

**CHILDREN'S, YOUNG PEOPLE AND EDUCATION  
CABINET COMMITTEE**

**Tuesday, 5th December, 2017**

**2.30 pm**

**Council Chamber, Sessions House, County Hall,  
Maidstone**





## AGENDA

### CHILDREN'S, YOUNG PEOPLE AND EDUCATION CABINET COMMITTEE

**Tuesday, 5 December 2017 at 2.30 pm**  
**Council Chamber, Sessions House, County Hall,**  
**Maidstone**

Ask for: **Emma West**  
Telephone: **03000 412421**

*Tea/Coffee will be available 15 minutes before the start of the meeting*

#### **Membership (18)**

Conservative (12): Mr G Cooke (Chairman), Mrs A D Allen, MBE (Vice-Chairman),  
Mrs R Binks, Mrs S Chandler, Mrs P T Cole, Mrs L Game,  
Mrs S Gent, Mr R C Love, Mr S C Manion, Mr D Murphy,  
Mr M J Northey and Mrs S Prendergast

Liberal Democrat (2): Mrs T Dean, MBE and Ida Linfield

Labour (1) Dr L Sullivan

Church Mr D Brunning, Mr J Constanti and Mr Q Roper  
Representatives (3)

#### **Webcasting Notice**

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#### **UNRESTRICTED ITEMS**

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

- 1 Introduction/Webcast announcement
- 2 Apologies and Substitutes  
To receive apologies for absence and notification of any substitutes present
- 3 Declarations of Interest by Members in items on the Agenda  
To receive any declarations of interest made by Members in relation to any

matter on the agenda. Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared

4 High Needs Funding (Pages 7 - 12)

Members are asked to note the outcome of the review and endorse the recommendations to implement revisions to the current approach.

5 17/00109 - School Funding Arrangements for 2018-19 including the introduction of a National Funding Formula (Pages 13 - 46)

To consider and comment on the NFF proposals in order to inform the decision of the Executive.

6 Update - Kent Agreed Syllabus for Religious Education (Pages 47 - 48)

Members are asked to note the update.

7 Revenue & Capital Budget Monitoring - 2017-18 Financial Year (Pages 49 - 88)

Members are asked to note the revenue and capital forecast variances for the 2017-18 budget that are in the remit of this Cabinet Committee, based on the August monitoring position presented to Cabinet on 30 October 2017.

### **EXEMPT ITEMS**

#### Motion to Exclude the Press and Public for Exempt Items

That, under section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

8 Commissioned Children's Centres and Future Arrangements (Pages 89 - 104)

To receive an updated report on Commissioned Children's Centres and Future Arrangements which Members are asked to note.

John Lynch,  
Head of Democratic Services  
03000 410466

*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.*

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**From: Roger Gough, Cabinet Member for Children, Young People and Education**

**Patrick Leeson, Corporate Director, Children, Young People and Education Directorate**

**To: Children's, Young People and Education Cabinet Committee  
22 November 2017**

**Subject: High Needs Funding**

**Classification: Unrestricted**

**Past Pathway of Report: None**

**Future Pathway of Report: None**

**Electoral Division: All**

**Summary:** This report summarises a recent review of Kent's approach to High Needs funding for children and young people with special educational needs and disabilities in mainstream schools and academies. It also outlines the planned improvements from April 2018, to manage overall affordability and target the funding more effectively to pupils with the most complex needs.

**Recommendation(s):** The Cabinet Committee is asked to note the outcome of the review and endorse the recommendations to implement revisions to the current approach

## **1. Introduction**

- 1.1 High Needs funding is the system which supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25. It is provided to local authorities through the High Needs block of the Dedicated Schools Grant (DSG), and must be spent providing the most appropriate SEN provision in mainstream schools (in line with the conditions of DSG).
- 1.2 Guidance from the Education, Skills and Funding Agency (ESFA) states that schools and academies should have sufficient funding in their delegated budget to enable them to support pupils' SEND where required, up to a mandatory cost threshold of £6,000 per pupil. Only when this threshold is crossed, can a school apply to the local authority for High Needs top up funding from the DSG. This national policy change was introduced in 2014.

