected and has resulted in Kent becoming involved in some of the work or assessment for these clients prior to their dispersal and are therefore counting as a referral. It is expected that we will get to the point where clients are dispersed more quickly and therefore will not be included in the referral numbers.

Appendix 4

2016-17 October Monitoring of Prudential Indicators

1. Estimate of Capital Expenditure (excluding PFI)

Actuals 2015-16	£249.121m
Original estimate 2016-17	£299.658m
Revised estimate 2016-17	£291.264m

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

	2015-16 Actual £m	2016-17 Original Estimate £m	2016-17 Forecast as at 31-10-16 £m	2017-18 Forecast as at 31-10-16 £m	2018-19 Forecast as at 31-10-16 £m
Capital Financing requirement	1,348.259	1,335.724	1,363.995	1,320.627	1,272.689
Annual increase/reduction in underlying need to	-34.597	-17.266	15.736	-43.368	-47.938

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

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

Actuals 2015-16	13.90%
Original estimate 2016-17	13.71%
Revised estimate 2016-17	13.89%

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2016-17.

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

	Prudential Indicator £m	Position as at 31-10-16 £m
Borrowing	975	944
Other Long Term Liabilities	248	248
	1,223	1,192

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

	Prudential Indicator	Position as at 31-10-16
	£m	£m
Borrowing	1,015	983
Other Long Term Liabilities	248	248
	1,263	1,231

5. Authorised Limit for External Debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the Council. The revised limits for 2016-17 are:

	Authorised limit for debt relating to KCC assets and activities	Position as at 31-10-16	Authorised limit for total debt managed by KCC	Position as at 31-10-16
	£m	£m	£m	£m
Borrowing	1,015	944	1,055	983
Other long term liabilities	248	248	248	248
	1,263	1,192	1,303	1,231

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

The Council has adopted the Code of Practice on Treasury Management and has adopted a Treasury Management Policy Statement. Compliance has been tested and validated by our independent professional treasury advisers.

7. Upper limits of fixed interest rate and variable rate exposures

The Council has determined the following upper limits for 2016-17

Fixed interest rate exposure	100%
Variable rate exposure	40%

These limits have been complied with in 2016-17

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 31-10-16
	%	%	%
Under 12 months	10	0	3.17
12 months and within 24 months	10	0	3.37
24 months and within 5 years	15	0	6.10
5 years and within 10 years	15	0	10.22
10 years and within 20 years	20	5	10.43
20 years and within 30 years	20	5	18.21
30 years and within 40 years	25	10	13.28
40 years and within 50 years	30	10	23.46
50 years and within 60 years	30	10	11.75

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

Indicator	£230m
Actual	£178.3m

BACKGROUND PAPER

By:	Deputy Leader & Cabinet Member for Finance & Procurement, John Simmonds Corporate Director of Finance & Procurement, Andy Wood Corporate Directors
To:	Corporate Directors & Cabinet Members
Subject:	**REVENUE & CAPITAL BUDGET MONITORING - SEPTEMBER 2016-17**
Classification:	Unrestricted

1. SUMMARY

1.1 This report provides the budget monitoring position up to 30th September 2016-17 for both revenue and capital budgets, including an update on key activity data for our highest risk budgets.

1.2 The format of this report is:

- This covering summary report which provides a high level financial summary and highlights only the most significant issues, as determined by Corporate Directors.
- Appendix 1 – a high level breakdown of the directorate monitoring positions;
- Appendix 2 – activity information for our highest risk budgets;
- Appendix 3 – details of the Asylum service forecast and key activity information including grant rates compared to actual forecast unit costs;
- Appendix 4 – monitoring or revenue reserves, half year position

1.3 Cabinet is asked to note the forecast revenue and capital monitoring position. In the light of further government funding reductions in the short to medium term, it is essential that a balanced revenue position is achieved in 2016-17, as any residual pressures rolled forward into 2017-18 will only compound an already extremely challenging 2017-18 budget position. This forecast revenue pressure of £8.335m (after Corporate Director adjustments), increasing to £9.146m including roll forward requirements, is very clearly a concern, and needs to be managed down to at least a balanced position.

1.4 Although we continue to urge budget managers to be less guarded with their forecasting, the underlying position has in fact slightly worsened again this month from +£10.196m, before roll forward requirements, to +£10.385m (after correcting for an over forecast of £0.815m within EYP). This increase is predominately due to SEN Home to College Transport and SCS Legal fees, offset by improvements within GET & Adult Social Care. However, Corporate Directors are reflecting adjustments this month for the anticipated impact of management action plans which have improved the overall position. The Adult Social Care position is expected to reduce further but even allowing for this, we remain a long way short of achieving a balanced position.

1.5 Assuming that GET are able to balance their position; that we receive funding from the Home Office to offset the Asylum pressure and that the Adult Social Care position can be balanced, **and these are by no means certain**, then the overall position would reduce as follows:

	£m
Current forecast position after CD adjs & roll forward	9.146
Growth, Environment & Transport	-0.100
Asylum	-2.284
Social Care, Health & Wellbeing - Adults	-1.912
	4.850

Senior management are working collectively to identify common areas where spend can be reduced and remain confident that we will achieve a balanced position by year end without imposing a more draconian authority wide moratorium. This situation will be kept under review over the coming weeks.

1.6 The remainder of this report focusses on the underlying £9.146m forecast overspend.

2. RECOMMENDATIONS

Cabinet is asked to:

ii) **Note** the forecast revenue budget monitoring position for 2016-17 and capital budget monitoring position for 2016-17 to 2018-19, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

ii) **Agree** the changes to the capital programme as detailed in section 6.4.

iii) **Note** the half year monitoring position of revenue reserves reflected in Appendix 4.

3. SUMMARISED REVENUE MONITORING POSITION

3.1 Overall the net projected revenue variance for the Council as reported by budget managers is a pressure of £11.200m. Corporate Directors have adjusted this position by -£2.865m, leaving a residual pressure of £8.335m. After allowing for roll forward requirements, the position increases to a pressure of £9.146m. Details of the Corporate Director adjustments and roll forward requirements are provided below in sections 3.4 and 4. respectively. This forecast position, after roll forward requirements, represents a movement of -£1.571m from the position reported to Cabinet in October. The main reasons for this movement are provided in section 3.3 below. In total this position reflects that we are on track to deliver the majority of the £81m of savings included in the approved budget for this year, but further work is urgently required to identify options to eliminate the residual £9.146m forecast pressure. The position by directorate, together with the movement from the last report, is shown in table 1 below.

3.2 Table 1a: Directorate **revenue** position

Directorate		Budget	Net Forecast Variance *	Corporate Director adjustment	Revised Net Variance	Last Reported position	Movement
		£m	£m	£m	£m	£m	£m
Education & Young People's Services		65.890	1.743	-1.615	0.128	0.444	-0.316
Social Care, Health & Wellbeing - Specialist Children's Services		128.478	6.236	-1.050	5.186	6.049	-0.862
Social Care, Health & Wellbeing - Asylum		0.550	2.284		2.284	2.195	0.089
Sub Total SCH&W - Specialist Children's Services		*129.028*	*8.520*	*-1.050*	*7.470*	*8.244*	*-0.774*
Social Care, Health & Wellbeing - Adults		369.648	1.912		1.912	2.041	-0.129
Social Care, Health & Wellbeing - Public Health		-0.016	0.000		0.000	0.000	0.000
Growth, Environment & Transport		166.551	0.300	-0.200	0.100	0.558	-0.458
Strategic & Corporate Services		69.848	0.120		0.120	0.020	0.100
Financing Items		118.608	-1.395		-1.395	-1.395	0.000
TOTAL (excl Schools)		**919.556**	**11.200**	**-2.865**	**8.335**	**9.913**	**-1.578**
Schools (E&YP Directorate)		*0.000*	*6.702*		*6.702*	*6.702*	*0.000*
TOTAL		**919.556**	**17.902**	**-2.865**	**15.037**	**16.615**	**-1.578**
Variance from above (excl schools)					**8.335**	**9.913**	**-1.578**
Roll forwards	- committed				0.090	0.085	0.005
	- re-phased				0.721	0.719	0.001
	- bids				0.000	0.000	0.000
Total roll forward requirements					0.811	0.804	0.006
(-ve Uncommitted balance / (+ve) Deficit					**9.146**	**10.717**	**-1.571**

* the variances reflected in appendix 1 & 2 will feature in this column

Table 1b: Directorate **revenue** position after roll forwards:

Directorate	Variance	Roll Forwards		Revised Variance	Corporate Director adjustment	Variance after roll fwds & CD adj
		committed	un-committed			
	£m	£m	£m	£m	£m	£m
Education & Young People's Services	1.743		0.721	2.463	-1.615	0.848
Social Care, Health & Wellbeing - Specialist Children's Services	6.236	0.090		6.326	-1.050	5.276
Social Care, Health & Wellbeing - Asylum	2.284			2.284		2.284
Sub Total SCH&W - Specialist Children's Services	*8.520*	*0.090*	*0.000*	*8.610*	*-1.050*	*7.560*
Social Care, Health & Wellbeing - Adults	1.912			1.912		1.912
Social Care, Health & Wellbeing - Public Health	0.000			0.000		0.000
Growth, Environment & Transport	0.300			0.300	-0.200	0.100
Strategic & Corporate Services	0.120			0.120		0.120
Financing Items	-1.395			-1.395		-1.395
TOTAL (excl Schools)	**11.200**	**0.090**	**0.721**	**12.011**	**-2.865**	**9.146**

3.3 The main reasons for the movement of -£1.571m since the last report are:

3.3.1 Education & Young People's Services:

The movement in the forecast variance (excluding schools and before roll forward requirements) shows a reduction of -£0.316m this month. The majority of this movement relates to a Corporate Director adjustment of -£0.8m reflecting the impact of identified management action, offset by a +£0.551m increase in Pupil and Student

Transport Services, with SEN Home to College transport accounting for a significant proportion of this increase (+£0.358m). This increase is due to growing numbers of students requiring transport and increasingly irregular timetabling requiring multiple daily journeys as students cannot remain in college unsupervised in between taught lessons. The directorate will be discussing this issue with colleges but it is unlikely to lead to any significant improvement this financial year. There is also an increase in the pressure on Mainstream School Transport (+£0.121m) due mainly to pressure on primary school places in some districts leading to pupils being placed in schools more than two miles from home and becoming entitled to transport. Also within this movement is a further Corporate Director adjustment of -£0.815m which has been necessary to correct an over forecast on Other Schools Related costs.

3.3.2 Social Care, Health & Wellbeing – Specialist Children's Services:

The current forecast variance represents an increase of +£0.188m since the August monitoring report, prior to the Corporate Director adjustment. There are few movements in the forecast, the most significant being an increase in Legal Service charges of +£0.200m, which is primarily due to Legal needing to use locum and external counsel. In addition a Corporate Director adjustment of -£1.050m is reflected this month, which leads to an overall movement of -£0.862m.

3.3.3 Social Care, Health & Wellbeing – Specialist Children's Services – Asylum:

The current forecast pressure of £2.284m represents a minor increase of (+£0.089m) since August.

3.3.4 Social Care, Health & Wellbeing – Adult Social Care:

The pressure on Adults Social Care has reduced by -£0.129m, which is due to a number of compensating movements, the most significant movements include +£1.589m on Learning Disability (LD) residential care, mainly due to the slippage in timeline of transformation savings where clients were expected to be transferred from residential care to supported living. Therefore this is largely offset by a reduction in the position on LD Supported Living of -£1.284m. There is a further increase in the pressure on residential and nursing care for the other client groups of +£1.056m that is offset by a reduction in Preventative and Other Adult Services of -£0.982m, which comprises of a number of movements, including: housing related support (+£0.659m) due to the re-phasing of savings; increased demand for equipment (+£0.331m), increased use of one-off monies (-£0.909m), reduction in Social Support costs (-£0.371m), and Social Fund (-£0.191m). Adult Social Care staffing has reduced by a further -£0.171m this month and the remaining balance of -£0.337m is across a number of other budget lines including day care (-£0.135m) and non-residential charging income (-£0.115m).

3.3.5 Social Care, Health & Wellbeing – Public Health:

There is an overall movement of -£0.091m since the last reported position in September, this will be transferred to the Public Health reserve, hence no movement is reflected in table 1. The movement is largely accounted for by the forecast for Tobacco Control & Stop Smoking Services which moved by -£0.087m due to over provision of creditors relating to 2015-16 for prescribing costs.

3.3.6 Growth, Environment and Transport:

The current forecast outturn for the directorate is a +£0.100m overspend, representing a reduction of -£0.458m since the last report. The +£0.100m overspend is net of the Corporate Director adjustment set out below in section 3.4.6.10 of -

£0.200m, which is a reduction of £0.331m from the prior month as the contract reviews within the Waste Service are now unlikely to be implemented until January 2017.

Increases in General Highways Maintenance & Emergency Response (+£0.129m) and Treatment & Disposal of Residual Waste (+£0.195m) have been more than offset by reductions in Environment (-£0.186m), in Waste Processing (-£0.099m) and a significant reduction in Other Highways Maintenance and Management (-£0.758m), which can largely be attributed to a reduction in forecast on the Traffic Management line (-£0.747m) and is a result of staffing, energy and maintenance efficiencies, following a successful re-procurement of the maintenance contract.

Once the reduction in the Corporate Director adjustment of +£0.331m has been taken into account, other minor variances (-£0.070m) across the directorate reconcile the above to the overall favourable -£0.458m movement this month.

3.3.7 Strategic and Corporate Services:

The Directorate forecast (excluding the Asset Utilisation target) has moved by +£0.100m to an underspend of -£0.393m, whilst the position on Asset Utilisation remains unchanged at +£0.513m, giving an overall small pressure of +£0.120m. Within the Directorate forecast, the Contact Centre, Digital Web Services & Gateways A-Z line has moved by +£0.081 due to the impact of the number and duration of calls, in part due to some Directorate Service delivery performance issues in EYPS. All other Divisions within the control of the S&CS Directorate have moved by less than £0.050m each.

3.3.8 Financing Items:

There is no change to the forecast position this month.

3.4 **Revenue budget monitoring headlines (please refer to Appendix 1)**

3.4.1 Education & Young People's Services

3.4.1.1 The forecast variance of £1.7m before a Corporate Director adjustment (excluding schools and before roll forward requirements) is made up of a small number of large variances on a number of service lines as follows:

3.4.1.2 There is a forecast pressure on Pupil & Student Transport Services of £1.5m. This forecast is based on the latest available information and includes overspends on SEN Home to School Transport as reported last month together with recently emerging pressures on SEN Home to College transport and Mainstream Transport as reported in paragraph 3.3.1. The main reasons for this overspend are:

- Although £1.5m additional funding was put into this budget for 2016-17 to reflect the forecast activity levels at the time of setting the budget (Qtr2 2015-16), the actual activity by 2015-16 year end had increased further leading to an underlying pressure in 2016-17 of £0.556m.
- The savings from route optimisation and procurement practices appears to be £0.370m lower than the target of £1.17m. It is anticipated that the full saving value will be achieved in 2017-18.
- Slightly higher average unit cost than previous years, over and above the 1% price funding that was put into the budget. The latest forecast accounts for approximately £0.2m of the pressure (i.e the equivalent of a 2% increase).
- A pressure of £0.358m on SEN Home to College transport as mentioned above in paragraph 3.3.1.

- A pressure of £0.121m on Mainstream Home to School transport as mentioned above in paragraph 3.3.1.
- A saving of payments to Pupil Referral Units of £0.120m.

3.4.1.3 A major part of the -£0.9m underspend on Early Help & Prevention for Children and Families relates to Tackling Troubled Families (£0.7m) for which a roll forward request, into the next financial year, will be submitted in order to continue the scheme.

3.4.1.4 There is a forecast pressure of £0.2m within Early Years Education & Childcare which predominately relates to the three in-house nurseries. The service has restructured these nurseries, resulting in some one-off costs, and they have recently been relaunched, aiming to reduce costs, increase income and move towards a balanced budget for next year.

3.4.1.5 There is a forecast pressure of £1.4m on Other Schools' Related Costs which reduces to £0.6m after a Corporate Directors adjustment to remove an over forecast. £0.2m of this relates to payments for employee tribunal cases for former school staff. The remaining pressure of £0.4m mainly relates to revenue maintenance costs that are in excess of the capital grant available.

3.4.1.6 There is a forecast underspend of -£0.3m on EYPS Management & Support Services most of which relates to Education Pensions as capitalisation costs are slightly lower than expected.

3.4.1.7 In addition, there are small forecast underspends of -£0.1m on each of the following:

- Other Services for Young People & School Related Services which relates to school improvement budgets;
- Youth and Offending Services as a result of savings on youth commissioning due to retendering;
- SEN & Psychology Services, mainly due to increased trading income for the Psychology service.

3.4.1.8 A Corporate Director adjustment of -£1.615m is reflected this month. -£0.815m is referred to in 3.4.1.5 above relating to removal of an over-forecast. The remaining £0.8m reflects the impact of identified management actions, predominately relating to anticipated changes to forecasts based on latest information, release of one-off monies and anticipated savings from a review of non-essential spending .

3.4.2 <u>Social Care, Health & Wellbeing – Specialist Children's Services</u>

3.4.2.1 The overall forecast position for Specialist Children's Services (excluding Asylum) of a pressure of £6.2m - this, however, is broken down into main 2 areas: Specialist Children's Services - £6.0m and Children with a Disability - £0.2m.

3.4.2.2 The main areas of pressure continue in elements of Children in Care (Looked After) Services (residential care (+£2.6m) and independent fostering (+ £1.3m); Adoption & Other Permanent Children's Arrangements (+£1.2m) (mostly relating to special guardianship orders +£1.6m), and Children's Assessment & Safeguarding Staffing (+£1.1m), offset by small underspends against other budgets.

3.4.2.3 In summary, the pressures on residential and independent fostering are due to full year effect of increases in numbers during 2015-16 which have continued into 2016-17; costs rising due to increasing complexity and needs, and in part due to transformation and other savings being unachievable. Although the numbers of children in residential placements has stabilised over this year, the numbers in IFA's has continued to rise (as seen in Appendix 2.8).

3.4.2.4 Similarly the pressure on Special Guardianship orders is due to increased numbers of orders being granted at court which are greater than the affordable level budgeted for. The monthly trend increase that has been seen appears to have slowed down however in the last 3 months (as seen in Appendix 2.11).

3.4.2.5 The pressure on Children's Assessment Staffing (+£1.6m) is primarily in relation to the need to retain agency staff at a higher cost, because of the continuing difficulties in recruiting permanent social workers.

3.4.2.6 There is a Corporate Director adjustment of -£1.050m reflecting that an extensive management action plan is now in place with the intention of both achieving a reduction in expenditure in the current year to reduce the overspend to £5m (excluding Children's Disability Services) and to reduce the committed expenditure going in to the financial year 2017-18. The plan is wide ranging and focused particularly on the areas which saw increased activity in the second half of 2015-16.

3.4.3 <u>Social Care, Health & Wellbeing – Specialist Children's Services - Asylum</u>

3.4.3.1 The current forecast pressure for Asylum is £2.3m. In spite of the commencement of the National Transfer Scheme (NTS) it seems inevitable that this figure will rise. At the time of writing, the NTS is barely keeping pace with the current rate of arrivals which remains much reduced from the figures of 2015. Whilst there is some reasonable expectation that it will increase its capacity in order to deal with the new entrants, it is looking far less likely that it will achieve the transfer of any of the legacy cases. There is a diminishing opportunity for this as the more settled young people become the more the Council would be open to challenge from individuals about being moved against their best interests. This situation is exacerbated by the age profile of the Unaccompanied Asylum Seeking Children (UASC) in Kent. They are turning 18 at the rate of approximately 30 per month and we know that over 100 will have their eighteenth birthday in January 2017. Under the current financial arrangements it remains the case that the Government does not fund local authorities for the full cost of the over 18, care leaver cohort. In order to avoid a significant escalation in the costs of Asylum to the Council directly, the Government needs to change its funding regime. The Council is actively lobbying the new ministerial team at the Home Office on both this issue and the need to make the NTS mandatory for local authorities to participate.

3.4.4 <u>Social Care, Health & Wellbeing – Adult Social Care</u>

3.4.4.1 The forecast variance of +£1.9m reflects total pressures of +£7.8m resulting from the direct provision of services to clients across adult social care, which is partially offset by anticipated underspends on assessment staffing mainly within Learning Disability and Mental Health (-£1.3m), preventative services (-£1.3m) along with the use of one off monies (-£2.8m) to offset the rising costs of social care, and other support budgets (-£0.5m).

3.4.4.2 There are still significant pressures on Mental Health residential care and supported living services (+£2.1m & +£0.7m respectively) which are only partially offset by minor underspends on other community based services (-£0.2m). The service is still seeing significant increases in the cost of residential care due to both the increased complexities of clients going into care along with financial pressures in the market leading to higher costs.

3.4.4.3 Learning Disability direct services are forecasting a total pressure of +£2.4m. Significant pressures continue in supported living commissioned externally (+£2.3m see appendix 2.2), residential care (+£0.8m see appendix 2.1) and day care services (+£0.8m). These are offset by underspends across other services, the most significant being shared lives services (-£0.8m) and also direct payments (-£0.2m see appendix 2.3). An over recovery of non-residential charging income (-£0.5m) is also offsetting the pressure. The overall pressure on this service is partially due to the delay in the delivery of transformation, day care and transport savings (+£1.1m). The forecast does however assume that further savings of -£1.2m will be delivered before the end of the financial year.

3.4.4.4 Older People and Physical Disability residential and community direct services are forecasting a net pressure of (+£2.8m), which includes a number of offsetting variances. The most significant are outlined below: the actual pressure on domiciliary care services is £4.6m of which, £3.6m relates specifically to Older People as outlined in appendix 2.6. This is partially offset by higher levels of client income resulting from this activity (-£1.3m), along with underspends against direct payments of (-£2.6m). The overall pressure on residential & nursing care is now (+£2.1m), mainly due to higher than anticipated demand for older people residential care services (see appendix 2.4) partially offset by lower demand for older people nursing care (see appendix 2.5). This forecast also assumes that funding is set aside for winter pressures. If there is no increased spend as a result of winter then this funding will be available to offset other pressures. In addition, the forecast for Older People and Physical Disability services assumes (+£0.9m) of the MTFP savings are still to be achieved before the end of the financial year.

3.4.4.5 Within Adult & Older People Preventative & Other Services, there is a significant pressure on the equipment budget of (+£1.0m) resulting from higher than anticipated demand; re-phasing of some of the savings on housing related support (+£0.6m), offset by forecast underspends (-£2.1m) on social support services such as carers, information and early intervention and social isolation; Social Fund of (-£0.3m), and other minor underspends of (-£0.4m), together with the use of one off monies (-£2.8m) to offset the rising costs of social care.

3.4.4.6 It remains the expectation that the current forecast overspend in Adult Social care can be reduced. This can, in part, be achieved by the application of some central funding streams such as Care Act monies and the remainder by management action.

3.4.5 <u>Social Care, Health & Wellbeing – Public Health</u>

3.4.5.1 The overall variance prior to any transfer to/from the Public Health reserve is a forecast underspend of -£0.7m.

3.4.5.2 There are pressures forecast on three services: Other Children's Public Health Programmes (+£0.3m) due to increased costs of promoting breast feeding to new mothers and higher than budgeted costs on school nursing; Obesity & Physical Activity (+£0.2m) due to the costs of additional Tier 3 Weight Management and Dietetics activity, and Drug & Alcohol Services (+£0.1m). These pressures have been more than offset by underspends in: Targeting Health Inequalities (-£0.4m), which includes underspending resulting from the number of health checks being below the budgeted level; Tobacco Control & Stop Smoking Services (-£0.3m) and Sexual Health Services (-£0.3m) which primarily relate to unrealised creditors set up in 2015-16, and Public Health Staffing Advice and Monitoring is also underspending (-£0.2m) due to staff vacancies.

3.4.6 Growth, Environment and Transport

3.4.6.1 The overall variance for the Directorate, before Corporate Director adjustments, is a much reduced pressure of +£0.3m.

3.4.6.2 The three main pressures previously reported to Cabinet remain, with the latest forecasts being Young Persons Travel Pass (YPTP) +£0.5m, Waste +£0.9m and Economic Development & Other Community Services +£0.3m respectively. These areas are showing minimal changes at this stage.

3.4.6.3 The pressure against Young Persons Travel Pass (YPTP) relates to the saving of +£0.5m built into the budget to reflect the reduced take-up and fewer journey numbers seen in 2015-16 at the time the budget was being set. Unfortunately increased journey numbers and cost in the third and fourth quarters of 2015-16 has put this saving at risk. This trend has failed to reverse in the current period but the directorate is looking to reduce the variance through management action and a review of additional capacity payments.

3.4.6.4 Waste is forecasting an overall pressure of +£0.9m (and activity of +5,529 tonnes).

Waste Processing is responsible for +£0.5m (and activity of -1,752 tonnes) of this forecast overspend (see Appendix 2.15 for further details).

Importantly, in future months, it is likely that there will be additional tipping away payments in relation to North Farm (Tunbridge Wells) following the serious fire on 22nd October 2016. The impact of this, and an update on any tonnage related pressures, will be confirmed next month.

The Treatment and Disposal of Residual Waste budget is now showing a net pressure of +£0.5m (and activity of +7,281 tonnes) (see Appendix 2.14 for further details).

There is also an underspend of -£0.1m on Waste Management explaining how the overall pressure on the Waste Service is +£0.9m.

A Corporate Director adjustment (see 3.4.6.10) of -£0.2m has been reflected to part mitigate pressures on the Waste Service as a whole, with the service continuing to review its contracts over the coming months but the service is of course subject to fluctuating – and unfortunately rising – tonnage levels.

3.4.6.5 Economic Development and Other Community Services is forecasting a pressure of +£0.3m, primarily due to the +£0.5m commercial business rate pool saving being forecast as unlikely to be delivered in the current period. There are ongoing negotiations in terms of the current and future years but the service has prudently held vacancies and phased recruitment to the new structure throughout the year to part mitigate this pressure.

In addition, the agreed management charge against the Kent and Medway Business Fund scheme (continuing on from the Regional Growth Fund schemes) has reduced the pressure, as the staff supporting this capital project are not base funded and this represents a new income stream.

3.4.6.6 The pressure on the Coroners service of +£0.1m remains in respect of increased activity and unbudgeted staff costs.

3.4.6.7 The £0.3m pressure within General Highways Maintenance and Emergency Response is primarily explained by a spate of safety critical and inspection works that were required on the road network.

3.4.6.8 To offset the above pressure, and to reduce the forecast overspend on the directorate as a whole, expenditure within Other Highways Maintenance & Management now shows a forecast underspend of -£0.8m, primarily due to maintenance savings on the LED Streetlight conversion project and the re-procurement of the Traffic Management contract.

3.4.6.9 The primary underspends in the directorate relate to Libraries, Registration and Archives (LRA) -£0.3m, Concessionary Fares (ENCTS) -£0.3m and Environment -£0.2m. In addition, there is also a -£0.1m underspend shown within GE&T Management and Support Services.

These above movements can be explained by the over-delivery of registration income and holding vacancies (LRA), the forecast reduction in journey numbers in line with national trends (ENCTS) and grant income of £0.1m that was due to be received in 2015-16 but had been challenged by the auditors of the funding body; the challenge has now been resolved with a successful outcome for KCC (Environment).

The ENCTS variance can be seen visually in Appendix 2.12, whereby journeys are forecast to be -£0.2m under budgeted levels.

3.4.6.10 A Corporate Director adjustment of -£0.2m has been made in this monitoring report to partially offset the adverse variance of +£0.9m for Waste Services. The Service has been implementing management action to mitigate the forecast overspend but timing meant that this could not be included in the relevant monitoring return.

Management action and contract/procurement opportunities will continue to be identified but the level of the Corporate Directorate adjustment in relation to Waste Services has been reduced from £0.4m to £0.2m as a result of contractual amendments unlikely to be implemented until January 2017.

Prior to the Corporate Director adjustment of £0.2m, the above variances explain an overall pressure within the directorate of +£0.3m.

3.4.7 <u>Strategic and Corporate Services</u>

3.4.7.1 The overall variance reflected in appendix 1 for the directorate is +£0.1m which is made up of -£0.4m for the directorate and +£0.5m relating to the Corporate aspirational savings target for Asset Utilisation, held within the Corporate Landlord budgets of the Infrastructure & Business Services Centre line of Appendix 1, the delivery of which depends on operational service requirements and Member decisions regarding the exiting of buildings.

3.4.7.2 The Directorate variance of -£0.4m relates to -£0.3m for Finance & Procurement coming from unbudgeted income opportunities which have arisen in Procurement from work with the West Kent CCG and Revenue Finance for hosting the Better Care Fund; -£0.2m Engagement, Organisation Design & Development relating primarily to staffing vacancies; -£0.2m Strategy, Policy, Relationships & Corporate Assurance resulting from staff maternity and secondments together with unbudgeted project income from the NHS; +£0.2m Legal Services primarily due to staff vacancies, recruitment and training of new staff which is impacting income generation; +£0.1m Infrastructure which consists of many variances across all units within the Division.

3.4.8 Financing Items

The financing items budgets are currently forecast to underspend by £1.4m, which is due to:

3.4.8.1 Additional Government funding compared to our assumptions at the time of setting the budget, together with additional retained business rates relating to 2015-16, result in a forecast underspend of £0.9m.

3.4.8.2 A forecast underspend of £0.4m on the net debt charges budget, mainly due to lower than budgeted interest costs, including a reduction in bank charges following the recent retendering for banking services and savings on brokerage fees, as we are not looking to take out any new borrowing this financial year.

3.4.8.3 A £0.1m underspend is forecast as a result of lower than budgeted external audit fees.

3.5 **Schools delegated budgets:**

The schools delegated budget is currently forecast to overspend by £6.702m which is due to:

- +£2.171m as a result of an estimated 20 schools converting to academy status and taking their accumulated reserves with them;
- +£2.094m use of schools unallocated reserves to offset pressures on High Needs and Early Years education;
- +£2.437m use of schools unallocated reserves to fund in year schools related pressures.

As a result, schools reserves are forecast to reduce from £46.361m to £39.659m.

3.6 Table 2: **Performance of our wholly owned companies**

Dividends/Contributions (£m)	Budget	Forecast	From trading surplus	from reserves
Commercial Services	8.700	8.700	6.764	1.936
GEN2	0.542	0.542	0.542	0.000

4. DETAILS OF REVENUE ROLL FORWARDS/RE-PHASINGS

Table 3: **Breakdown of the roll forward figures shown in tables 1a and 1b**.

	Committed £m	Uncommitted £m
Tackling Troubled Families (EYP directorate)		0.721
Re-phasing of Kent Children's Safeguarding Board in to 2017-18. This represents KCC's share of the underspend of the KCSB, which under the terms of the multi-agency agreement, KCC has an obligation to fund (SCHW SCS)	0.090	

5. REVENUE BUDGET VIREMENTS/CHANGES TO BUDGETS

5.1 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 the allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.

6. SUMMARISED CAPITAL MONITORING POSITION

6.1 There is a reported variance of -£22.402m on the 2016-17 capital budget (excluding schools and PFI). This is a movement of -£4.119m from the previously reported position and is made up of -£3.066m real variance and -£19.336m rephasing.

6.2 Table 4: Directorate **capital** position

Directorate	2016-17 Working budget	2016-17 Variance	Real variance	Re-phasing variance	Last reported position		Movement	
					Real	Rephasing	Real	Rephasing
	£m	£m	£m	£m	£m	£m	£m	£m
Education & Young People's Services	145.094	-2.032	-0.762	-1.270	-0.762	0.301	0.000	-1.571
Social Care, Health & Wellbeing - Specialist Children's Services	0.109	0.040	0.040		0.040	0.000	0.000	0.000
Social Care, Health & Wellbeing - Adults	6.401	-3.060	0.542	-3.602	-1.886	0.000	2.428	-3.602
Social Care, Health & Wellbeing - Public Health	0.360	-0.235	0.000	-0.235	0.000	0.000	0.000	-0.235
Growth, Environment & Transport	131.055	-16.959	-2.918	-14.041	-4.029	-11.767	1.111	-2.274
Strategic & Corporate Services	20.497	-0.156	0.032	-0.188	0.008	-0.188	0.024	0.000
Financing Items	0.000				0.000	0.000	0.000	0.000
TOTAL	**303.516**	**-22.402**	**-3.066**	**-19.336**	**-6.629**	**-11.654**	**3.563**	**-7.682**

6.3 Capital budget monitoring headlines

Movements greater than £0.100m on real variances and movements greater than £1.0m due to rephasing are described below:

<u>Education & Young People's Services</u>

- Special Schools Review Phase 2: Real movement of +£1.487m. +£1.110m is due to additional pressures at Five Acre Wood, Oakley and Foxwood & Highview. It is proposed this is funded from an underspend on the special school expansions in the basic need programme. The remaining +£0.377m is due to roofing works required at Five Acre Wood. This is to be funded from the Annual Planned Enhancement Programme.

- Annual Planned Enhancement Programme: Real movement of -£0.377m to fund Five Acre Wood.

- Basic Need Programme: Real movement of -£1.110m. Underspend on special school expansions, proposed to fund the pressures on the Special School Review Programme mentioned above.

<u>Social Care, Health & Wellbeing – Specialist Children's Services</u>

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

<u>Social Care, Health & Wellbeing – Adults</u>

- OP Strategy Specialist Care Facilities: Movement of -£2.0m due to rephasing. Options for this project are being considered and proposals to re-provide services need to be fully worked up.

- Home Support Fund & Equipment: “Real” movement of +£2.630m. Last month there was a forecast underspend of -£2.146m to reflect that these costs will now be going through revenue. A cash limit adjustment was therefore done to remove the budget from capital. This has now resulted in a “positive” movement.

  The remaining movement of +£0.484m is due to the forecast of legitimate capital expenditure on this scheme, which will be funded from a revenue contribution.

Social Care, Health & Wellbeing – Public Health

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Growth, Environment & Transport

Highways, Transportation & Waste

- Swale Transfer Station – A reduced real underspend is now being reported (last month -£0.866m, now estimated at -£0.395m, movement of +£0.471m). The scheme provides new infrastructure for waste compaction, a site office and an additional weighbridge. The underspend has reduced following discussions with Southern Water over design changes required to the Gas Road Bridge (which is listed) and its sub-structures. The remaining underspend will be used to offset the pressure on the Richborough scheme.

- Richborough Landfill Site – A reduced real overspend is now being reported (last month +£0.866m, now estimated at +£0.700m, a movement of -£0.166m). The pressure of £0.700m is to be part offset by the underspend on Swale Transfer Station (£0.395m), leaving an unfunded pressure of £0.305m. The Service continues to look at value engineering and other management action, as well as identifying alternative funding options now that the Swale Transfer Station underspend has reduced.

- Integrated Transport Schemes: Movement of +£0.366m real variance, due to additional developer funded schemes not included within the original budget.

- Maidstone Gyratory Bypass: Movement of +£0.285m real variance. The project is now forecasting an underspend of -0.686m, which has reduced from -£0.971m reported last month). An additional element of work identified has decreased the underspend.

- M20 Junction 4 Eastern Overbridge: Movement of +£0.171m real overspend. Programme delays of approximately two months incurring additional costs have resulted in the movement this month. Additional developer contributions will cover the overspend.

- A28 Chart Road, Ashford. Increased rephasing of -£1.161m, due to delays in signing the S106 agreement and the land negotiations being extended, so the purchase is unlikely to happen in 2016-17.

Environment, Planning and Enforcement and Libraries, Registration and Archives

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Economic Development

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Strategic & Corporate Services

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

6.4 **CAPITAL BUDGET PROPOSED CASH LIMIT CHANGES**

Project	Directorate	Amount £m	Year	Funding	Reason
Special Schools Review (SSR) Phase 2	EYPS	+1.110	2016-17	Grant	Pressures on 3 schools, to be funded from underspend on basic need.
Basic Need	EYPS	-1.110	2016-17	Grant	Underspend to cover pressure on SSR Phase 2.
Kent Empty Property Initiative	GET	+0.285	2016-17	External – Other	Contribution from Shepway District Council

7. CONCLUSIONS

7.1 It is concerning that the revenue position before Corporate Director adjustments has deteriorated again this month, which predominately relates to an adverse movement on Home to School/College Transport together with some offsetting movements including increased pressures within Specialist Children's Services, offset by improvements within Adult Social Care and Growth, Environment & Transport. However, the forecasts show the majority of the £81m savings are on track to be delivered and the intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant Directorate will be made as appropriate. It is clear that alternative saving plans have not yet all been sufficiently developed, but it is our expectation that once these alternative plans are finalised and agreed then the forecast pressure will reduce. Senior management are working collectively to identify areas where spending can be reduced with the aim of avoiding the imposition of an authority wide moratorium and remain confident that this will be achieved. The objective remains, and will do so throughout this financial year, to eliminate this forecast overspend with minimal impact on front-line services.

8. RECOMMENDATIONS

Cabinet is asked to:

8.1 **Note** the forecast revenue budget monitoring position for 2016-17 and capital budget monitoring position for 2016-17 to 2018-19, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

8.2 **Agree** the changes to the capital programme as detailed in section 6.4.

8.3 **Note** the half year monitoring position of revenue reserves reflected in Appendix 4.

Appendix 1

Breakdown of Directorate Monitoring Position

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
Education & Young People					
Early Help & Prevention for Children and Families	28.9	-9.8	19.1	-0.9	0.0
Early Years Education & Childcare	63.7	-62.4	1.3	0.2	0.0
Attendance, Behaviour and Exclusion Services	5.1	-4.9	0.1	0.0	0.0
High Needs Education Budgets (excl. Schools & Pupil Referral Units)	31.2	-31.2	0.0	0.0	0.0
SEN & Psychology Services	18.0	-14.7	3.3	-0.1	0.0
Other Services for Young People & School Related Services	17.5	-13.2	4.4	-0.1	0.0
Pupil & Student Transport Services**	34.2	-3.7	30.5	1.5	0.6
Other Schools' Related Costs	33.9	-33.8	0.1	1.4	0.9
Youth and Offending Services	5.2	-3.5	1.7	-0.1	-0.1
Adult Education and Employments Services for Vulnerable Adults	13.5	-14.4	-0.9	0.0	0.0
EYP Management & Support Services	20.2	-14.0	6.2	-0.3	-0.1
Sub Total E&YP directorate	**271.4**	**-205.6**	**65.9**	**1.7**	**1.3**
Social Care, Health & Wellbeing					
Learning Disability Adult Services**	156.9	-12.4	144.5	2.4	0.1
Physical Disability Adult Services	36.2	-4.2	32.0	-0.2	0.2
Mental Health Adult Services	13.8	-1.7	12.2	2.5	0.1
Older People Adult Services**	169.5	-81.9	87.6	3.0	0.7
Adult & Older People Preventative & Other Services	66.0	-20.9	45.1	-4.1	-1.0
Adult's Assessment & Safeguarding Staffing	43.6	-6.2	37.4	-1.3	-0.2
Children in Care (Looked After) Services**	59.5	-7.2	52.3	4.1	0.2
Adoption & Other Permanent Children's Arrangements	11.6	-0.1	11.5	1.2	0.0
Family Support & Other Children Services	25.1	-6.8	18.2	-0.3	0.1
Asylum Seekers**	46.5	-46.0	0.6	2.3	0.1
Children's Assessment Staffing**	51.6	-9.8	41.9	1.6	0.2
Public Health	77.6	-76.3	1.3	-0.7	-0.1
Transfer to/from Public Health Reserve	-1.3	0.0	-1.3	*0.7*	0.1
SCH&W Management & Support Services	17.7	-2.1	15.6	-0.8	-0.1
Sub Total SCH&W directorate	**774.3**	**-275.7**	**498.7**	**10.4**	**0.4**

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
Growth, Environment & Transport					
Libraries Registrations & Archives	16.9	-6.0	11.0	-0.3	0.0
Environment	9.3	-5.4	3.9	-0.2	-0.2
Economic Development and Other Community Services	9.1	-3.8	5.3	0.3	0.0
General Highways Maintenance & Emergency Response	8.9	-0.5	8.4	0.3	0.1
Other Highways Maintenance & Management	31.3	-8.1	23.2	-0.8	-0.8
Public Protection & Enforcement	11.1	-2.1	8.9	0.1	0.0
Planning & Transport Strategy and Other Related Services (inc School Crossing Patrols)	4.6	-0.7	3.9	0.0	0.0
Concessionary Fares	17.1	0.0	17.1	-0.3	0.0
Subsidised Bus Services	8.3	-2.2	6.0	0.0	0.0
Young Person's Travel Pass	14.4	-6.1	8.3	0.5	0.0
Waste Management	2.1	0.0	2.0	-0.1	-0.1
Waste Processing**	29.8	-1.4	28.4	0.5	-0.1
Treatment and Disposal of Residual Waste**	36.2	0.0	36.2	0.5	0.2
GE&T Management & Support Services	4.0	-0.1	3.9	-0.1	0.0
Sub Total GE&T directorate	**203.0**	**-36.5**	**166.6**	**0.3**	**-0.8**
Strategic & Corporate Services					
Contact Centre, Digital Web Services & Gateways	5.6	-0.4	5.2	0.1	0.1
Local Democracy	5.3	0.0	5.3	0.0	0.0
Infrastructure (ICT & Property Services) & Business Services Centre	78.5	-42.2	36.3	0.7	0.0
Finance & Procurement	17.1	-6.2	10.8	-0.3	0.0
Engagement, Organisation Design & Development (HR, Comms & Engagement)	11.4	-1.8	9.6	-0.2	0.0
Other Support to Front Line Services	16.1	-11.1	5.1	-0.1	0.1
S&CS Management & Support Services	2.8	-5.2	-2.4	0.0	0.0
Sub Total S&CS directorate	**136.7**	**-66.9**	**69.8**	**0.1**	**0.1**
Financing Items	**135.8**	**-17.2**	**118.6**	**-1.4**	**0.0**
TOTAL KCC (Excluding Schools)	**1,521.3**	**-601.7**	**919.6**	**11.2**	**1.0**

**See Appendix 2 & 3 within the monitoring report for further details of key cost drivers of specific service lines

Please note that budgets are held in the financial system to the nearest £100 and hence the figures in the table above and throughout Appendix 2 may not add through exactly due to issues caused by rounding the figures for this report.