- 1.3 With support from the Schools' Funding Forum, the Council introduced a funding system for mainstream schools which could provide earlier access to resources, better targeting of funding to pupil needs and avoid the need for lengthy statutory processes. This was implemented across Kent in April 2015. Kent is one of a very small number of authorities who fund without the need for statutory assessment, using the national funding threshold as criteria.
- 1.4 The Children and Families Act 2014 introduced reforms to the way in which children and young people with special educational needs and disabilities (SEND) are supported, introducing a new statutory duty to ensure that they and their parents and carers are able to participate in decisions that affect them.
- 1.5 Kent set out its plans to deliver the reforms in its SEND Strategy 2013-2016 'Working together, improving outcomes'. In 2017 we completed a review of our progress and our revised Strategy is focused on ensuring good SEN practice in every school by 2020 through core standards delivered by a workforce skilled to support children with autism, speech and language difficulties and behavioural needs.

## **2. High Needs Funding**

- 2.1 Kent's current investment of £30.7m targeted funding to support SEN pupils in mainstream schools (including outreach and the specialist teaching and learning service) means that schools are able to access resources for individual pupils without the need for a lengthy and costly statutory assessment. By June 2017, the number of pupils in mainstream schools and academies supported through High Needs funding had risen to over 2,500 (from 900 in 2014-15 under the previous system) at a cost of over £23m per annum. The forecasts indicated that schools' applications may exceed 3,000 pupils.
- 2.2 This level of demand is financially unsustainable. DSG reserves are fully depleted. A more affordable system, in line with the level of funding Kent receives from Central Government is essential. The Government's National Funding Formula changes are going to remove our ability to transfer unallocated Dedicated Schools Grant funding from the Schools Block into the High Needs Block, meaning that for the medium term the High Needs budget is effectively capped.
- 2.3 In order to ensure system changes build on the most effective current practice, targeting resources to the pupils with the most complex learning needs, and experiencing the greatest barriers to learning, a detailed review of the existing arrangements has been undertaken and a new approach will be introduced from April 2018.
- 2.4 In the intervening period between September 2017 and March 2018 it has been necessary to take some immediate action, whilst also being mindful that changes should be designed to allow schools time to plan. As a result interim adjustments are only being applied in respect of new applications from 1st September 2017; pro-rata payment based on 30% deduction, and a deferred start date of 1 December 2017. No adjustments have been applied in respect of funding already in place. These interim measures do not represent a reduction

in funding for any school as every new application which is agreed continues to result in additional funding to the school.

- 2.5 Comparative information from other local authorities indicates that many are experiencing similar High Needs budget pressures. Leaders and Chief Executives across the South East have signalled concern about the growth in costs. Whilst local authorities are keen to fully implement the reforms, there is a balance to be reached in how they are achieved within constrained budgets. Patterns in the South East reflect those across England.
- 2.6 Table 1 compares Kent High Needs block as a rate per pupil (HNB funding divided by the total school population), to all 150 Local Authorities between 2014-15 and 2017-18. It shows that Kent has increased the funding rate significantly more than the average.

Table 1 – All LA High Needs blocks expressed as a rate per pupil (total school population)

	2014-15	2017-18	Change
Minimum	£457	£521	+£64
Maximum	£1,831	£1,775	-£56
Average	£769	£827	+£58
Kent	£790	£978	+£188
Kent's ranked position (out of 150)	70	37	33

### 3. County wide Review

- 3.1 The review took place between March and July 2017. Data was gathered at an individual school and pupil level, with views from Headteachers and SENCOs invited through a separate online survey. School visits were arranged to sample the uses of High Needs funding in 46 Primary schools and 10 Secondary schools. Mainstream specialist resource provision (SRP) and Special schools were out of scope as was funding for FE College provision which is subject of a separate review.
- 3.2 The review found that schools, regardless of size, with the most effective SEN practice clearly have a whole school response, are clear about the overall effectiveness of the SEN interventions; and highlight the class teacher's responsibility for in-depth provision mapping and support for pupils in the classroom, with oversight from the SEN Co-ordinator and senior leaders.
- 3.3 The review also found that the demand for High Needs funding does not always follow a pattern related to pupil socio-economic profile and levels of need across the schools.