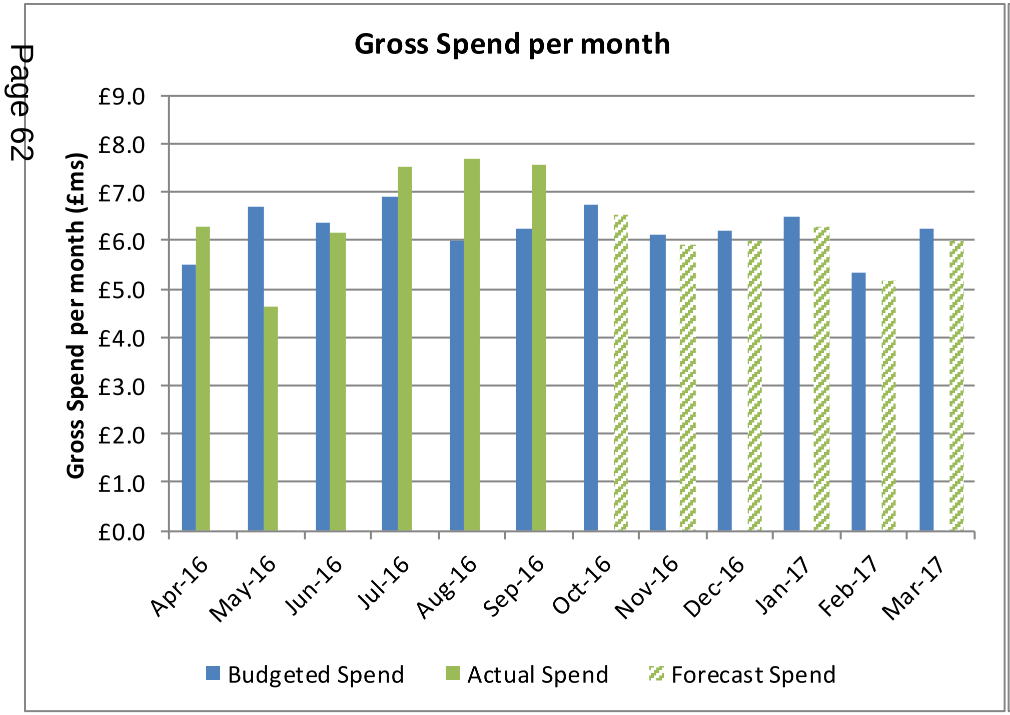
Appendix 2.1: Nursing & Residential Care - Learning Disability (aged 18+)

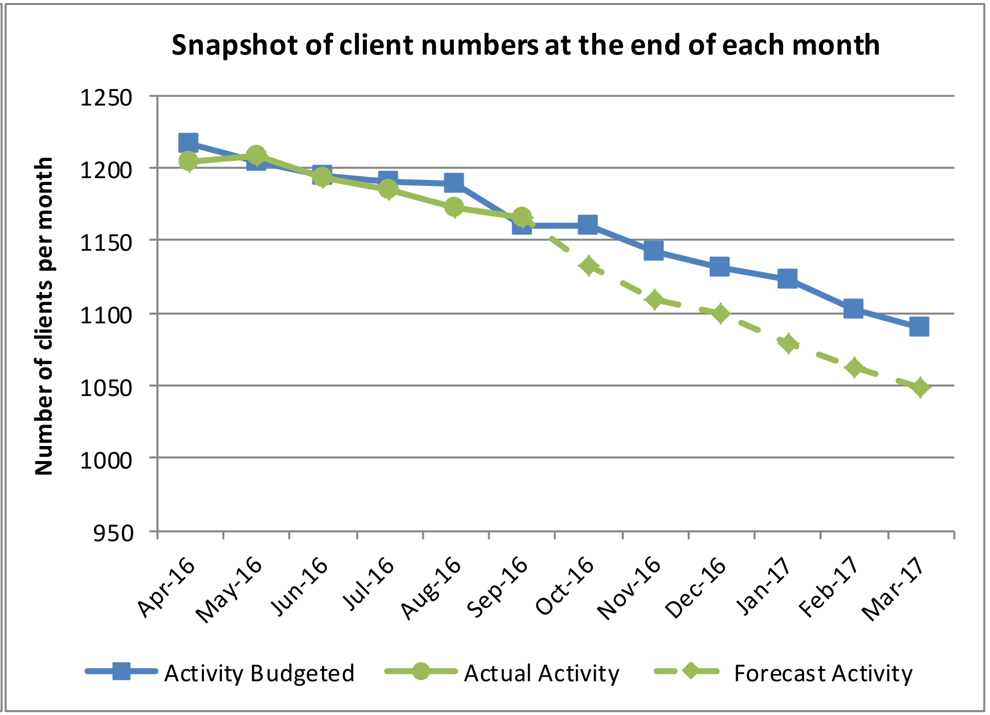
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£74.9	-£6.1	£68.8	1,090
Forecast	£75.7	-£6.1	£69.6	1,048
Variance	£0.7	£0.1	£0.8	-42

Position as at 30th Sep 2016	Gross £m	Client Number as at 30/09/2016
Budget: Spend/Activity Year to Date	37.8	1,160
Actual: Spend/Activity Year to Date	39.9	1,166
Variance as at 30th Sep 2016	£2.1	6

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast overspend of £0.7m is due to higher than anticipated demand (+£0.9m) and higher unit cost (+£0.2m), along with an allowance for unrealised creditor based on previous years experience (-£0.4m). Lower than expected service user contributions (+£0.1m) linked to a lower average contribution per service user leads to a net forecast overspend of £0.8m.





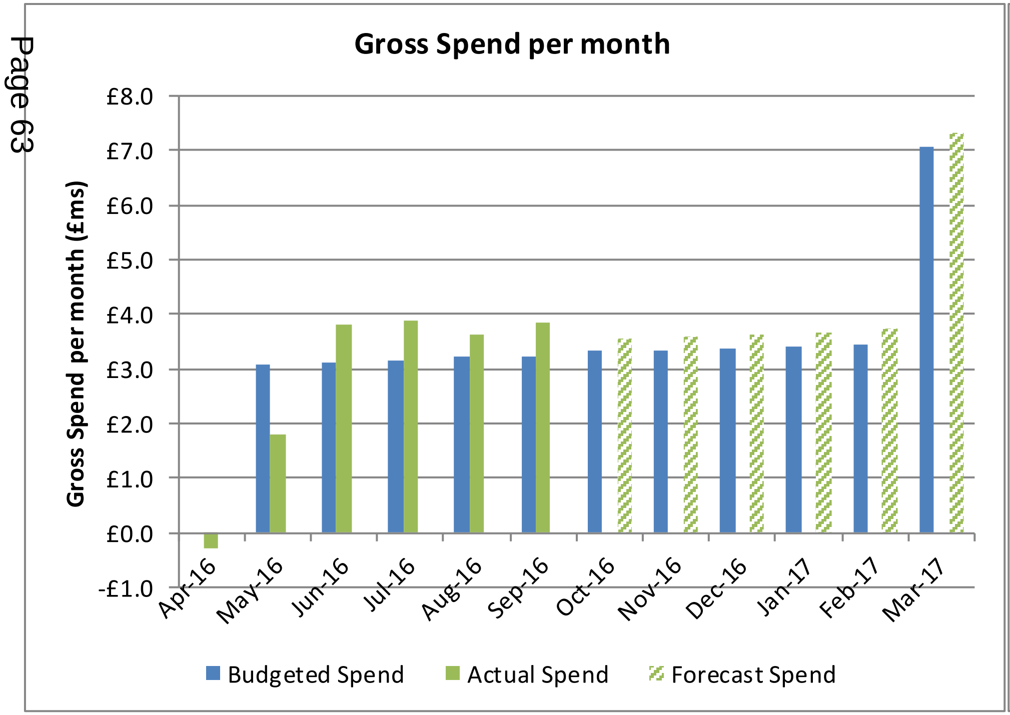
Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements

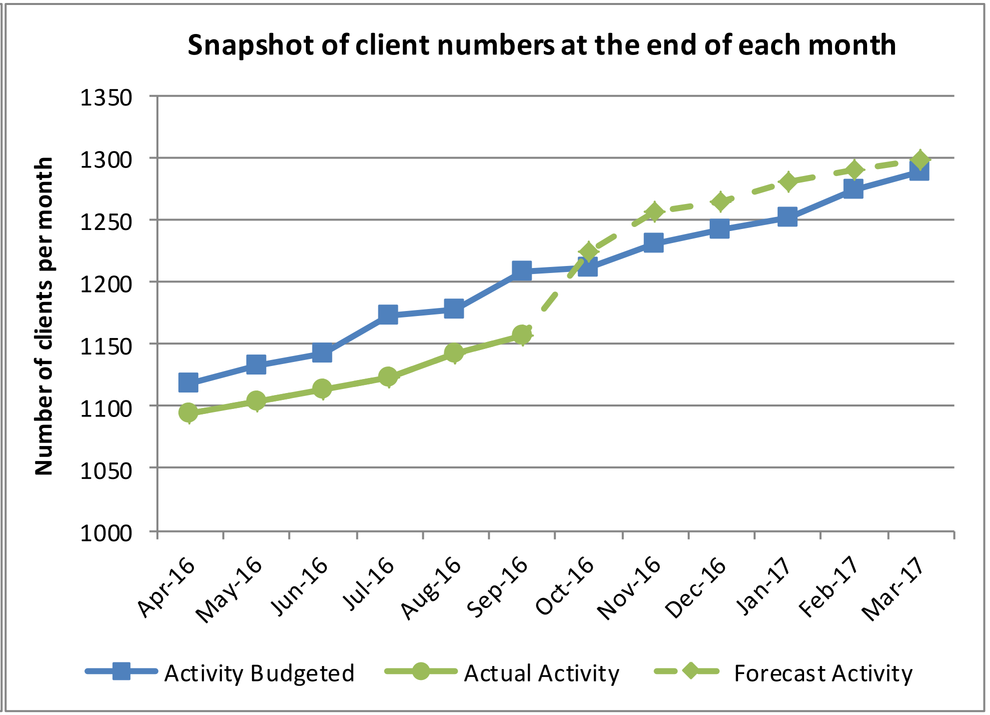
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£39.7	-£0.2	£39.5	1,288
Forecast	£42.0	-£0.2	£41.8	1,299
Variance	£2.3	£0.0	£2.3	11

Position as at 30th Sep 2016	Gross £m	Client Number as at 30/09/2016
Budget: Spend/Activity Year to Date	15.8	1,209
Actual: Spend/Activity Year to Date	16.7	1,157
Variance as at 30th Sep 2016	£0.9	-52

MAIN REASONS FOR FORECAST VARIANCE:

The forecast pressure of +£2.3m is due to higher than anticipated demand (+£3.5m) as clients' eligible needs are greater than originally budgeted for. This is partially offset by a lower unit cost (-£0.6m) due to higher than anticipated contract savings in the first year. In addition an allowance for unrealised creditors based on previous years experience (-£0.8m) along with other minor variances totalling +£0.2m leads to an overall net variance of +£2.3m.





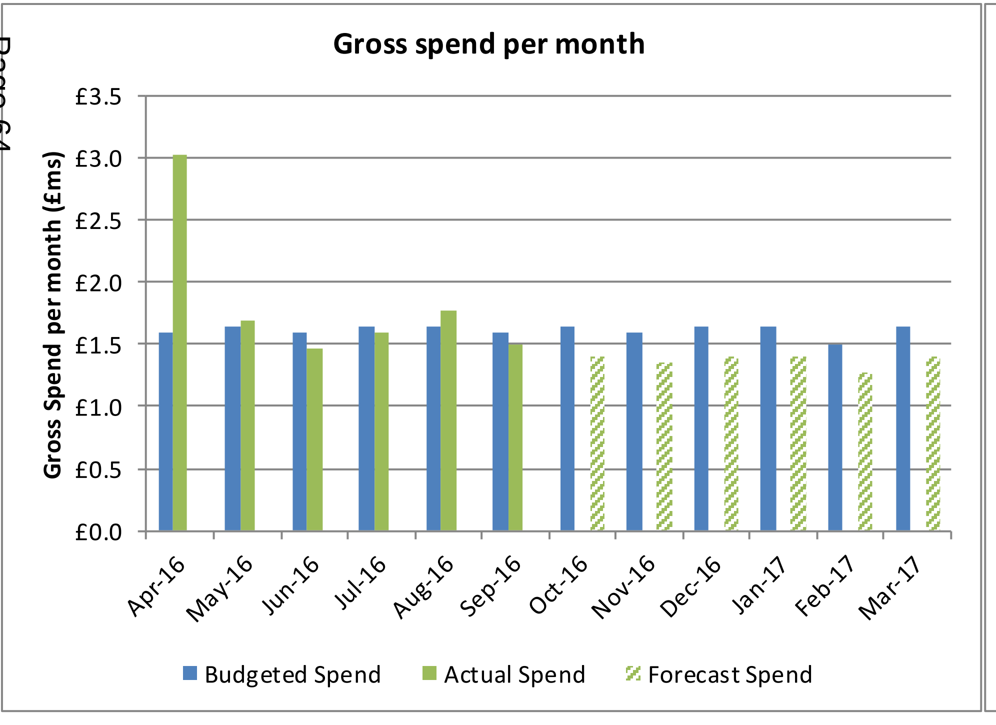
Appendix 2.3: Direct Payments - Learning Disability (aged 18+)

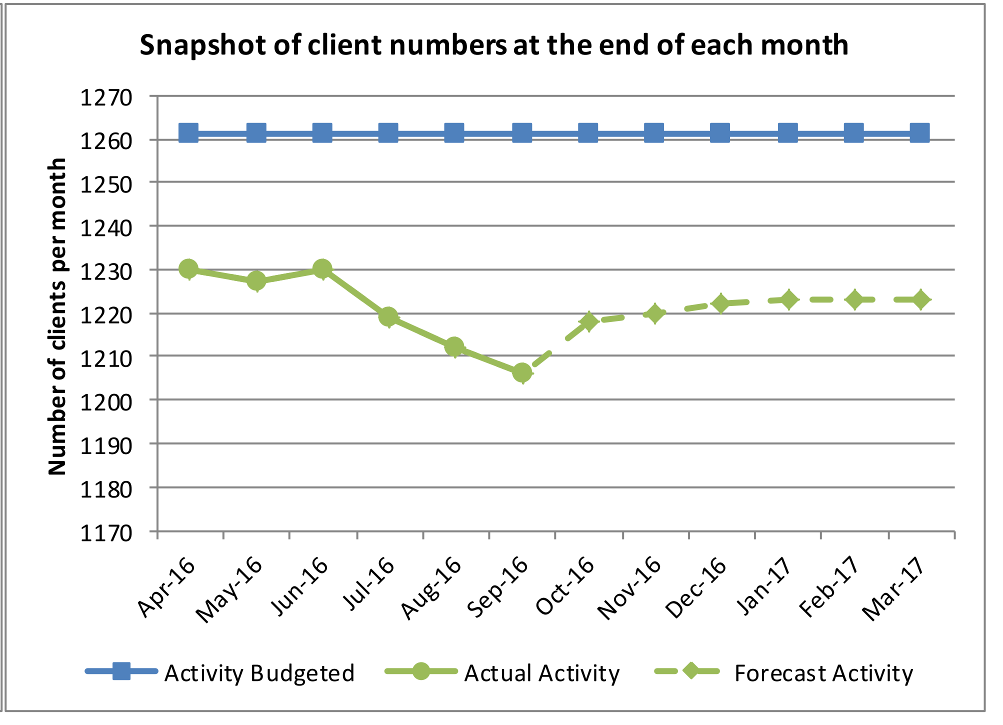
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£19.4	-£0.9	£18.5	1,261
Forecast	£19.2	-£0.9	£18.3	1,223
Variance	-£0.2	£0.0	-£0.2	-38

Position as at 30th Sep 2016	Gross £m	Client Number as at 30/09/2016
Budget: Spend/Activity Year to Date	9.7	1,261
Actual: Spend/Activity Year to Date	11.0	1,206
Variance as at 30th Sep 2016	£1.3	-55

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£0.2m is due to lower than anticipated demand (-£0.5m) and higher unit cost (+£0.2m). One-off direct payments (+£0.7m) and prior year costs predominately related to a historic Ordinary Residence case (+£0.3m) are partially offset by the forecast recovery of unspent funds from clients (-£0.9m).





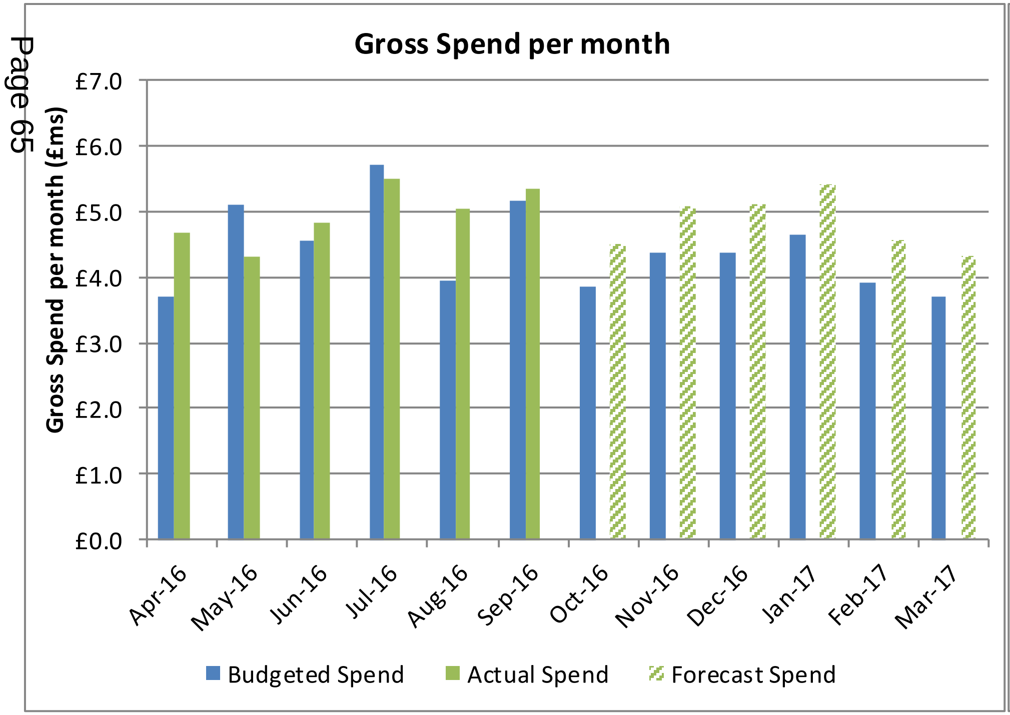
Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service

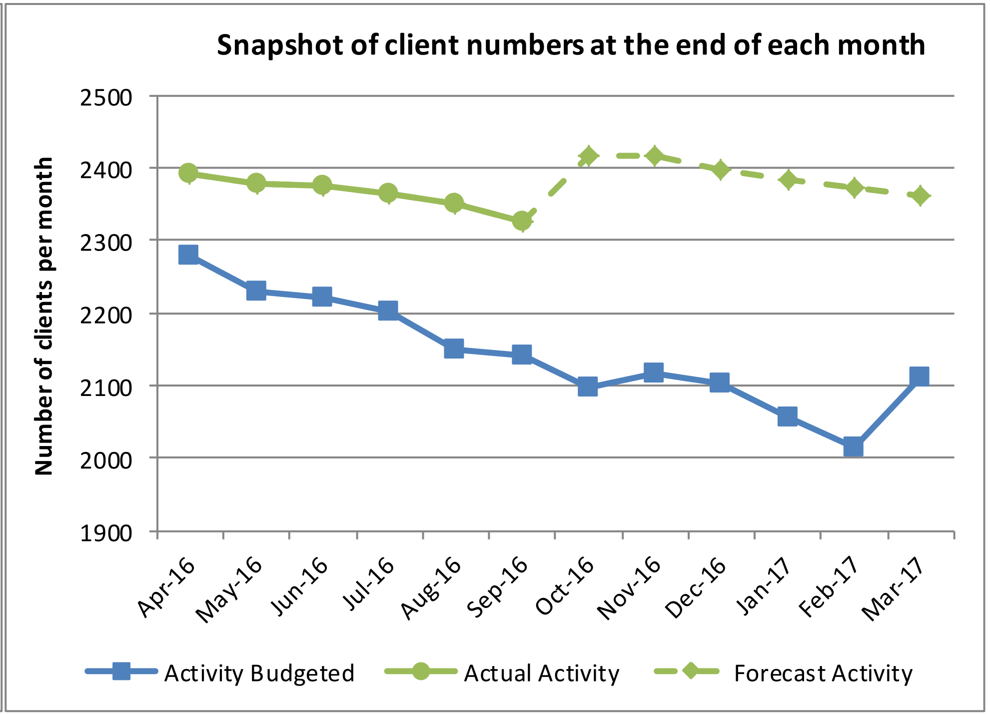
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£53.1	-£27.8	£25.4	2,112
Forecast	£58.7	-£29.4	£29.3	2,362
Variance	£5.5	-£1.6	£3.9	250

Position as at 30th Sept 2016	Gross £m	Client Number as at 30/09/2016
Budget: Spend/Activity Year to Date	£28.2	2,140
Actual: Spend/Activity Year to Date	£29.7	2,327
Variance as at 30th Sept 2016	£1.5	187

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£5.5m is due to higher than anticipated demand (+£5.9m) and lower unit cost (-£0.4m). This is partially offset by higher than expected service user contributions (-£1.6m) linked to the higher demand (-£2.7m) and a lower average contribution per service user (+£1.1m) leading to a net forecast pressure of +£3.9m.





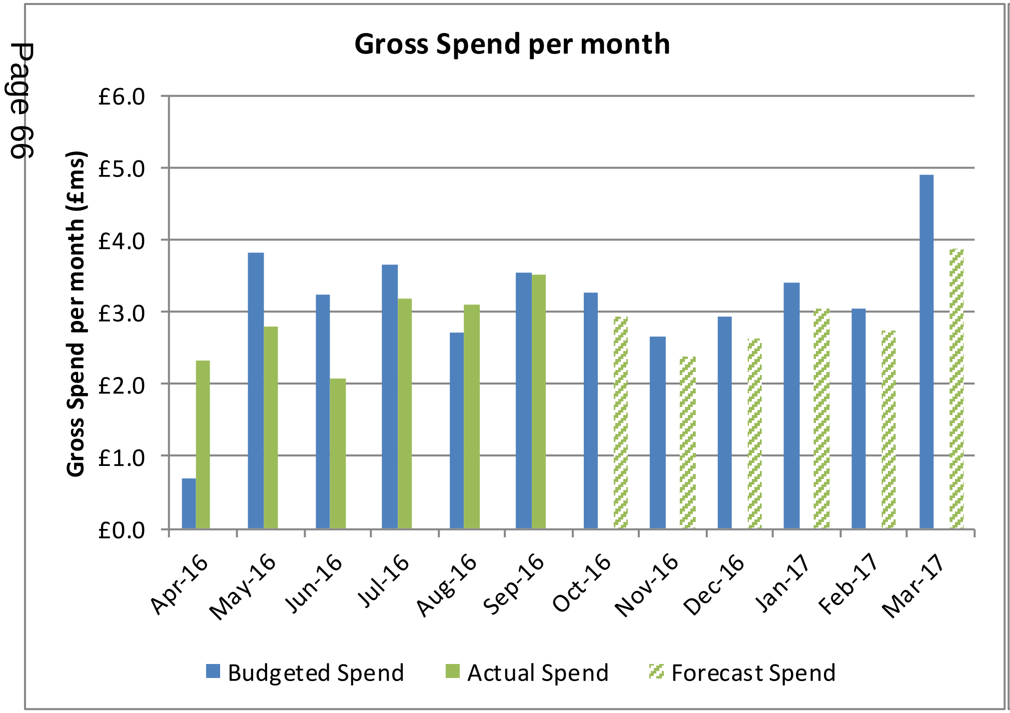
Appendix 2.5: Nursing & Residential Care - Older People (aged 65+) - Nursing

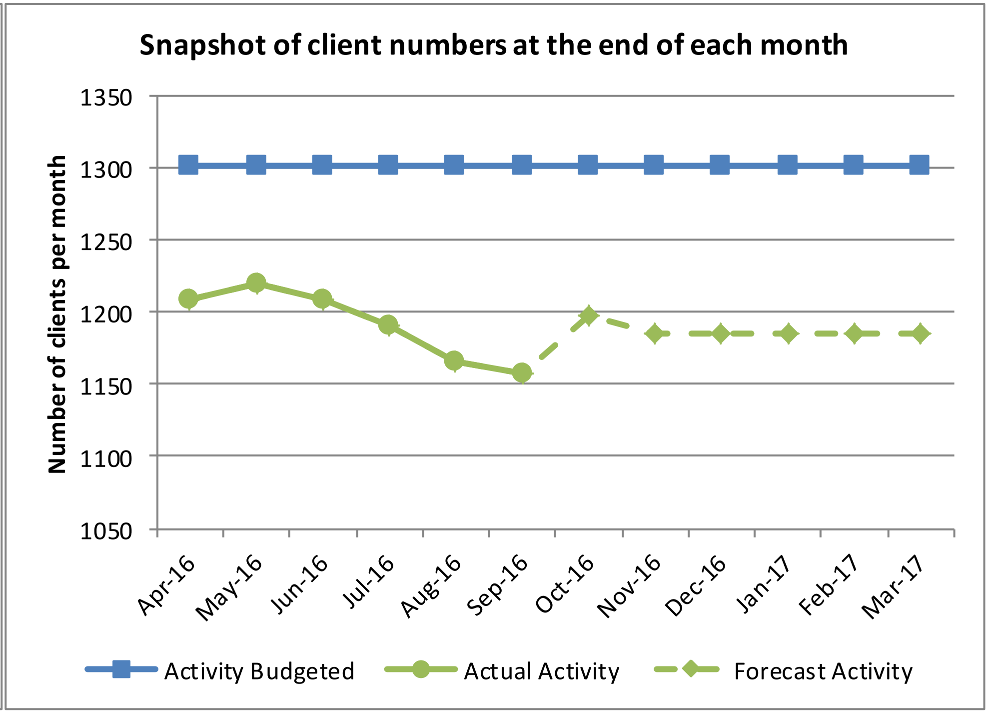
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£37.9	-£14.6	£23.3	1,301
Forecast	£34.6	-£13.3	£21.3	1,185
Variance	-£3.3	£1.4	-£2.0	-116

Position as at 30th Sept 2016	Gross £m	Client Number as at 30/09/2016
Budget: Spend/Activity Year to Date	17.7	1,301
Actual: Spend/Activity Year to Date	17.0	1,157
Variance as at 30th Sept 2016	-£0.6	-144

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£3.3m is due to lower than anticipated demand (-£2.3m) and lower unit cost (-£0.4m), along with non-activity variance against health commissioned beds (-£0.6m). There is currently a £1.4m shortfall in service user contributions, due to the lower demand (+£0.9m) and a lower average contribution per service user (+£0.5m) leading to a net forecast underspend of -£2.0m.





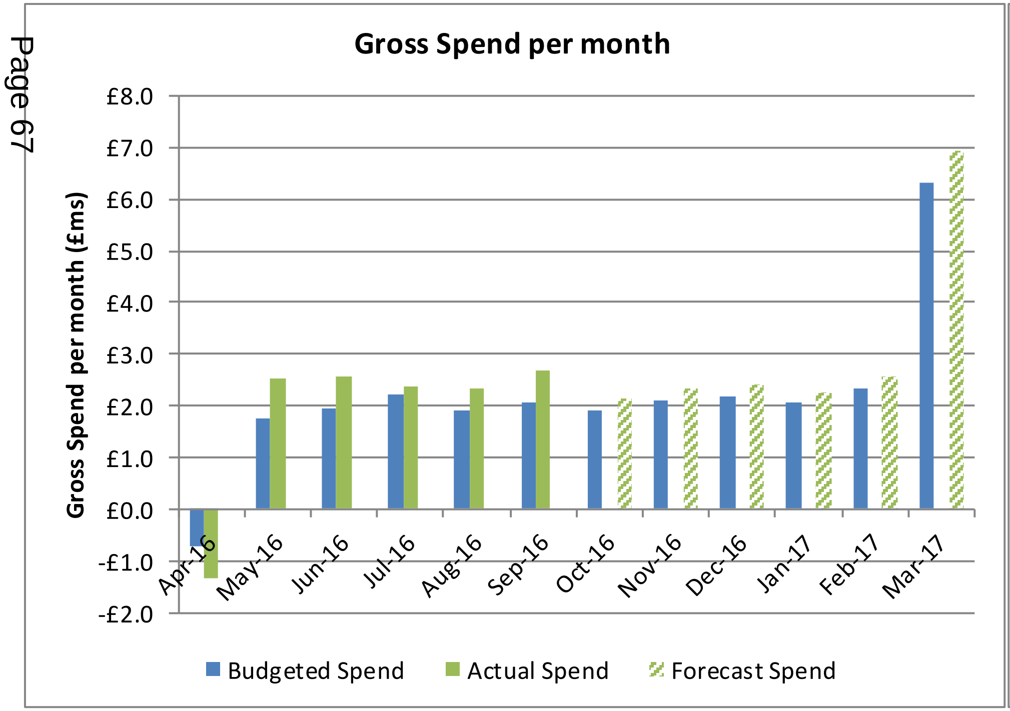
Appendix 2.6: Domiciliary Care - Older People (aged 65+) - Commissioned service

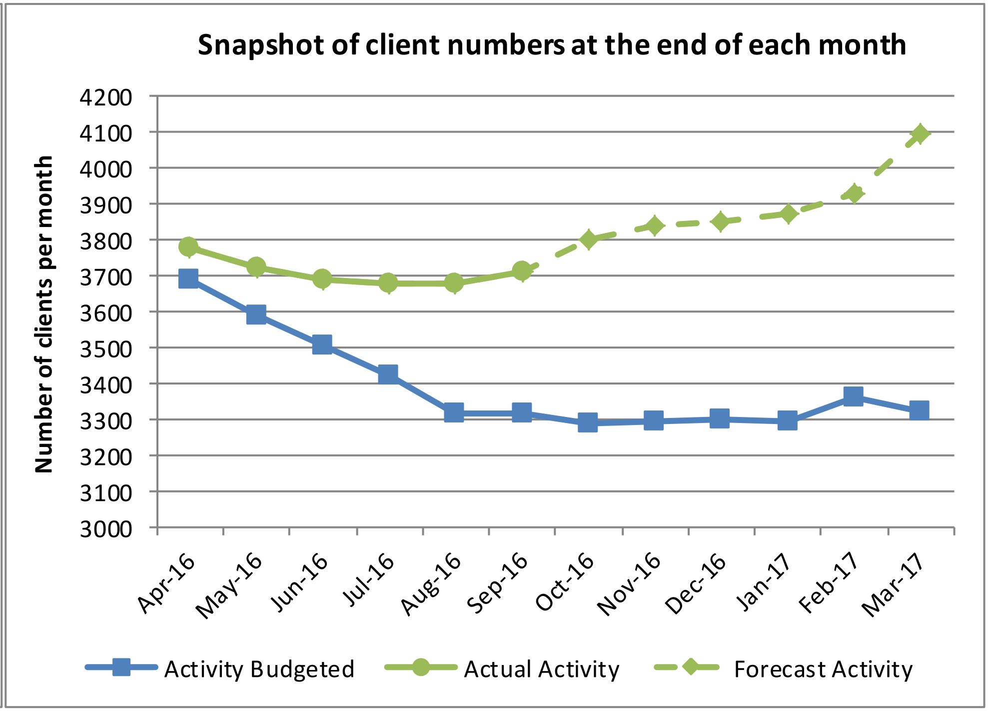
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£26.2	-£10.2	£16.0	3,321
Forecast	£29.8	-£10.2	£19.6	4,095
Variance	£3.6	£0.0	£3.6	774

Position as at 30th Sept 2016	Gross £m	Client Number as at 30/09/2016
Budget: Spend/Activity Year to Date	9.2	3,314
Actual: Spend/Activity Year to Date	11.2	3,710
Variance as at 30th Sept 2016	£1.9	396

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£3.6m is due to higher than anticipated demand (+£2.9m) linked to both increased care packages and higher than budgeted client numbers along with a higher unit cost (+£0.2m). Additional extra care support has lead to a pressure of +£0.5m, leading to a net forecast pressure of +£3.6m.





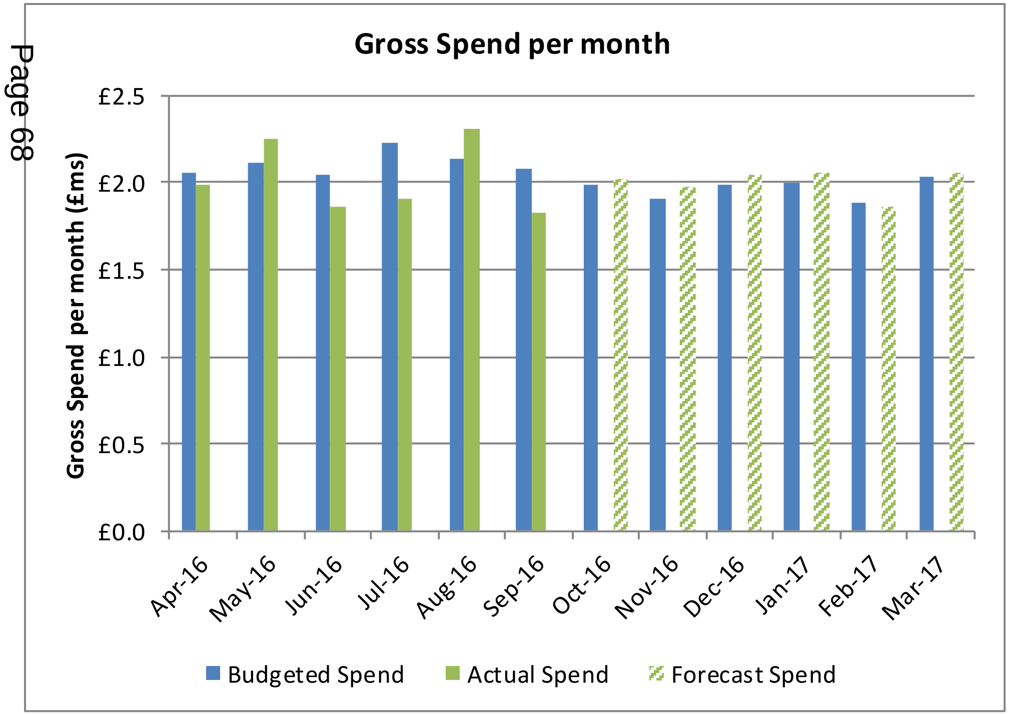
Appendix 2.7: Children in Care (Looked After) - Fostering - In house service

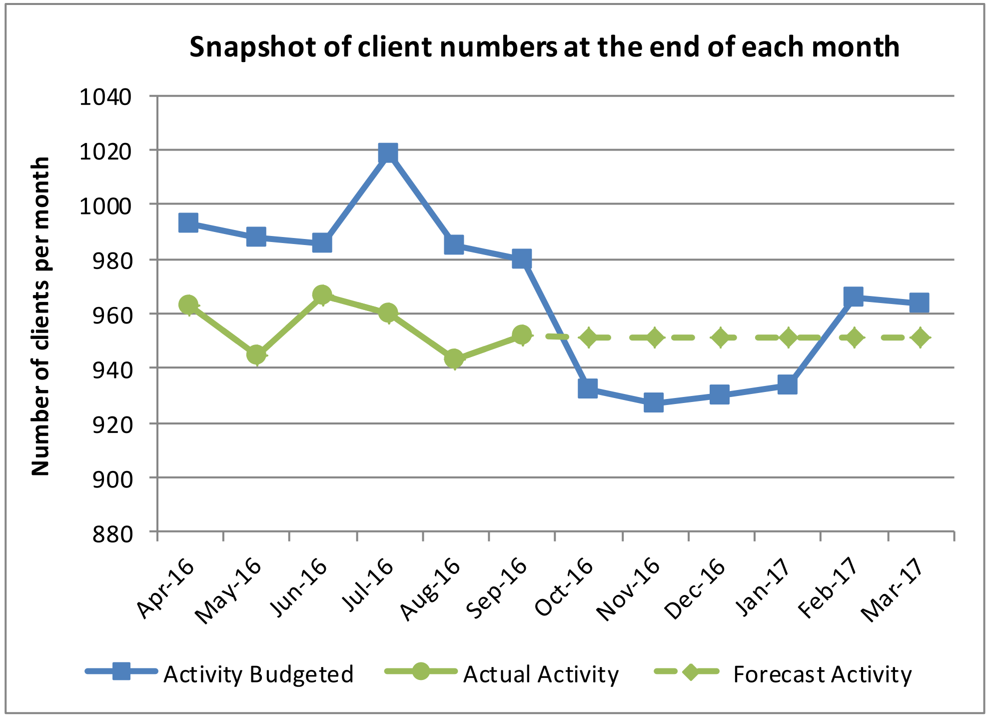
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£24.4	-£0.5	£24.0	964
Forecast	£24.1	-£0.2	£23.9	951
Variance	-£0.3	£0.3	-£0.1	-13

Position as at 30th Sep 2016	Gross £m	Client Number as at 30/09/2016
Budget: Spend/Activity Year to Date	£12.7	980
Actual: Spend/Activity Year to Date	£12.1	952
Variance as at 30th Sep 2016	-£0.5	-28

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£0.3m is due to a higher unit cost (+£0.4m), along with other variance explanations of -£0.7m due to -£0.3m funding allocated for prices not committed, -£0.3m due to an underspend on staffing in County Fostering due to current vacancy levels and -£0.1m for lower than expected activity on Connected Persons fostering placements. Combined with the lower than expected income of +£0.3m due to fewer than anticipated fostering placements made for Unaccompanied Asylum Seeking Children (UASC), resulting in lower contributions from the UASC Service, leads to a net forecast underspend of -£0.1m.





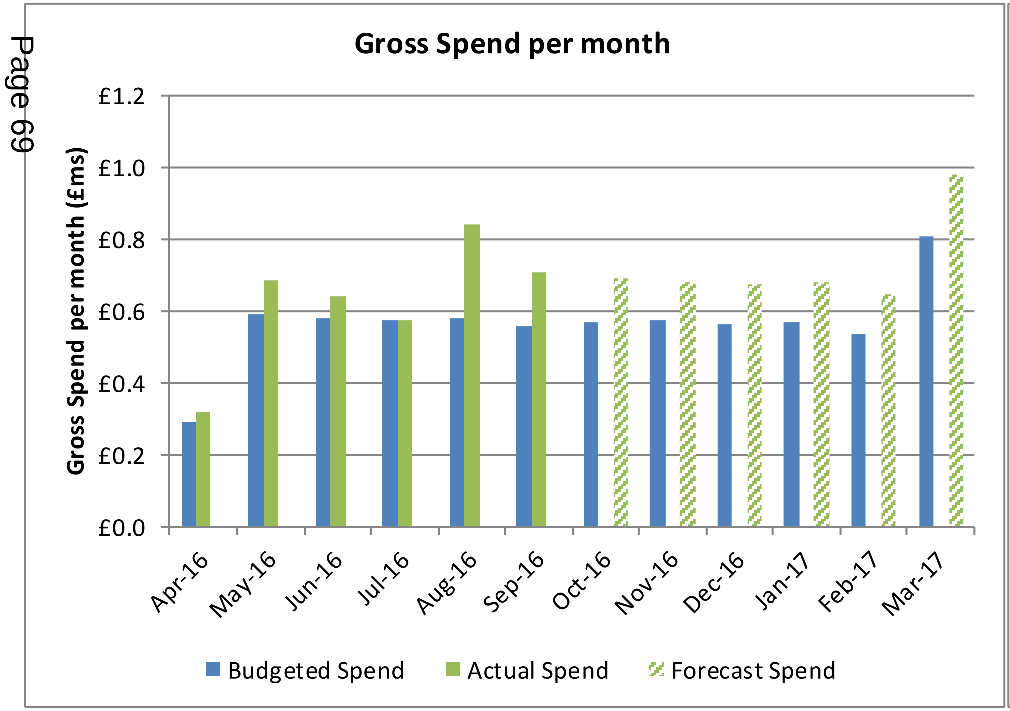
Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies

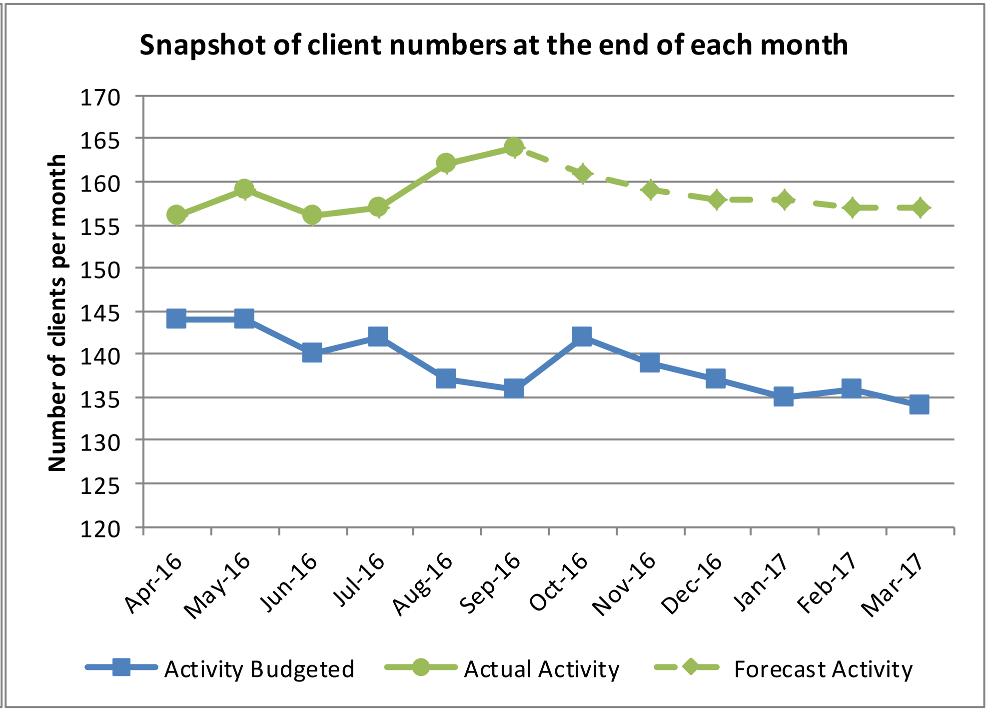
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£6.8	£0.0	£6.8	134
Forecast	£8.1	£0.0	£8.1	157
Variance	£1.3	£0.0	£1.3	23

Position as at 30th Sep 2016	Gross £m	Client Number as at 30/09/2016
Budget: Spend/Activity Year to Date	£3.2	136
Actual: Spend/Activity Year to Date	£3.8	164
Variance as at 30th Sep 2016	£0.6	28

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.3m is due to higher than anticipated demand (+£1.1m) and higher unit cost (+£0.2m).