Four groups of schools emerged:

- 1) very inclusive, good provision, little HNF demand
  - 2) appropriate levels of demand on HNF; used well
  - 3) over reliance on HNF and TAs; some ineffective interventions;
  - 4) very little use of HNF, do not always engage in LIFT and may not have effective SEN provision.
- 3.4 The review identified that more inclusive schools with whole school approaches to SEN make less demand on HNF.
- 3.5 The review found an over-reliance on the use of teaching assistants (TAs) providing one to one support for pupils as the predominant form of intervention. It also found wide variations in practice and the use of the funding across the county. Primary schools in the districts of Canterbury and Swale, and the Secondary schools in the district of Swale, have the highest percentages of the school population in receipt of High Needs funding.
- 3.6 It highlighted that HNF needs to be specific to the provision required to meet the needs of individual pupils; however, this needs to be within the context of the best use of TAs guidance that highlights the benefits of group interventions rather than one to one support.
- 3.7 High Needs funding must also be used well in tandem with other resources such as LIFT resources, (Local Inclusion Forum Team) outreach support from Special schools and training in order to get the best outcomes for pupils with SEN. Training must focus on all staff if it is to raise capacity in schools to address autism, speech and language difficulties and behavioural needs.
- 3.8 Data analysis shows that 55% of funded pupils do not have an Education Health and Care Plan. At the same time the number of Statutory Assessment (SA) requests from schools for EHCPs has decreased in line with an increase in applications for High Needs funding. However, the number of requests being received from parents for an EHCP has increased over the same period. This does suggest more work is needed to ensure parents understand and feel confident about the support available through High Needs funding. It also indicates a wider range of parental concerns, such as transition to Secondary or Special school and access to some health therapies.
- 3.9 Schools want the system to be as fair and equitable as possible. The demand for High Needs top up funding must be more financially predictable and more closely linked to patterns of need. There is acceptance of the need for schools to be accountable for the use of this element of public funds, but the budget must continue to fund the top up required by schools to support the pupils with the most complex needs that may otherwise warrant statutory assessment.

#### **4. A new system from April 2018**

- 4.1 As a result of the review findings, the Local Authority is introducing changes that will ensure better targeting of High Needs funding to pupils with the most complex needs, particularly those who would otherwise warrant statutory assessment for an EHCP. The changes will provide clearer criteria so all schools better understand which pupils HNF is targeting. Guidance to schools will give greater emphasis to the 'assess, plan, do and review' cycle and be



more explicit about the evidence from them about how their normally available resource has been used. Schools will be expected to have fully utilised the District LIFT offer as part of the provision and have committed to relevant whole school training e.g. autism awareness.

- 4.2 The new system from 1 April 2018 will clarify resources available to schools and deliver an equitable and transparent allocation. It will introduce need specific top up funding arrangements, graduated to support pupils with the most severe and profound levels of need in mainstream schools. A personalised, bespoke level of top up will exceptionally be agreed in highly complex circumstances where the level of need evidences it is necessary.
- 4.3 Need specific (eg, ASD, social and emotional need) top up funding will improve equity and consistency of payments between schools for children with similar levels and types of need. It will also improve transparency of top up payments to schools which will aid with predictability for school budget purposes. This approach will enable top up funding to be set at a level that is affordable within the overall DSG budget available within the High Needs block. The value for each Need Specific Top Up will be calculated and published in early December, after the 1 December Schools' Funding Forum meeting, and these values will be regularly reviewed.
- 4.4 The review scope included process arrangements and identified a number of potential areas for improvements. As a result, a number of revisions will also be made to reduce the steps in the online application process and the LA will strengthen its capacity to monitor and review how top up funding is used by increasing the current number of Area SEN Provision Evaluation Officer posts from 4 to 8. This increased resource will cost an additional £250k.