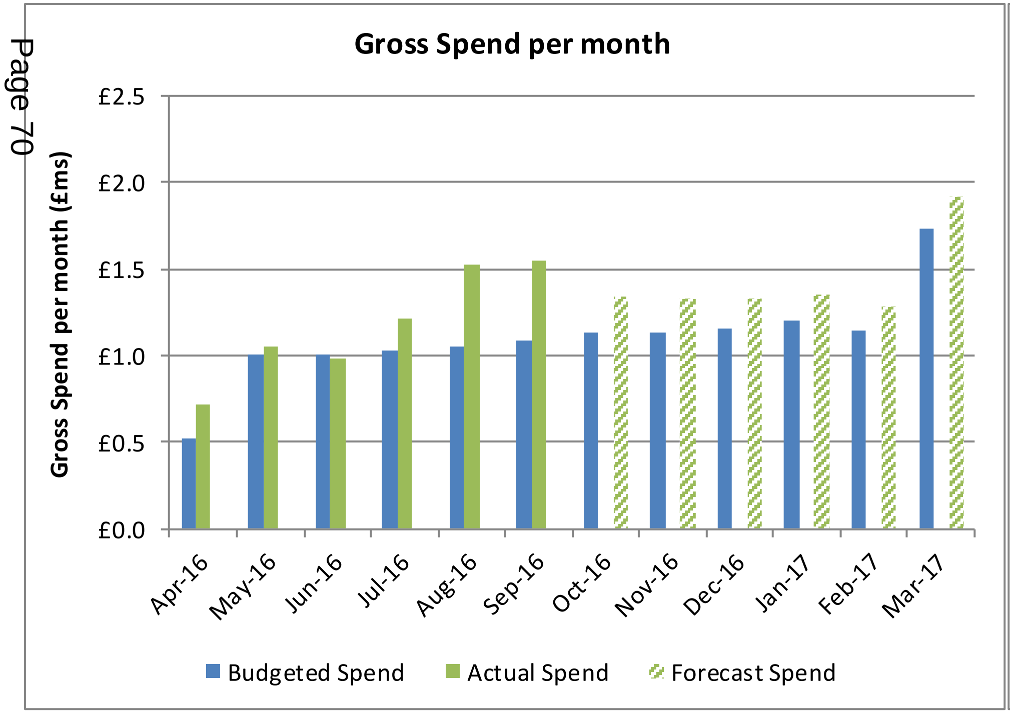
Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector

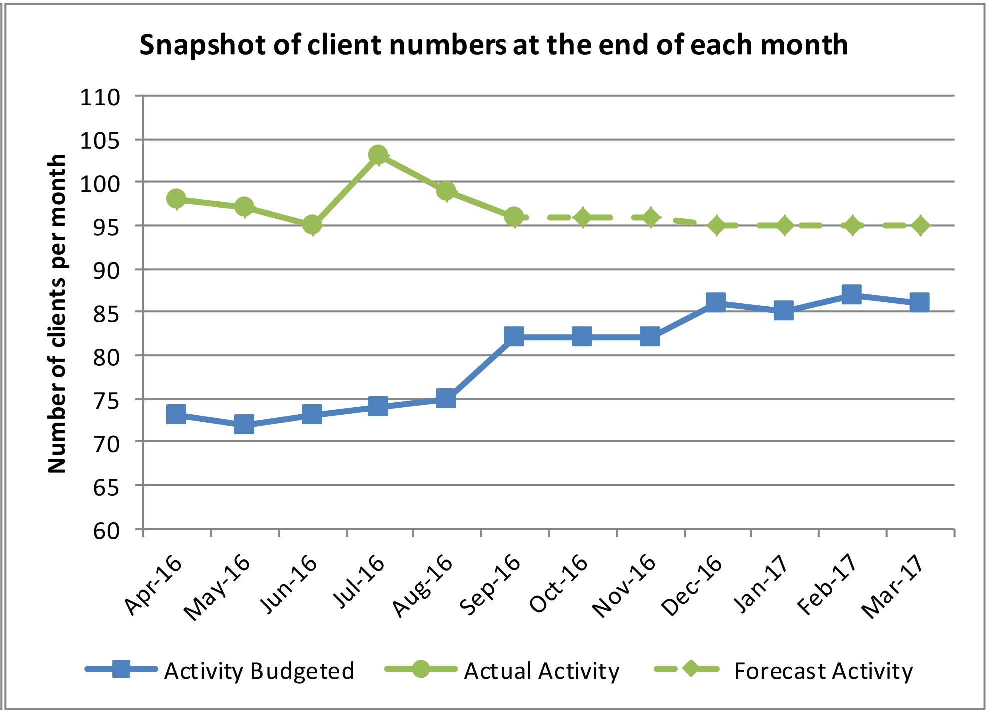
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2017
Budget	£13.2	-£2.3	£10.9	86
Forecast	£15.6	-£2.0	£13.5	95
Variance	£2.4	£0.3	£2.6	9

Position as at 30th Sep 2016	Gross £m	Client Number as at 30/09/2016
Budget: Spend/Activity Year to Date	£5.7	82
Actual: Spend/Activity Year to Date	£7.0	96
Variance as at 30th Sep 2016	£1.3	14

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£2.4m is due to higher than anticipated demand (+£2.3m) and lower unit cost (-£0.1m), along with an additional variance of +£0.2m predominately due to greater than anticipated placements in Secure Accommodation. This pressure is further increased by lower than expected income of +£0.3m primarily due to 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. This leads to a net forecast pressure of +£2.6m.





Appendix 2.10: Assessment Services - Children's Social Care (CSC) staffing

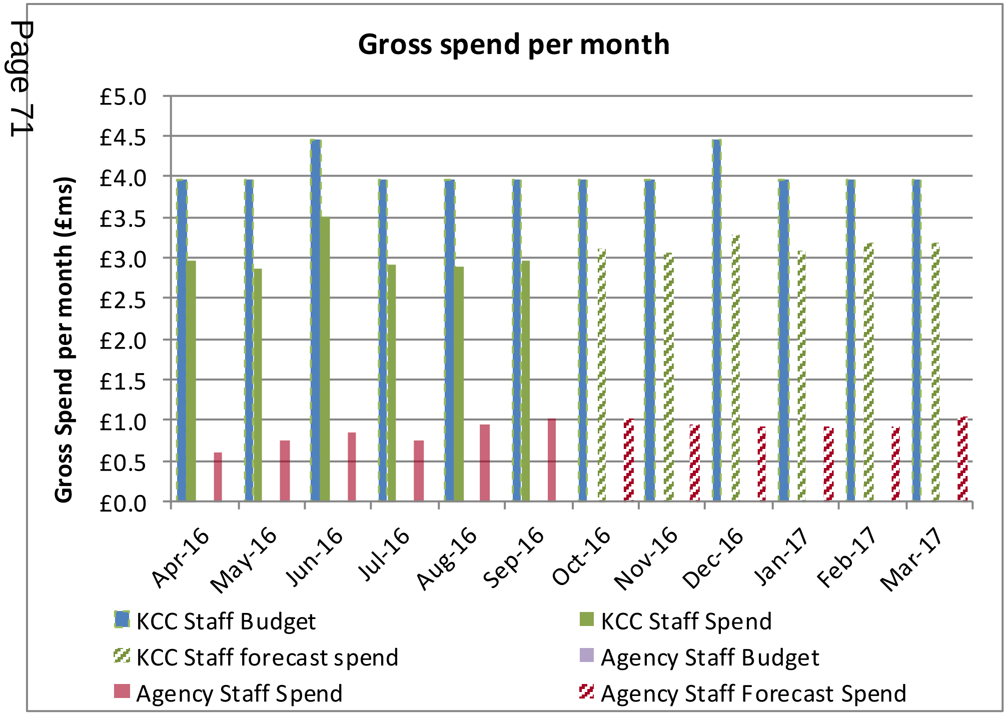
2016-17 Forecast	KCC £m	Agency £m	Gross £m
Budget	£48.6	£0.0	£48.6
Forecast	£37.0	£10.7	£47.7
Variance	-£11.6	£10.7	-£0.9

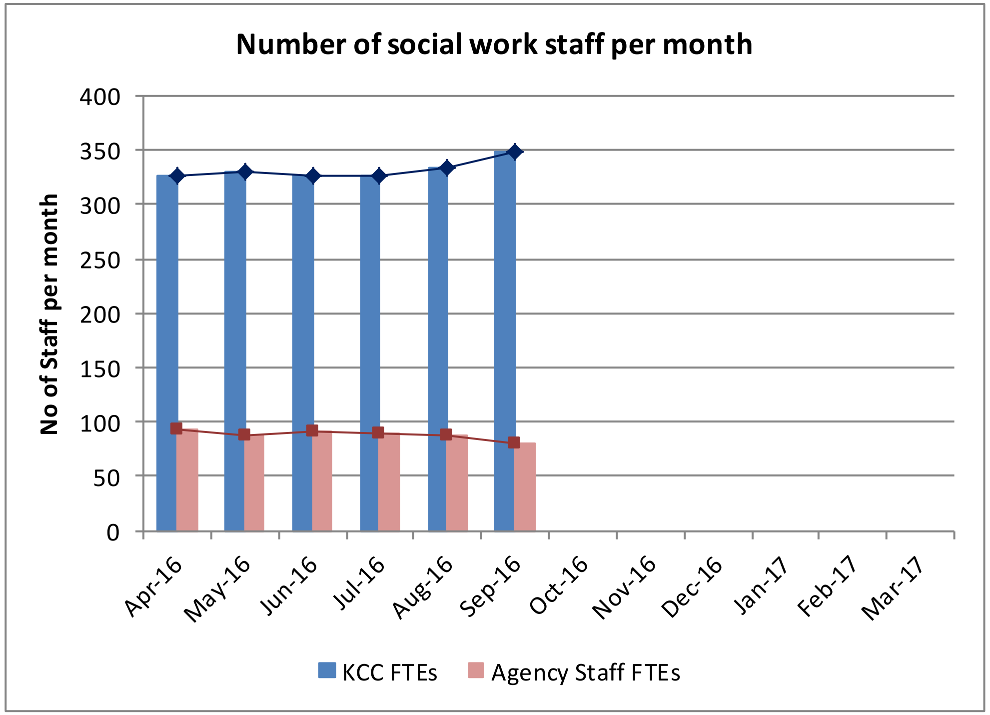
as at 30th Sep 2016	KCC £m	Agency £m	Gross £m
YTD Budget	£24.3	£0.0	£24.3
YTD Spend	£18.1	£4.9	£23.1
YTD Variance	-£6.2	£4.9	-£1.2

Staff numbers	KCC FTEs	Agency Nos
as at 1st April 2016	326.4	92.8
as at 30 Sep 2016	348.8	80.2
YTD Movement	22.4	-12.6

MAIN REASONS FOR FORECAST VARIANCE:

This measure focusses on the level of social workers & senior practitioners rather than the overall staffing level within this budget. The budget assumes that CSC Staffing will be met using salaried workers, so every agency worker (who are more expensive than salaried staff) results in a pressure on this budget. This measure shows the extent of the vacancies within CSC that are currently covered by agency workers which contributes to the £1.6m net pressure reported against Children's Assessment staffing in Appendix 1. However, this pressure is offset in the table above by a reduction in the Asylum related gross staffing spend resulting from an expected decline in client numbers due to the planned dispersal programme, but this is matched by a corresponding reduction in income recharges to Asylum (which is not reflected within this indicator as this measure only includes staffing budgets).



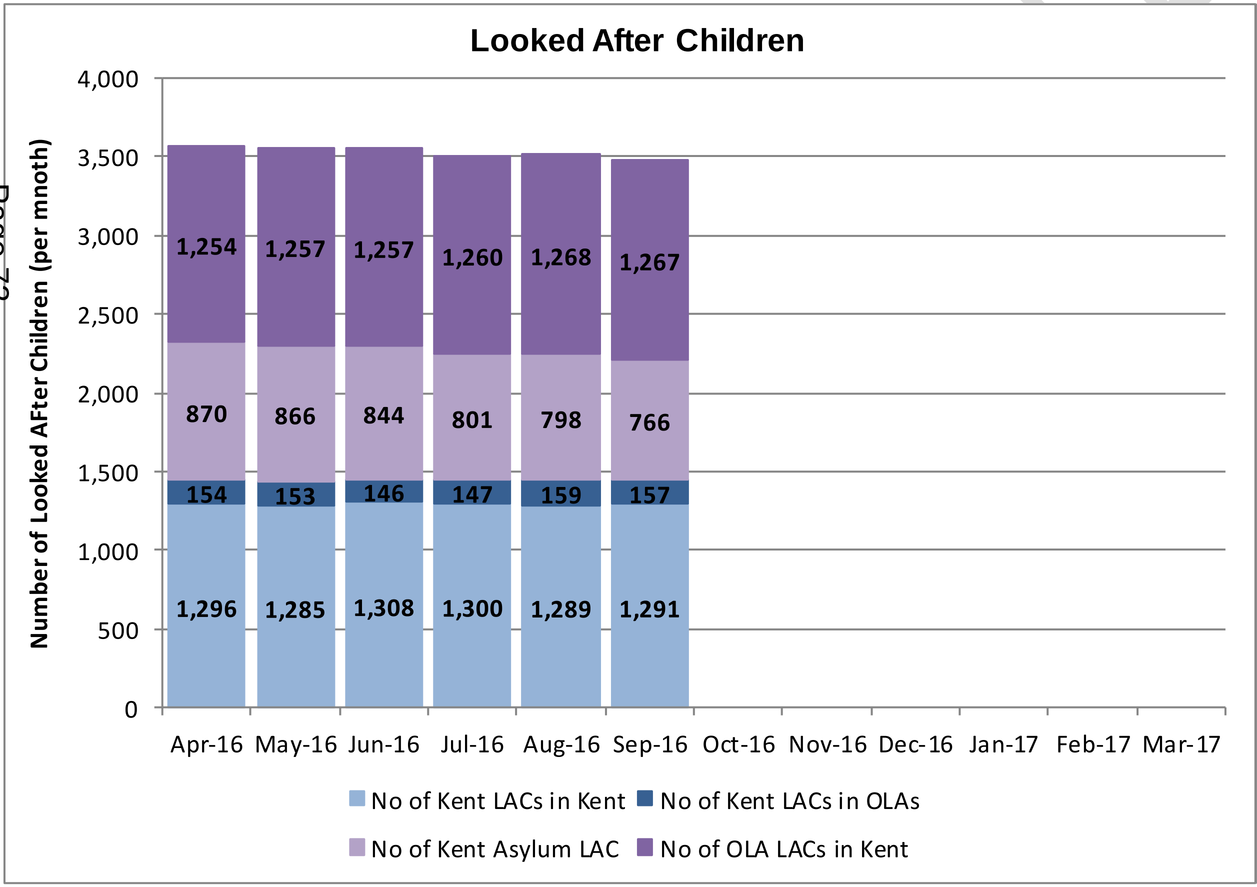


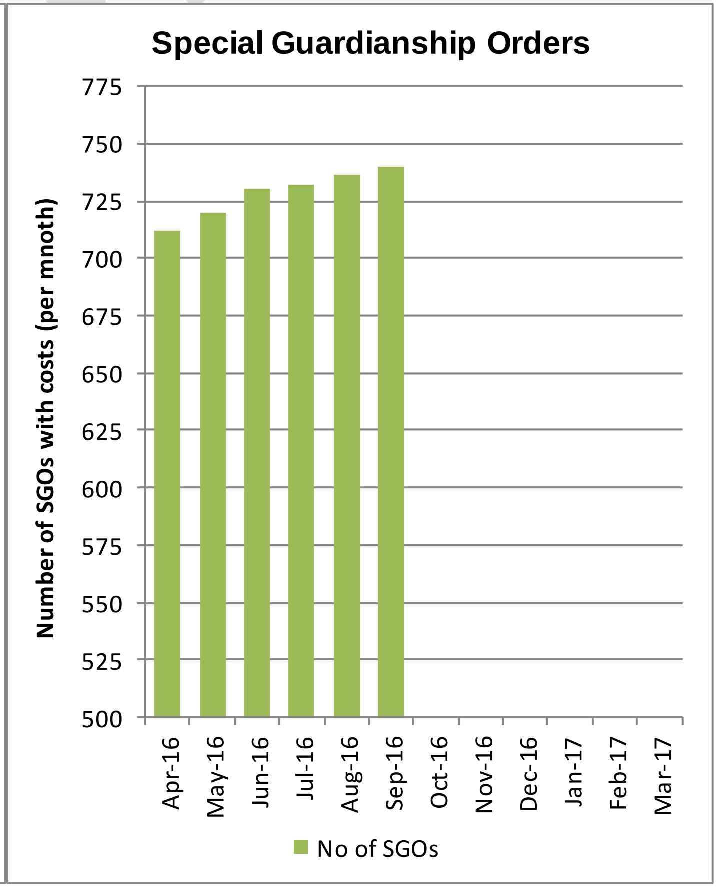
Appendix 2.11: Number of Looked After Children and Number of Special Guardianship Orders (SGOs) with Costs

The left-hand graph shows a snapshot of the number of children designated as looked after at the end of each month (including those currently missing), it is not the total number of looked after children during the period. It is important to note, the OLA LAC information has a confidence rating of 40% 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.

There is an overall forecast pressure on the Specialist Children's Services budget, with key parts of this relating to the LAC headings of Commissioned Residential Care and Commissioned Foster Care and non-LAC headings such as Social Care Staffing, Adoption & other permanent care arrangements (including Special Guardianship Orders (SGOs)), and Leaving Care.

The right hand graph shows the number of SGOs incurring costs, which are approved by the courts. These children are either former LAC or may have become LAC if an SGO was not granted.





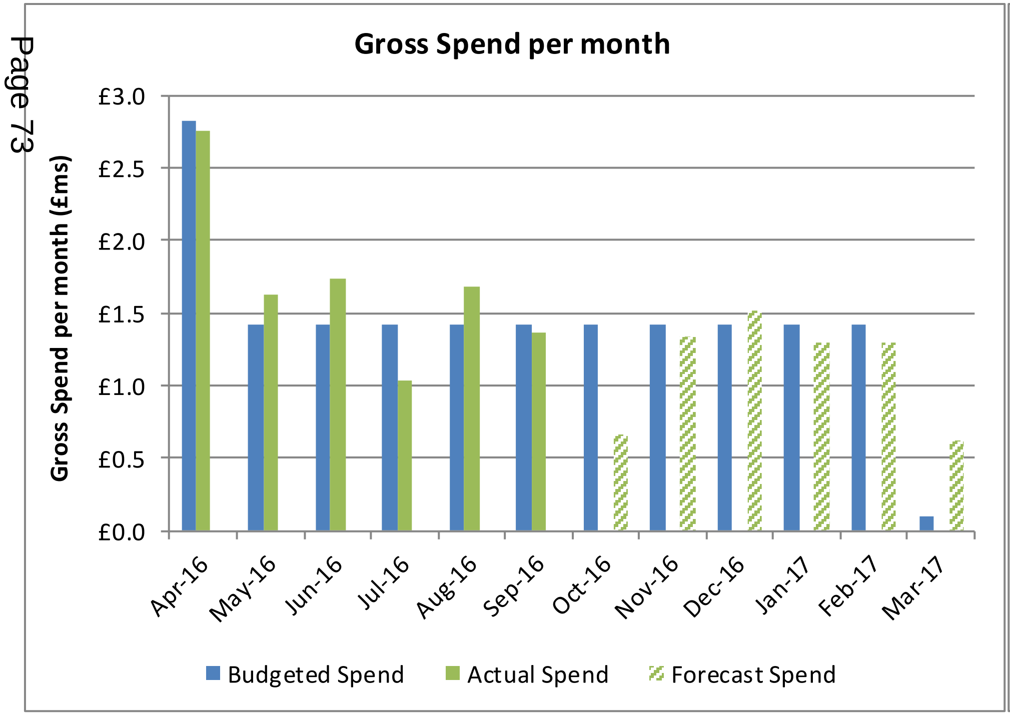
Appendix 2.12: Transport Services - Concessionary fares

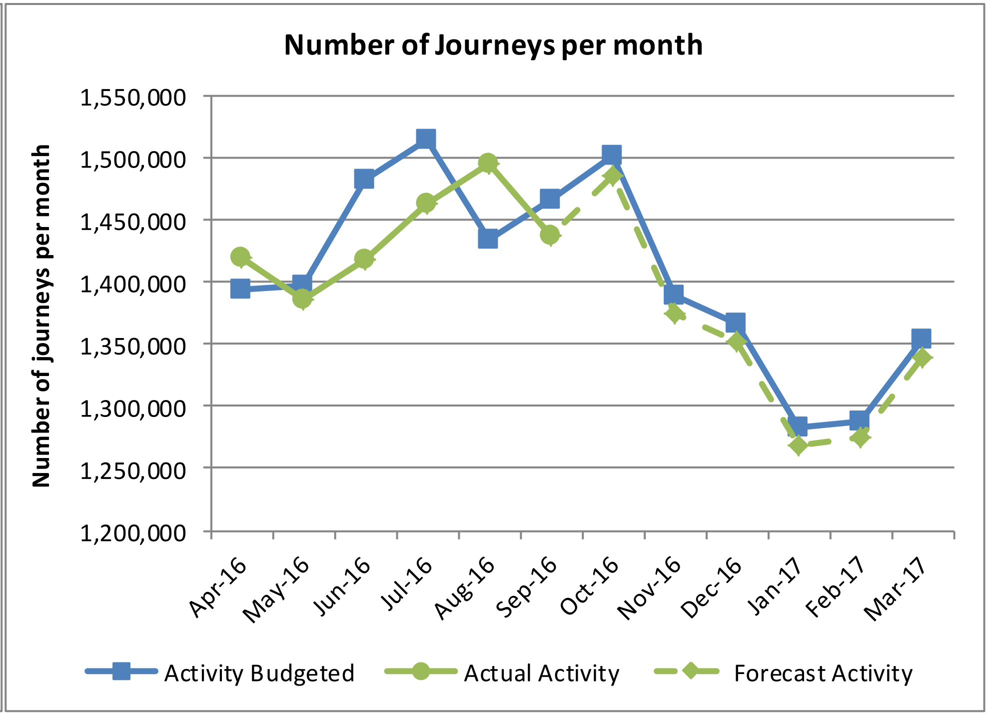
2016-17 Total Forecast	Gross £m	Income £m	Net £m	No of journeys to 31/03/2017
Budget	£17.1	-£0.0	£17.1	16,867,404
Forecast	£16.9	-£0.1	£16.8	16,713,451
Variance	-£0.2	-£0.0	-£0.3	-153,953

Position as at 30th Sep 2016	Gross £m	No of journeys to 30/09/2016
Budget: Spend/Activity Year to Date	£9.9	8,686,051
Actual: Spend/Activity Year to Date	£10.2	8,618,646
Variance as at 30th Sep 2016	£0.3	-67,405

MAIN REASONS FOR FORECAST VARIANCE:

The forecast underspend of -£0.3m is due to lower than anticipated demand (-£0.2m), along with other minor variances (-£0.1m). The forecast is based on actual activity for April to August, with estimates for the remaining months; the unit has received draft actuals for September which continues to support the overall forecast reduction in the number of journeys for the year. Estimates for the remaining months will continue to be reviewed over the course of the year.





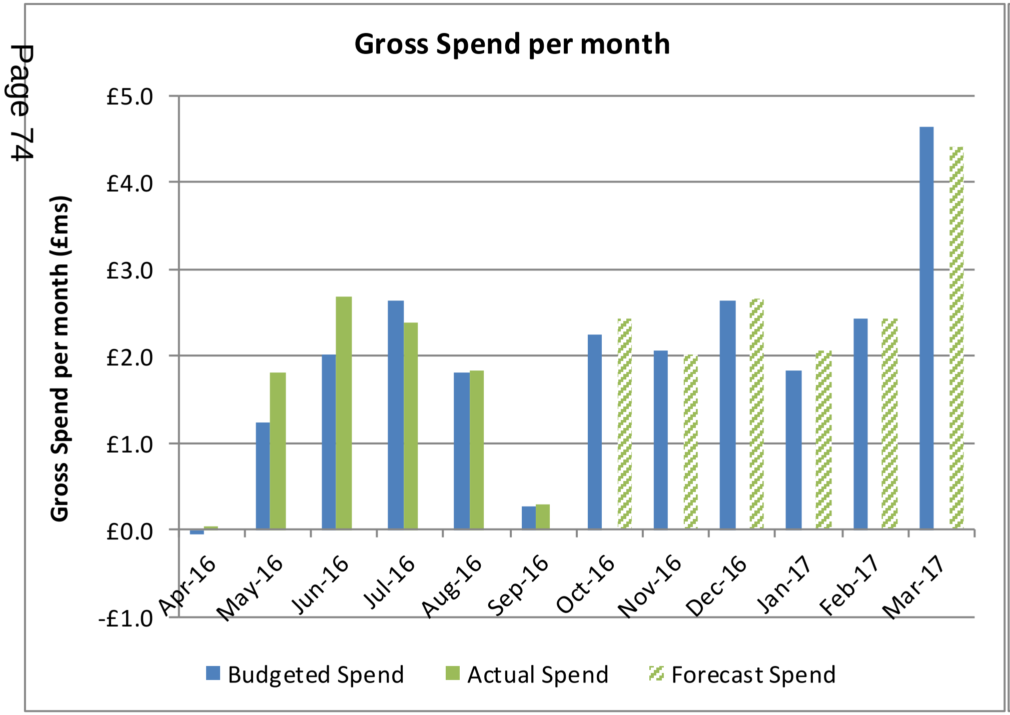
Appendix 2.13: Transport Services - Home to School / College Transport (Special Education Needs)

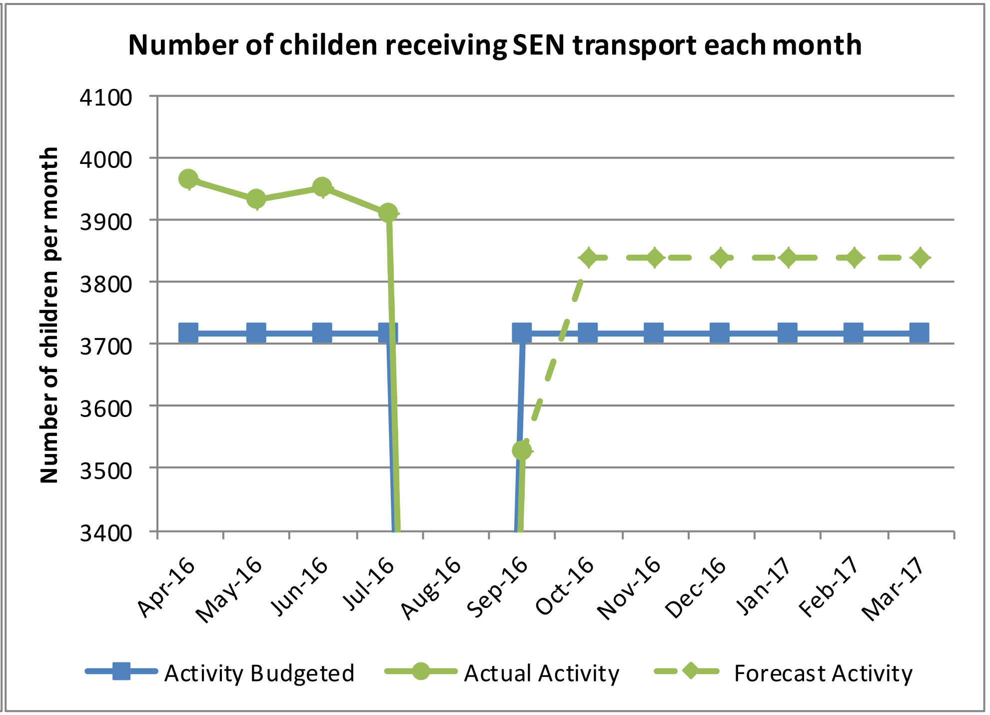
2016-17 Total Forecast	Gross £m	Income £m	Net £m	No of pupils as at 31/03/2017
Budget	£23.8	-£0.8	£23.0	3,717
Forecast	£25.1	-£0.8	£24.3	3,840
Variance	£1.3	-£0.0	£1.3	123

Position as at 30th Sep 2016	Gross £m	No of pupils as at 30/09/2016
Budget: Spend/Activity Year to Date	£7.9	3,716
Actual: Spend/Activity Year to Date	£9.1	3,526
Variance as at 30th Sep 2016	£1.1	-190

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.3m is due to higher than anticipated demand (+£0.7m) and higher unit cost (+£0.5m).





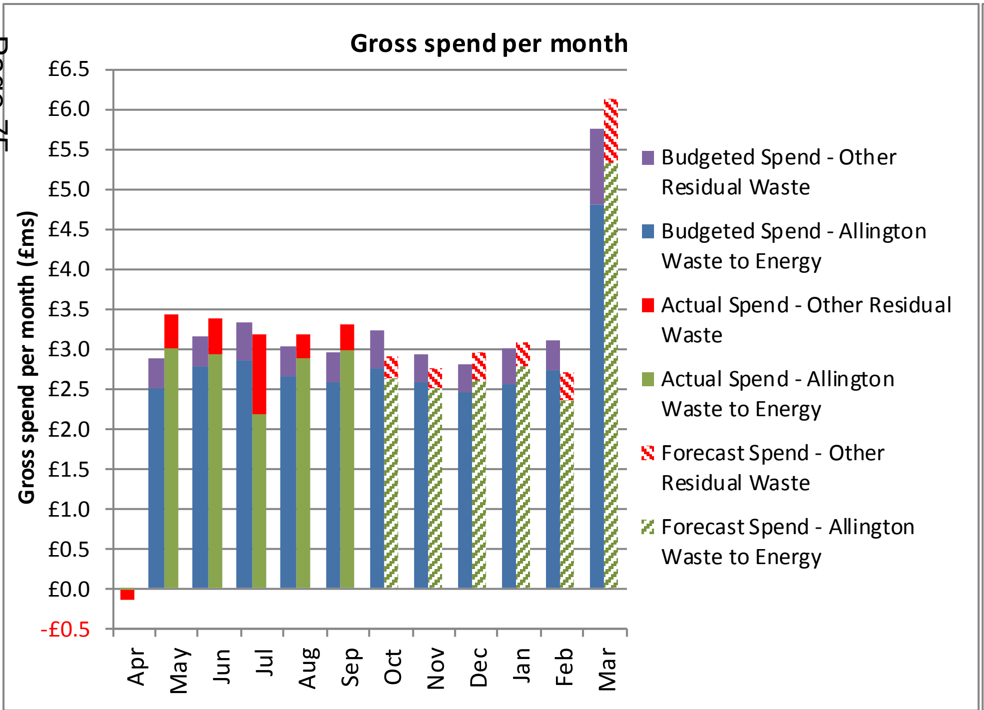
Appendix 2.14: Treatment and disposal of residual waste

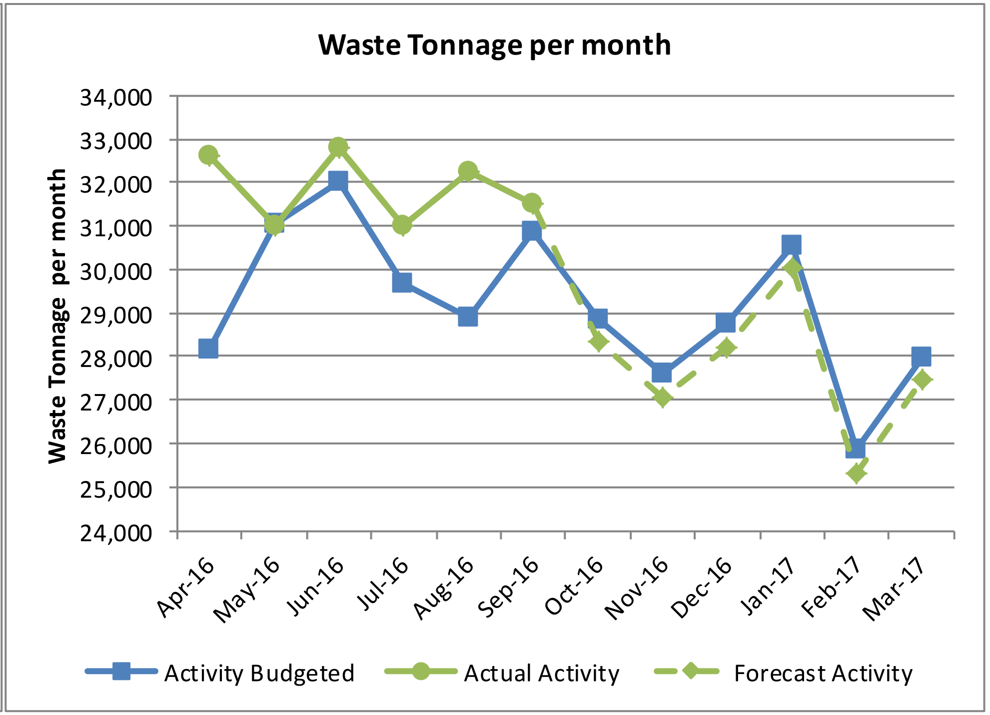
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2017
Budget	£36.2	£0.0	£36.2	350,222
Forecast	£36.9	-£0.3	£36.6	357,503
Variance	£0.7	-£0.3	£0.5	7,281

Position as at 30th Sep 2016	Gross £m	Waste Tonnage to 30/09/2016
Budget: Spend/Activity Year to Date	£15.3	180,628
Actual: Spend/Activity Year to Date	£16.4	191,096
Variance as at 30th Sep 2016	£1.0	10,468

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.7m is due to higher than anticipated demand (+£0.7m), although some of this relates to trade waste, the cost of which is covered through income, and lower unit cost (-£0.1m), along with other minor variances (+£0.1m). This is offset by higher than expected income (-£0.3m), from trade waste tonnes, leading to a net pressure of +£0.5m. The forecast is based on actual activity for April to August, with estimates for the remaining months; the division has recently received figures for September (included within graph below) which could suggest that the forecast is understated and may result in an increased financial pressure next month.





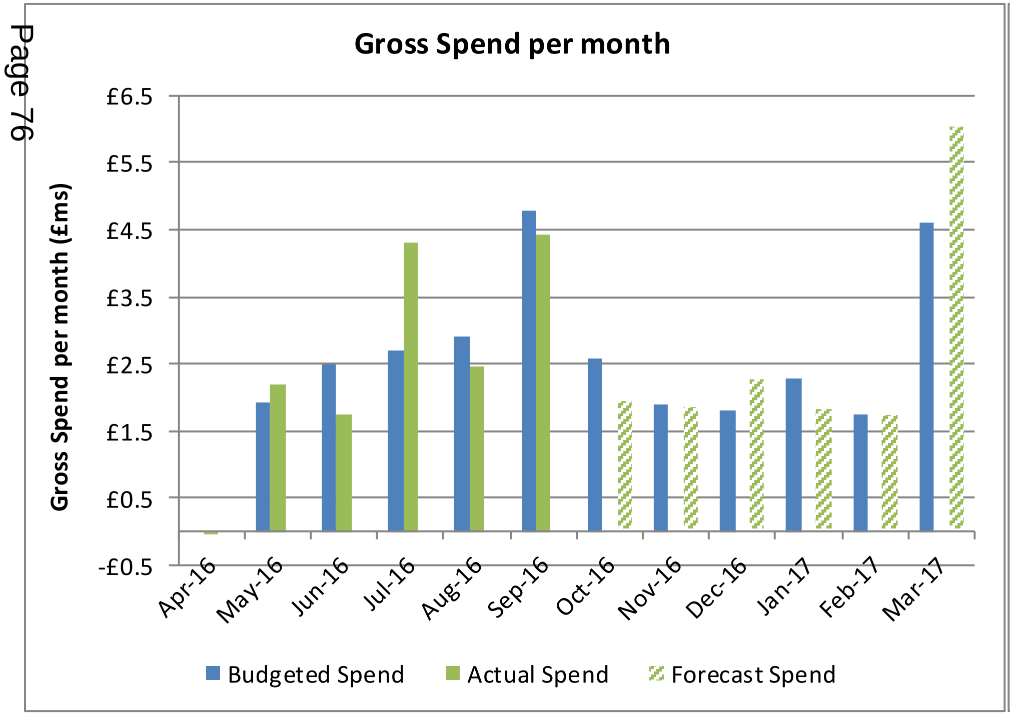
Appendix 2.15: Waste Processing

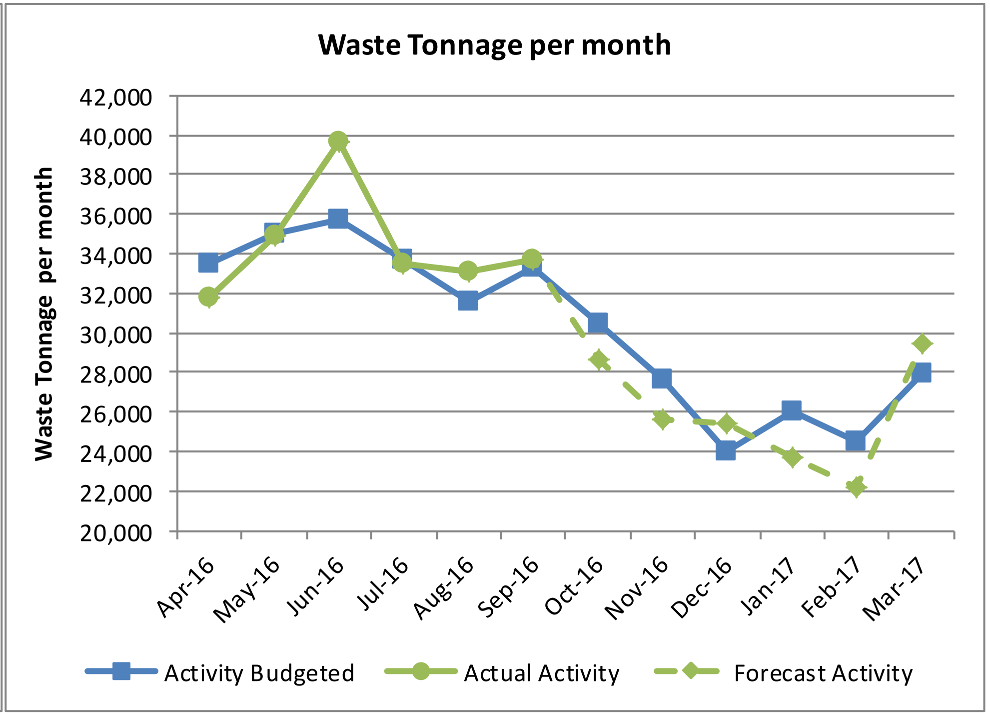
2016-17 Total Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2017
Budget	£29.8	-£1.4	£28.4	363,472
Forecast	£30.6	-£1.7	£28.9	361,720
Variance	£0.8	-£0.3	£0.5	-1,752

Position as at 30th Sep 2016	Gross £m	Waste Tonnage to 30/09/2016
Budget: Spend/Activity Year to Date	£14.8	202,817
Actual: Spend/Activity Year to Date	£15.1	206,667
Variance as at 30th Sep 2016	£0.3	3,850

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.8m is due higher than anticipated demand (+£0.2m) for composting; the re-procurement of the dry recyclables contract (+£0.2m); increased tipping away payments (+£0.3m) as well as a new cost of re-providing a temporary transfer station while Church Marshes is closed for re-development (+£0.2m); partially offset by other minor variances (-£0.1m). Additional paper and card income (-£0.3m) reduces this to a net forecast pressure of +£0.5m. The forecast is based on actual activity to August, with estimates for the remaining months; recently received figures for September (included within the graph below) could suggest that forecast tonnage is understated however it may not lead to an increased financial forecast as not all changes in waste types attract an additional cost.





Appendix 2.16: All Staffing Budgets (excluding schools)

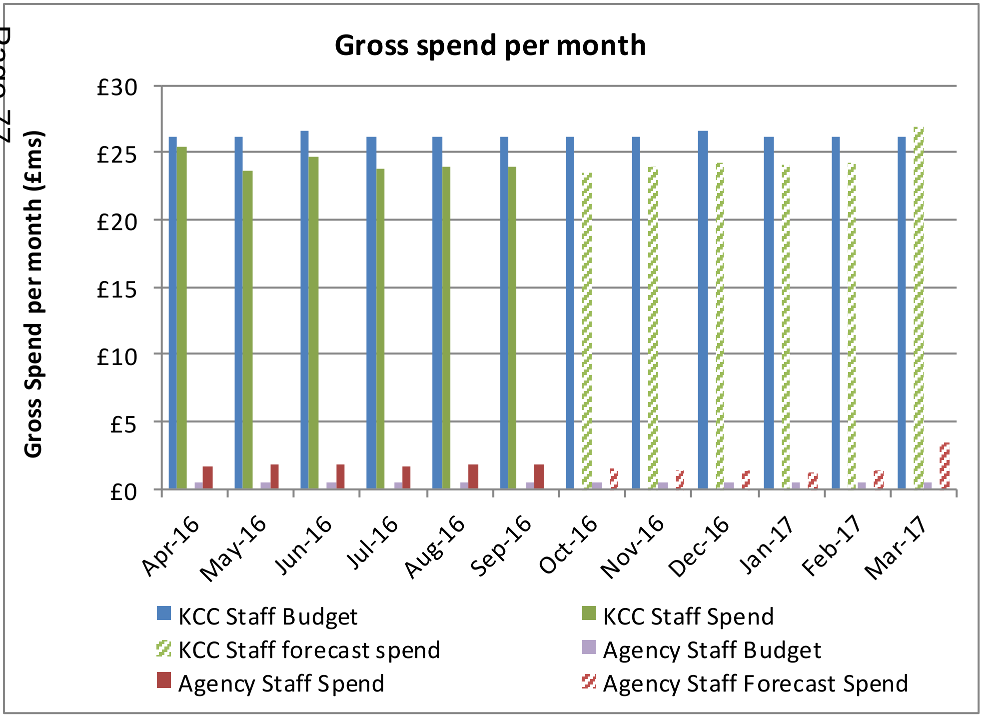
2016-17 Forecast	KCC £m	Agency £m	Gross £m
Budget	£313.9	£5.8	£319.7
Forecast	£292.9	£22.0	£314.9
Variance	-£21.0	£16.2	-£4.8

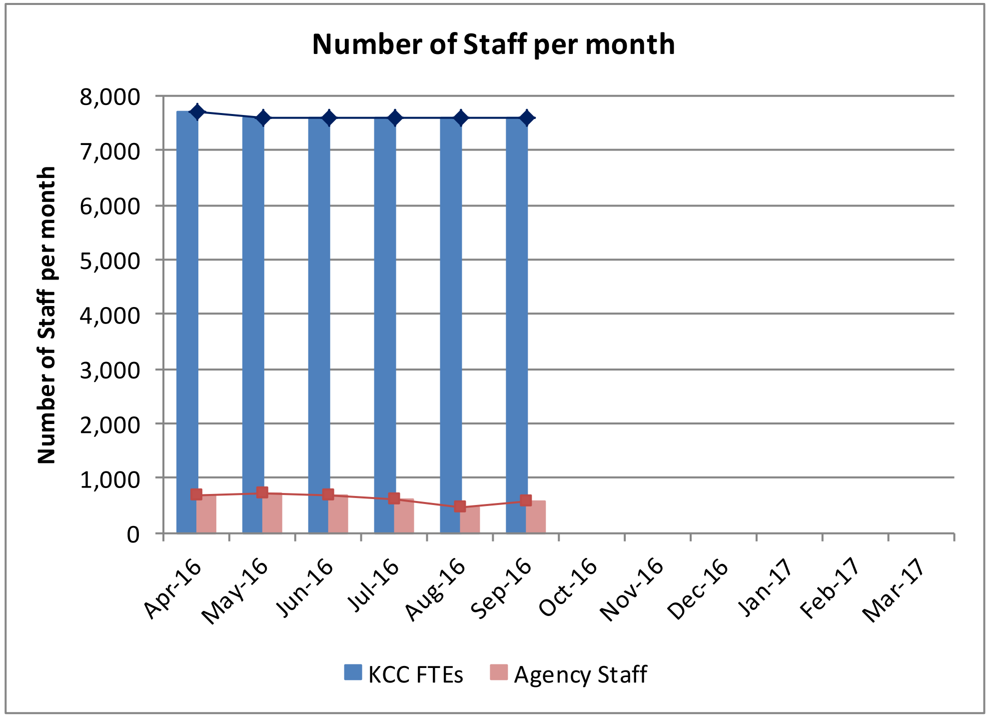
as at 30 Sept 2016	KCC £m	Agency £m	Gross £m
YTD Budget	£157.0	£2.9	£159.9
YTD Spend	£145.2	£10.6	£155.8
YTD Variance	-£11.8	£7.7	-£4.0

Staff numbers	KCC FTEs	Agency Nos
as at 31 Mar 2016	7,719.59	671
as at 30 Sept 2016	7,604.97	571
YTD Movement	-114.62	-100

MAIN REASONS FOR FORECAST VARIANCE:

There is a significant underspend against KCC staff budgets but this is largely offset by an overspend on agency staff.
Vacancies are being held pending the outcome of restructuring and the uncertainty around future budget cuts, which is contributing to the overall underspend against the combined KCC & Agency staff budgets.
The staffing numbers provided are a snapshot position at the end of the month.