## **5. Legal Implications**

- 5.1 The LA's statutory duties for children and young people with SEN are set out in the Children and Families Act 2014. These duties include identifying children with SEN and ensuring that their needs are met. The LA is responsible for ensuring that the provision set out in an individual pupil's Education Health and Care Plan is delivered.

## **6. Equalities Implications**

- 6.1 Children and young people with special educational needs are at greater risk of underachieving than their non-SEN peers. The SEND Strategy aims to ensure every vulnerable child can be identified at the right time, attend a good local school and achieve good progress in their learning and good outcomes at every age. It also aims to ensure they will not be disadvantaged by being excluded from school and they will not lose schooling through poor attendance.

## **7. Public Health Implications**

- 7.1 Lead Officers for Health are partners in the delivery of the SEND Strategy, providing therapy and mental health services, specialist nursing and medical diagnoses, together with assessments for EHCPs. Provision of Health Visiting Services is a key aspect of ensuring better healthcare and earlier identification of young children with additional and sometimes complex learning needs.

## 8. Conclusion

- 8.1 High Needs funding for pupils in mainstream schools is delivering targeted resources to pupils who need significant additional support to make progress with their learning. Schools, regardless of size, with the most effective SEN practice understand the totality of resources available, can clearly identify their whole school response and the overall effectiveness of the interventions used. However, there are variations in the level and use of funding across the County and where it is not used to deliver evidenced based intervention, it is not used effectively. As a result pupil progress is less assured. The level of demand and forecast trajectory have increased to the point where it is unaffordable from the funding Kent receives. A new system is urgently needed to ensure resources are used more effectively to get the best outcomes for pupils and to manage the level of demand from mainstream schools. A new approach for HNF from April 2018 will introduce need specific top up funding, graduated to support pupils with the most severe and profound levels of need along with greater capacity to monitor its effective use.

**Recommendations:** The Cabinet Committee is asked to note the outcome of the review and endorse the recommendations to implement revisions to the current approach.

## 7. Background Documents

- 7.1 Children and Families Act 2014

<http://www.legislation.gov.uk/ukpga/2014/6/contents/enacted>

- 7.2 SEND Code of Practice:0-25

<https://www.gov.uk/government/publications/send-code-of-practice-0-to-25>

- 7.2 DfE, High Needs National Funding Formula and other Reforms Dec 2016,

<https://www.gov.uk/government/publications/high-needs-funding-arrangements-2017-to-2018/high-needs-funding-operational-guide-2017-to-2018>

## 8. Contact details

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From: **Roger Gough, Cabinet Member for Children, Young People and Education**

**Patrick Leeson, Corporate Director for Children, Young People and Education**

To: **Children, Young People and Education Cabinet Committee – 5 December 2017**

Subject: **School Funding Arrangements for 2018-19 including the introduction of a National Funding Formula**

Classification: Unrestricted

Decision Number: 17/00109

Future Pathway of Paper: Executive Decision

Electoral Division: All

**Summary:**

Following the announcement by the Secretary of State on 14 September 2017 to introduce a National Funding Formula, this paper provides an update on the implications for Kent schools and this Council. It also provides an update on the consultation held with all Kent schools regarding a number of proposals to change KCC's local funding formula from 1 April 2018.

**Recommendation(s):**

**The Children's, Young People and Education Cabinet Committee** is asked to:

- (i) Consider and comment on the NFF proposals in order to inform the decision of the Executive.