Appendix 3

Unaccompanied Asylum Seeking Children (UASC)

1. Forecast position compared to budget by age category

The current position is a forecast overspend of £2.3m as detailed below:

	Cash Limit			Forecast Variance		
	Gross £m	Income £m	Net £m	Gross £m	Income £m	Net £m
Aged under 16	13.1	-13.1	0.0	-6.3	5.1	-1.1
Aged 16 & 17	25.0	-25.0	0.0	-3.6	5.7	2.1
Aged 18 & over (care leavers)	8.4	-7.9	0.6	-1.5	2.8	1.3
	46.5	**-46.0**	**0.6**	**-11.4**	**13.6**	**2.3**

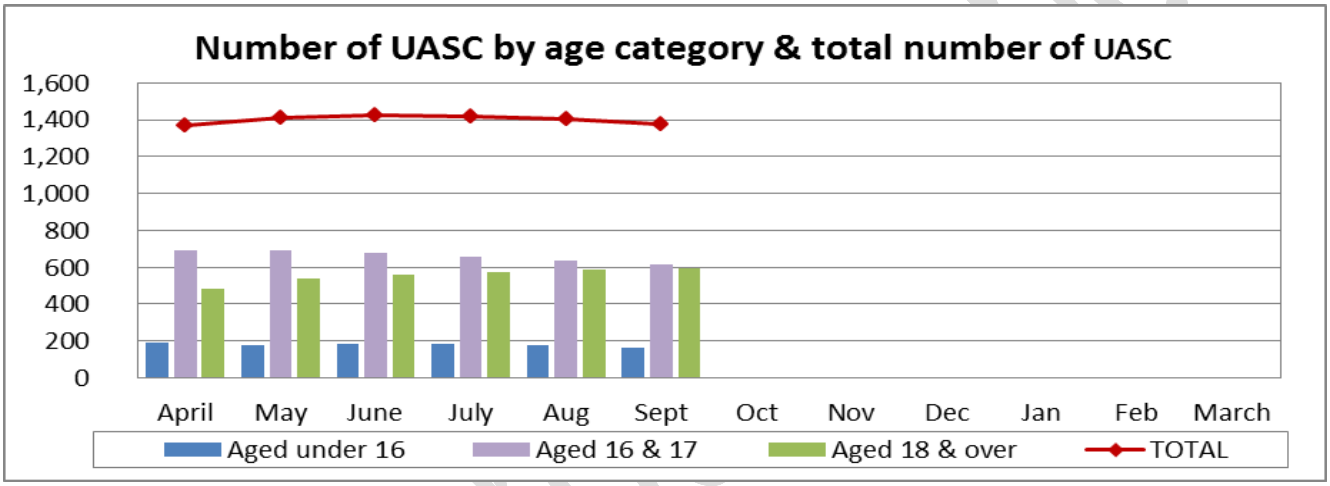
2. Grant rates compared to actual forecast unit costs by age category

	Grant rate per week	Forecast Unit cost per week	Difference
Aged under 16	£1,050	£906	-£145
Aged 16 & 17	£700	£652	-£48
Aged 18 & over (care leavers)	£200	£236	£36

The grant rate shown is paid for all periods of time that qualify as eligible under Home Office grant rules.
The forecast unit cost per week is for all UASC, including both those who are eligible and ineligible for the grant under Home Office grant rules.

3. Number of UASC & Care Leavers by age category

	Aged under 16	Aged 16 & 17	Aged 18 & over	TOTAL
April	191	689	486	**1,366**
May	181	691	539	**1,411**
June	182	679	561	**1,422**
July	182	660	577	**1,419**
Aug	176	638	590	**1,404**
Sept	167	613	594	**1,374**
Oct				
Nov				
Dec				
Jan				
Feb				
March				



The number of Asylum LAC shown in Appendix 2.11 is different to the total 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.

4. Number of Eligible & Ineligible Clients incl All Rights of appeal Exhausted (ARE) clients at the end of each month

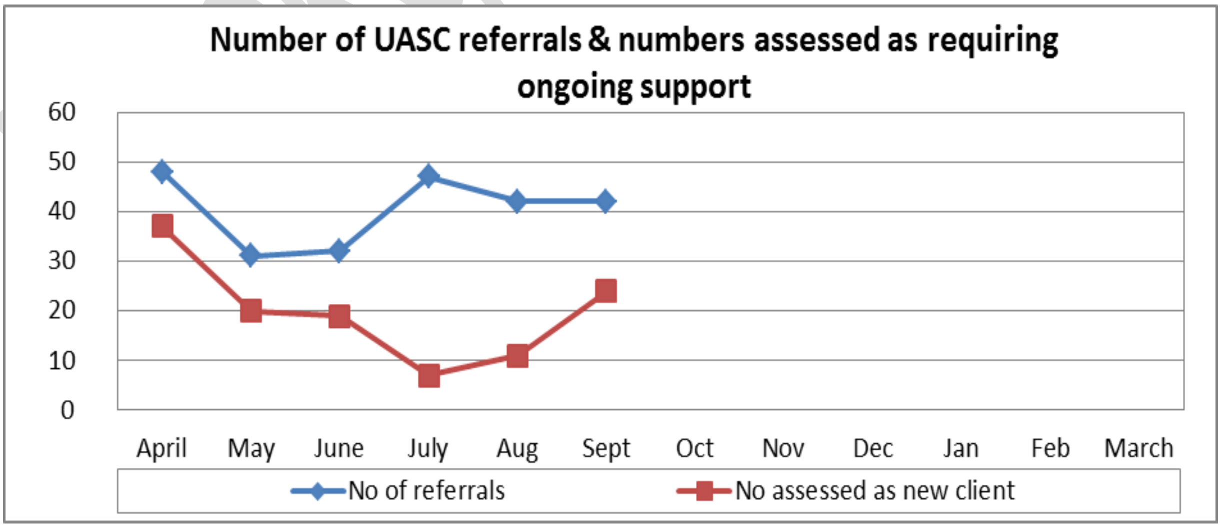
	Eligible Clients	of which AREs	Ineligible Clients	of which AREs	Total Clients	Total AREs
April	1,158	7	208	56	1,366	63
May	1,171	7	240	51	1,411	58
June	1,181	12	241	45	1,422	57
July	1,187	12	232	47	1,419	59
Aug	1,156	19	248	42	1,404	61
Sept	1,134	19	240	40	1,374	59
Oct					0	0
Nov					0	0
Dec					0	0
Jan					0	0
Feb					0	0
March					0	0

Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed.

Ineligible clients are those who do not meet the Home Office grant rules criteria. For young people (under 18), this includes accompanied minors and long term absences (e.g. hospital or prison). For care leavers, there is an additional level of eligibility as the young person must have leave to remain or “continued in time” appeal applications to be classed as an eligible client.

5. Numbers of UASC referrals, assessed as requiring ongoing support

	No of referrals	No assessed as new client	%
April	48	37	77%
May	31	20	65%
June	32	19	59%
July	47	7	15%
Aug	42	11	26%
Sept	42	24	57%
Oct			
Nov			
Dec			
Jan			
Feb			
March			
TOTAL	242	118	49%



6. Total number of dispersals – new referrals & existing UASC

	Arrivals who have been dispersed post new Government Dispersal Scheme (w.e.f 01 July 16)	Former Kent UASC who have been dispersed (entry prior to 01 July 16)	TOTAL
April		12	12
May		4	4
June		10	10
July	14	11	25
Aug	33		33
Sept	33	8	41
Oct			0
Nov			0
Dec			0
Jan			0
Feb			0
March			0
TOTAL	80	45	125

The 80 arrivals that have been dispersed since July are included within the referrals in table 5. The dispersal process has been slower than expected and has resulted in Kent becoming involved in some of the work or assessment for these clients prior to their dispersal and are therefore counting as a referral. It is expected that we will get to the point where clients are dispersed more quickly and therefore will not be included in the referral numbers.

Appendix 4

Monitoring of Revenue Reserves 2016-17 – half year position

1. The table below shows the projected impact of the current forecast spend and activity for 2016-17 on our revenue reserves.

Account	Balance at 31/3/16	Projected balance at 31/3/17	Movement
	£m	£m	£m
General Fund balance	37.2	37.2	0.0
Earmarked Reserves	164.5	128.7	-35.8
Surplus on Trading Accounts	0.6	0.6	0.0
School Reserves *	46.4	39.7	-6.7

* Schools reserves include both the delegated schools reserves and the unallocated schools budget. Details of the reasons for the movement in schools reserves are provided in section 3.5 of the main report.

2. The forecast reduction in earmarked reserves includes:

	£m
• Budgeted drawdown of earmarked reserves to support 2016-17 budget including use of directorate reserves & workforce reduction reserve	-6.3
• Drawdown from reserves of residual 2014-15 underspend to support 2016-17 budget	-4.1
• Budgeted drawdown from Kingshill Smoothing reserve	-2.0
• Budgeted contribution to reserves for Transformation work	2.5
• Budgeted phased repayment of sums borrowed from long term reserves in 2011-12 (year 3 of 10)	1.3
• Budgeted contribution to elections reserve	0.5
• Use of rolling budget reserve (2015-16 underspend) to fund approved roll forwards	-7.6
• Transfer to earmarked reserve to support future budgets of uncommitted 2015-16 rolled forward underspend	2.4
• Planned drawdown of reserves for transformation costs	-9.7
• Expected use of Dedicated Schools Grant reserve	-3.4
• Budgeted drawdown from Public Health reserve (use of prior year underspending)	-1.3
• Forecast transfer to Public Health reserve of 2016-17 underspend	0.7
• Planned movement in IT Asset Maintenance reserve	-4.8
• Planned movement in dilapidations reserve	-2.9
• Forecast transfer to Insurance reserve of current year underspend	1.6
• Planned use of Commercial Services reserves towards contribution to KCC budget (see section 3.6 of the main report)	-1.9
• Other forecast movements in earmarked reserves	-0.8
	-35.8

From:	Paul Carter – Leader and Cabinet Member for Business Strategy, Audit & Transformation David Cockburn – Corporate Director, Strategic and Corporate Services
To:	Cabinet – 12 December 2016
Subject:	**Quarterly Performance Report, Quarter 2, 2016/17**
Classification:	Unrestricted

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

Recommendation(s):

Cabinet is asked to NOTE the Quarter 2 Performance Report.

1. Introduction

1.1. The KCC Quarterly Performance Report for Quarter 2, 2016/17 is attached at Appendix 1.

1.2. The Quarterly Performance Report (QPR) is a key mechanism within the Performance Management Framework for the Council.

1.3. The QPR includes 38 Key Performance Indicators (KPIs) where results are assessed against Targets set out in Directorate Business Plans at the start of the year.

2. Quarter 1 Performance

2.1. Results against Target for KPIs are assessed using a Red/Amber/Green (RAG) status.

2.2. Of the 38 Key Performance Indicators included in the report, the latest RAG status are as follows:

- 21 are rated Green - target achieved or exceeded,
- 15 are rated Amber - below target but above floor standard
- 2 are rated Red – below floor standard

2.3. Net Direction of Travel was positive with 22 indicators improving, 5 with no change 11 showing a fall in performance.

3. Recommendation(s)

Recommendation(s): **Cabinet** is asked to NOTE the Quarter 2 Performance Report.

4. Contact details

Richard Fitzgerald,
Business Intelligence Manager,
Strategic Business Development and Intelligence,
Telephone: 03000 416091
Richard.Fitzgerald@kent.gov.uk

Vincent Godfrey,
Director of Strategic Business Development & Intelligence,
Telephone: 03000 421995
Vincent.Godfrey@kent.gov.uk

Kent County Council

Quarterly Performance Report

Quarter 2

2016/17

Produced by: KCC Strategic Development and Business Intelligence
E-mail: performance@kent.gov.uk
Phone: 03000 416091

Table of Contents

Key to KPI Ratings used

This report includes 38 Key Performance Indicators (KPIs), where progress is assessed against Targets which are set at the start of the financial year through the Council's Directorate Business Plans. Progress against Target is assessed by RAG (Red/Amber/Green) ratings. Progress is also assessed in terms of Direction of Travel (DoT) through use of arrows.

GREEN	Target has been achieved or exceeded
AMBER	Performance at acceptable level, below Target but above Floor
RED	Performance is below a pre-defined Floor Standard *
⇧	Performance has improved
⇩	Performance has worsened
⇔	Performance has remained the same
N/A	Not available

* Floor Standards represent the minimum level of acceptable performance.

Key to Activity Indicator Graphs

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

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

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

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

Data quality note

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

Executive Summary

A majority of indicators were Green, on or ahead of target and Net Direction of Travel was positive with more indicators showing improvement than showing decline.

	G	A	R	⇧	⇔	⇩
Customer Services	3			2	1	
Economic Development & Communities	2			2		
Environment and Transport	5	2		5		2
Education and Young People	4	5	1	6	1	3
Specialist Children's Services	4	2		3	1	2
Adult Social Care	2	3	1	2	1	3
Public Health	1	3		2	1	1
TOTAL	**21**	**15**	**2**	**22**	**5**	**11**

Customer services - Good performance was maintained for call answering and complaint response times, with call volumes down and web visits up.

Economic Development & Communities – Above target delivery for jobs created and safeguarded through the Regional Growth Fund, and *No Use Empty* returning empty properties to use. Library usage levels maintained at previous levels.

Environment and Transport - Pothole repairs on time and customer satisfaction were above target for Highways maintenance, with timeliness for overall routine repairs behind target, due to higher levels of demand. Recycling of waste and diversion of waste from landfill were ahead of target, but carbon emissions were behind target.

Education and Young People – Continued improvement in Ofsted inspection results for schools and Early Years settings. Young people who are NEET continues to be off target. Outcomes achieved for Early Help cases and step down from specialist children's services fell behind target in the quarter while pupil exclusions and new entrants to the youth justice system both remained ahead of target.

Specialist Children Services – Increase in employment of permanent social workers to replace agency staff and increase in percentage of case files audits assessed as good or outstanding. Time for adoption moved to ahead of target for the last rolling 12 months. Stability of placement for children in care and placements with in-house fostering or family and friends remain above target. The number of open cases is below national average and two years ago for all case types.

Adult Social Care – The number of contacts resolved at first point of contact and use of telecare both remained above target. New clients referred to enablement fell below target in the quarter but was above the same time last year. The percentage of clients still independent after enablement increased slightly and was just below target. Admissions to residential and nursing have increased and continue to be higher than target. Delayed discharges from hospital where KCC is responsible increased in the quarter and significant pressure remains in the health sector in relation to this issue.

Public health - Health Check completions and Health Visiting both improved but remained behind target. Successful drug and alcohol treatment figures fell to slightly below target.

Customer Services	
Cabinet Member	Susan Carey
Corporate Director	Amanda Beer

KPI Summary	GREEN	AMBER	RED	⇧	⬄	⇩
	3			**2**	**1**	

Since 9 December 2015, customer contact through Contact Point and digital channels has been provided by our strategic partnership with Agilisys. Performance for the percentage of calls answered by Contact Point (KCC's call centre) remained above the revised higher target during the quarter.

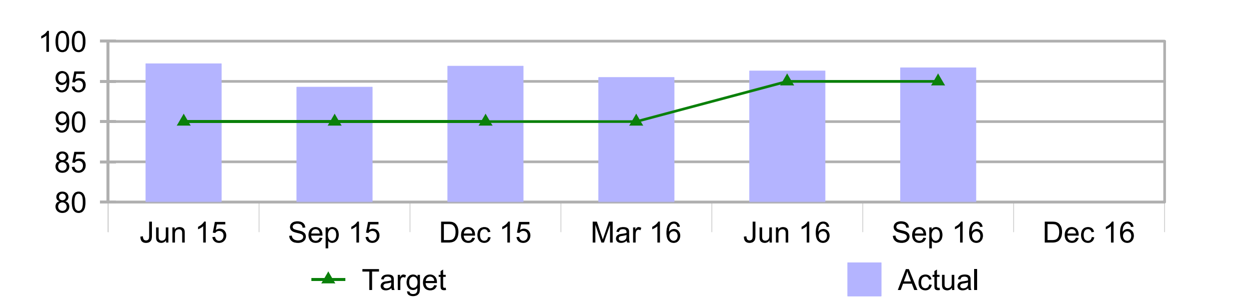
Call volumes handled by Contact Point were 2.7% higher than last quarter, but were below expectations for the time of year, being 10.6% lower than the same period last year. Overall call volumes handled in the last 12 months were 9.9% lower than the previous year.

Average call time increased by 11 seconds to 3 minutes 36 seconds, and is now at its highest since December 2014.

Visits to the KCC web-site decreased in the quarter but remained at the higher end of expectations.

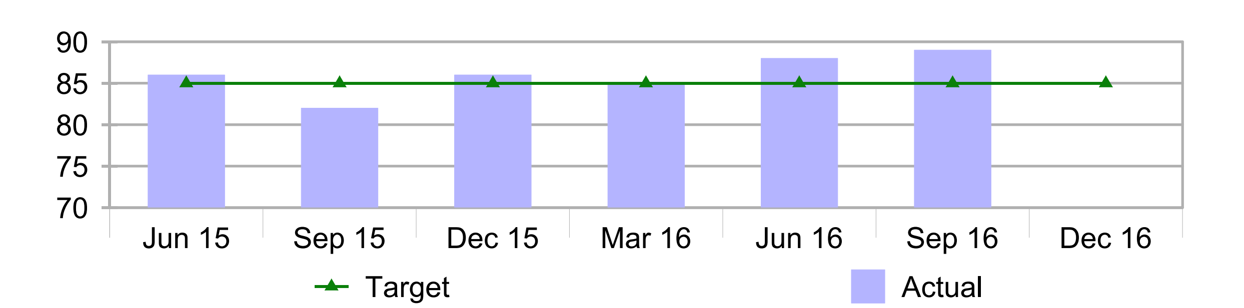
Key Performance Indicators

Percentage of phone calls to Contact Point which were answered	GREEN ⇧



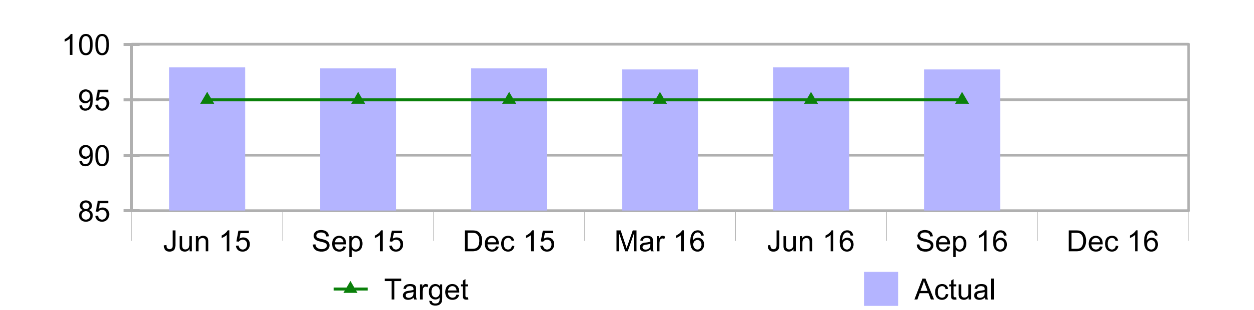
Current: 96.7%	Target: 95%	Previous: 96.3%

Percentage of complaints responded to within timescale	GREEN ⇧



Current: 89%	Target: 85%	Previous: 88%

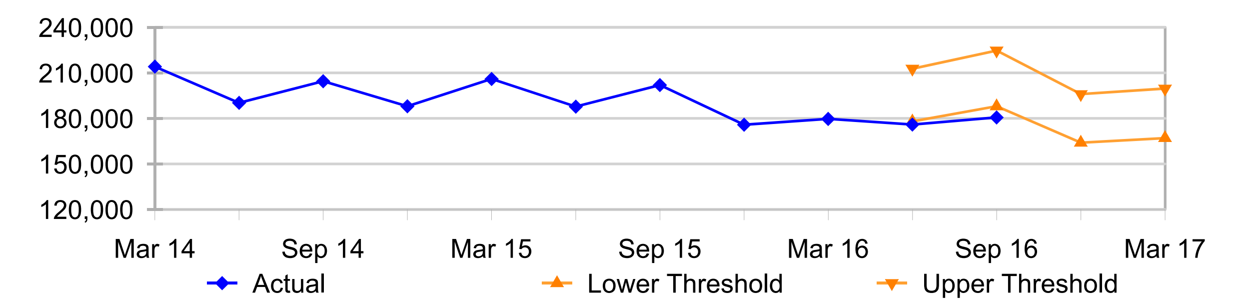
Percentage of callers to Contact Point who rated the advisor who dealt with their call as good	GREEN ⇔



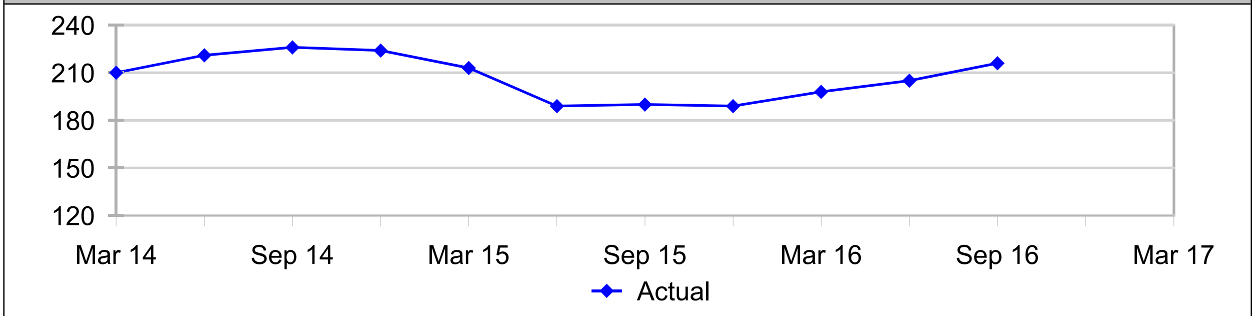
Current: 98%	Target: 95%	Previous: 98%

Activity indicators

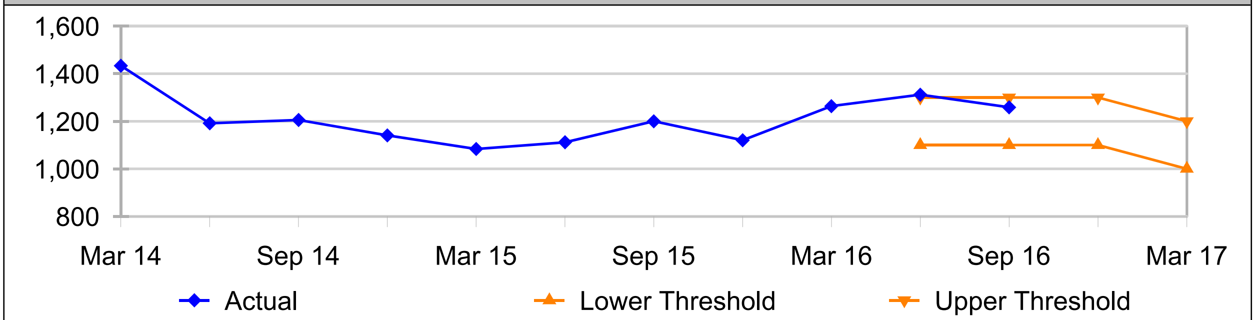
Number of phone calls responded to by Contact Point - by quarter



Average call time with Contact Point - by quarter



Number of visits to the KCC web-site (in thousands) – by quarter



Customer Services – Contact Activity

Number of phone calls, e-mails and post responded to by Contact Point

Contact Point dealt with 0.7% less enquiries than the previous quarter, and 15% less than for the same period last year. The 12 months to September 2016 saw 10.3% fewer contacts responded to than the year to September 2015.

Service area	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Yr to Sep 16	Yr to Sep 15
Adult Social Care	35	36	33	37	141	164
Highways	22	26	26	26	100	108
Specialist Children's Services	25	25	25	24	99	110
Schools and Early Years	15	13	14	14	56	59
Main Enquiry Line	13	14	13	9	50	56
Blue Badges	13	12	11	11	48	43
Libraries and Archives	11	11	11	12	45	44
Registrations	9	10	10	10	39	43
Transport Services	7	9	8	11	35	38
Adult Education	7	8	7	9	31	32
Speed Awareness	5	5	6	7	22	27
Other Services	3	4	4	4	14	29
Waste and Recycling	3	3	4	4	14	13
Kent Social Fund	4	3	3	3	14	19
Total Calls (thousands)	**172**	**180**	**176**	**181**	**708**	**786**
e-mails handled	18	20	13*	8*	59*	71
Postal applications	10	12	10	9	41	44
Total Contacts (thousands)	**200**	**212**	**199**	**198**	**809**	**901**

Numbers are shown in the 000’s, and will not add exactly due to rounding. Calculations in commentary are based on unrounded numbers so will not precisely match changes in table.

* E-mails from June only include those requiring action.
Out of hours calls are allocated 75% to Specialist Children Services, 15% for Highways and 10% Other.
Postal volumes mainly relate to Blue Badges and Concessionary Fares correspondence.

Customer Services – Complaints monitoring

The number of complaints received in the quarter showed a 13% increase on the previous quarter, but was 23% higher than the corresponding quarter last year.

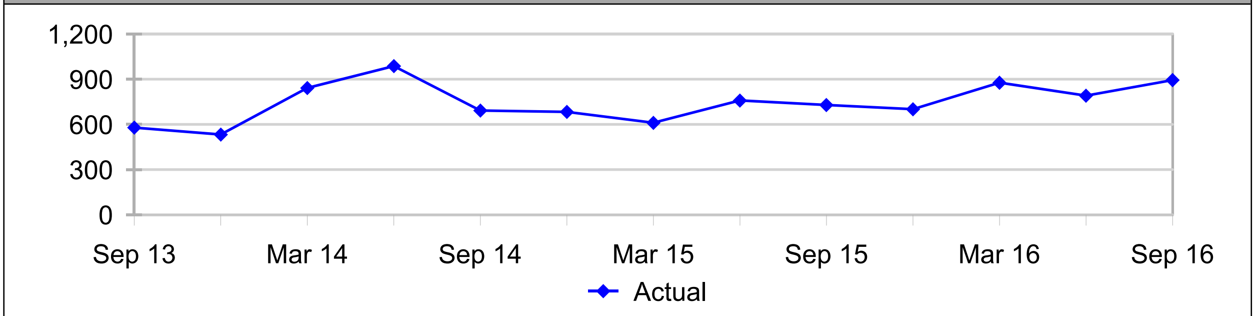
On a rolling 12 month basis, for the year to September 2016 the number of complaints showed a 16% increase on the year to September 2015

We have been focusing on capturing figures from services that have previously not reported against the key performance indicator, due to this we expect a rise in the numbers of complaints recorded over the year.

Service	12 mths to Sep 15	12 mths to Sep 16		Quarter to June 16	Quarter to Sept 16
Highways, Transportation and Waste Management	991	1,112		323	369
Adult Social Services	622	621		149	163
Environment, Planning and Enforcement	70	357		8	23
Libraries, Registrations and Archives	185	294		54	102
Specialist Children's Services	244	255		65	64
Finance and Procurement	399	223		57	57
Other Strategic and Corporate Services	129	174		61	58
Education & Young People Services	86	123		41	31
Adult Education	72	98		32	27
Other Services	4	6		1	0
Total Complaints	**2,802**	**3,263**		**791**	**894**

Activity indicator

Number of complaints received each quarter



Customer Services – Digital Take-up

The table below shows the digital/online or automated transaction completions for Key Service Areas so far this financial year.

Transaction type	Online Oct 15 – Dec 15	Online Jan 16 – Mar 16	Online Apr 16 – Jun 16	Online Jul 16 – Sep 16	Total Transactions Last 12 Months
Renew a library book*	71%	71%	72%	72%	1,481,274
Report a Highways Fault	36%	39%	35%	33%	105,099
Apply for a Concessionary Bus Pass	11%	3%	10%	12%	54,199
Apply for or renew a Blue Badge	26%	36%	36%	39%	37,441
Apply for a Young Person's Travel Pass	6%	84%	12%	76%	37,240
Book a Speed Awareness Course	77%	78%	79%	78%	33,540
Book a Birth Registration appointment	59%	67%	64%	68%	18,970
Highways Licence applications	52%	53%	61%	54%	6,904
Report a Public Right of Way Fault	0%	46%	37%	61%	5,637
Apply for a HWRC recycling voucher	95%	96%	96%	95%	4,428

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

Economic Development & Communities	
Cabinet Members	Mark Dance, Mike Hill
Corporate Director	Barbara Cooper

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	2			**2**		

Support for business

The Expansion East Kent, Tiger and Escalate Regional Growth Fund schemes are now closed. These schemes provided loans, grants and equity investments to the value of £56 million over a four year period. Over 200 companies have been supported with the aim of creating or safeguarding 5,744 jobs, of which 3,875 had been delivered by the end of September 2016.

The second round of the new Innovation Investment Initiative (i3) programme was launched in August.

In Quarter 1, our inward investment services were re-tendered and a new contract has been awarded to Locate In Kent. We continue to support the tourism (Visit Kent), food and drink (Produced in Kent) and media (Kent Film Office) sectors. The tendering of the Kent and Medway Growth Hub service has been completed and delivery by Kent Invicta Chamber of Commerce started in November 2016.

Funding Investment Projects

Delivery is now underway of £152.5 million of capital projects in Kent and Medway supported by the Government's Local Growth Fund Rounds 1 and 2. In April 2016, the Government invited Local Enterprise Partnerships to bid for a share of a third tranche of funding, worth £1.8b nationally. In response the South East LEP submitted its South East Growth Deal in July 2016; this included 18 infrastructure projects in Kent and Medway with a total value of £70m. The Chancellor is expected to announce the outcome as part of his Autumn Statement on 23 November 2016.

Housing and Infrastructure

There were 161 long term empty properties returned to use through the No Use Empty (NUE) Programme in the quarter to September. This brings the cumulative total for the year to 272 and is on track to exceed the Programme's target at this stage.

The total investment into bringing empty properties back into use currently stands at £40 million (£17 million from KCC recycled loans and £23 million from public/private sector leverage). The loan fund for 2016/17 is fully allocated. There is a waiting list for funds to take future projects forward as loans become recycled.

In order to fund the infrastructure required to support growth, KCC is able to obtain financial and non-financial contributions to KCC services from developers of new housing sites and the majority of contributions are through Section 106 (s.106) agreements.

Thirty one planning obligations were completed during the period 1st July – 30th September 2016. In addition three primary school sites were secured which will be integrated within the developments as they become occupied.

Section 106 developer contributions secured (£ 000's)

	Oct to Dec 2015	Jan to Mar 2016	Apr to Jun 2016	Jul to Sep 2016
Primary Education	8,663	6,851	524	10,910
Secondary Education	3,926	2,089	261	3,549
Adult Social Care	155	145	1.6	194
Libraries	210	348	18	222
Community Learning	83	40	1.2	80
Youth & Community	144	34	0.7	47
Total	**13,181**	**9,507**	**806**	**15,001**

Broadband
Through the BDUK Phase 1 Project, over 121,000 homes and businesses have been connected to superfast broadband in areas which would not have been able to gain access to superfast broadband services through commercial upgrade programmes, as these areas were assessed as "areas of market failure". The project has met its targets and 91% of homes and businesses across Kent now have access to superfast broadband service of at least 24mbps. Phase 2 of the project started in January 2016 and will run through to late 2018. This work aims to extend the availability of superfast broadband services to 95.7% of homes and businesses.

Libraries, Registration and Archives
The service became internally commissioned on 1 April 2016 working to the agreed service specification. The service plan has been developed to demonstrate how we are targeting services according to customer profile and need and work continues to make the service more commercially focussed.

To date this year issues are 3% down, which is in line with national trends, however visits show a 0.9% increase over the same period. WiFi usage has increased by 164% on the same quarter last year which reflects the fact that it is now available in all libraries as opposed to only 33 last year. Over 53,000 people attended events in libraries during the quarter. In part this will have included children attending events for the Summer Reading Challenge, a project designed to keep children reading over the summer break, which saw an increase of 17% of children completing the challenge.

Total ceremonies conducted by our staff increased by 2% and we registered over 8,000 births and deaths during quarter 2 with over 9,000 documents produced from our archives for customers. Results to date from our customer satisfaction surveys show satisfaction rates of:

- Libraries 93% (annual target 95%)
- Birth and death registration 97% (annual target 95%)
- Ceremonies 96% (annual target 95%)

Sport and Physical Activity
The Sport and Physical Activity Service co-ordinated the Cultural Celebration for the Kent School Games in September. This event provides opportunities for local school

children with artistic talent to work alongside professionals and this year culminated in a West End Style musical show at the Winter Gardens in Margate in front of an audience of approximately 500 people.

In September the Service held its annual Network Conference themed 'Tackling Inactivity', with 158 delegates attending.

Community Safety

The integrated Kent Community Safety Team (KCST) coordinated two sessions to raise awareness and understanding of e-safety (safety online and the internet) in July, and in August delivered a workshop exploring the developments of Community Safety Strategic Assessments to provide an opportunity for partners to review the current process and consider opportunities to improve the process. During the quarter, the KCC Community Safety Unit received one new Domestic Homicide Review and is managing another five cases that are at various stages of the DHR process.

Resilience and Emergencies

The 24/7 KCC Duty Emergency Planning Officer received 69 incident alerts in this quarter, including the partial collapse of footbridge onto M20, and an IT outage at Dartford Tunnel resulting in power failure with both tunnels being closed.

The Resilience & Emergencies (R&E) Unit and Kent Resilient Team (KRT) had a significant role within the response to chronic traffic congestion on the approaches to Port of Dover over the weekend of 23rd and 24th July. KRT led the multi-agency planning team who developed the annual Kent Resilience Forum exercise, Exercise Surge during September. Over 800 multi-agency staff took part and around 130 volunteers were evacuated from the Littlestone area. Lessons learned reports are produced both for actual events and for the exercise.

Ongoing monitoring has recorded the most significant year-on-year expansion of Ash Dieback infection in Kent since the pathogen was first discovered in the county in 2012. The Kent Resilience Forum Ash Dieback Strategic Co-ordinating Group continues to meet regularly to co-ordinate the local response.

Arts Development

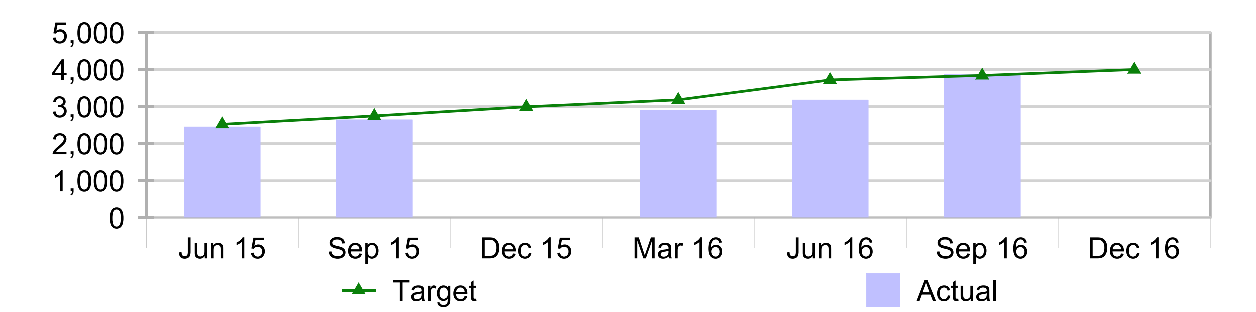
We have supported a number of festivals including "Estuary" a new bi-annual international festival of art in the Thames corridor, "Boing" an international festival at the Gulbenkian, the "Canterbury Festival" and a new festival produced by Threshold Studios in Margate.

Between April and September 2016, the Kent Film Office facilitated 287 filming days which has bought in an estimated £1 million to the Kent economy. Production highlights include feature films Rustom and Victoria & Abdul, TV dramas Humans series 2, The Crown and Hetty Feather series 3 as well as ITV drama commercial idents and music videos for Emelie Sande and Robbie Williams.

Our work with the Director of Highways Transportation and Waste to embed social value into waste and recycling contracts was quoted as an example of good practice in a national address delivered by Sir Peter Bazalgette in his role as Chair of Arts Council England.

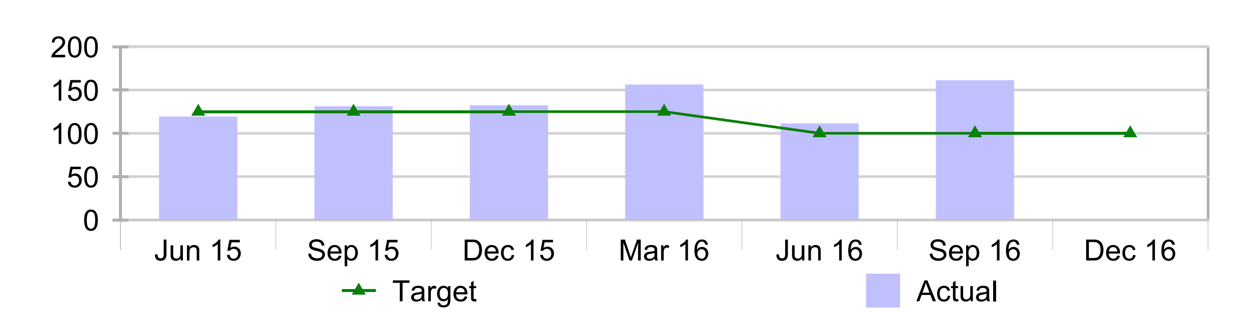
Key Performance Indicators

Full time equivalent jobs created/safeguarded through Regional Growth Fund loan schemes — **GREEN ⇧**



Current: 3,875	Target: 3,841	Previous: 3,180

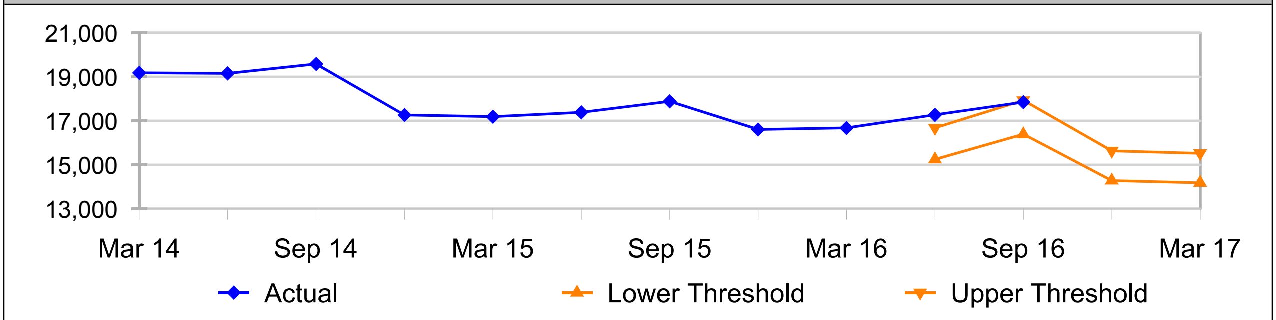
Number of homes brought back to market through No Use Empty (NUE) — **GREEN ⇧**



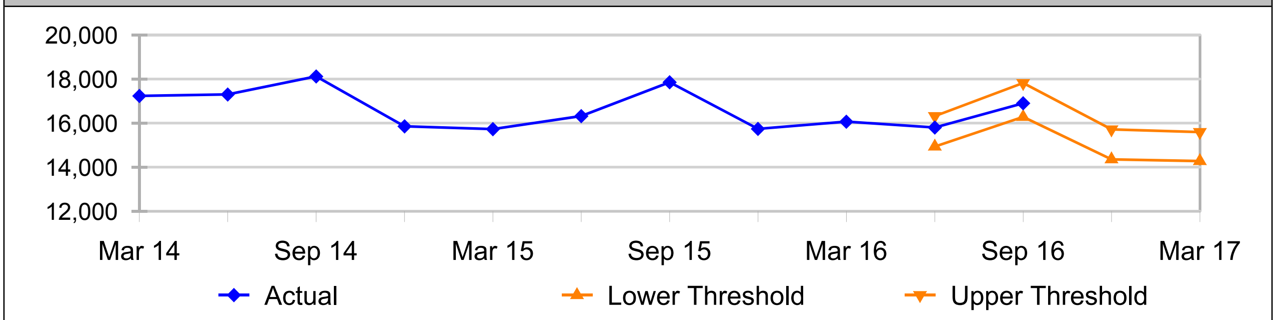
Current: 161	Target: 100	Previous: 111

Activity indicators

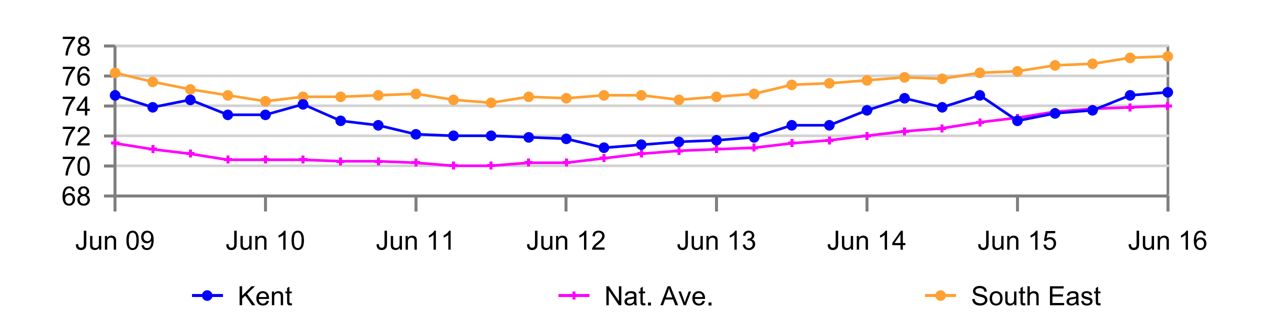
Average number of visits to Kent libraries per day



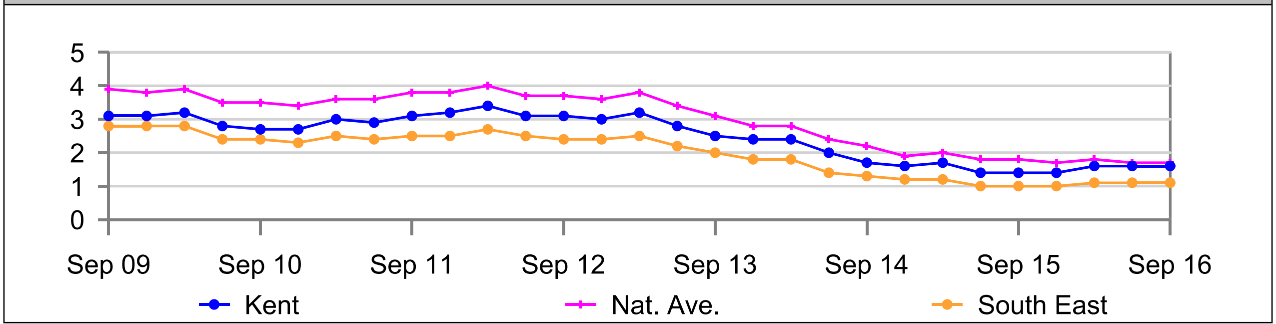
Average number of book issues from Kent libraries per day



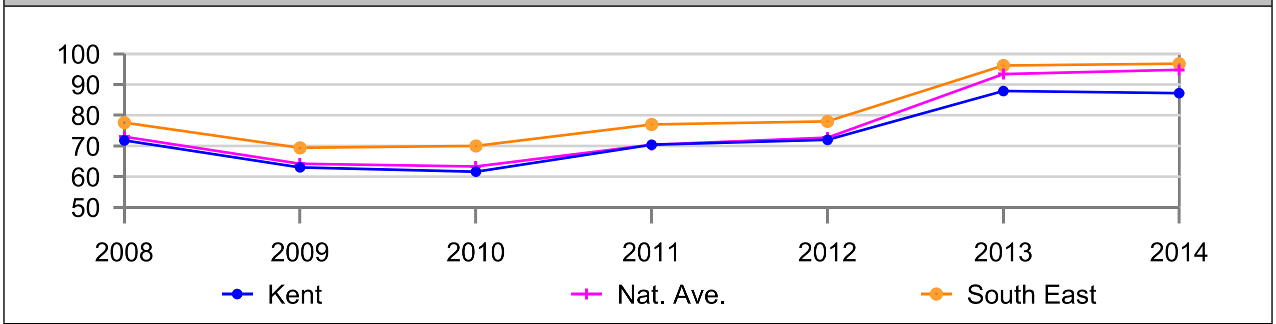
Percentage of population aged 16 to 64 in employment (from the Annual Population Survey)



Percentage of population aged 16 to 64 claiming unemployment benefits



Business start-ups per 10,000 population aged 18 to 64



Environment and Transport	
Cabinet Members	Matthew Balfour
Corporate Director	Barbara Cooper

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	5	**2**		**5**		**2**

Highways

Performance was above target for pothole repairs and satisfaction with routine repairs and schemes. The percentage of routine highway problems reported by residents completed within 28 days was behind target and performance was impacted by high demand for soft landscaping issues and streetlight faults.