**1. Introduction**

- 1.1 On 17 July 2017 the Secretary of State for Education announced in her speech to Parliament the schools' funding arrangements for 2018-19 and beyond. A further £1.3 billion of funding has been allocated nationally to schools for the period 2018-19 (£416m) to 2019-20 (£884m). This is in addition to the £1.3 billion already committed for this period in the 2015 spending review. Nationally, schools and high needs funding will rise from £41 billion in 2017-18 to £42.8 billion in 2018-19 and to £43.5 billion in 2019-20, a total increase of £2.6 billion between 2017-18 and 2019-20. This is an overall of increase of 6.3% over this period.

- 1.2 The Department for Education (DfE) consulted on the introduction of a National Funding Formula (NFF) for schools in the early part of 2017 and had an unprecedented 26,000 responses. The Government has listened carefully to the feedback and has decided to implement a NFF from 2018-19. Alongside this announcement they have confirmed arrangements for the 2018-19 to 2019-20 financial years. Spending plans for the years beyond 2019-20 will be set out in the next spending review.
- 1.3 For 2018-19 the Government is introducing a *soft* NFF. This means that Local Authorities will continue to set a local funding formula to distribute their schools block funding, in consultation with their local schools and their Schools' Funding Forum. Some additional local flexibility is also available and explained in more detail later in this report.
- 1.4 The Government's long term aim is to have all school budgets set on the basis of a single formula set nationally by Government, with no Local Government involvement – this is known as a *hard* NFF.

## 2. Background

- 2.1 The LA's response to the NFF consultation proposals (submitted in March 2017) can be summarised under the 5 following headings:
- **An absolute -3% funding floor, which locks in historical funding inequalities** – A fundamental principle in moving to a NFF was to have fair and transparent distribution to schools. The consultation proposals included a -3% floor which meant that a number of schools would continue to be protected on the majority of their historic funding levels.
  - **Weakness of evidence for proposals and continued use of averages** – A formula should be based on a needs led formula, not an average based on historic distribution.
  - **The proportion of weighting given to AEN rather than basic entitlement** – In a formula that was re-distributing existing funding there was no evidence that supported the rationale for reducing the basic entitlement and increasing funding into additional need.
  - **Quantum and spending cuts** – Schools have received flat cash for seven consecutive years, and schools are finding it difficult to continue to find efficiency savings to balance their budgets.
  - **Movement between blocks** – There are significant pressures on the High Needs Block and the NFF proposed that a) as a floor authority we would receive no annual increase for many years and b) the flexibility that we have utilised in previous years to transfer unallocated funding from the Schools Block is being removed.

- 2.2 The Dedicated Schools Grant (DSG) funding from 2018-19 will be allocated through 4 blocks with each block calculated using their own separate NFF. The four blocks and their calculation methodology are as follows:

**Schools Block (SB)**– Individual allocation for each school based on NFF, aggregated up to make a total allocation for the LA.

**High Needs Block (HNB)** – proxy indicators and partial historic spend.

**Central Schools Services Block (CSSB)** – National rate per pupil X no of pupils in the LA as at previous October census.

**Early Years Block (EYB)** - NFF for early years X January count.

### 3. **How will School Funding work in 2018-19?**

#### Stage 1: Department of Education (DfE) to Local Authority (LA)

- 3.1 In 2018-19, LAs will receive the NFF for each individual school, academy and free school within their area. These individual school budgets will then be adjusted to ensure they comply with the following *soft* NFF rules:

- Increases delivered through the NFF factors will be capped at +3%
- School baselines for 2017-18 will be protected including Minimum Funding Guarantee (MFG), and all schools will receive a minimum increase of +0.5%.
- All school allocations are checked to ensure that they are funded at, or above, the Minimum Funding Level (MFL). 2018-19 is classified as a transitional year (in the context of MFLs) and the rates have been set at £3,300 for a Primary school pupil and £4,600 for a Secondary school pupil.

These adjusted individual school budgets are then aggregated up to provide the overall total LA allocation (known as the Schools Block).

- 3.2 In 2019-20 the following criteria will be applied to the LA Schools Block calculation.