New customer enquiries raised for action in the quarter were at the upper end of seasonal expectations at 25,624 compared to 24,369 for the same time last year. The warm weather created a significant demand in soft landscape enquiries. Staff and contractors have been working hard to keep 'work in progress' levels under control and at the end of September there were 5,930 open enquiries which is at the lower end of seasonal expectations. Teams are preparing themselves for the increased autumn/winter demand where the pressure will shift to potholes, streetlighting and drainage enquiries.

A number of key projects were progressed in the quarter including the launch of the Kent Connected Smartcard and the publication of the Winter Service Policy for 2016/17. A revised Divisional Management structure was implemented in August with a reduction to four Heads of Service reporting to the Director. The conversion of streetlights to LED has increased in pace with 18 crews now working on this, with over 23,000 conversions now completed.

A Members' Task and Finish Group has been examining our approach to asset management within highway maintenance and progress will be reported to the Environment and Transport committee in January. The work is informing our submission to DfT's Incentive Fund, which is a mechanism to receive capital funding for highways maintenance. There is a need for significant investment to ensure road condition is maintained.

Local Growth Fund Highways Capital Projects

Through the South East Local Enterprise Partnership (SELEP), £113.4 million of funding has so far been allocated for transport projects within Kent from rounds 1 and 2 of the Local Growth Fund (LGF). An announcement for the allocation of round 3 national funding (£1.8 billion) will be made in the Autumn Statement in November.

There are 24 transport projects in the Programme and of the 20 that have started, 1 is complete, 15 are making progress, with the remaining 4 at some risk; Middle Deal, Sittingbourne Town Centre, Dover Western Docks, and Ashford Spurs, which are all being delivered by third parties and are behind on delivery, and for Dover Western Docks the Business Case to secure the LGF is still outstanding from Dover Harbour Board. Several schemes are currently in the construction phase and are progressing well, including M20 Junction 4 (Leybourne), Rathmore Road and Maidstone Bridges.

The Business Case for the A226 London Rd/ B255 St. Clements Way scheme in Dartford was approved by the SELEP Accountability Board in November 2016, with an allocation of £4.2m. The Business Case for the Ashford Spurs project was signed off at the Accountability Board in September 2016 and the original £5m allocation from LGF2 is secured, but delivery is still dependent on a further LGF3 bid to secure an additional £4.8m.

Project Start Year :	2015/16	2016/17	2017/18	Total
Total Value (£m)	84.4	58.7	42.8	185.9
LFG funds (£m)	48.63	30.6	34.2	113.4
Projects	14	6	4	24
Complete	1	-	-	1
Green (on track)	8	1	2	11
Amber (some delays)	4	2	2	8
Red (at risk)	1	3	0	4
LGF Value of Red projects	2.5	10.8	0	13.3

Casualty Reduction
Following overall casualty reduction in 2015 compared to 2014, initial data from the first two quarters of the 2016 calendar year indicate an increase. This however follows a new reporting system implemented by the Police and there is still clarification being sought over the impact of the changed recording practice. Work programmes are developed using longer term data trends, and we continue to work closely with partners such as the Police to review and deliver the actions set out in our Road Casualty Reduction Strategy.

Public Transport
Over the summer we managed the annual workload relating to the start of the school year with over 30,000 children and young people issued with either a Young Person's Travel Pass of the Kent 16+ Travel Card. Work to improve the process this year included an on-line application system for the 16+Travel Card, better communications over the summer holidays, and delivering passes to schools earlier.

Waste Management
Performance was above target for diversion of waste form landfill and recycling levels within Household Waste Recycling Centres (HWRCs). With the implementation of new and innovative contract arrangements in recent months 98% of waste is now being diverted from landfill.

Total waste tonnage arisings have increased to 735,000 tonnes in the last 12 months, up from 715,000 tonnes in the previous year. Increases have been seen both within the KCC manager HWRC network and within district council collection. Mitigating the impact of this increase on expenditure levels is currently a focus.

The capital works have been completed at Church Marshes, including bridge works and installation of food compactors. The remediation works at the closed landfill site at Richborough are substantially completed.

Greenhouse Gas Emissions
This is the first performance report following the agreement of a new five-year corporate target for greenhouse gas emissions for a 32% reduction by 2021. Total greenhouse gas emissions are now being measured, which include emissions that have a greater impact on health. Previously only carbon dioxide emissions, the main contributor to climate change were reported.

Kent Environment Strategy
The implementation plan for the strategy has now been finalised and includes 78 partnership actions to deliver shared environmental, health and economic outcomes. Clear responsibilities have been assigned for delivery, with many actions governed and delivered by multi-agency partnerships such as the Kent Resilience Forum and the Kent Nature Partnership. Progress monitoring of the whole plan will take place annually with reporting to Kent Leaders.

Low Carbon Across the South East (LoCASE)
Following the successful approval of the £18.5 million 3 year pan-LEP ERDF project called Low Carbon Across the South East (LoCASE), delivery of the project is well underway following the delays and uncertainty caused by the EU Referendum. To date, a total of 26 grants totalling £163,000 have been awarded. These grants are provided to assist businesses in the Southeast region to optimise the use of resources and adopt eco-innovative and low carbon solutions in ways that improve business performance, whilst at the same time contributing to the protection and preservation of the environment.

Kent Country Parks
The Country Parks team has retained two Gold awards for Shorne Woods and Lullingstone Country Parks and a Silver Gilt Award for Trosley Country Park in the the South and South East in Bloom awards. Aided by good weather, income figures over the summer were above target.

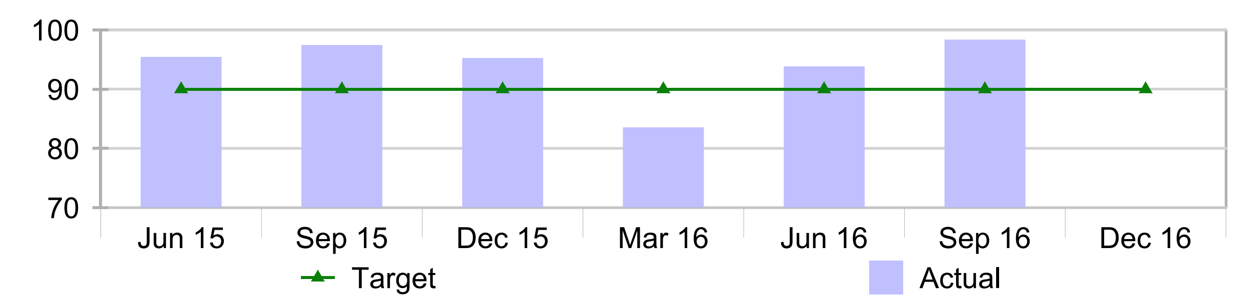
Planning
The Kent Minerals and Waste Local Plan 2013-30 was adopted by the County Council in July 2016. The Plan will provide the overarching framework and planning policies to determine whether to allow new development for mineral extraction, importation and waste management in the County. Work on the Sites Plan and the methodology for calling for sites and their assessment in accordance with the adopted strategy is underway.

Public Rights of Way (PRoW) and Access Service
We have worked with Natural England to support the opening of the first two stretches of the England Coast Path in Kent in July. The stretches link Camber Sands in East Sussex with Ramsgate in Kent. The Service continues to work with Natural England to deliver the remaining stretches of path in Kent.

An online portal has been launched which enables District Council's to undertake property searches using up to date PRoW and Common Land Village Green information.

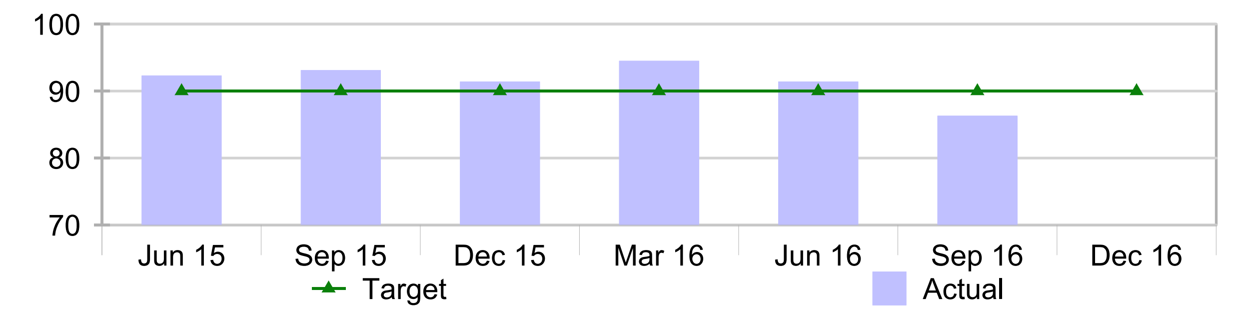
Key Performance Indicators

Percentage of routine pothole repairs within 28 days	GREEN ⇧



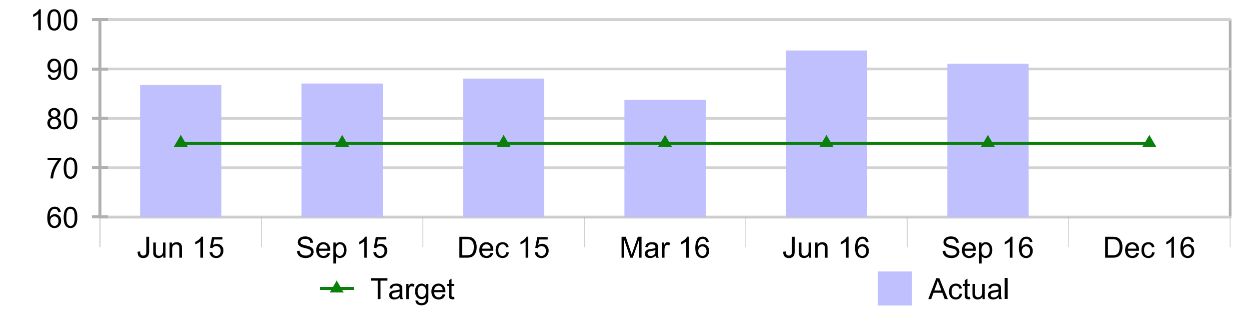
Current: 98%	Target: 90%	Previous: 94%

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



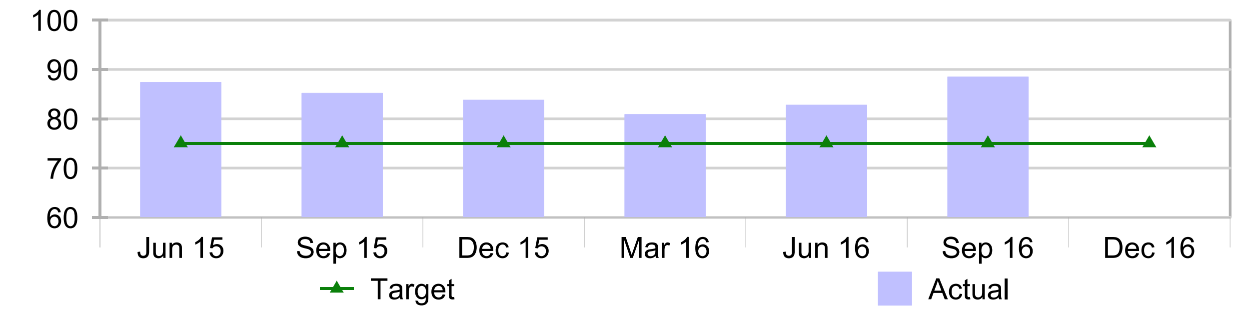
Current: 86%	Target: 90%	Previous: 91%

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



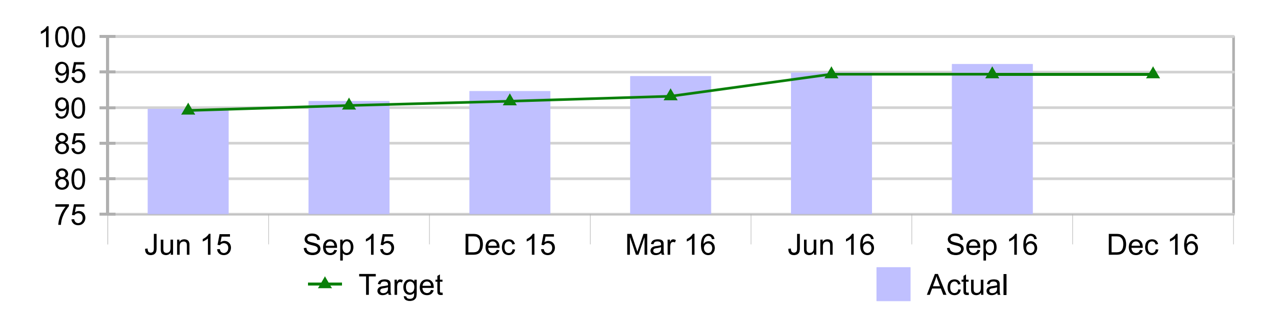
Current: 91%	Target: 75%	Previous: 94%

Resident satisfaction with completed Highways schemes (survey)	GREEN ⇧



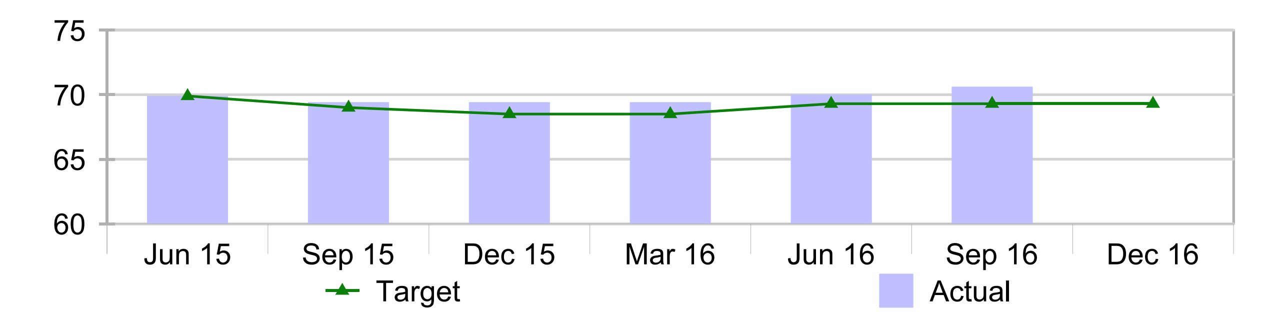
Current: 89%	Target: 75%	Previous: 83%

Percentage of municipal waste recycled or converted to energy and not taken to landfill - rolling 12 months	GREEN ⇧



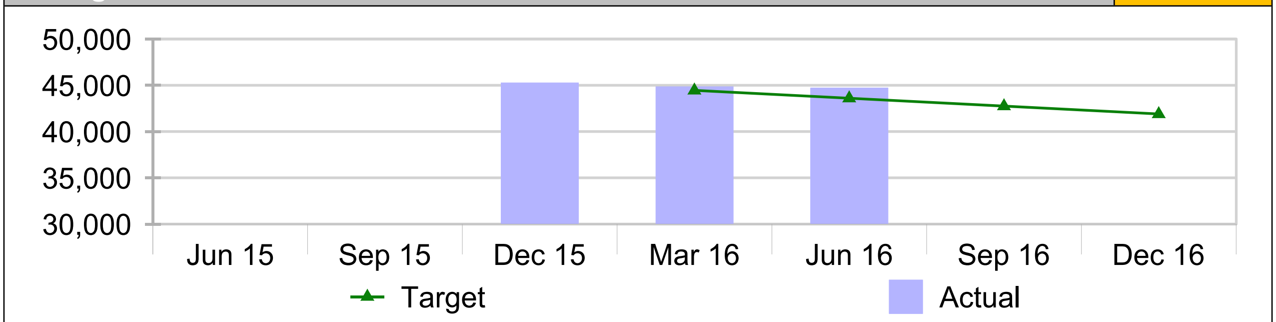
Current: 96.1%	Target: 94.7%	Previous: 94.9%

Percentage of waste recycled and composted at Household Waste Recycling Centres (HWRC) – rolling 12 months	GREEN ⇧



Current: 70.6%	Target: 69.3%	Previous: 70.0%

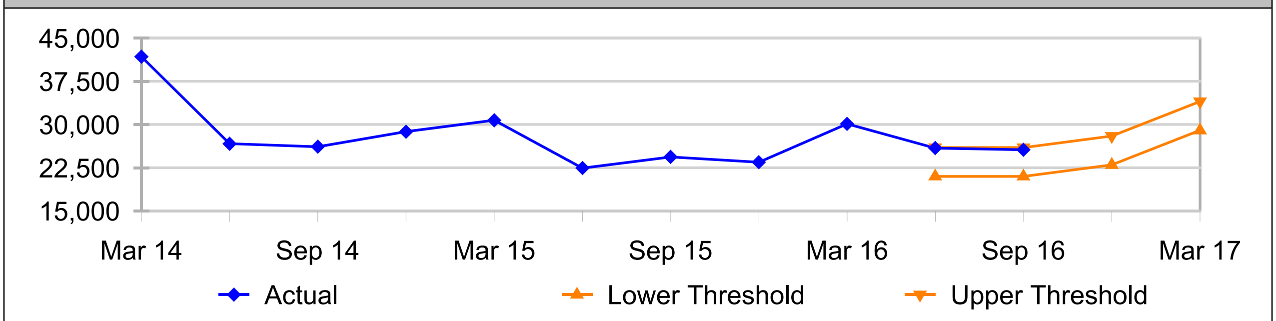
Greenhouse Gas emissions from KCC estate (excluding schools) in tonnes – rolling 12 months	AMBER ⇧



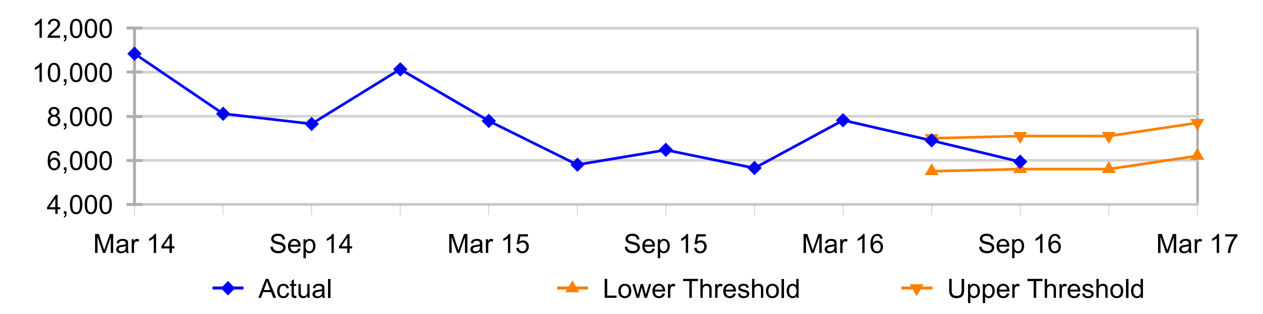
Current: 44,723	Target: 43,600	Previous: 44,851

Activity indicators

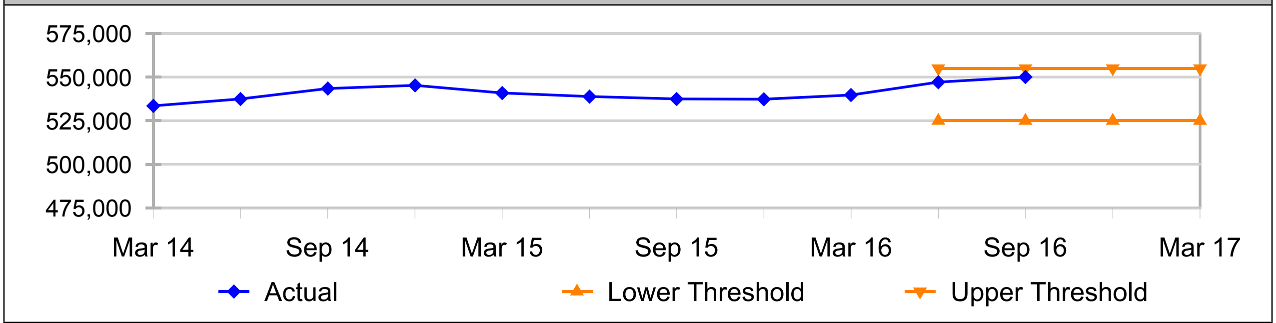
Number of Highways enquiries raised for action - by quarter



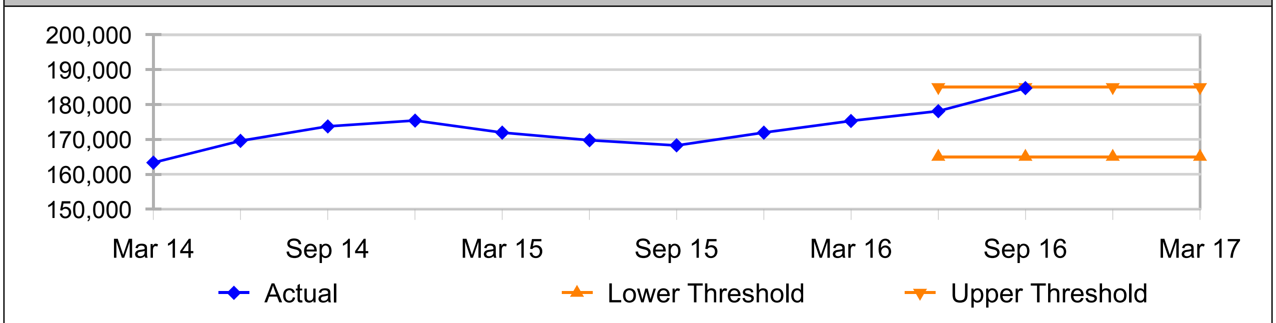
Highways Open enquiries work in progress (Routine and Programmed works)



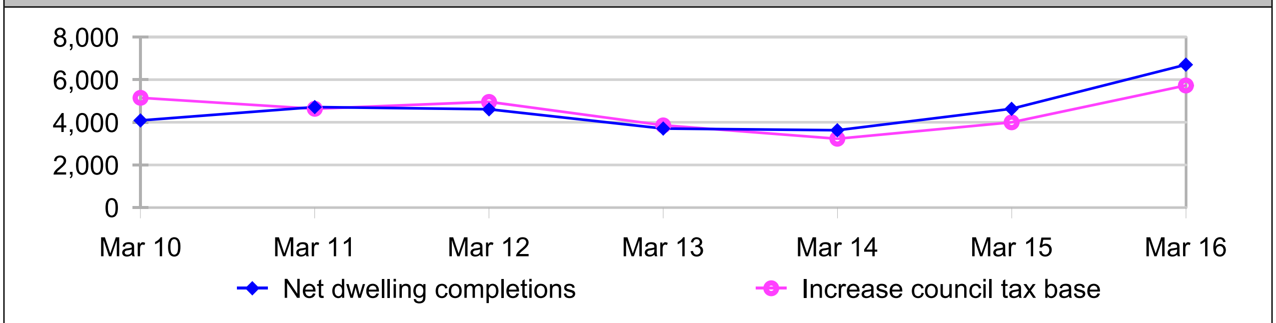
Tonnage collected by districts - rolling 12 months



Tonnage managed through HWRC - rolling 12 months



Net Dwelling Completions and additions to council tax base – by year



Education and Young People	
Cabinet Member	Roger Gough, Peter Oakford, Mike Hill
Corporate Director	Patrick Leeson

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	4	**5**	**1**	**6**	**1**	**3**

Schools
School results in summer 2016 were above average and an improvement on previous performance in nearly all key stages of education.

In September 2016, 483 of the 583 schools in Kent were Good or Outstanding with 87.7% of pupils attending a Good or Outstanding schools compared to 83% at the same time last year, an increase of 9,767 children receiving a better education.

The percentage of Primary schools judged by Ofsted as Good or Outstanding (90%) improved by 2% in the quarter, ahead of target, with the percentage of Secondary schools improving by 1% and now just below target of 86%. In September 2016 nearly all Special schools were good or outstanding.

In 2016, a Kent School Improvement Strategy and Protocol for Schools Causing Concern were published clarifying the responsibility of the local authority with its schools. We are determined to ensure further improvement in the quality of schools in Kent so that every school requiring improvement becomes a good school within the next two years and that good and outstanding schools do not decline. To support our priorities we have created a lead role in School Improvement with a responsibility for “Narrowing the Gaps”.

Early Years
The percentage of Early Years settings which were Good or Outstanding at 96% was above the target of 93% and delivering further improvement remains a key priority for the Early Years and Childcare Service.

Other priorities include preparing for the delivery of 30 hours of free childcare with effect from September 2017, working in partnership with Children’s Centres to continue to increase the take up of free early education places by eligible two year olds, increasing the number of children achieving a Good Level of Development at the end of the Early Years Foundation Stage, narrowing achievement gaps, and increasing the number of Early Years settings working within a collaboration.

Skills and Employability
The number of young people who are Not in Education, Employment or Training is not reported for September because there are annual fluctuations in the NEET cohort. The number of NEETs rises over the summer months due to school and college leavers and increases significantly in September as new data is processed and young people find new learning and training placements.

The June 2016 numbers were nearly half a percent lower than the same time last year. This coupled with the 2.2% improvement in Not Known figures demonstrates improvements on the ground, as in June a reduction in Not Knowns would normally lead to an increase in NEETs.

There is a good foundation for further reduction in NEETs with the introduction of a new DfE joint NEET/Not Known measure in the Autumn, and the change to only counting 17 and 18 year olds in future.

We will achieve over 3,000 16 - 18 year old apprenticeship starts for 2015/16 for the first time. The Kent Employment Programme (KEP) has been a huge success, moving unemployed young people into apprenticeships, working with local employers in Kent. There has also been continued success with the Assisted Apprenticeship scheme.

SEND

The percentage of Education, Health and Care Plans (EHCPs) issued within the statutory 20 weeks has increased from 82% to 84% in the quarter against a target of 90%.

DfE published data for 2015 showed that Kent is performing well compared to other LAs nationally, issuing 86.2% of new EHCPs within 20 weeks, compared to 59.2% nationally and transferring 30.3% of all existing statements to EHCPs, compared to 18.2% nationally.

However maintaining this pace and responding to new duties following the first cycle of annual reviews of plans from 2015 has created volume pressure and most recently adversely affected overall performance. This is a national issue.

A review of quality assurance has been completed and new arrangements are being introduced from September 2016 to refine the processes further. Whilst the training and development of staff has seen positive outcomes for individuals to take on more responsibilities, in the light of new SEND duties under the 2014 Act, the Area teams have lost experienced SEN Officers and the volume demands of the statutory assessment process have increased.

School Places and Admissions

We have been successful in securing the necessary additional school places required for admission to Primary and Secondary school in September 2016.

For 2015/16 across Kent as a whole the target was achieved in ensuring there are 5% surplus school places in both the Primary and Secondary sectors. There are fewer Districts with less than 5% surplus capacity in Year R than in previous years. Our forecasts in 2015/16 were accurate to within 0.2% for both Year Reception and Primary school rolls, and 0.6% for Secondary school rolls.

The proportion of parents securing their preferred schools has increased. For admission in September 2016 over 81% of parents secured their first preference Secondary school, almost 1% higher than in 2015. Primary school place offers saw 87% of families securing their first preference school (up over 1% on the previous year), which exceeded the 85% target.

Early Help

The percentage of Early Help cases closed with outcomes achieved decreased in the quarter from 85% to 79%. However, this is at a similar level to the same quarter last year which indicates a seasonal trend following the school holidays. The forecast is that results will improve in the quarter to December.

The percentage of cases closed to SCS that were safely stepped-down to Early Help and Preventative Services was 18% for quarter which was significantly below the 24% target. Early Help has the capacity to accept a higher level of step-downs from SCS and joint step-down guidance for workers in both Early Help and SCS has just been finalised and issues to staff. This should support best practice and integrated working and mean an increase in the number of cases stepped-down. It is important to note that the current step-down measure only includes step-down at case closure stage and not cases that were stepped-across by the Central Duty Team (CDT) before progressing to an open case. In the last quarter there were 482 cases stepped-across from CDT.

For permanent exclusions, the rolling 12 months total has remained (across both Primary and Secondary phases) at 0.03% therefore meeting the target of 0.04%. However the volume of pupils excluded this quarter has reduced from 69 to 60 which is a significant reduction compared to the previous year. The number of first time entrants to the Youth Justice system has also shown further reduction ahead of target.

Intensive Early Help support is delivered in integrated teams in all districts, with casework managed through Early Help Units. There is close working with schools and alignment of all systems and processes with Specialist Children’s Services. Significant improvements have already been seen to case throughput and effectiveness, securing improved outcomes for children, young people and families. Performance is monitored and managed using an outcome tracker system for all cases and the monthly scorecard which includes data for all performance measures. A project to assess the efficiency and effectiveness of processes and practice at the 'front-door' in CDT and Triage is underway. This will make recommendations for improvements to how demand is managed.

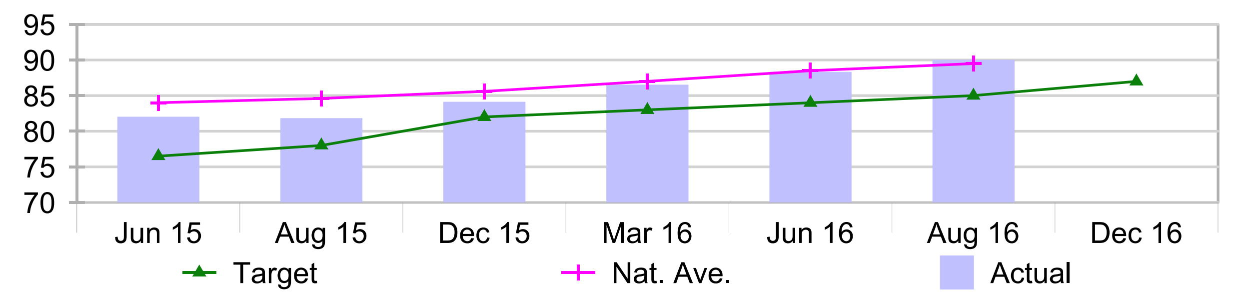
All work within the service is underpinned by a new Quality Assurance Framework, with a clear cycle for audit, evaluation and feedback. Family work is underpinned by the Signs of Safety model which has been rolled out to all staff working with families. The Early Help Strategy and Three Year Plan provides the vision, ways of working and priorities for Kent’s Early Help and Preventative Services for 2015-18. A feedback tool for families and young people has been developed and is now being piloted. A version is also being developed to capture feedback from partner organisations.

The way in which schools access support from the PRU, Inclusion & Attendance service has been streamlined. This process ensures one single route into the service, and appropriate and timely allocation of work, and is now live with all schools in Kent.

New processes have been introduced to embed the NEET strategy into all aspects of Early Help and Preventative Services, to ensure an integrated approach across the service when working with young people at risk of NEET, or with those already NEET. The NEET Strategy and Action Plan is currently being updated to drive developments over the next year.

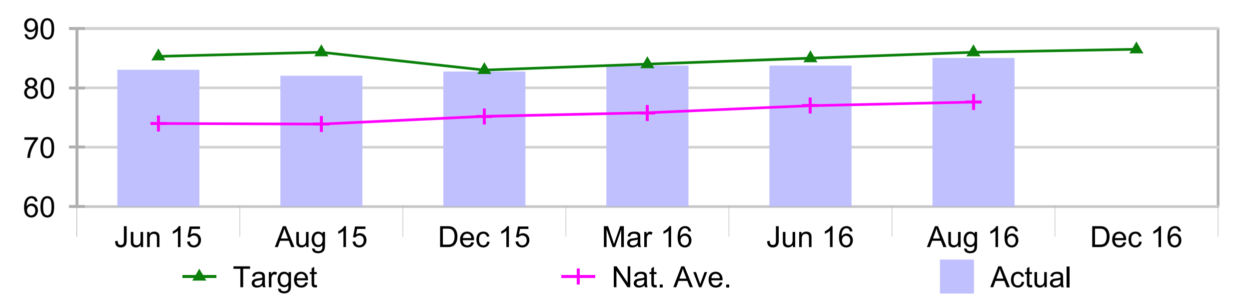
Key Performance Indicators

Percentage of Primary schools with Good or Outstanding Ofsted inspection judgements	GREEN ⇧



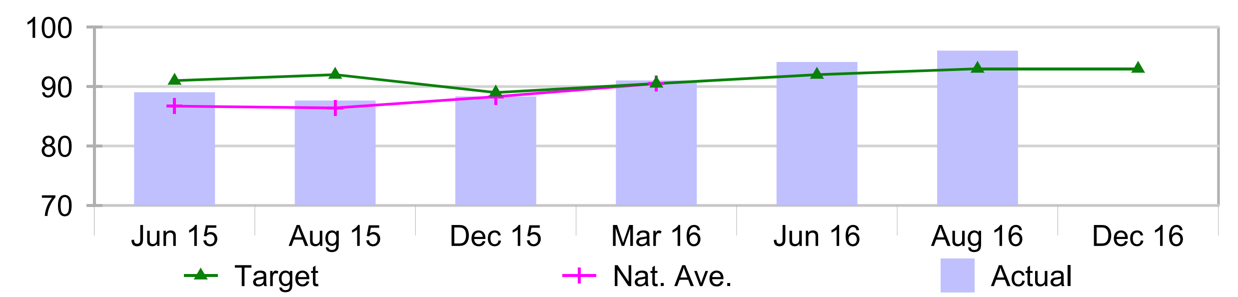
Current: 90%	Target: 87%	Previous: 88%

Percentage of Secondary schools with Good or Outstanding Ofsted inspection judgements	AMBER ⇧



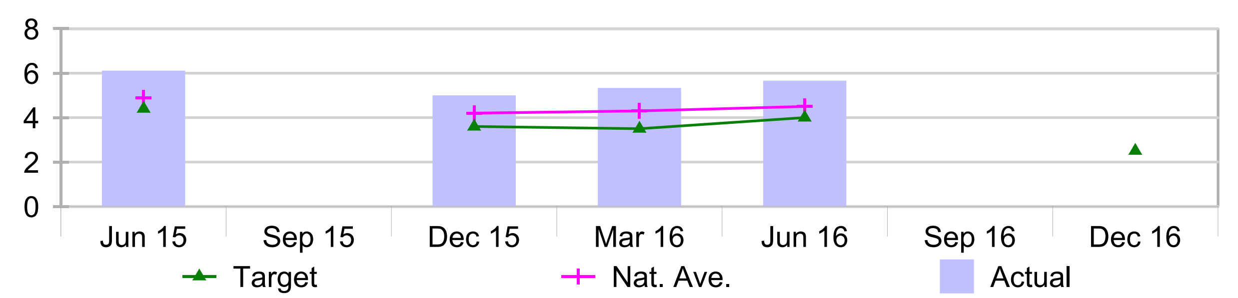
Current: 85%	Target: 86%	Previous: 84%

Percentage of Early Years settings with Good or Outstanding Ofsted inspection judgements (childcare on non-domestic premises)	GREEN ⇧



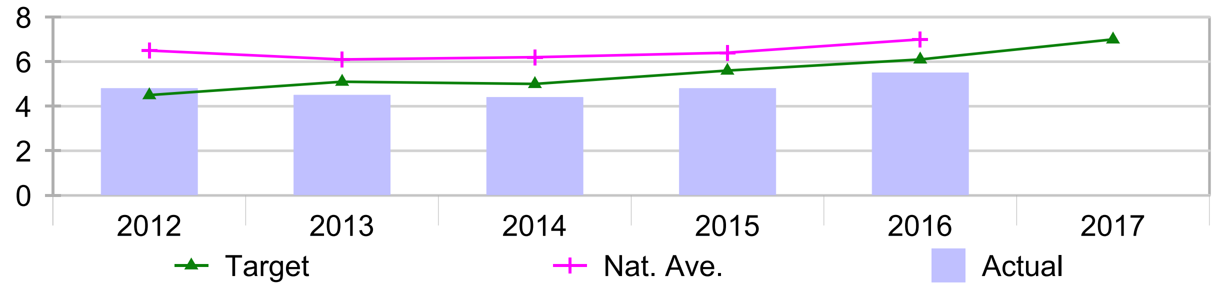
Current: 96%	Target: 93%	Previous: 94%

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



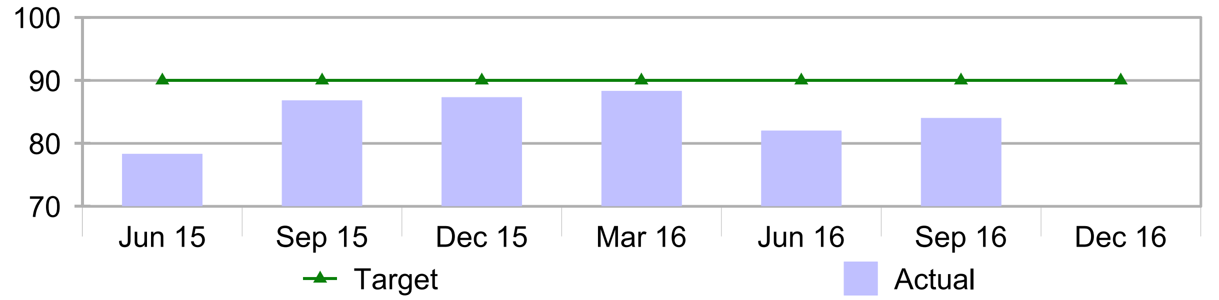
Current: 5.7%	Target: n/a	Previous: 5.3%

Percentage of 16-18 year olds who start an apprenticeship	AMBER ⇧



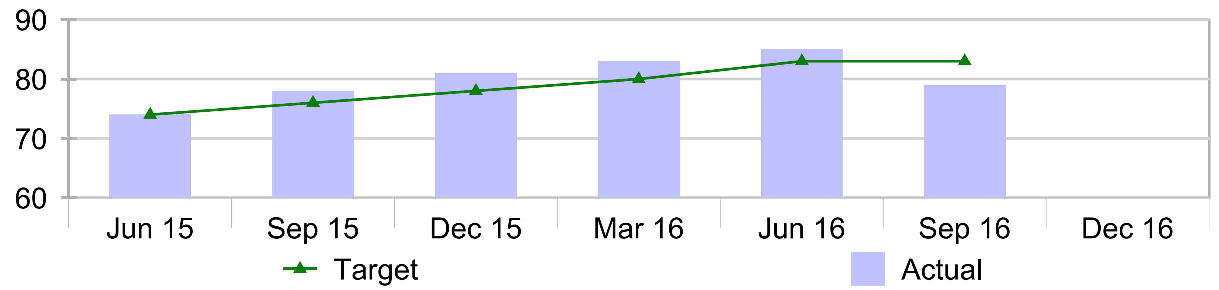
Current (Estimate): 5.5%	Target: 6.1%	Previous: 4.8%

Percentage of Education, Health and Care Plans (EHCPs) issued within 20 weeks	AMBER ⇧



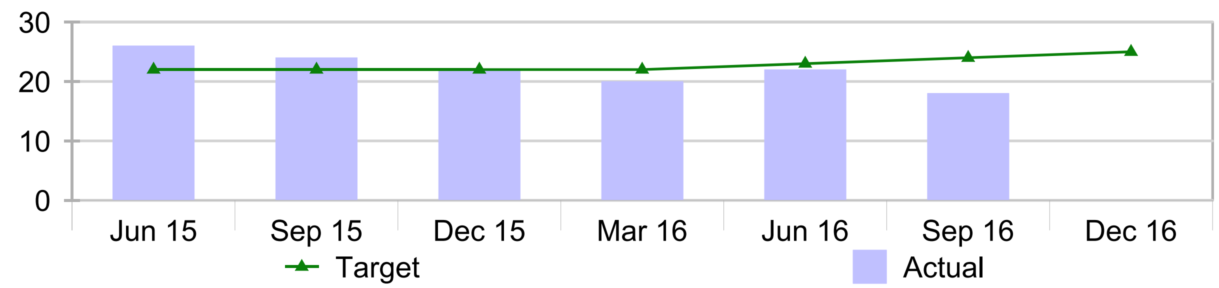
Current: 84%	Target: 90%	Previous: 82%

Percentage of cases closed by Early Help Units with outcomes achieved	AMBER ⇩



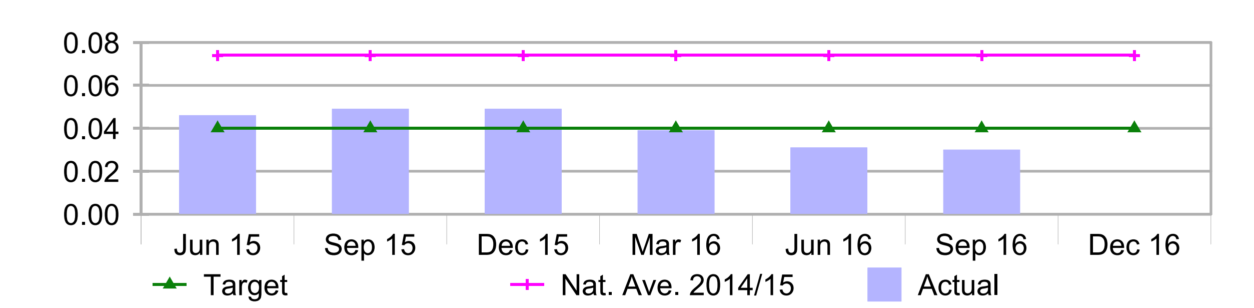
Current: 79%	Target: 83%	Previous: 85%

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



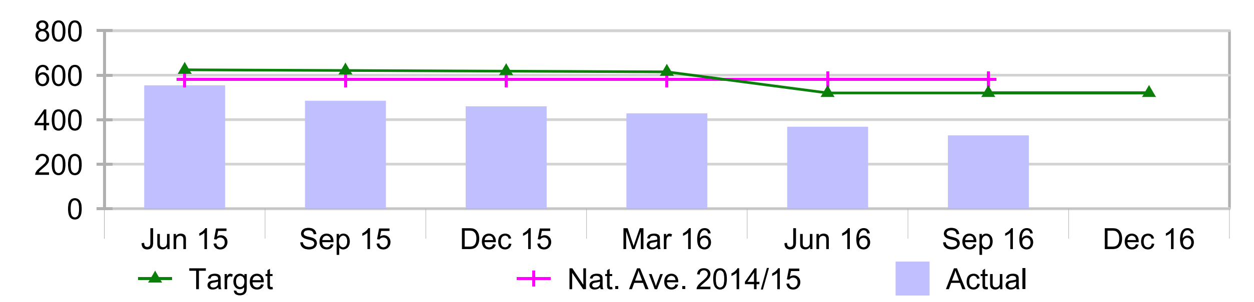
Current: 18%	Target: 24%	Previous: 22%

Percentage of pupils permanently excluded from school - rolling 12 months	GREEN ⇔



Current: 0.03%	Target: 0.04%	Previous: 0.03%

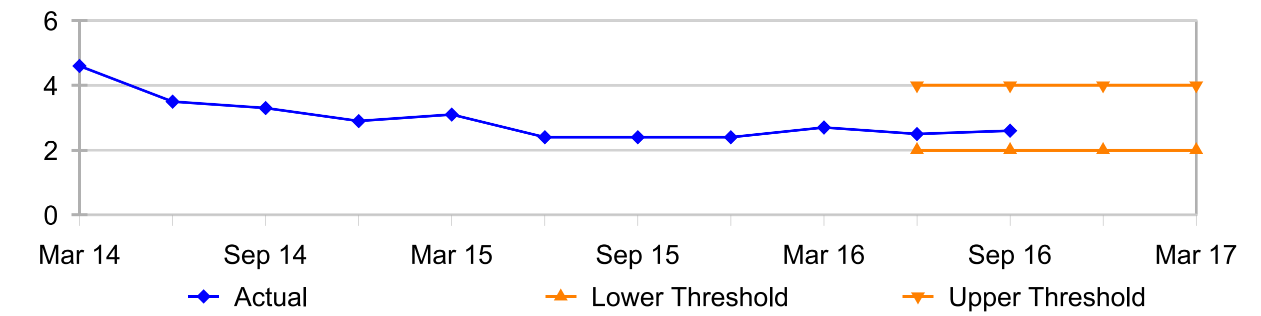
Number of first time entrants to youth justice system - rolling 12 months	GREEN ⇧



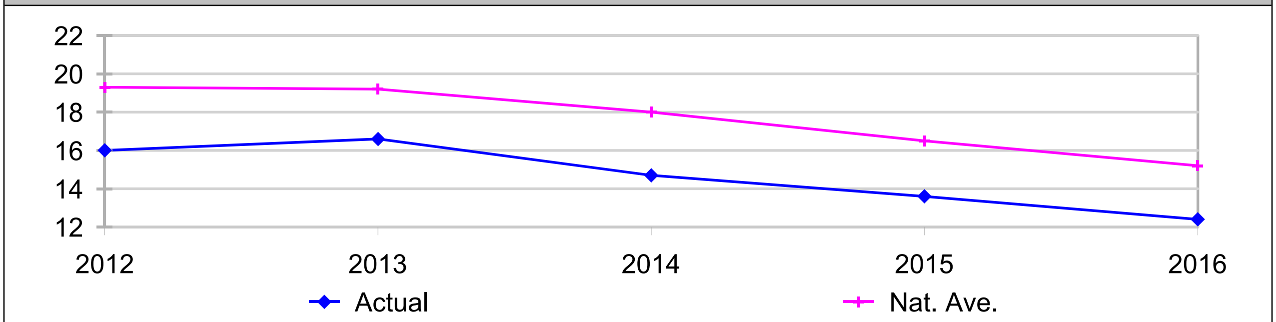
Current: 328	Target: 520	Previous: 367

Activity indicators

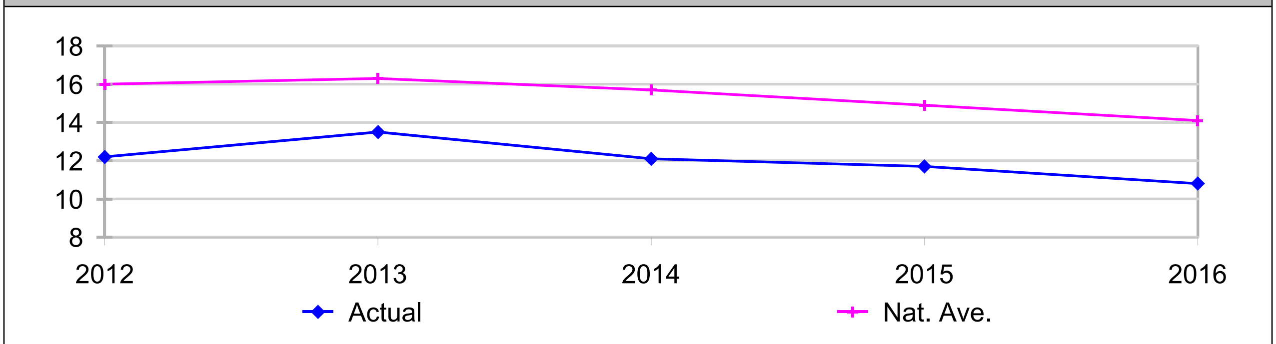
Percentage of young people aged 18 to 24 claiming JSA



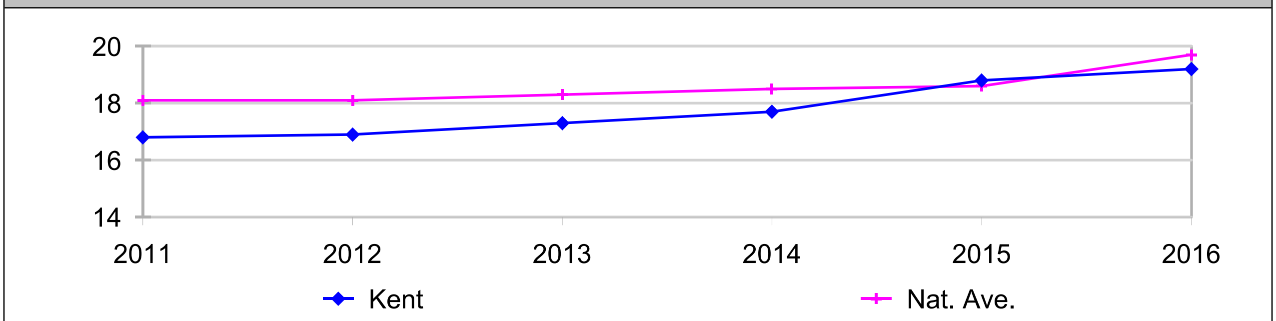
Percentage of Primary school children eligible for Free School Meals



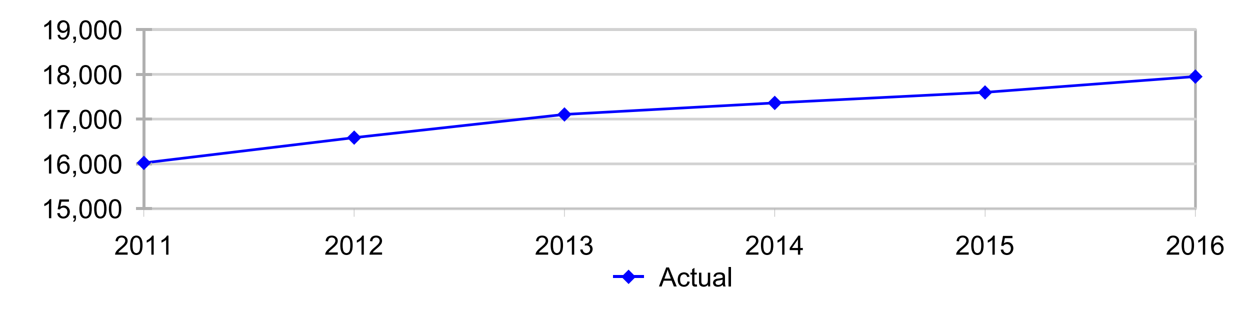
Percentage of Secondary school children eligible for Free School Meals



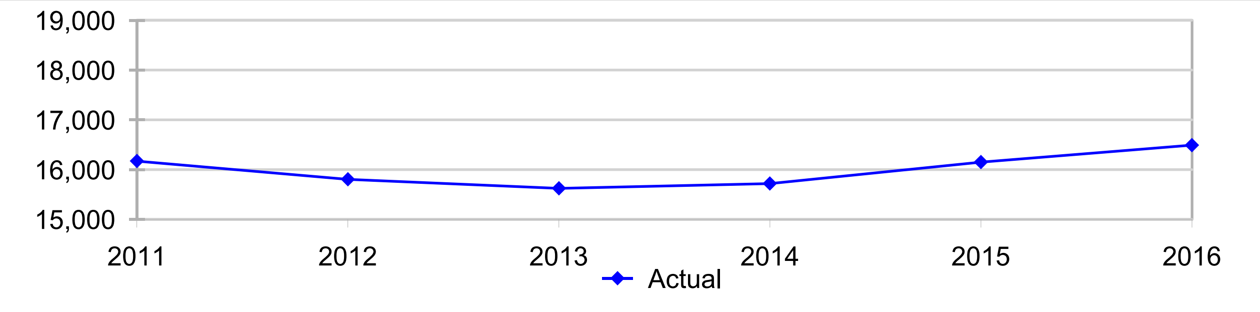
Young people with SEN Statements or EHCPs per 1,000 population aged 0 to 19



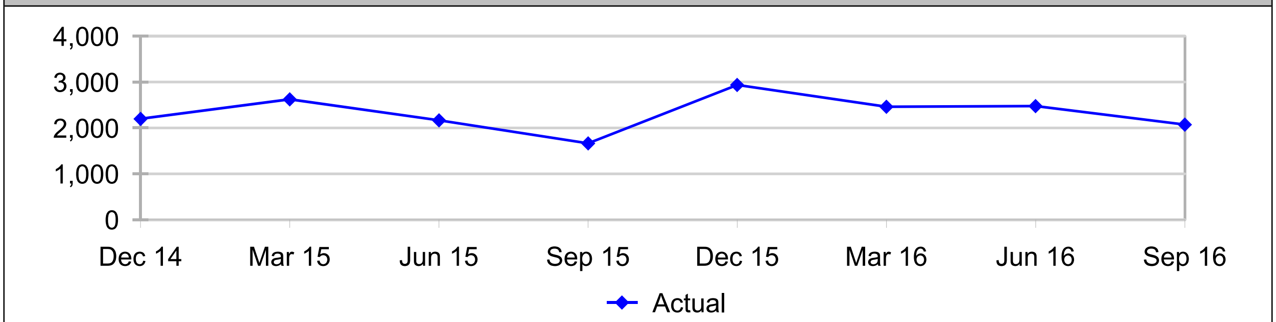
Number of pupils in Reception year (Kent state funded schools)



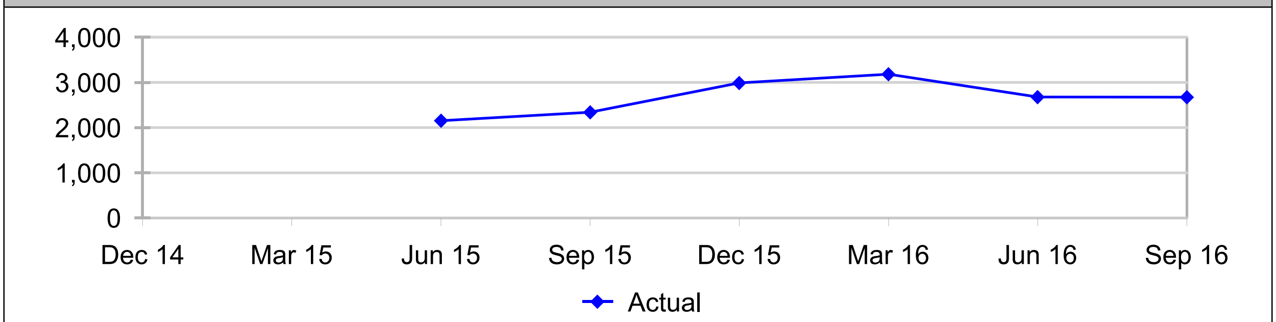
Number of pupils in Year 7 (Kent state funded schools)



Number of Early Help notifications processed by Triage



Number of open Early Help cases managed by Units



Specialist Children's Services	
Cabinet Member	Peter Oakford
Corporate Director	Andrew Ireland

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	4	**2**		**3**	**1**	**2**

Staffing and Quality of Practice
The percentage of case holding social worker posts held by permanent qualified social workers increased in the quarter to September 2016 to 81%, with 16% of posts being filled by Agency staff. This is the result of the successful recruitment of 40 Newly Qualified Social Workers (NQSWs). There are an additional 13 NQSWs due to start before the end of the year and wider recruitment and retention activity continues.

There has been a continued increase in the percentage of case files rated good or outstanding, with the performance measure above target. The grading criteria have been strengthened to include a focus on meaningful chronologies being present on all case records. The Safeguarding and Quality Assurance Unit continue to undertake a programme of targeted, thematic audits in addition to the online audit programme. Themed audits arise from the service's self-scrutiny. Recent audits have examined, among other topics, the thresholds for closing a child or young person's case following a step down from Child Protection.

The Signs of Safety practice model continues to be embedded, with additional training being provided for the recent cohort of NQSWs. Work is ongoing to integrate Signs of Safety into the templates and plans on Liberi, the electronic case recording system.

Demand and Caseloads
Referral figures for the first six months of the year have shown an increase in demand of 4% compared to the same period in 2015. Despite the increased demand the overall caseload number decreased by 272 in the quarter to September 2016 and remains within the expected range.

Child Protection
There were 1,118 children with child protection plans at the end of September 2016, which was an increase of 20 from the previous quarter and is within the expected range. The percentage of children becoming subject to a child protection plan for a second or subsequent time has increased from 20% to 22% in the quarter. Plans for those children who have previously been subject to a Child Protection Plan are reviewed by the Safeguarding and Quality Assurance Unit.

Adolescents
Alongside the established Adolescent Support Teams, work is being led by the Specialist Children's Services and Early Help and Preventative Services Joint Divisional Management Team to ensure the safety of teenagers who find themselves at risk of homelessness. A three month project is currently underway in a few areas of the county, to host a 'crash pad' facility for young people requiring emergency help.

Knowledge of the nature of child sexual exploitation in Kent is now being fed into the Multi-Agency Sexual Exploitation (MASE) meetings, for analysis and action.

Children in Care
At 1,448 the number of indigenous children in care decreased by 6 in the quarter. The number of indigenous children in care placed with Independent Fostering Agencies increased by 6 in the quarter, from 155 in June 2016 to 161 in September 2016. The number of children in care placed in Kent by other Local Authorities increased by 10 in the quarter and at the end of September 2016 was 1,267.

The stability of children in care who have been in the same placement for the last two years has increased slightly in the quarter to 71% and is at the target level set. The percentage of indigenous children placed in KCC foster care or with family saw a slight reduction in the quarter, from 87% in June 2016 to 86% in September 2016, but remains above target.

Adoption
For children who were adopted in the last 12 months the average number of days between coming into care and moving in with their adoptive family was 388 days, a reduction of 64 days on the previous quarter which has exceeded the target.

UASC
During 2015 Specialist Children's Services (SCS) saw an unprecedented rate of arrivals of Unaccompanied Asylum Seeking Children (UASC), which far exceeded previous years. The number of UASC in care at the end of September 2016 was 766. The National Transfer Scheme for UASC, launched in July 2016 has seen 80 new arrivals and 20 existing UASC find permanence with Other Local Authorities as at 30th September 2016.

Voice of the Child
The work of the Children and Young People's Council continues to increase its membership and have greater representation by establishing local and more specialist groups, including a group for Care Leavers.

In the early part of the year the Service piloted MOMO (Mind of Your Own), a Web based App that provides a way for children and young people to tell their social workers what they think about our services and about their care plan. This app is being used and young people report it is easy and they like using it.

Care Leavers
The number of Care Leavers has seen an increase in the last quarter, from 1,173 in June 2016 to 1,206 in September 2016. This includes a rise in the number of UASC who became Care Leavers in the quarter, from 570 in June 2016 to 601 in September 2016, an increase of 31.

The performance measures for Care Leavers remain static, with the Number of Care Leavers in suitable accommodation at 92% and the numbers of Care Leavers in Employment, Education and Training at 58%. Work continues to re-design the pathway plan to make it more meaningful for young people.

Our Children in Care (including Unaccompanied Asylum Seeking Children)

Age Profile

Age Group	**Mar 16**	**Jun 16**	**Sep 16**
0 to 4	177	180	194
5 to 9	305	288	284
10 to 15	844	831	812
16 to 17	994	999	924
Total	**2,320**	**2,298**	**2,214**

Gender

	Mar 16	**Jun 16**	**Sep 16**
Male	1,611	1,611	1,537
Female	709	687	677

Ethnicity

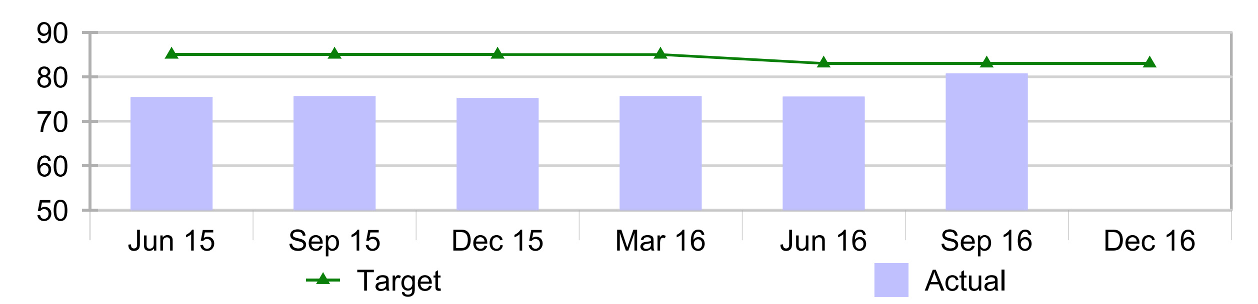
	Mar 16	**Jun 16**	**Sep 16**
White	1,354	1,361	1,355
Mixed	86	81	80
Asian	61	66	59
Black	391	353	333
Other	428	437	387

Kent and Unaccompanied Asylum Seekers (UASC)

Status	**Mar 16**	**Jun 16**	**Sep 16**
Kent Indigenous	1,454	1,454	1,448
UASC	866	844	766

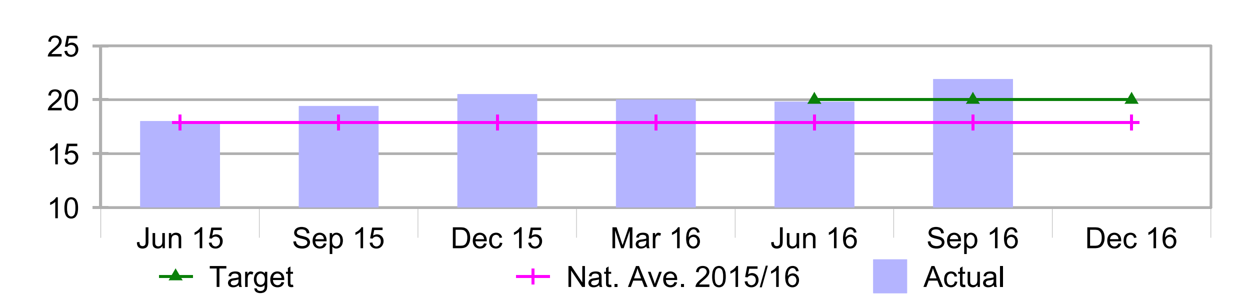
Key Performance Indicators

Percentage of case holding posts filled by permanent qualified social workers	AMBER ⇧



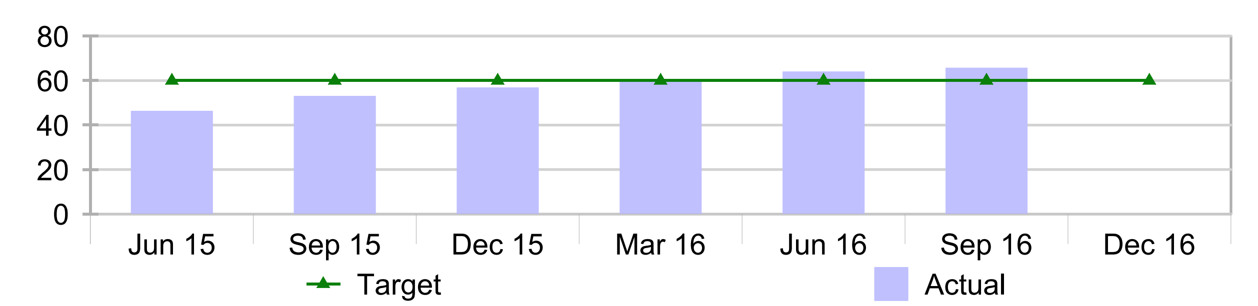
Current: 81%	Target: 83%	Previous: 76%

Percentage of children becoming subject to a child protection plan for the second or subsequent time - rolling 12 months	AMBER ⇩



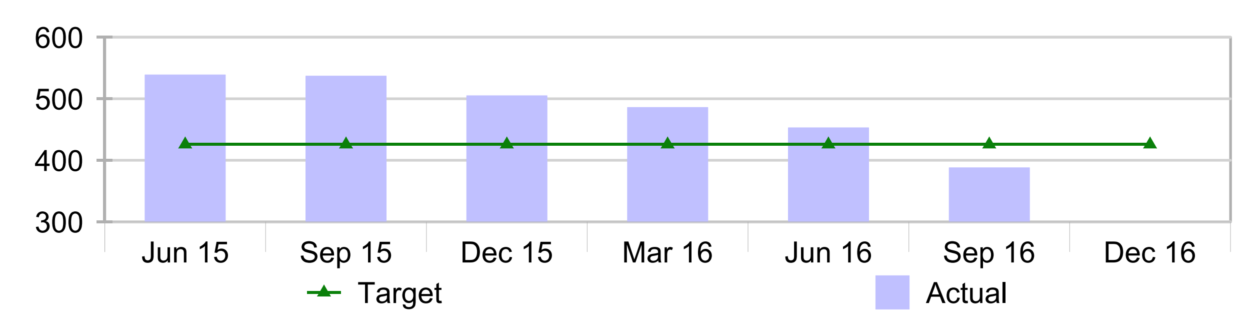
Current: 22%	Target: 15-20%	Previous: 20%

Percentage of on-line Case File Audits rated as Good or outstanding - rolling 12 months	GREEN ⇧



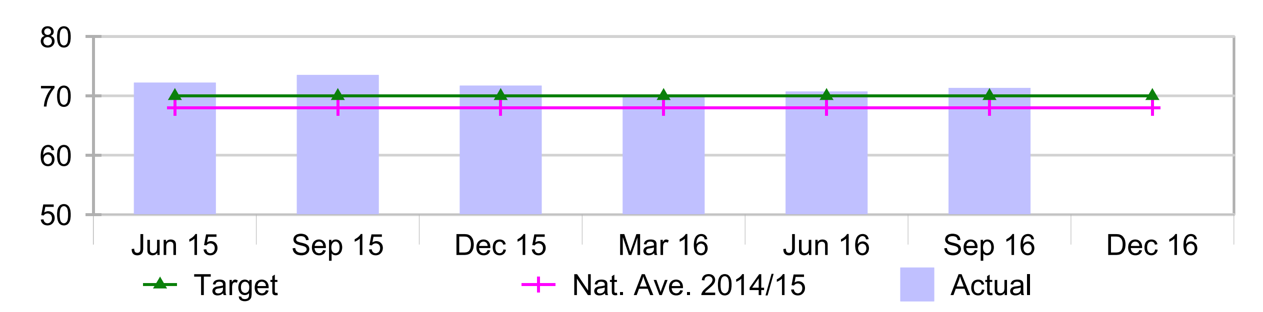
Current: 66%	Target: 60%	Previous: 64%

Average number of days between becoming a child in care and moving in with an adoptive family - rolling 12 months	GREEN ⇧



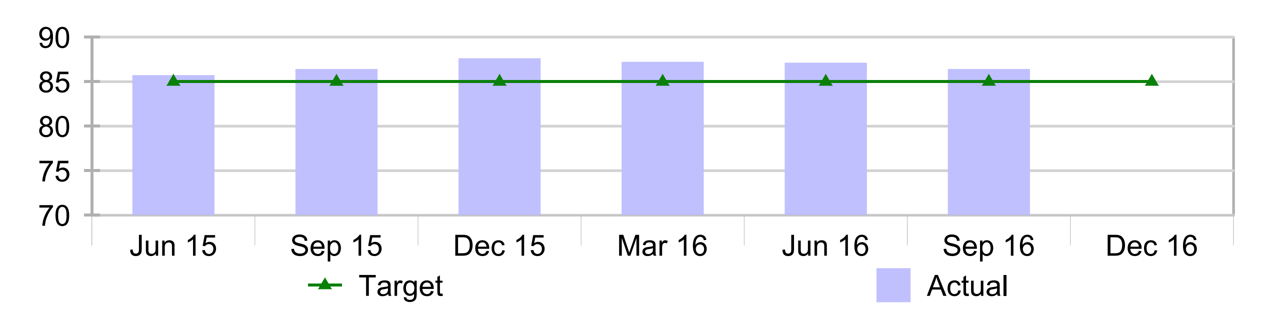
Current: 388	Target: 426	Previous: 453

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



Current: 71%	Target: 70%	Previous: 71%

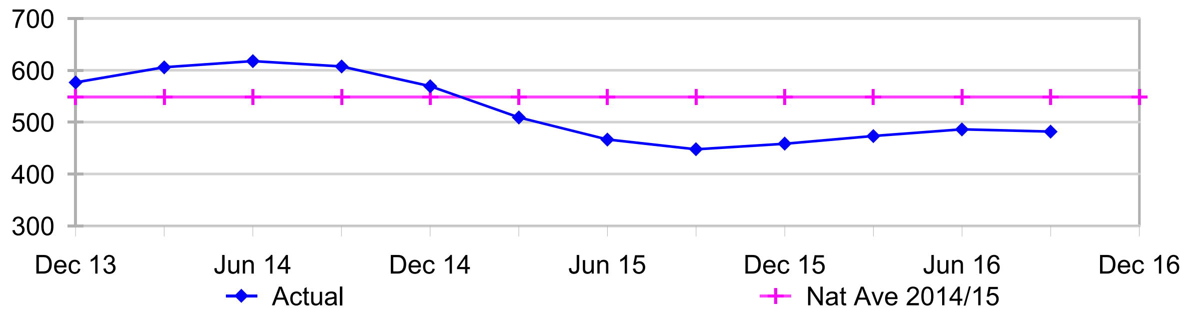
Percentage of indigenous children in foster care placed in house or with family and friends (excludes care leaving service)	GREEN ⇩



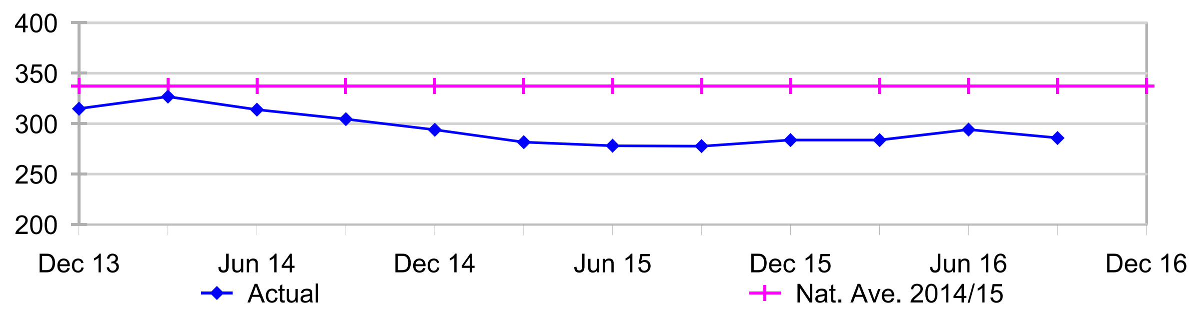
Current: 86%	Target: 85%	Previous: 87%

Activity indicators

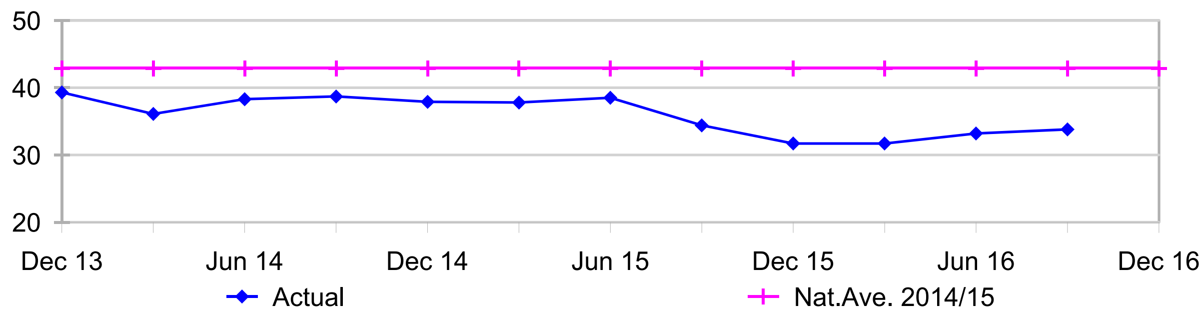
Referrals per 10,000 population aged under 18 - rolling 12 months



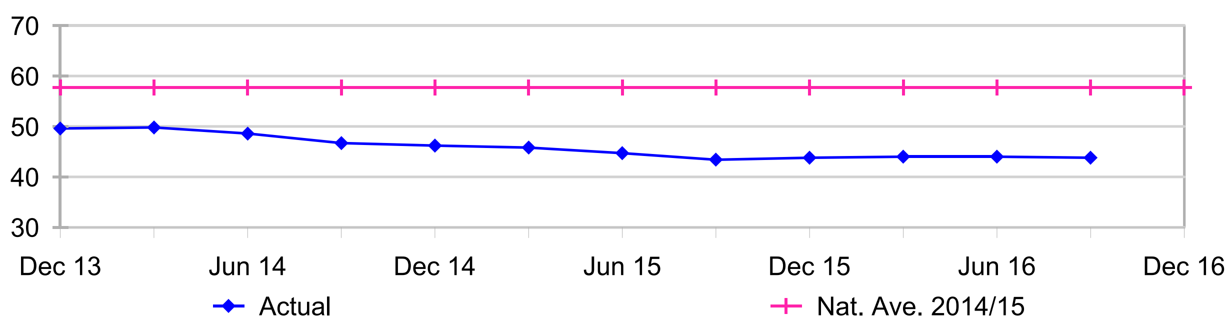
Caseload – total number of Children in Need per 10,000 population - at quarter end



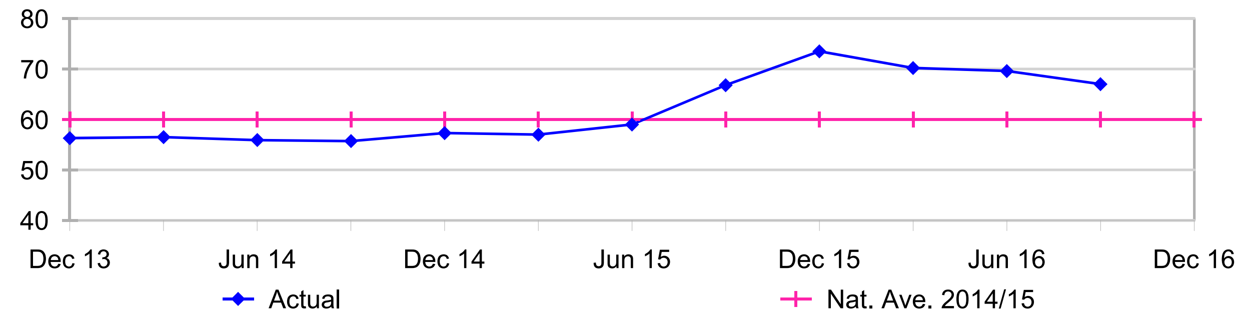
Number of children with Child Protection Plans per 10,000 population - at quarter end



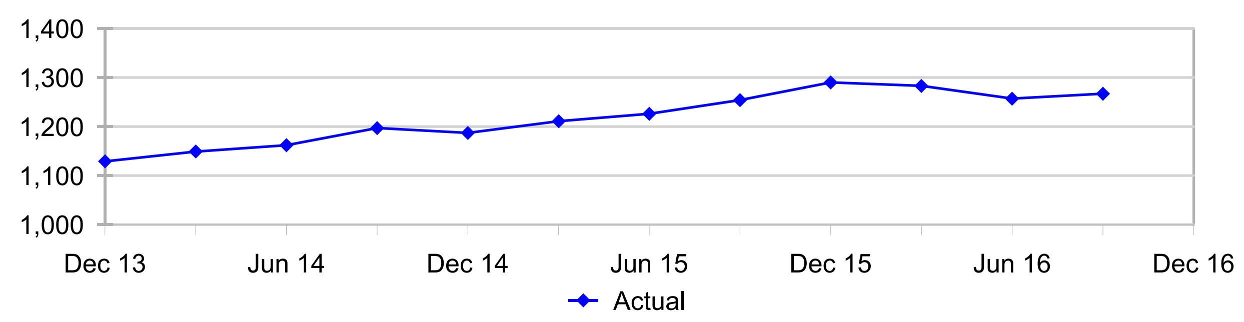
Number of indigenous Children in Care per 10,000 population - at quarter end



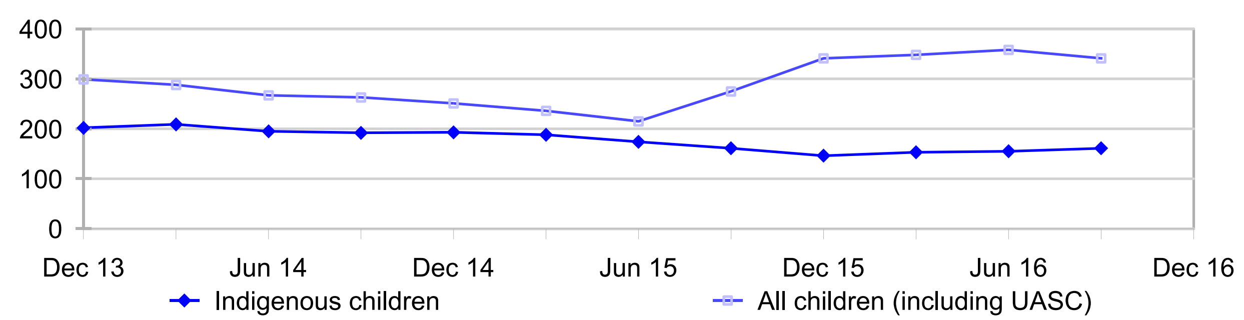
All Children in Care including UASC per 10,000 population - at quarter end



Number of other local authority children in care placed into Kent



Number of children in care placed with independent fostering agency



Adult Social Care	
Cabinet Member	Graham Gibbens
Corporate Director	Andrew Ireland

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	2	**3**	**1**	**2**	**1**	**3**

The percentage of contacts resolved at first point of contact remained ahead of target for the quarter, and the number of clients receiving a Telecare service continues to be increase in line with the target trajectory.

The number of referrals to Enablement decreased to below floor standard with an average in the quarter of 194 accepted referrals per week compared to a target of 217. To address this, a new process has been put in place to ensure that there is management oversight of any cases bypassing enablement, with be approval at team manager level for any new home care clients that have not previously been considered for Kent Enablement at Home. However, there are significant problems with availability of homecare which is impacting the Enablement service and this is a national issue. Our in house Kent Enablement at Home Service has been used to support hospital discharges, double handed care and provider handbacks where the market is unable to provide a service for some clients. This impacts the capacity within KEaH to accept new clients with enablement potential. There are also an increasing number of cases not eligible for enablement including those with complex dementia.

The number of admissions to residential care over the past 12 months were higher than target, but are expected to reduce as the new Swale Practice Assurance Panel approach is rolled out countywide.

The percentage of clients still independent after enablement improved in the quarter and has nearer the target. The introduction of Occupational Therapists within KEaH has resulted in less people going on to receive a higher package of care or no care following their completion of Enablement. Currently the average outgoing care package hours from Enablement is 0.53 hours for those supported by KCC.

The proportion of delayed discharges from hospital where KCC was responsible is currently higher than the 30% target. The top three reasons for delays for both NHS and Social care are attributed to awaiting nursing home placement availability, patient/ family choice and waiting for further non-acute NHS care.

Safeguarding

In October 2015 the “Making Safeguarding Personal” approach was changed. This included changing Safeguarding Alerts to Safeguarding Enquiries. As a result of the changes we have seen a significant increase in the number of safeguarding concerns received with more activity now being captured. We expect to see the number of concerns raised level off as the new approach becomes embedded in practice.

Safeguarding improvement plans have been put in place to manage the increased cases activity and new cases are being dealt with more efficiently. Tighter controls of historic safeguarding cases open over 6 months have been put in place.

Your life, your well-being

Your life, your well-being: a vision and strategy for adult social care is the five-year strategy which explains our plans for the future. It provides the basis for health and social care integration which is in progress and aims to deliver more person-centred care and support for people. KCC commenced consultation on the new strategy on 30 September 2016 and it ends on 4 November 2016. The strategy, in effect, is KCC's vision for how we want adult social care to be over the next five years and it serves as our five year forward view document.

We know that demand for care and support is increasing which is making finances come under pressure. At the same time, public expectations are changing; people want a life, not a service. Therefore, the service needs to continue to respond to these challenges, and the new strategy sets out how we will do this. The vision, to put it simply is, *"to help people to improve or maintain their well-being and to live as independently as possible".*

The strategy breaks our approach to adult social care into three themes. These are:

- Promoting wellbeing – supporting and encouraging people to look after their health and wellbeing to avoid or delay them needing adult social care;

- Promoting independence – providing short-term support so that people are then able to carry on with their lives as independently as possible, and;

- Supporting independence – for people who need ongoing social care support, helping them to live the life they want to live, in their own homes where possible, and do as much for themselves as they can.

Four 'building blocks' support the above themes. They are ensuring effective protection for people (safeguarding), developing a flexible workforce, smarter commissioning and improving the way we work with key partners. KCC will use the vision and relevant sections of the strategy to inform the development and implementation of the Sustainability and Transformation Plan (STP) with the NHS.

The strategy will be delivered through the next phase of the adult social care transformation programme journey that we are already on. The details of how we will deliver it will be set out in an implementation plan which we are developing for this strategy. In summary, this will include activity over the next 18 months around the following:

- Assessment - this involves investigating the current delivery model and assessing against the proposed alternatives, supported by best practice. It means confirming the expected financial benefits and the changes needed to achieve the benefits. It also involves developing options to inform the next stage

- Design - means testing changes in specific areas and refining the expected financial benefits and, after benefit change getting ready for putting into practice

- Implementation - this means putting changes into practice across Kent and monitoring the benefits and making sure that performance is consistent.

Service User Feedback

All local authorities carry out a survey with their adult social care services users on an annual basis, as set out by Department of Health guidance.

A sample of service users are chosen from all ages, all client groups and all services. The last survey in 2015-16 had responses from 483 service users.

The results of some of the key areas are found below. National averages are shown in brackets.

	2012-13	2013-14	2014-15	2015-16
Service users who are extremely or very satisfied with their care and support	67% (64%)	66% (65%)	70% (62%)	66% (64%)
Service users who have adequate or better control over their daily life	79% (76%)	78% (77%)	84% (77%)	80% (77%)
Service users who find it easy to find information about services	76% (74%)	70% (75%)	78% (74%)	75% (74%)
Service users who say they feel safe as they want	65% (65%)	65% (66%)	73% (69%)	71% (69%)
Service users who say that the services they receive help them feel safe and secure	79% (78%)	76% (79%)	84% (85%)	85% (85%)

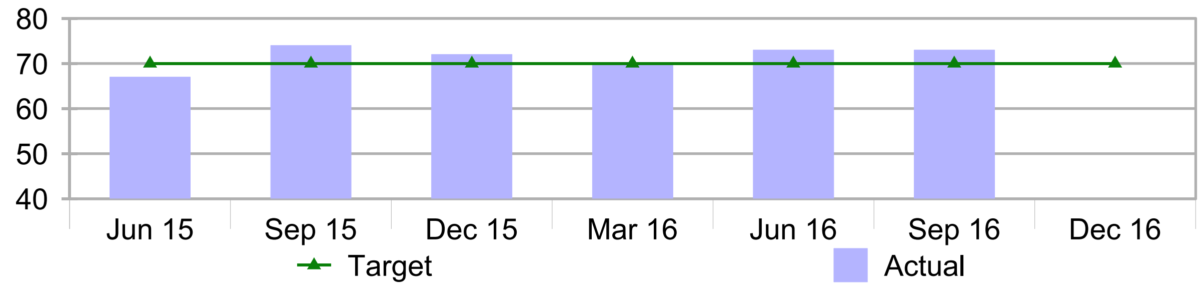
The Directorate Management Team have considered the results and the information gathered from the survey is being used together with further feedback from people that have volunteered to take part in additional surveys to understand how we can make improvements to the services we deliver.

In 2015/16 Kent was above or at the national average for all indicators above.