- Further increases delivered through the NFF will be capped at +3% (this represents a cumulative +6% over the two years).
- School baselines for 2018-19 will be protected including MFG, and all schools will receive a minimum increase of +0.5%.
- The MFL for a Primary school pupil will rise to £3,500 and for a Secondary school pupil will rise to £4,800.

- 3.3 Confirmation of when the remaining funding, for those schools that have not yet received their full entitlement to the NFF, will be provided in the next spending review.
- 3.4 It should be noted that the MFL takes precedence over the annual maximum +3% increase. This means that the allocations within the Schools Block for some schools will be significantly higher in 2018-19 and 2019-20 than the annual +3% cap (or collective +6% over the two years).
- 3.5 The analysis in table 1 below is based on the information provided by the DfE and illustrates the additional funding Kent expects to receive in both 2018-19 and 2019-20. It also shows the remaining balance expected to follow once the National Funding Formula has been fully implemented.

### Implications of the introduction of a NFF on our Schools Block

Table 1 <i>figures subject to rounding</i>	DSG Schools Block	Movement in funding from			
		previous year		current year	
	£'m	£'m	%	£'m	%
2017-18	£839.4m				
2018-19	£867.0m	+£27.6m	+3.3%	+£27.6m	+3.3%
2019-20	£889.3m	+£22.3m	+2.6%	+£49.9m	+5.9%
Once NFF is fully implemented	£901.5m	+£12.2m	+1.4%	+£62.1m	+7.4%

Note: The DSG Schools Block figures are based on the October 2016 census data and our funding will be adjusted for changes in pupil numbers. So for 2018-19, the £867.0m will increase for the expected increase in pupil numbers as recorded on the October 2017 census.

- 3.6 Once the NFF is fully implemented, Kent's Schools Block DSG per pupil increases from £4,145 per pupil to £4,452, which represents an increase of +7.4%. In 2017-18, Kent was ranked 140 out of 150, or put another way, the 10<sup>th</sup> worst funded LA. We will be ranked 114 when the NFF is fully implemented. In 2017-18 Kent's per pupil DSG is 8.8% below the national average and when the NFF is fully implemented it will be 5.5% below the national average, an increase of 3.3%.

#### Stage 2: Local Authority to Schools

- 3.7 Under the operation of a soft NFF, LAs will continue to have discretion on how they allocate/target the funding at a local level through their local funding formula. A comparison between the NFF and the local funding formula factors and rates is provided in Appendix 1. Thus, while the funding for each school under the NFF forms the basis for the total Schools Block received by the LA (and the DfE has made its projected budget for each

school public), it is for the LA to decide whether to allocate that Schools Block in line with NFF or to apply a local formula that may result in different outcomes between individual schools.

- 3.8 In addition we will also have local flexibility for the first time ever regarding the Minimum Funding Guarantee percentage rate. The percentage rate can be set locally at anywhere between 0% and -1.5%.
- 3.9 We also have the ability in 2018-19 to transfer up to 0.5% of the Schools Block total funding, which in Kent equates to approximately £4.3m, from the Schools Block into the High Needs Block. Our High Needs funding within Kent is under severe pressure currently and we are set to only receive minimal increase of 0.5%. This position is not unique to Kent and we are aware of many other local authorities who are experiencing similar pressure on their High Needs budgets.
- 3.10 We launched an all school consultation on Monday 30 October which sets out a number of proposals to change the local funding formula from 1 April 2018. This is a statutory requirement under The School and Early Years Finance (England) Regulations 2017. The consultation was open for just over four weeks and closed on Sunday 26 November. We encouraged all maintained schools, academies and free schools within the KCC area to respond with their views. Full details on our consultation are available online at [www.kent.gov.uk/schoolfundingconsultation](http://www.kent.gov.uk/schoolfundingconsultation).
- 3.11 The consultation consists of a number of documents, specifically:
- a detailed document explaining the background as well as further information about each proposal.
  - an equality impact assessment.
  - an individual school illustration model.
  - an online consultation response form.
- 3.12 A summary of the consultation responses is attached at Appendix 2. These will be shared with the Schools' Funding Forum on 1 December 2017. The Forum will be asked to review these responses before reaching a recommended set of proposals to change the local funding formula from 1 April 2018. These recommendations will also relate to the 2019-20 financial year. The recommendations will be verbally shared with this Committee at its meeting on 5 December 2017.
- 3.13 Consultation responses will be considered alongside the Forum recommendations and the views of this Committee before a key decision is taken in December. We intend to update this Cabinet Committee at its next meeting on 18 January 2018.
- 3.14 The consultation actively invited comments on the draft Equalities Impact Assessment completed prior to the start of the consultation. Attached at Appendix 3 is the latest version of this document which will accompany the consultation responses to the Forum and in the decision papers.