Appendix 1

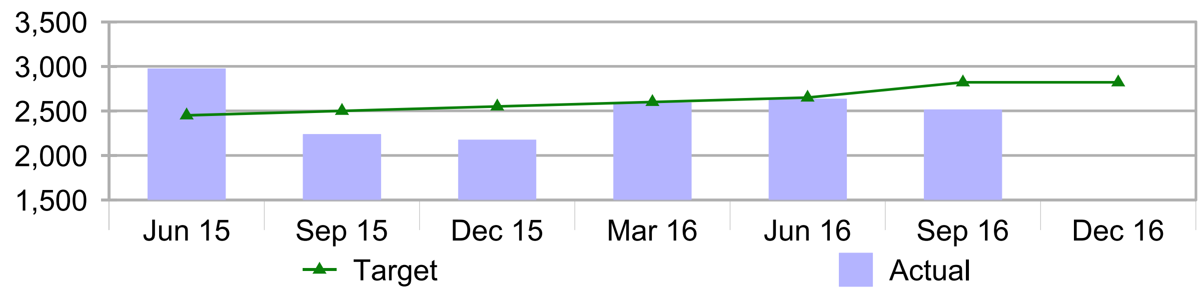
Key Performance Indicators

Percentage of initial contacts resolved at first point of contact	GREEN ⇔



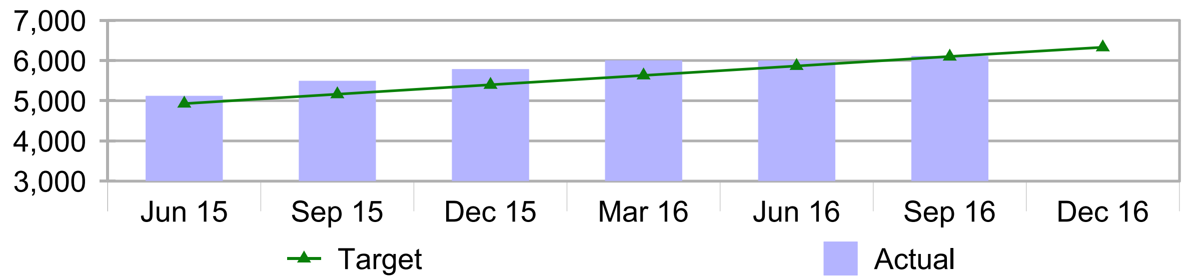
Current: 73%	Target: 70%	Previous: 73%

Number of new clients referred to an enablement service	RED ⇩



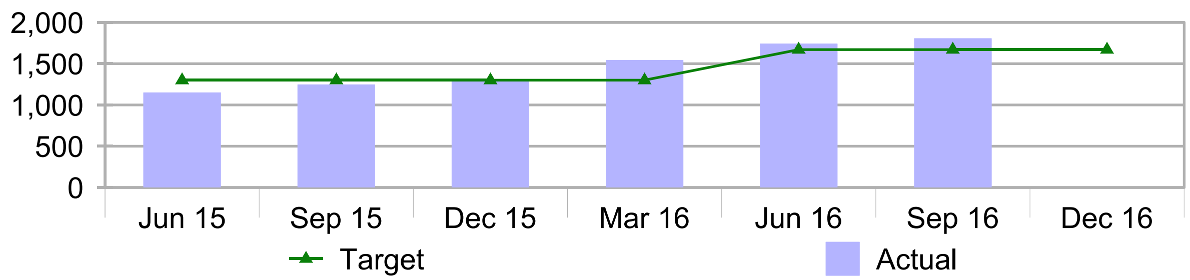
Current: 2,514	Target: 2,821	Previous: 2,634

Number of clients receiving a Telecare service	GREEN ⇧



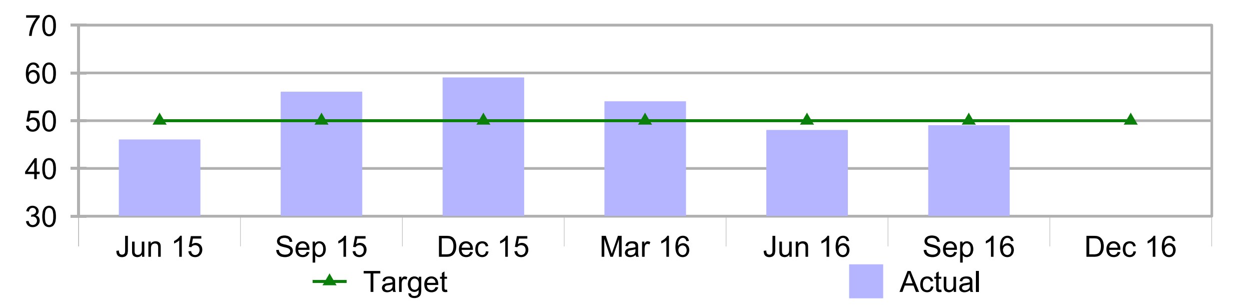
Current: 6,106	Target: 6,098	Previous: 5,995

Number of admissions to permanent residential and nursing care for older people - rolling 12 months	AMBER ⇩



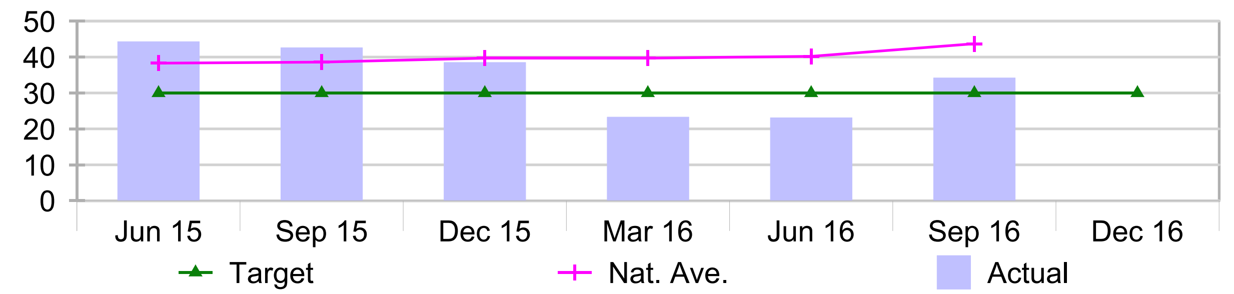
Current: 1,805	Target: 1,670	Previous: 1,740

Percentage of clients still independent after receiving an enablement service	AMBER ⇧



Current: 49%	Target: 50%	Previous: 48%

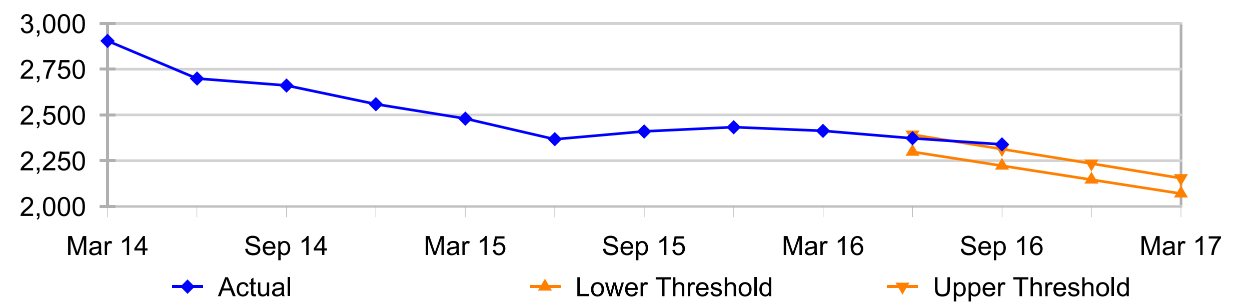
Percentage of Delayed Discharges from hospital with Adult Social Care responsible - quarter-end snapshot	AMBER ⇩



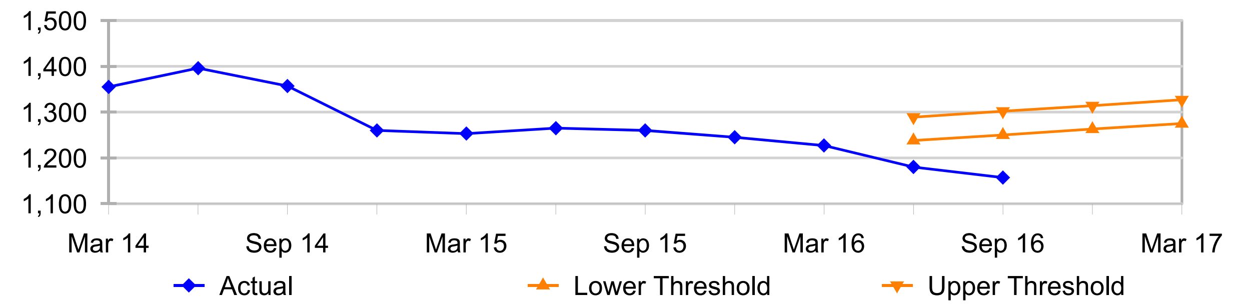
Current: 34%	Target: 30%	Previous: 23%

Activity indicators

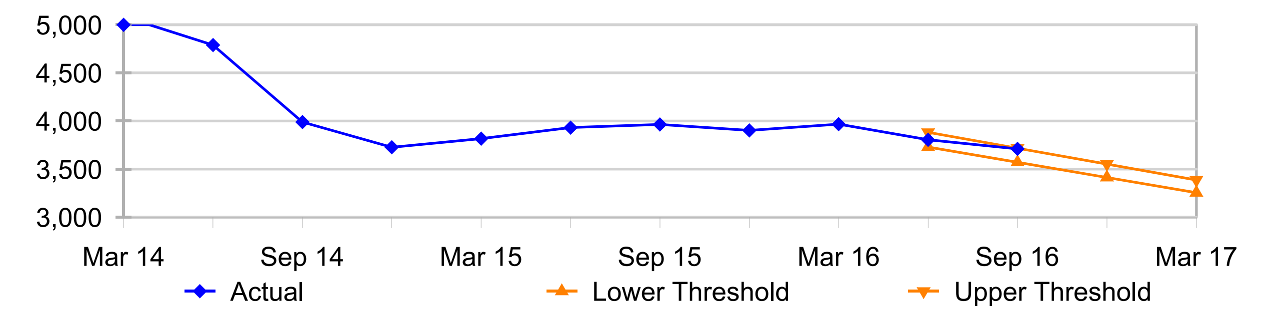
Number of clients aged 65+ supported in permanent residential care



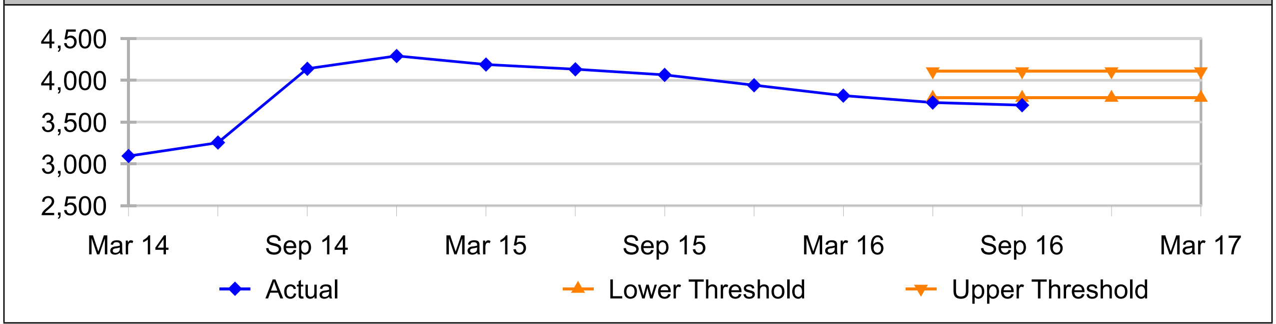
Number of clients aged 65+ supported in permanent nursing care



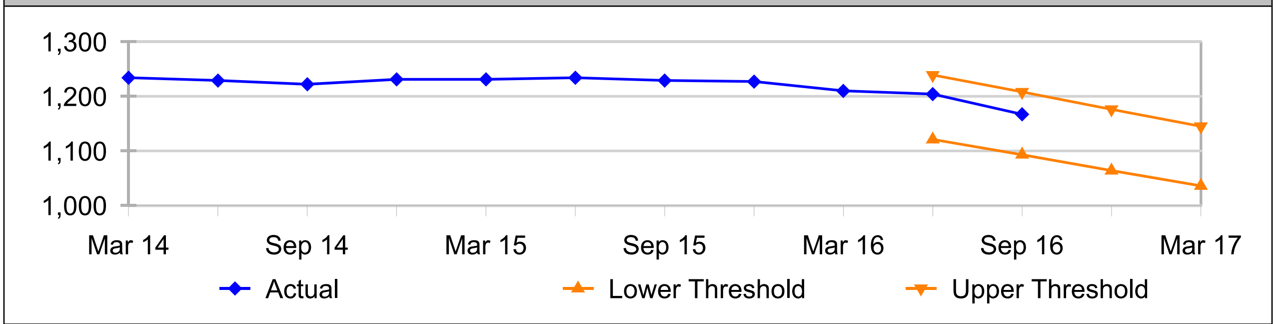
Number of clients aged 65+ who receive domiciliary care



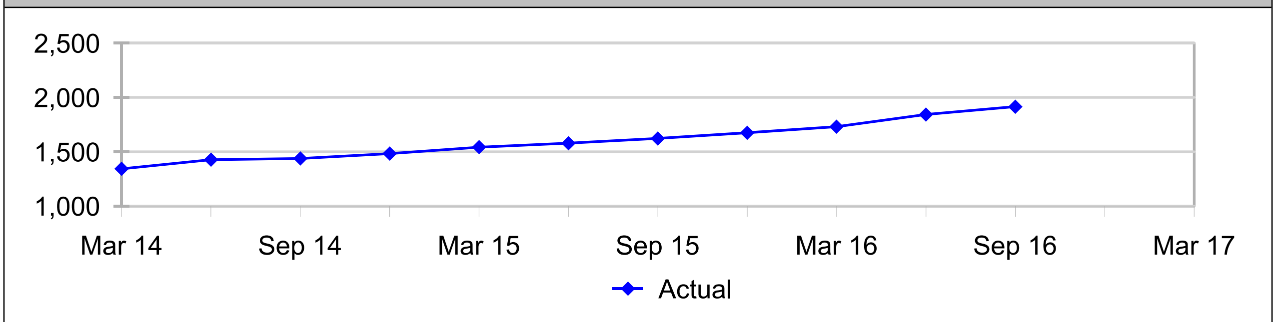
Number of social care clients receiving a direct payment



Number of learning disability adult clients in residential care



Number of learning disability adult clients with community care support



Public Health	
Cabinet Member	Graham Gibbens
Director	Andrew Scott-Clark

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	1	**3**		**2**	**1**	**1**

Performance of the NHS health check programme has improved over the last two quarters. There were over 12,000 checks completed in the last quarter up from 9,000 in the previous quarter. A Health Check app has been launched to support people to track their measurements and make positive changes as a result of having their NHS Health Check.

Performance on each of the five mandated health visiting checks also improved in the quarter, with 78% of eligible children receiving their 2-2½ year check compared to 76% in Quarter 1. As well as delivering this improved performance, the Health Visiting Service has identified substantial efficiency savings for the current year and has engaged in a programme to identify opportunities for integration with Early Help services across the county. This programme of work will continue throughout the remainder of the financial year.

Performance of sexual health services remains consistently high. All service users who requested an urgent appointment for genito-urinary medicine (GUM) were offered an appointment within 48 hours.

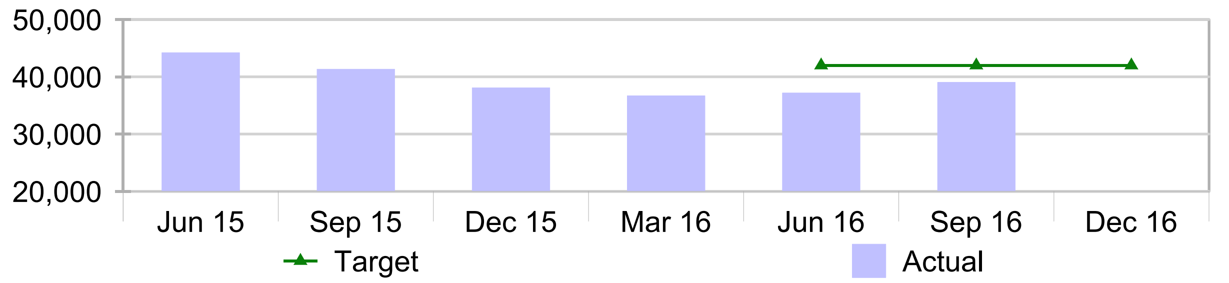
The new metric for substance misuse services showed a slight dip in performance in Quarter 2 to just below target. The new West Kent Adult Substance Misuse Service commenced in April 2016 following a co-design period with the provider and stakeholders. A new operating model began in September 2016. Using the lessons learnt from West Kent, the re-commissioning for the East Kent Adult Substance Misuse Service has begun with the intention of following a similar co-design process and implementation of a new model during 2017/18.

Public Health continues to work on the transformation programme for adult lifestyle services and NHS Health Checks and is working with key stakeholders to fully explore the best solution to deliver these services in the future. This includes close working with District Councils to align the new model to local arrangements and make best use of resources available in each area.

The Public Health campaign Smokefree Kent targeted districts with a high smoking prevalence and the top 20% most deprived wards in Kent. The campaign had over 21,000 visits between March and July 2016 with the most popular device used to access the website being a smartphone. It is estimated that the reach of the campaign (people seeing the adverts/post) was over 418,000 people with over 24,000 people viewing the videos of experts talking about the effects of smoking and outlining the benefits and giving tips on quitting. Overall prevalence of smoking in Kent continues to decline.

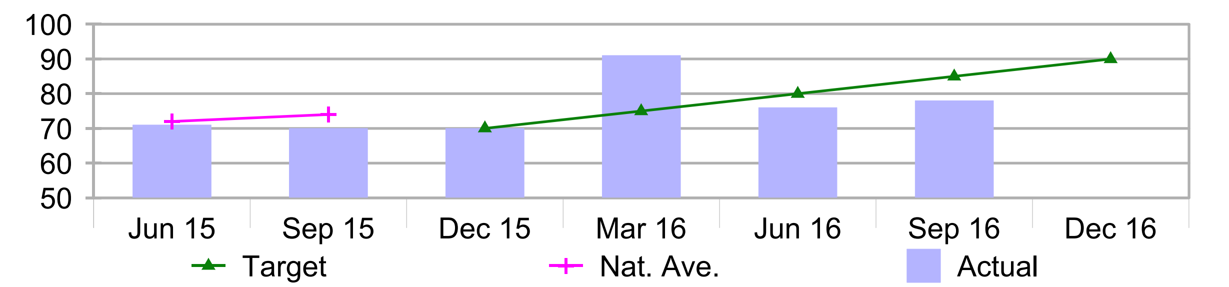
Key Performance Indicators

Number of eligible population receiving an NHS Health Check - rolling 12 months	AMBER ⇧



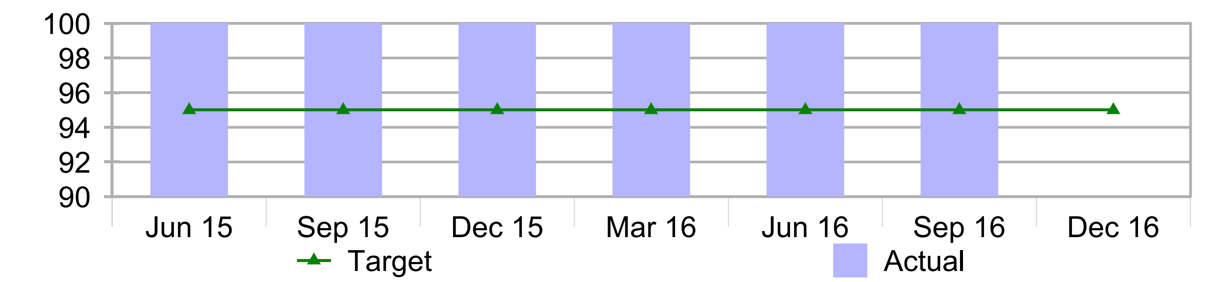
Current: 39,039	Target: 42,000	Previous: 37,175

Percentage of children who received a 2- 2½ year review with the Health Visiting Service	AMBER ⇧



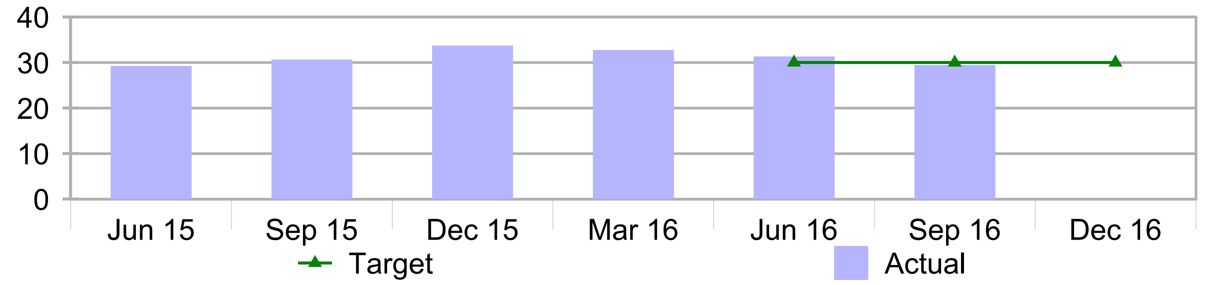
Current: 78%	Target: 85%	Previous: 76%

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



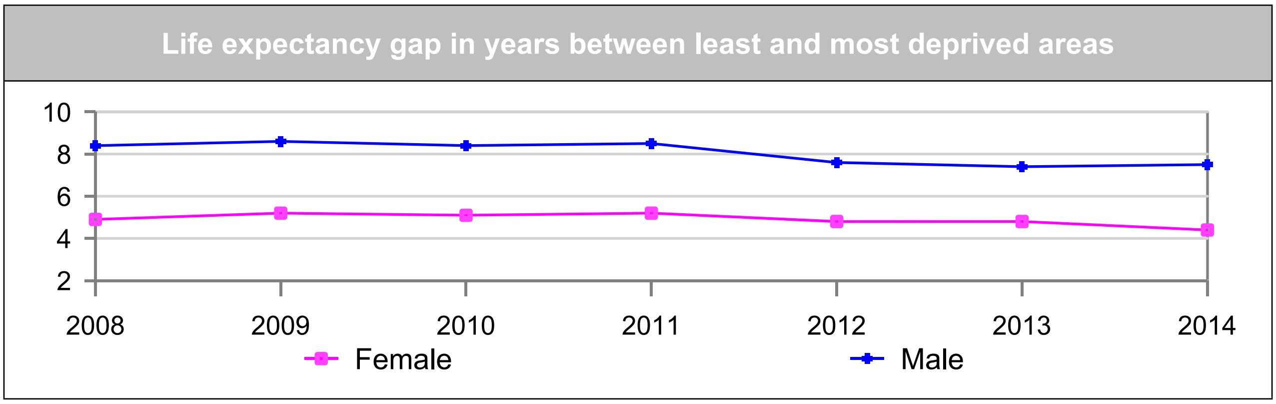
Current: 100%	Target: 90%	Previous: 100%

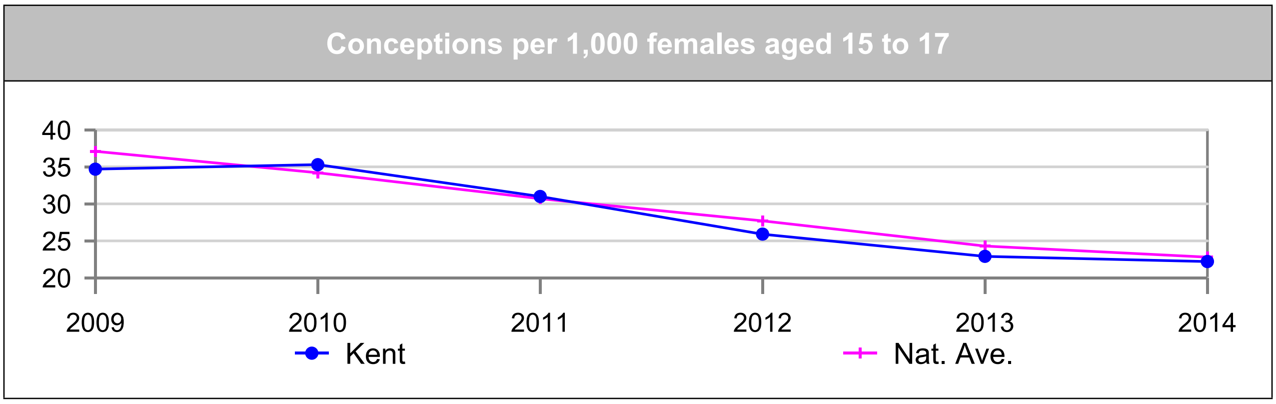
Successful completion of drug and alcohol treatment – rolling 12 months	AMBER ⇩

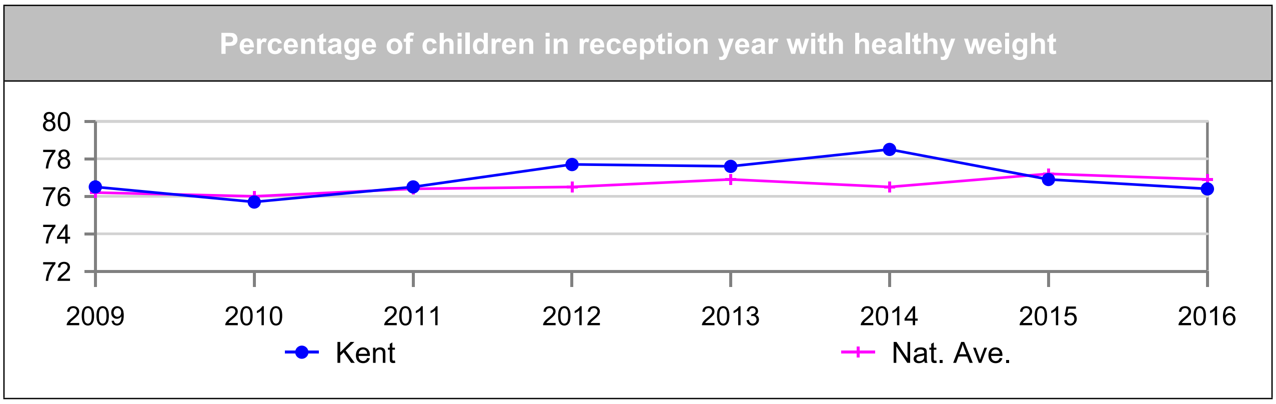


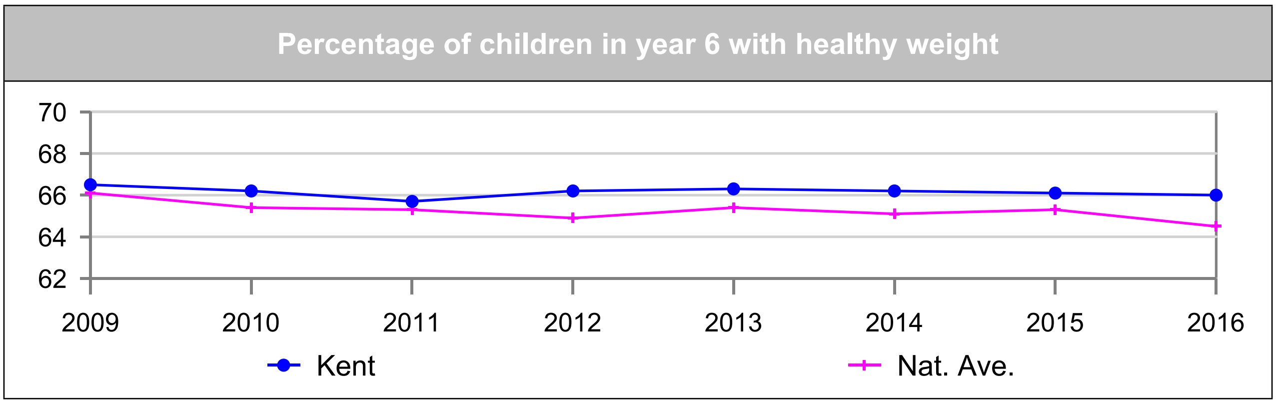
Current: 29%	Target: 30%	Previous: 31%

Activity indicators









Corporate Risk Register – Overview

The table below shows the number of Corporate Risks in each risk level (based on the risk score). The Target risk level is the expected risk level following further management action. Three new risks with a current High risk level have been added to the register in the last quarter, as well as a Medium risk where the risk level has been raised to High. These are outlined below.

	Low Risk	Medium Risk	High Risk
Current risk level	0	3	13
Target risk level	3	13	0

Delivery of 2016/17 savings
As outlined via the Council's financial monitoring processes, there is still a forecast overspend for the current year that needs to be addressed in the next few months. Corporate Directors have agreed to take management action to address the situation, and all staff are being urged to contribute to help reduce costs.

Cyber and information security threats (NEW)
KCC repels a high number of cyber-attacks on a daily basis, although organisations across all sectors are experiencing an increasing threat in recent times and must ensure that all reasonable methods are employed to mitigate them, both in terms of prevention and preparedness of response in the event of any successful attack. The source of this risk could relate to technological or human factors, as there needs to be clear understanding of threats across the whole workforce. KCC is constantly developing its cyber security controls, both in a technological sense, but also awareness-raising amongst staff.

Managing and working with the social care market (NEW)
A significant proportion of adult social care is commissioned out to the private and voluntary sectors. This offers value for money but also means that KCC is dependent on a buoyant market to achieve best value and give service users optimal choice and control. Factors such as the introduction of the National Living Wage and potential inflationary pressures mean that the care market is under pressure. A risk-based approach is applied to monitoring providers and regular market mapping and price increase pressure tracking takes place. KCC has made additional provision for inflation and increased costs resulting from the National Living Wage in the 2016/17 budget.

Delivery of new school places (NEW)
A significant expansion of schools is required to accommodate major population growth in the short to medium term for primary age, and in the medium to long term for secondary age. The "Basic Need" capital grant from Department of Education (DfE) will not fund the expansion in full. Whilst the funding gap identified within the Kent Commissioning Plan has been closed, the delivery of the plan is dependent upon securing 15 Free Schools and that the Education Funding Agency (EFA) completes the projects on time and to an appropriate standard. KCC is making representations to the DfE and EFA on this matter and is developing contingency plans for alternative interim accommodation.

Corporate Risk Register – Mitigating Actions

Updates have been provided for 13 actions listed to mitigate elements of Corporate Risks that were due for completion or review up to the end of September 2016, together with updates for 9 actions due for completion or review by December 2016.

Due Date for Completion	Actions Completed/ Closed	Actions Outstanding or Partially complete	Regular Review
June to Sept 2016	3	6	4
Sept 2016 and beyond	1	4	2

Mitigating actions during this period are summarised below:

- Data and information management: Daily checks are performed by the Compliance and Risk team on the status of cyber threats, both current and potential, through a mixture of systems monitoring and scanning of Industry and Government Security notice boards. Any ICT incidents are formally raised within our call logging system to ensure all aspects are reviewed from both an IT security and Information Governance Review perspective.
- Safeguarding children: A recent campaign offering a market premium to attract agency staff into permanent posts within Specialist Children's Services resulted in the appointment of a number of team managers and social workers. A further 9 newly qualified social workers were appointed in October.
- Safeguarding (adults and children): Ideology training has been delivered to 82% of key identified staff in order to build understanding of risks as part of the Government's PREVENT Duty agenda.
- Safeguarding adults: Multi Agency Adult Safeguarding Training courses have been refreshed in light of Care Act requirements. A KCC safeguarding framework has been introduced and all staff should complete by April 2017.
- Civil contingencies and resilience - Locally delivered Cabinet Office resilience training for Leader, Cabinet and Deputy Cabinet Members has taken place. The sufficiency of KCC emergency and resilience resource is currently being reviewed. This is being done in two phases and will conclude by April 2017. The business continuity plan for our Contact Point call centre is currently being re-written to reflect the current working arrangements.
- Management of children's social care demand - In-house fostering capacity - A new recruitment campaign has commenced looking to target new foster carers and to attract ones currently working for Independent Fostering Agencies. The Kent Safeguarding Children Board continues to deliver multi-agency threshold training sessions as part of its training programme aiming to ensure appropriateness of referrals.
- Managing and embedding sustainable change - Processes for capturing cross cutting risks and dependencies between programmes have been reviewed. The Project and Programme Management Network will include sessions covering benefits management in the coming months.

This page is intentionally left blank

From: **Paul Carter, Leader and Cabinet Member for Business Strategy, Audit & Transformation**

David Cockburn, Corporate Director for Strategic & Corporate Services

To: **Cabinet – 12th December 2016**

Subject: **Corporate Risk Register**

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: Governance & Audit Committee – 25th Jan 2017

Electoral Division: ALL

Summary:

This paper presents the latest version of the Corporate Risk Register for the Authority.

Cabinet Members are asked to NOTE the report.

1. Background

1.1 The Corporate Risk Register is a 'living document' and is regularly reviewed and updated to reflect any significant new risks or changes in risk exposure that arise due to internal or external events; and to track progress against mitigating actions. It is subject to a more formal review each autumn.

2. Corporate Risk Register (appendix 1)

2.1 The latest version of the Corporate Risk Register is attached at appendix 1. It has been refreshed to reflect key themes arising from meetings with individual Corporate Management Team, Cabinet Members and Directorate Management Teams during the autumn. Comments arising from presentation of corporate risks to Cabinet Committees and the Governance & Audit Committee during the year have also been taken into account.

2.2 Individual meetings held with Cabinet Members and CMT demonstrated that there is clarity on what are seen as the main risks, both in relation to respective portfolios / directorates and wider KCC concerns. There remains a strong correlation between these views and risks already captured on directorate or corporate risk registers, which would indicate that the current risk management identification process is robust, although there is the continuing need to be alert to new or emerging risks.

2.3 The context to a number of risks has been changing over recent months, and as a result, the corporate risk register is being revised to reflect the points made. The main changes since it was presented last year are:

- CRR 1: Data and information management - this risk is being closed and replaced by a more specific risk around cyber and information security threats and associated IT and organisational resilience concerns (CRR 26);
- CRR 9: The Health & Social Care integration risk has been re-modelled around Sustainability and Transformation Plan delivery rather than Better Care Fund;
- CRR 12: The context of this risk has been refined to acknowledge community cohesion concerns that could arise from any significant migration into Kent, in addition to pressures on social care, school places etc.
- CRR 23: The risk is refined slightly to more explicitly cover risks and opportunities as KCC's approach to strategic commissioning evolves.
- CRR 24: Delivery of 2016/17 savings - this risk has been raised from amber to red due to the continuing projected overspend. Additional mitigation options are being discussed by the Corporate Management Team and Cabinet should the position not improve considerably by early January.
- CRR 27: A social care risk has been escalated to the corporate register regarding care market concerns, including sustainability of care home and domiciliary care markets.
- CRR 28: An Education and Young People's Services directorate risk has been escalated to the corporate risk register. This relates to the delivery of new school places being constrained by capital budget pressures and dependency on the Education Funding Agency (EFA) to deliver a number of Free School projects on time and to an appropriate standard.
- Note: In advance of the autumn refresh, the current and target 'impact' ratings for the safeguarding risks CRR2a and CRR2b were amended to more accurately reflect the severity of consequences should they occur i.e. potential serious harm or premature death of a vulnerable adult or child. Specifically, the current impact rating changed from 4 out of 5 ('serious') to 5 out of 5 ('major'), while the target rating increased from 3 out of 5 ('significant') to 5 out of 5 ('major'). This means that the total risk score is 20, with a target rating of 15.
- Opportunities and risks for Kent associated with the referendum result for the UK to leave the European Union are being taken into consideration in the context of each existing corporate risk in the coming months; a number of impacts are likely to be longer term, although the fall in the pound (not necessarily entirely connected to 'Brexit') and associated inflation risk is of more immediate concern.

2.4 Further details of these risks, including controls and mitigating actions, are contained in appendix 1.

2.5 In light of the refresh of the register, mitigating actions are subject to ongoing review to ensure continued relevance, especially where the context of a number of risks is changing. This will lead to a number of new mitigations being identified.

3. Monitoring and Review

3.1 The corporate risks led by each Corporate Director are presented to the relevant Cabinet Committees annually, alongside existing arrangements for presentation of directorate risk registers.

3.2 The corporate register is also presented to Governance & Audit Committee twice yearly for assurance purposes, and the Internal Audit function uses the register as one source of information to inform its audit plan for the coming year.

3.3 There is a particular focus on ensuring that key mitigating actions are identified and progress monitored. The risks within the Corporate Risk Register, their current risk level and progress against mitigating actions are reported to Cabinet quarterly via the Quarterly Performance Report. This includes commentary against high risks.

4. Recommendation

Cabinet is asked to NOTE the refreshed Corporate Risk Register

Report Author:

- *Mark Scrivener, Corporate Risk & Assurance Manager*
- *Tel: 03000 416660*
- *Email: mark.scrivener@kent.gov.uk*

Relevant Director:

- *David Whittle, Director of Strategy, Policy and Assurance*
- *Tel: 03000 416833*
- *Email: david.whittle@kent.gov.uk*

This page is intentionally left blank

APPENDIX 1

KCC Corporate Risk Register

FOR PRESENTATION TO CABINET – 12TH DECEMBER 2016

Corpororate Risk Register - Summary Risk Profile

*Each risk is allocated a unique code, which is retained even if a risk is transferred off the Corporate Register. Therefore there will be some ‘gaps’ between risk IDs.
NB: Current & Target risk ratings: The ‘current’ risk rating refers to the current level of risk taking into account any mitigating controls already in place. The ‘target residual’ rating represents what is deemed to be a realistic level of risk to be achieved once any additional actions have been put in place. On some occasions the aim will be to contain risk at current level.

Risk ID	CRR2(a)	Risk Title	Safeguarding – protecting vulnerable children		
Source / Cause of risk The Council must fulfil its statutory obligations to effectively safeguard vulnerable children. In addition, the Government's "Prevent Duty" requires the Local Authority to act to prevent people from being drawn into terrorism, with a focus on the need to safeguard children at risk of being drawn into terrorism.	**Risk Event** Its ability to fulfil this obligation could be affected by the adequacy of its controls, management and operational practices or if demand for its services exceeded its capacity and capability. Failure to recruit and retain suitably experienced and qualified permanent staff. Failure to meet the requirements of the new "Prevent Duty" placed on Local Authorities.	**Consequence** Serious impact on vulnerable people. Serious impact on ability to recruit the quality of staff critical to service delivery. Serious operational and financial consequences. Attract possible intervention from a national regulator for failure to discharge corporate and executive responsibilities. Incident of serious harm or death of a vulnerable child.	**Risk Owner** On behalf of CMT: Andrew Ireland, Corporate Director Social Care Health & Wellbeing (SCHW) **Responsible Cabinet Member(s):** Peter Oakford Specialist Children's Services Mike Hill (Lead Member for PREVENT)	**Current Likelihood** Likely (4) **Target Residual Likelihood** Possible (3)	**Current Impact** Major (5) **Target Residual Impact** Major (5)

Control Title	Control Owner
Consistent scrutiny and performance monitoring through Divisional Management Team, District 'Deep Dives' and audit activity	Andrew Ireland, Corporate Director SCHW / Philip Segurola, Director Specialist Children's Services
Independent scrutiny by Kent Safeguarding Children Board	Independent Chair Kent Safeguarding Children Board
Manageable caseloads per social worker and robust caseload monitoring	Philip Segurola, Director Specialist Children's Services

SCHWB management team monitors social work vacancies and agrees strategies for urgent situations	Andrew Ireland, Corporate Director SCHW
Active strategy in place to attract, recruit *and retain* social workers through a variety of routes with particular emphasis on experienced social workers. Detailed programme of training	Philip Segurola, Director Specialist Children's Services / Amanda Beer, Corporate Director Engagement, Organisational Design & Development
Multi-agency public protection arrangements in place	Andrew Ireland, Corporate Director, SCHW
Extensive staff training – Specialist Children's Services and Early Help and Preventative services are adopting the 'Signs of Safety' model of intervention, a standardised child-focused model of risk analysis, risk management and safety planning.	Philip Segurola, Director of Specialist Children's Services
Regular reporting on safeguarding takes place quarterly for Directors and Cabinet Members, with an annual report for elected Members, to allow for scrutiny of progress.	Andrew Ireland, Corporate Director, SCHW
KCC has led a multi-agency review of existing arrangements in light of the new Prevent Duty	Nick Wilkinson, Head of Youth Justice and Safer Kent
Prevent Duty Delivery Board established to oversee the activity of the Kent Channel Panel, co-ordinate Prevent activity across the County and report to other relevant strategic bodies in the county (including reporting route to the Kent Safeguarding Children Board)	Andrew Ireland, Corporate Director, SCHW
Kent Channel panel (early intervention mechanism providing tailored support to people who have been identified as at risk of being drawn into terrorism) established.	Nick Wilkinson, Prevent and Channel Strategic Manager
Awareness of the responsibility for schools to be alert to signs of radicalisation has been raised (e.g. via education e-bulletin with links to online training materials and specific contacts for information and advice	Patrick Leeson, Corporate Director Education and Young People's Services (EYPS)
Safeguarding and Quality Assurance Unit has been restructured to include additional child protection and Independent Reviewing Officer capacity	Philip Segurola, Director of Specialist Children's Services
Education Safeguarding Team in place	Gillian Cawley, Director Education Quality & Standards
A revised Elective Home Education policy approved that includes interaction with child where there are welfare concerns and where other agencies have been involved with the family. Awareness raising taking	Keith Abbott, Director Education Planning & Access; Scott Bagshaw, Head of

place with other practitioners	Admissions & Transport
Children's Development Plan, jointly owned by Specialist Children's Services, Early Help and Preventative Services and Children's Commissioning team, in place and updated to address recommendations arising from Child Sexual Exploitation (CSE) themed inspection and actions identified during a recent external review.	Philip Segurola, Director Specialist Children's Services
Multi-function officer group helping to define key steps and approach to aid any future inquiries or investigations that may arise relating to alleged historical abuse	Andrew Ireland, Corporate Director, SCHW
Multi-agency Crime and Sexual Exploitation Panel (MACSE) established to provide a strategic, county-wide, cross-agency response to CSE.	Andrew Ireland, Corporate Director, SCHW (KCC lead)

Action Title	**Action Owner**	**Planned Completion Date**
Development of further strategies and campaigns to support recruitment so that we attract and retain high calibre social workers and managers. Use of competent agency social workers and managers on temporary basis to fill vacancies	Andrew Ireland, Corporate Director SCHW / Amanda Beer, Corporate Director Engagement, Organisational Design & Development	March 2017 (review)
Implementation of transformation programme for children's services, including Social Work Contract Programme • Complete a piece of diagnostic work related to the point of access into Children's Services	Philip Segurola, Director Specialist Children's Services	March 2017 (review)
Delivery of key actions to tackle Children's Sexual Exploitation (CSE) and Trafficking as part of the Children's Development Plan	Philip Segurola, Director Specialist Children's Services	December 2016 (review)
Awareness-raising 'Prevent' training for identified key staff and specific training for those working with people directly at risk	Nick Wilkinson, Prevent and Channel Strategic Manager	February 2017 (review)

Risk ID	CRR2(b)	Risk Title	Safeguarding – protecting vulnerable adults		
Source / Cause of risk The Council must fulfil its statutory obligations to effectively safeguard vulnerable adults. In addition, the Government's "Prevent Duty" requires the Local Authority to act to prevent people from being drawn into terrorism.	**Risk Event** Its ability to fulfil this obligation could be affected by the adequacy of its controls, management and operational practices or if demand for its services exceeded its capacity and capability. Failure to meet the requirements of the new "Prevent Duty" placed on Local Authorities.	**Consequence** Serious impact on vulnerable people. Serious impact on ability to recruit the quality of staff critical to service delivery. Serious operational and financial consequences. Attract possible intervention from a national regulator for failure to discharge corporate and executive responsibilities. Incident of serious harm or death of a vulnerable adult.	**Risk Owner** On behalf of CMT: Andrew Ireland, Corporate Director SCHW **Responsible Cabinet Member:** Graham Gibbens, Adult Social Care & Public Health Mike Hill (Lead Member for PREVENT)	**Current Likelihood** Likely (4) **Target Residual Likelihood** Possible (3)	**Current Impact** Major (5) **Target Residual Impact** Major (5)

Control Title	Control Owner
Multi agency public protection arrangements in place	Andrew Ireland, Corporate Director SCHW
Safeguarding Vulnerable Adults Board in place with key agencies. The Board is now on a statutory footing following implementation of the Care Act.	Andrew Ireland, Corporate Director SCHW
Consistent scrutiny and performance monitoring through divisional management teams, 'deep dives' and audit activity.	Divisional Directors / Head of Adult Safeguarding
Regular reporting on safeguarding takes place quarterly for Directors and Cabinet Members, with an annual report for elected Members, to allow for scrutiny of progress.	Andrew Ireland, Corporate Director SCHW
Transforming Care Programme established to implement policy objectives of moving people into more suitable care settings.	Penny Southern, Director DCALDMH

Safeguarding improvement plans in place for Older People and Physical Disability and Disabled Children, Learning Disability and Mental Health services	Anne Tidmarsh, Director OPPD / Penny Southern, Director DCLDMH
Prevent Duty Delivery Board established to oversee the activity of the Kent Channel Panel, co-ordinate Prevent activity across the County and report to other relevant strategic bodies in the county	Andrew Ireland, Corporate Director SCHW
KCC has led a multi-agency review of existing arrangements in light of the new Prevent Duty	Nick Wilkinson, Prevent and Channel Strategic Manager
Kent Channel panel (early intervention mechanism providing tailored support to people who have been identified as at risk of being drawn into terrorism) established at district and borough level.	Nick Wilkinson, Prevent and Channel Strategic Manager
Management Action Plan arising from recent internal audit – progress monitored regularly and reported to Countywide Adult Safeguarding Board	Annie Ho, Interim Head of Adult Safeguarding
Capability framework for safeguarding and the mental capacity act introduced	Mark Lobban, Director of Commissioning SCHW

Action Title	**Action Owner**	**Planned Completion Date**
Review of Kent and Medway Safeguarding Adults Board Learning and Development Competence Framework being undertaken.	Annie Ho, Interim Head of Adult Safeguarding	April 2017 (review)
Awareness-raising ‘Prevent’ training for identified key staff and specific training for those working with people directly at risk	Nick Wilkinson, Prevent and Channel Strategic Manager	February 2017 (review)
Independent audit of case files commissioned across all client categories	Annie Ho, Interim Head of Adult Safeguarding	February 2017

Risk ID	CRR3	Risk Title	Access to resources to aid economic growth and enabling infrastructure		
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The Council seeks access to resources to develop the enabling infrastructure for economic growth, regeneration and health However, in parts of Kent, there is a significant gap between the costs of the infrastructure required to support growth and the Council's ability to secure sufficient funds through s106 contributions, Community Infrastructure Levy and other growth levers to pay for it. At the same time, Government funding for infrastructure (for example via the Local Growth Fund) is limited and competitive and increasingly linked with the delivery of housing and employment outputs. Several local transport schemes proposed will require preparatory work without knowledge of funding allocation in order to deliver on time. The EU referendum result has created uncertainty over levels of EU funding available for projects in the longer term.	Inability to secure sufficient contributions from development to support growth. Failure to attract sufficient funding via the Local Growth Fund and other public funds to both support the cost of infrastructure and aid economic growth and regeneration. Insufficient return on investment from Regional Growth Fund schemes or significant level of default on loans.	Key opportunities for growth missed. The Council finds it increasingly difficult to fund KCC services across Kent (e.g. schools, waste services) and deal with the impact of growth on communities. Kent becomes a less attractive location for inward investment and business. Our ability to deliver an enabling infrastructure becomes constrained. Reputational risk.	Barbara Cooper, Corporate Director Growth, Environment and Transport **Responsible Cabinet Member(s):** Mark Dance, Economic Development Matthew Balfour, Environment & Transport	Likely (4) **Target Residual Likelihood** Possible (3)	Serious (4) **Target Residual Impact** Significant (3)

Control Title	**Control Owner**
Growth and Infrastructure Framework for Kent and Medway published, setting out the infrastructure needed to deliver planned growth	Katie Stewart, Director Environment Planning & Enforcement

Environment Planning & Enforcement and Economic Development teams working with each individual District on composition of infrastructure plans including priorities for the CIL and Section 106 contributions, from which gaps can be identified	David Smith, Director Economic Development / Katie Stewart, Director Environment Planning & Enforcement
Coordinated approach in place between Development Investment Team and service directorates	David Smith, Director Economic Development
Dedicated team in Economic Development in place, working with other KCC directorates, to lead on major sites across Kent.	David Smith, Director Economic Development
Economic Development SMT review of “critical” programmes/projects and review of KPIs to ensure continued appropriateness and relevance	David Smith, Director Economic Development
Infrastructure Funding Group established and receives regular performance reports, potential issues for resolution and highlights funding gaps etc.	Barbara Cooper, Corporate Director, Growth, Environment and Transport
Strong engagement of private sector through Kent and Medway Economic Partnership (KMEP), Business Advisory Board and Kent Developer’ Group	David Smith, Director Economic Development
Strong engagement with South East LEP and with central Government to ensure that KCC is in a strong position to secure resources from future funding rounds	Dave Hughes, Head of Business and Enterprise
Monitoring framework in place for Regional Growth Fund (RGF) programmes covering the issuing and management of contract agreements with regular reports reviewed by Growth, Economic Development & Communities Cabinet Committee.	Jacqui Ward, Regional Growth Fund Programme Manager
KCC Internal Audit and external Auditor commissioned on an annual basis to conduct audits on the compliance of the RGF process and administration of the schemes, including governance, decision making and outcomes	Jacqui Ward, Regional Growth Fund Programme Manager
Continued coordinated dialogue with developers, Districts and KCC service directorates	Nigel Smith, Head of Development
KCC is actively engaged in preparation of local plans across Kent and Medway, responding to all consultations.	Tom Marchant, Head of Strategic Planning & Policy

Action Title	**Action Owner**	**Planned Completion Date**
Produce Kent’s Local Transport Plan 4 – the next iteration of ‘Growth without Gridlock’	Tom Marchant, Head of Strategic Planning & Policy	January 2017

Growth & Infrastructure Framework – interim refresh being conducted including reviewing key actions arising from the framework	Tom Marchant, Head of Strategic Planning & Policy	December 2016 (review)
Progress proposals for a more consistent and comprehensive approach to early engagement and provision of advice for developers on major development proposals, involving a single point of contact at senior County Council officer level.	Nigel Smith, Head of Development	January 2017
Liaison with Canterbury Christ Church University regarding their research on impact of Brexit on Kent and the Kent economy	David Smith, Director of Economic Development	January 2017

Risk ID	CRR4	Risk Title	Civil Contingencies and Resilience		
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The Council, along with other Category 1 Responders in the County, has a legal duty to establish and deliver containment actions and contingency plans to reduce the likelihood, and impact, of high impact incidents and emergencies. This includes responses associated with the Counter-terrorism and Security Act 2015 (CONTEST). The Director of Public Health has a legal duty to gain assurance from the National Health Service and Public Health England that plans are in place to mitigate risks to the health of the public including outbreaks of communicable diseases e.g. Pandemic Influenza. Ensuring that the Council and its providers works effectively with partners to respond to, and recover from, emergencies and service interruption is becoming increasingly important in light of recent national and international security threats, severe weather incidents and the increasing threat of 'cyber attacks' (links to CRR 26).	Failure to deliver suitable planning measures, respond to and manage these events when they occur. Critical services are unprepared or have ineffective emergency and business continuity plans and associated activities. Lack of preparedness for new or emerging threats. Lack of resilience in the supply chain hampers effective response to incidents.	Potential increased harm or loss of life if response is not effective. Serious threat to delivery of critical services. Increased financial cost in terms of damage control and insurance costs. Adverse effect on local businesses and the Kent economy. Possible public unrest and significant reputational damage. Legal actions and intervention for failure to fulfill KCC's obligations under the Civil Contingencies Act or other associated legislation.	On behalf of CMT Barbara Cooper, Corporate Director Growth, Environment & Transport **Responsible Cabinet Member(s):** Mike Hill, Community Services	Possible (3) **Target Residual Likelihood** Unlikely (2)	Serious (4) **Target Residual Impact** Serious (4)

Control Title	**Control Owner**
Legally required multi-agency Kent Resilience Forum in place, with work driven by risk and impact based on Kent's Community Risk Register. Key roles of group include: • Intelligence gathering and forecasting; • Regular training exercises and tests; • Task & Finish groups addressing key issues. • Plan writing • Capability building	Mike Overbeke, Head of Public Protection (for Kent Resilience Team Activity)
Kent Resilience Forum has a Health sub-group to ensure coordinated health services and Public Health England planning and response is in place	Andrew Scott-Clark, Director of Public Health
Kent Resilience Forum Severe Weather Advisory Group established to convene in the event of a severe weather incident.	Mike Overbeke, Head of Public Protection
Critical functions identified across KCC as a basis for effective Business Continuity Management (BCM).	Tony Harwood, Resilience and Emergencies Manager
The Director of Public Health works through local resilience fora to ensure effective and tested plans are in place for the wider health sector to protect the local population from risks to public health.	Andy Scott-Clark, Director of Public Health
Management of financial impact to include Bellwin scheme	Dave Shipton, Head of Financial Strategy
Maintenance & delivery of emergency procedures, plans and capabilities in place to respond to a broad range of challenges.	Tony Harwood, Resilience and Emergencies Manager
System in place for ongoing monitoring of severe weather events (SWIMS)	Carolyn McKenzie, Head of Sustainable Business and Communities
Implementation of Kent's Climate Adaptation Action Plan	Carolyn McKenzie, Head of Sustainable Business and Communities
Local multi-agency flood response plans in place for each district / borough in Kent, in addition to overarching flood response plan for Kent	Mike Overbeke, Head of Public Protection
Winter Resilience Planning Group & action plan in place.	Mike Overbeke, Head of Public Protection

ICT resilience improvements made to underlying data storage, data centre capability and network resilience.	Michael Lloyd, Head of Technology Commissioning & Strategy
On-going programme of review relating to ICT Disaster Recovery and Business Continuity	Michael Lloyd, Head of Technology Commissioning & Strategy
Kent Resilience Team in place bringing together personnel from KCC, Kent Police and Kent Fire and Rescue Service in an integrated and co-located team to deliver enhanced emergency planning and business continuity in Kent	Mike Overbeke, Head of Public Protection
Multi-Agency recovery structures are in place at the Strategic and Tactical levels & working effectively.	Katie Stewart, Director Environment Planning & Enforcement (EPE)
KCC Community Wardens trained as Incident Liaison Officers	Mike Overbeke, Head of Public Protection
KCC and local Kent Resilience Forum partners have tested preparedness for chemical, biological, radiological, nuclear and explosives (CBRNE) incidents and communicable disease outbreaks in line with national requirements. The Director of Public Health has additionally sought and gained assurance from the local Public Health England office and the NHS on preparedness and maintaining business continuity.	Andrew Scott-Clark, Director Public Health
KCC jointly with Medway Council Public Health dept maintain an on-call rota on behalf and with Public Health England to ensure preparedness for implementing the Scientific, Technical Advisory Cell (STAC) in the event of a major incident with implications for the health of the public	Andrew Scott-Clark, Director of Public Health
‘Introduction to Emergency Planning’ e-learning package available to all staff	Tony Harwood, Resilience and Emergencies Manager
Emergency planning training rolled out at strategic, tactical and operational levels. KCC Resilience Programme in place to deliver further training opportunities	Katie Stewart, Director EPE
Exercises regularly conducted to test different elements of KCC emergency and business continuity arrangements with partners (e.g. ‘Fort Invicta’ November 2015 and Exercise ‘Thor’ December 2015).	Tony Harwood, Resilience & Emergencies Manager
Senior Management on-call rota devised and agreed	Katie Stewart, Director EPE
Learning and potential improvements to business continuity plans in light of loss of ICT systems captured	Katie Stewart, Director EPE
Emergency Reservists have been recruited to aid emergency responses	Katie Stewart, Director EPE
Prevent Duty Delivery Board established to oversee the activity of the Kent Channel Panel, co-ordinate	Andrew Ireland, Corporate

Prevent activity across the County and report to other relevant strategic bodies in the county		Director SCHW
Kent Channel panel (early intervention mechanism providing tailored support to people who have been identified as at risk of being drawn into terrorism) established at district and borough level.		Nick Wilkinson, Head of Youth Justice and Safer Kent
KCC Business Continuity Plan in place		Katie Stewart, Director EPE
Reporting arrangements have been reviewed to include appropriate elected Member oversight of KCC Business Continuity arrangements.		Katie Stewart, Director EPE
IT security incidents are logged and reviewed from an IT and wider Information Governance perspective		Kathy Stevens, ICT Risk and Compliance Manager
Cabinet Office resilience training delivered		Katie Stewart, Director EPE
Action Title	**Action Owner**	**Planned Completion Date**
Review sufficiency of KCC and Kent Resilience Team emergency and resilience resource	Katie Stewart, Director Environment, Planning & Enforcement	December 2016 – Phase 1 April 2017 – Phase 2
Work to understand local implications of any potential increase in national security threat level in future	Katie Stewart, Director Environment, Planning & Enforcement	January 2017
Continually review and ensure robust processes for management of IT security incidents (link to CRR 26)	Kathy Stevens, ICT Compliance and Risk Manager	October 2016 (review)
Review Business Continuity and emergency preparedness arrangements for Contact Point with service provider	Chris Smith, Intelligent Client – subject expert (telephony)	December 2016
Steering Group established to assess potential implications for KCC should there be any further rise in UK national security threat level	Katie Stewart, Director EPE	January 2017

Risk ID	**CRR9**	**Risk Title**	**Health & Social Care Integration – delivery of Sustainability and Transformation Plans**		
Source / Cause of Risk The health & social care 'system' is under extreme pressure to cope with increasing levels of demand and financial constraints. Consequently, there is an urgent need to develop integrated health & social care services to meet these challenges. A local Sustainability and Transformation Plan (STP) is being developed to outline a 'place-based' plan for the future of health and care services in Kent,	**Risk Event** Failure to maximise opportunities presented for health & social care integration, and ensure changes achieve maximum impact. Pressures within the acute health sector result in repercussions for social care and threaten successful implementation of the STP. Insufficient Better Care Fund monies to support preventative services, which means plans to reduce hospital admissions are destabilised. Lack of 'system' leadership. Insufficient Local Authority involvement.	**Consequence** Collapse of Health and Social Care system Gaps between services or in some instances duplication of services or inefficient use of the available joint resources. Additional budget pressures.	**Risk Owner** Andrew Ireland, Corporate Director SCHW **Responsible Cabinet Member(s):** Roger Gough, Education & Health Reform Graham Gibbens, Adult Social Care & Public Health	**Current Likelihood** Possible (3) **Target Residual Likelihood** Unlikely (2)	**Current Impact** Major (5) **Target Residual Impact** Serious (4)

Control Title	**Control Owner**
KCC has designated Cabinet Portfolio Holders for Public Health and Health Reform, who have assumed central roles	Paul Carter, Leader of the Council
Health & Wellbeing Board and CCG-level Health & Wellbeing Board sub-committees established	Roger Gough, Cabinet Member Education & Health Reform
KCC Members and Officers are part of local Sustainability and Transformation governance arrangements	Paul Carter, Leader of the Council / Roger Gough, Cabinet Member Education & Health Reform

Kent chosen as one of 25 pioneers of health & social care integration in the UK, which is giving renewed impetus to the integration programme in Kent. An Integration Pioneer Implementation Group is in place with other 20 stakeholder members to provide strategic direction and oversee successful delivery of health & social care in Kent.	Anne Tidmarsh, Director OPPD(KCC lead)
Reporting arrangements are in place to support integrated working, including reports to Health & Wellbeing Boards, Clinical Commissioning Groups and Vanguard Groups.	Anne Tidmarsh, Director OPPD
KCC has developed an understanding of, and is well placed to implement, the NHS ‘Five Year Forward View’	Andrew Ireland, Corporate Director SCHW
BCF Finance and Performance Group established, consisting of CCG/KCC Chief Finance Officers as well as a BCF Internal Assurance Group	Andy Wood, Corporate Director Finance & Procurement/ Andrew Ireland, Corporate Director SCHW
Kent Integrated Dataset provides population level data from health and adult social care that is used to perform analysis to inform decisions about commissioning and management of health and care services across the county.	Gerrard Abi-Aad, Head of Health Intelligence
Joint working takes place with Health partners to ensure adherence to the Continuing Healthcare (CHC) framework	SCHW Directors

Action Title	**Action Owner**	**Planned Completion Date**
Contribute to the implementation of five-year, place-based Sustainability and Transformation Plans	Andrew Ireland, Corporate Director SCHW	June 2017 (review)
Revision of Joint Strategic Needs Assessment (JSNA) to support joint health & social care commissioning activity.	Andrew Scott-Clark, Director Public Health	September 2017 (review)
Revision of Health & Wellbeing Strategy	David Whittle, Director Strategy, Policy & Assurance	June 2017 (review)
Monitor implications associated with any changes to the Better Care Fund from 2018-19	Andy Wood, Corporate Director Finance & Procurement	July 2017 (review)
‘Your Life, Your Wellbeing’ transformation programme aims to prepare KCC adult social care for integration	Andrew Ireland, Corporate Director SCHW	April 2017 (review)

Risk ID	**CRR10(a)**	**Risk Title**	**Management of Adult Social Care Demand**		
Source / Cause of risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
Adult social care services across the country are facing growing pressures. Overall demand and cost for adult social care services in Kent continues to increase due to factors such as increasing numbers of young adults with long-term complex care needs and Ordinary Residence issues. This is all to be managed against a backdrop of reductions in Government funding, implications arising from the implementation of the Care Act, a recent Supreme Court ruling that may lead to increases in Deprivation of Liberty Assessments and longer term demographic pressures.	Council is unable to manage and resource to future demand and its services consequently do not meet future statutory obligations and/or customer expectations.	Customer dissatisfaction with service provision. Increased and unplanned pressure on resources. Decline in performance. Legal challenge resulting in adverse reputational damage to the Council. Financial pressures on other council services.	Andrew Ireland, Corporate Director SCHW **Responsible Cabinet Member(s):** Graham Gibbens, Adult Social Care & Public Health	Likely (4) **Target Residual Likelihood** Possible (3)	Major (5) **Target Residual Impact** Serious (4)

Control Title	**Control Owner**
Regular analysis and refreshing of forecasts to maintain the level of understanding which feeds into the relevant areas of the MTFP and the business planning process	Andrew Ireland, Corporate Director SCHW/ Mark Lobban, Director Commissioning SCHW
Implementation of Adults Transformation partnership programme progressing including: Care Pathways, Commissioning & Procurement and Optimisation	Mark Lobban, Director Commissioning SCHW/Anne Tidmarsh, Director OPPD/Penny Southern, Director Disabled Children Adult Learning Disability & Mental Health (DCALDMH)
Monitoring, vigilance and challenge regarding the placement of Adults into Kent by other local authorities.	Mark Lobban, Director Commissioning SCHW

Legal Services are engaged where required to support KCC when challenging other Authorities to accept Ordinary Residence re: responsibilities	Penny Southern, Director DCALDMH
Joint commissioning of services with health, in particular for people with dementia, long term conditions and for carers (links to *Health & Social Care Integration agenda* – see Risk CRR9).	Mark Lobban, Director Commissioning SCHW/ Anne Tidmarsh, Director OPPD
Continued drive to maximise the use of Telecare as part of the mainstream community care services	Anne Tidmarsh, Director OPPD and Penny Southern, Director DCALDMH
Maintain the use of appropriate tools to obtain value for money in relation to the commissioning of expensive specialist residential accommodation	Mark Lobban, Director Commissioning SCHW
Health & Social Care Integration Programme in place with a strategic objective of proactively tackling demand for health & social care services	Anne Tidmarsh, Director OPPD
Risk stratification tools devised. Now being used by GP's	Anne Tidmarsh, Director OPPD
Continued support for investment in preventative services through voluntary sector partners	Mark Lobban, Director Commissioning SCHW
Public Health & Social Care ensures effective provision of information, advice and guidance to all potential and existing service users, promoting self-management to reduce dependency	Andrew Scott-Clark, Director Public Health/ Anne Tidmarsh, Director OPPD
Best Interest Assessments (BIA) training package in place to be delivered as part of a rolling programme twice yearly	Mark Lobban, Director Commissioning, SCHW
Continual review and monitoring of demand in relation to Deprivation of Liberty assessments (DoLs)	Mark Lobban, Director Commissioning, SCHW
Systematic methodology for demand management agreed and delivered by Strategic Business Development and Intelligence (SBDI) division.	Vincent Godfrey, Director SBDI

Action Title	**Action Owner**	**Planned Completion Date**
High level design phase of Adults 'Your Life Your Home' programme	Thom Wilson, Programme Director / Andrew Ireland, Corporate Director SCHW	December 2016

Risk ID	CRR10(b)	Risk Title	Management of Demand – Early Help and Preventative Services and Specialist Children's Services		
Source / Cause of risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
Local Authorities continue to face increasing demand for specialist children's services due to a variety of factors, including consequences of highly publicised child protection incidents and serious case reviews, and policy/legislative changes. At a local level KCC is faced with additional demand challenges such as those associated with significant numbers of Unaccompanied Asylum Seeking Children (UASC). There are also particular 'pressure points' in several districts. These challenges need to be met as early help and preventative services and specialist children's services face increasingly difficult financial circumstances and operational challenges such as recruitment and retention of permanent qualified social workers.	High volumes of work flow into early help and preventative services and specialist children's services leading to unsustainable pressure being exerted on them.	Children's services performance declines as demands become unmanageable. Failure to deliver statutory obligations and duties or achieve social value. Additional financial pressures placed on other parts of the Authority at a time of severely diminishing resources. Ultimately an impact on outcomes for children, young people and their families.	Andrew Ireland, Corporate Director SCHW Patrick Leeson, Corporate Director EYPS **Responsible Cabinet Member(s):** Peter Oakford, Specialist Children's Services	Likely (4) **Target Residual Likelihood** Possible (3)	Major (5) **Target Residual Impact** Serious (4)

Control Title	**Control Owner**
Analysis and refreshing of forecasts to maintain the level of understanding which feeds into the relevant areas of the MTFP and the business planning process	Andrew Ireland, Corporate Director SCHW / Philip Segurola, Director Specialist Children's Services

The Early Help and Preventative Services Programme is working to ensure that vulnerable families can access the right support through open access services or through targeted casework.	Stuart Collins, Interim Director Early Help and Preventative Services
Plans developed to appropriately manage the number of children in care (subject to continual monitoring)	Philip Segurola, Director Specialist Children's Services
Intensive focus on ensuring early help to reduce the need for specialist children's support services.	Patrick Leeson, Corporate Director EYPS / Andrew Ireland, Corporate Director SCHW
Maintain the use of appropriate tools to obtain value for money in relation to the commissioning of expensive specialist residential and independent fostering accommodation	Philip Segurola, Director Specialist Children's Services / Mark Lobban, Director Commissioning SCHW
Scoping of diagnostic work for children's services with aid of efficiency partner has been completed	Philip Segurola, Director Specialist Children's Services
Early Help & Preventative Services have outlined priorities for service development and change, including ambitious targets to improve outcomes for children, young people and families	Stuart Collins, Interim Director Early Help & Preventative Services
Weekly Management Information reports track key children in care milestones	Philip Segurola, Director Specialist Children's Services
Kent Safeguarding Children Board has developed a 'threshold' document that outlines the criteria required to by partners when making a referral and have been working with partners to promote aid appropriate application.	Mark Janaway, Programme and Performance Manager

Action Title	**Action Owner**	**Planned Completion Date**
In-house fostering capacity to be developed and assertive monitoring of all children in care performance milestones	Philip Segurola, Director Specialist Children's Services	March 2017 (review)
Phase 2 of 0-25 Programme to define and implement a new way of delivering services to the children and young people of Kent to improve outcomes and reduce costs.	Patrick Leeson, Corporate Director EYPS	May 2017 (review)

Risk ID	CRR 12	Risk Title	Potential implications associated with significant migration into Kent		
Source / Cause of Risk Migration to Kent is not a new phenomenon and is an inevitable outcome of being a London-peripheral authority, symptomatic of differentials in housing markets across the country and the desirability of living in the county. Welfare reform policy changes (e.g. Housing Benefit cap) combined with an overheating London housing market and lack of affordable housing options drives London residents and councils to more affordable temporary and permanent accommodation in Kent. KCC needs to be prepared to manage the uncertain affects and outcomes that any significant migration into the county may have on local communities, as this may well lead to additional pressure on KCC services.	**Risk Event** Influx of significant numbers of 'welfare dependent' or vulnerable people into the county, either due to welfare reform or other factors, particularly if migration is into concentrated areas. Failure to plan appropriately to deal with potential consequences.	**Consequence** Potential impact on community cohesion in parts of the county. Additional pressure on KCC services e.g. demand for adults and children's social care.	**Risk Owner** Corporate Management Team **Responsible Cabinet Member(s):** Graham Gibbens, Adult Social Care & Public Health Mike Hill, Community Services Peter Oakford, Specialist Children's Services	**Current Likelihood** Possible (3) **Target Residual Likelihood** Possible (3)	**Current Impact** Serious (4) **Target Residual Impact** Significant (3)

Control Title	**Control Owner**
Welfare reform - ongoing analysis and tracking of impacts conducted by Strategy, Policy & Assurance and Strategic Business Development & Intelligence teams plus external partners to give an indication of scale of implications of reforms. Mechanism developed to track benefit migration into Kent.	Vincent Godfrey, Director Strategic Business Development & Intelligence /David Whittle, Director Strategy, Policy, Relationships

	and Corporate Assurance
Policy & research updates produced periodically to aid monitoring of potential impacts	David Whittle, Director SPRCA / Vincent Godfrey, Director Strategic Business Development & Intelligence
Kent Support and Assistance Service operating as the County’s local welfare assistance scheme	Mark Lobban, Director of Commissioning

Action Title	**Action Owner**	**Planned Completion Date**
Local Steering Group being established involving KCC and District Council partners to coordinate activity to respond to concerns over any potential proliferation of large-scale placement of those with housing need into Kent.	Paul Carter, Leader of the Council (KCC Lead)	January 2017 (review)

Risk ID	CRR 17	Risk Title	Future financial and operating environment for Local Government		
Source / Cause of risk	**Risk Event**	**Consequence**	**Risk Owner (s)**	**Current Likelihood**	**Current Impact**
The operating environment for local government will continue to change during the coming years, presenting both opportunities and risks for the Council and its partners / service providers. Government funding is set to continue reducing over the medium term and the business rate retention scheme due to be implemented by 2020 may present opportunities but also threat to the Council. The Local Government, Cities and Devolution Act could have wide-ranging implications, including the potential for significant Local Government reorganisation. The EU referendum result in June 2016 has added additional uncertainty to the environment.	Additional spending demands and continued public sector austerity measures threaten financial sustainability of KCC, its partners and service providers. Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen.	Unsustainable financial situation. Potential for partner or provider failure – including sufficiency gaps in provision. Reduction in resident satisfaction and reputational damage.	All Corporate Directors **Responsible Cabinet Member (s):** All Cabinet Members	Likely (4) **Target Residual Likelihood** Possible (3)	Major (5) **Target Residual Impact** Serious (4)

Control Title	Control Owner
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation.	Andy Wood, Corporate Director Finance & Procurement
Processes in place for monitoring delivery of savings and budget as a whole.	Andy Wood, Corporate Director Finance & Procurement
KCC Strategic Statement 2015-2020 and annual report outline key strategic outcomes that the Authority aims to achieve during this period.	Leader of the Council
KCC Quarterly Performance Report monitors key performance and activity information for KCC	Richard Fitzgerald, Business Intelligence Manager –

commissioned or delivered services. Regularly reported to Cabinet.		Performance
Ongoing oversight of implications relating to proposed Local Authority pension fund changes		Nick Vickers, Head of Financial Services
Support being provided to the Leader of the County Council in his role as Chair of the County Councils Network.		David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance
Action Title	**Action Owner**	**Planned Completion Date**
Work proactively with Government regarding how the new business rate retention scheme can be most effectively implemented	Dave Shipton, Head of Financial Strategy	December 2016 (review)
Continual engagement regarding devolution between KCC, District Councils, other partners and Government	David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance	January 2017
Engage with Government for a fair-funding needs formula for Grant distribution	Andy Wood, Corporate Director Finance & Procurement	June 2017 (review)
Financial analysis of medium term Kent public sector / provider landscape post Autumn Statement 2016 and Budget 2017	Dave Shipton, Head of Financial Strategy	November / December 2016 (Autumn Statement) / Autumn 2017 (Budget)

Risk ID	CRR22	Risk Title	Implications of increased numbers of Unaccompanied Asylum seeking children (UASC)		
Source / Cause of risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
Since May 2015 there has been an unprecedented increase in the numbers of UASC arriving in Kent, which places increased pressure on all aspects of specialist children's services delivery. This issue is the source of a number of risks. In addition, a significant number of these children will turn 18 in the coming months, requiring care leaver support.	There is a risk that there will be insufficient accommodation, social work assessment capacity and support for UASC. Shortfall in funding the full cost associated with fulfilling the Council's statutory duties. Risk that other Local Authorities do not voluntarily accept UASC that arrive in Kent in sufficient numbers.	Serious impact on vulnerable young people. The Council would be unable to fulfil its statutory duties effectively. Additional budget pressures on the Authority if UASC costs are not fully funded by Govt.	Andrew Ireland, Corporate Director, SCHW **Responsible Cabinet Member(s):** Peter Oakford, Specialist Children's Services	Very Likely (5) **Target Residual Likelihood** Possible (3)	Serious (4) **Target Residual Impact** Serious (4)

Control Title	Control Owner
UASC multi-agency Partnership Board established to take a strategic overview of whole system of services contributing to and impacted upon in managing the needs of UASC in Kent and to provide opportunities for shared learning.	Philip Segurola, Director of Specialist Children's Services
An additional temporary reception centre has been opened to help cope with demand	Philip Segurola. Director of Specialist Children's Services
Staffing capacity has been increased, particularly the asylum duty team, Independent Reviewing Officer (IRO) service and District teams	Philip Segurola, Director of Specialist Children's Services
Daily updates – senior management are reviewing arrival rates, capacity and accommodation and support requirements with management action taken as required.	Philip Segurola, Director of Specialist Children's Services
Specialist Children's Services continue to work extremely closely with colleagues in the UASC arm of the UK Visas and Immigration service to ensure new arrivals, as well as children which arrived prior to the 1st July are transferred to the care of Other Local Authorities in the most timely and child-centred way	Philip Segurola, Director of Specialist Children's Services
A National Transfer Scheme has been launched to encourage all local authorities to volunteer to support unaccompanied asylum-seeking children (UASC) so there is a more even distribution of caring responsibilities across the country.	

Action Title	Action Owner	Planned Completion Date
Continue to make representations to Government for reimbursement of the full costs of fulfilling our statutory duties for UASC.	Andrew Ireland, Corporate Director SCHW	March 2017
Continue to review staffing levels, increasing where required	Philip Segurola, Director of Specialist Children's Services	December 2016 (review)
Lobby Government for a mandatory dispersal scheme	Andrew Ireland, Corporate Director SCHW / Leader, Cabinet Member and other elected Members	December 2016 (review)

Risk ID	CRR23	Risk Title	Evolution of Strategic Commissioning Approach		
Source / Cause of risk The Authority is developing a strategic commissioning approach, as it looks to transform and respond to the challenging local government environment. This includes exploring alternative service delivery models as well as embedding commissioning principles for 'internally commissioned' services. This involves the development of appropriate 'client-side' arrangements.	**Risk Event** Insufficient programme control on key change activity. Insufficient management capacity and / or capability in key skill areas to support sustained change. 'Client-side' commissioner arrangements not developed in time to drive effective relationships with, and performance management of, suppliers.	**Consequence** Potential to fall short of achieving financial and non-financial benefits if changes introduced are not fully embedded. Disproportionate effort could be spent on areas of change that do not provide the greatest return on investment. Potential implications for staff wellbeing, morale and engagement.	**Risk Owner** All Corporate Directors **Responsible Cabinet Member:** Paul Carter, Leader of the Council	**Current Likelihood** Likely (4) **Target Residual Likelihood** Unlikely (2)	**Current Impact** Significant (3) **Target Residual Impact** Significant (3)

Control Title	Control Owner
Corporate Directors are providing managerial leadership for the change agenda and ensuring resources for delivering change are sufficient.	Corporate Directors
Workforce planning strategy 2015-2020 and annual report outlines how the Council is planning for the future in terms of skills development, role definitions and employee mind-set. Includes action plan.	Amanda Beer, Corporate Director Engagement, Organisation Development and Design
Staff development and Leadership & Management Frameworks established to further develop key skills, including commercial acumen, project management and contract management, across the organisation as an essential enabler of change.	Amanda Beer, Corporate Director Engagement, Organisation Design & Development
Strategic Business Development & Intelligence function brings together activities which support effective commissioning and leads on the management of KCC's strategic contracts.	Vincent Godfrey, Director Strategic Business Development & Intelligence
Commissioning network and toolkit in place to support development of key commissioning knowledge and	Steve Lusk, Commercial

skills and sharing of good practice	Manager
Workforce and succession planning tools available to aid managers	Julie Cudmore, Head of Organisation Development
Skills transfer stipulations built into contracts of external efficiency partners / consultants to ensure internal staff develop relevant skills and build capability	Vincent Godfrey, Director Strategic Business Development & Intelligence
Roles and responsibilities for Officers charged with the strategic commissioning of services and those responsible for operational delivery of services have been clarified.	Corporate Directors

Action Title	**Action Owner**	**Planned Completion Date**
Rolling programme of reviews of contract management arrangements for major contracts.	Vincent Godfrey, Director Strategic Business Development & Intelligence	March 2017 (review)
Review Governance arrangements to clarify Member roles and responsibilities around the evolving strategic commissioning authority approach.	David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance	July 2017

Risk ID	**CRR24**	**Risk Title**	**Delivery of 2016/17 savings**		
Source / Cause of Risk The ongoing difficult public finances situation and economic uncertainty continue to mean significant reductions in funding to the public sector and Local Government in particular, at a time when spending pressures on councils are increasing. KCC has already made significant cost savings and still needs to make ongoing year-on-year savings in order to "balance its books."	**Risk Event** The required savings from key programmes or efficiency initiatives are not achieved.	**Consequence** Urgent alternative savings need to be found which could have an adverse impact on service users and/or residents of Kent. Potential adverse impact on whole-council transformation plans. Reputational damage to the council.	**Risk Owner** On behalf of CMT: Andy Wood, Corporate Director Finance & Procurement **Responsible Cabinet Member(s):** John Simmonds, Finance & Procurement	**Current Likelihood** Likely (4) **Target Residual Likelihood** Very unlikely (1)	**Current Impact** Serious (4) **Target Residual Impact** Moderate (2)

Control Title	**Control Owner**
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process	Andy Wood, Corporate Director Finance & Procurement
Process for monitoring delivery of savings is in place, including a Budget Programme Board to scrutinise progress.	Andy Wood, Corporate Director Finance & Procurement
Robust monitoring and forecasting of arrangements in place relating to the KCC budget as a whole	Andy Wood, Corporate Director Finance & Procurement
Procedures for appropriate consultation in place when decisions relating to changes in services are being considered	Diane Trollope, Head of Engagement & Consultation/
Controls and mechanisms remain robust	Andy Wood, Corporate Director Finance & Procurement
Savings plans developed for all significant budget savings	Corporate Directors and Director Group
Six monthly update reports on progress against budgeted savings presented to Governance & Audit Committee	Corporate Directors and Director Group

Recruitment moratorium in place	Andy Wood, Corporate Director Finance & Procurement

Action Title	**Action Owner**	**Planned Completion Date**
Action plan to address overspend in Specialist Children's Services	Philip Segurola, Director Specialist Children's Services	March 2017
Additional mitigations being discussed by Corporate Directors should situation not improve by early January.	Corporate Directors	January 2017

Risk ID	CRR25	Risk Title	Identification of, and planning to deliver 2017/18 savings		
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
The ongoing difficult public finances situation and economic uncertainty continue to mean significant reductions in funding to the public sector and Local Government in particular, at a time when spending pressures on councils are increasing. KCC has already made significant cost savings and still needs to make significant ongoing year-on-year savings in order to "balance its books".	Robust plans to achieve the required savings are not developed in time to enable implementation and realisation of benefits in 2017/18. Plans are not aligned with Cabinet Member priorities.	Urgent alternative savings need to be found which could have an adverse impact on service users and/or residents of Kent. Potential adverse impact on council transformation plans. Reputational damage to the council.	On behalf of CMT: Andy Wood, Corporate Director Finance & Procurement **Responsible Cabinet Member(s):** John Simmonds, Finance & Procurement	Likely (4) **Target Residual Likelihood** Very unlikely (1)	Serious (4) **Target Residual Impact** Moderate (2)

Control Title	Control Owner
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process	Andy Wood, Corporate Director Finance & Procurement
Process for monitoring delivery of savings is in place, including a Budget & Programme Delivery Board to scrutinise progress.	Andy Wood, Corporate Director Finance & Procurement
Robust monitoring and forecasting of arrangements in place relating to the KCC budget as a whole	Andy Wood, Corporate Director Finance & Procurement
Procedures for appropriate consultation in place when decisions relating to changes in services are being considered	Diane Trollope, Head of Engagement & Consultation
Controls and mechanisms remain robust	Andy Wood, Corporate Director Finance & Procurement
Indicative cash limits and savings targets allocated to Corporate Directors to allow early planning.	Corporate Directors and Director Group
Six monthly update reports on progress against budgeted savings presented to Governance & Audit Committee	Corporate Directors and Director Group

Action Title	Action Owner	Planned Completion Date
Corporate Management Team and Cabinet discussing how current gap in 2017/18 budget is to be closed.	Corporate Directors	February 2017

Risk ID	CRR26	Risk Title	Cyber and information security threats		
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner(s)**	**Current Likelihood**	**Current Impact**
The Council has a duty to protect personal and other sensitive data that it holds on its staff, service users and residents of Kent. KCC repels a high number of cyber-attacks on a daily basis, although organisations across all sectors are experiencing an increasing threat in recent times and must ensure that all reasonable methods are employed to mitigate them, both in terms of prevention and preparedness of response in the event of any successful attack. KCC's ICT Strategy will move the Authority's technology to cloud based services. It is important to harness these new capabilities in terms of both IT security and resilience, whilst emerging threats are understood and managed. In information terms the other factor is human. Technology can only provide a level of protection. Our staff must have a strong awareness of their responsibilities in terms of IT and information security.	Successful cyber-attack leading to loss or unauthorised access to sensitive business data. Significant business interruption caused by a successful attack.	Data Protection breach and consequent Information Commissioner's Office (ICO) sanction. Damages claims Reputational Damage Potential significant impact on business interruption if systems require shutdown until magnitude of issue is investigated.	Corporate Management Team **Responsible Cabinet Member(s):** Gary Cooke, Corporate & Democratic Services	Likely (4) **Target Residual Likelihood** Likely (4)	Serious (4) **Target Residual Impact** Moderate (2)

Control Title		Control Owner
ICT Compliance and Risk Team operational		Michael Lloyd, Head of Technology Commissioning and Strategy
Continual awareness raising of key risks amongst the workforce and manager oversight		Michael Lloyd, Head of Technology Commissioning and Strategy / Internal Communications function / All Managers
Electronic Communications User Policy, Virus reporting procedure and social media guidelines in place		Michael Lloyd, Head of Technology Commissioning and Strategy
Cyber security controls in place		Kathy Stevens, ICT Compliance and Risk Manager
Mandatory Data Protection and Information Governance training		Ben Watts, General Counsel (Interim)
Action Title	**Action Owner**	**Planned Completion Date**
Implementation of ICT Transformation Programme includes actions to further strengthen ICT resilience, with systems and software compliance with various UK Standards.	Michael Lloyd, Head of Technology Commissioning and Strategy	March 2017 (review)

Risk ID	CRR27	Risk Title	Managing and working with the social care market		
Source / Cause of Risk	**Risk Event**	**Consequence**	**Risk Owner**	**Current Likelihood**	**Current Impact**
A significant proportion of adult social care is commissioned out to the private and voluntary sectors. This offers and value for money but also means that KCC is dependent on a buoyant market to achive best value and give service users optimal choice and control. Factors such as the introduction of the National Living Wage, potential inflationary pressures and uncertainty over care market workforce status in light of the vote to leave the EU mean that the care market is under pressure.	Care home and domiciliary care markets are not sustainable Inability to obtain provider supply at affordable prices Significant numbers of care home closures or service failures Providers choose not to tender for services at Local Authority funding levels or accept service users with complex needs.	Gaps in the care market for certain types of care or in geographical areas meaning difficulty in placing some service users.	Andrew Ireland, Corporate Director SCHW **Responsible Cabinet Member(s):** Graham Gibbens, Cabinet member for Adult Social Care and Public Health	Likely (4) **Target Residual Likelihood** Possible (3)	Major (5) **Target Residual Impact** Significant (3)

Control Title	Control Owner
Risk based approach is applied to monitoring providers	Andrew Ireland, Corporate Director SCHW / Mark Lobban, Director of Commissioning SCHW
Opportunities for joint commissioning in partnership with key agencies (i.e. Health) being regularly explored	Andrew Ireland, Corporate Director SCHW / Mark Lobban, Director of Commissioning SCHW
An Accommodation Strategy is in place, developed with partners and key stakeholders.	Mark Lobban, Director of Commissioning SCHW
Regular market mapping and price increase pressure tracking	Andrew Ireland, Corporate Director SCHW / Mark Lobban,

	Director of Commissioning SCHW
Regular meetings with provider and trade organisations	Andrew Ireland, Corporate Director SCHW / Mark Lobban, Director of Commissioning SCHW
Placement data is regularly tracked through the County Placement Team	Mark Lobban, Director of Commissioning SCHW
Ongoing monitoring of Home Care market and market coverage following Home Care retender	Mark Lobban, Director of Commissioning SCHW
Commissioning and Access to Resources functions in place to ensure KCC gets value for money while maintaining productive relationships with providers	Andrew Ireland, Corporate Director SCHW / Mark Lobban, Director of Commissioning SCHW

Action Title	**Action Owner**	**Planned Completion Date**
Ensure as far as practically possible that the market is able to offer choice in the new market conditions opened up by personalisation	Mark Lobban, Director of Commissioning SCHW	December 2016
Work to ensure there is sufficient local foster and residential care for disabled children to reduce the need for out of county placements.	Mark Lobban, Director of Commissioning SCHW	December 2016 (review)
Project to improve quality of care in independent sector, with further work to operationalise it.	Mark Lobban, Director of Commissioning SCHW	January 2017
Residential and nursing re-let: implementation phase following the tender.	Mark Lobban, Director of Commissioning SCHW	December 2016
Implementation of key actions arising from the Accommodation Strategy	Mark Lobban, Director of Commissioning SCHW	May 2017 (review)

Risk ID	CRR28	Risk Title	Delivery of New School Places is constrained by capital budget pressures and dependency upon the Education Funding Agency (EFA)

Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
A significant expansion of schools is required to accommodate major population growth in the short term to medium term (primary age) and medium to long term (secondary age). The "Basic Need" capital grant from Dept of Education (DfE) will not fund the expansion in full. A funding gap to deliver the programme for schools will be created by cost pressures from higher than expected build costs, low contributions from developers and increases in pupil demand. Whilst the funding gap identified with the Kent Commissioning Plan has been closed, the delivery of the plan is highly dependent upon securing 15 Free Schools in Kent over the period and that the EFA complete the Free School projects on time and to an appropriate standard.	The expansion required may not be delivered, meaning KCC is not able to provide appropriate school places.	The duty to provide sufficient school places is not met, which may lead to legal action against the council. Some children have to travel much further to attend a school, with a resulting impact on the transport budget.	Patrick Leeson, Corporate Director EYPS **Responsible Cabinet Member(s):** Roger Gough, Cabinet Member for Education & Health Reform	Very Likely (5) **Target Residual Likelihood** Possible (3)	Serious (4) **Target Residual Impact** Significant (3)

Control Title	Control Owner
The Kent Commissioning Plan contains the forecast expansion numbers and locations. A school expansion programme has been mapped, costed and kept under review.	Keith Abbott, Director Education Planning and Access

The school expansion programme is under member scrutiny and review by relevant Education and Property programme boards/forums/committees.	Keith Abbott, Director Education Planning and Access
EYPS capital monitoring mechanism with Member involvement now created	Keith Abbott, Director Education Planning and Access
Policy and operations to secure sufficient developer contributions are overseen by Growth and Infrastructure Group.	Keith Abbott, Director Education Planning and Access/Katie Stewart, Director Environment, Planning and Enforcement
A bid has been made for extra funding under the priority school building programme Phase 2	Keith Abbott, Director Education Planning and Access
Negotiations have taken place with District Councils regarding allocation of contributions	David Adams, Area Education Officer (SK)/Jared Nehra, Area Education Officer (WK)/Ian Watts, Area Education Officer (NK), Marisa White, Area Education Officer (EK)
Close working with the EFA and lobbying of the DFE/EFA. This included raising the issue in the KCC response to the Education White Paper and the Leader raised this via the County Council's Network.	Keith Abbott, Director Education Planning and Access

Action Title	**Action Owner**	**Planned Completion Date**
To develop contingency plans for alternative interim accommodation for each Free School project	Keith Abbott, Director Education Planning and Access,	December 2016 (review)

This page is intentionally left blank