#### 4. Conclusions

- 4.1 The increases to the basic per pupil funding rates and the resulting increases to the Schools Block are welcome. However we are still concerned that the imbalance of funding between Kent and some better funded authorities continues under these arrangements.
- 4.2 The distribution of the additional funding presents some difficult choices, between fully implementing the NFF as soon as possible versus taking a more measured step towards the NFF whilst at the same time recognising some local priorities. For example some of the initial feedback we have received from schools concerns maintaining the lump sum at £120k per annum to offer some degree of protection to small primary schools. If we decide to maintain the lump sum at £120k, we will not be able to fully implement the NFF, as there is a cost to this protection. There are other examples of local priorities that we have included within the consultation, for example the proposal to transfer 0.5% (c. £4.3m) from the Schools Block to the High Needs Block, and we are encouraging all maintained schools, academies and free schools within Kent to respond and provide us with their views on all of our proposals. This will enable the views of the majority of schools to be presented to the Schools' Funding Forum on 1 December, this Committee on 5 December and Cabinet on 11 December before a key decision is taken.

#### 5. Recommendation:

**The Children's, Young People and Education Cabinet Committee** is asked to:

- (i) Consider and comment on the NFF proposals in order to inform the decision of the Executive.

#### 6. Background Documents (plus links to document)

The DfE executive summary documents on the introduction of a National Funding Formula for Schools Block and High Needs Block.

<https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs>

The KCC consultation with schools

<https://www.kent.gov.uk/schoolfundingconsultation>



## 7. Contact details

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### **National Funding Formula (NFF) funding factors and rates compared to our Local Funding Formula**

Factor	NFF unit rates	Kent unit rates
Basic per-pupil funding (AWPU)		
Primary	£2,747	£2,740
Secondary – key stage 3	£3,863	£3,803
Secondary – key stage 4	£4,386	£4,173
Additional Need		
Free School Meals – Current eligible: Primary	£440	£359
Free School Meals – Current eligible: Secondary	£440	£334
Free School Meals – Ever 6: Primary	£540	n/a
Free School Meals – Ever 6: Secondary	£785	n/a
IDACI band F: Primary	£200	£415
IDACI band F: Secondary	£290	£447
IDACI band E: Primary	£240	£435
IDACI band E: Secondary	£390	£469
IDACI band D: Primary	£360	£468
IDACI band D: Secondary	£515	£504
IDACI band C: Primary	£390	£515
IDACI band C: Secondary	£560	£555
IDACI band B: Primary	£420	£566
IDACI band B: Secondary	£600	£610
IDACI band A: Primary	£575	£708
IDACI band A: Secondary	£810	£763
Low Prior Attainment: Primary	£1,050	£729
Low Prior Attainment: Secondary	£1,550	£863
Looked After Children: Primary	n/a	£525
Looked After Children: Secondary	n/a	£525
English as an Additional Language: Primary	£515	£885
English as an Additional Language: Secondary	£1,385	£3,344
School Led Factors		
Lump Sum: both phases	£110,000	£120,000
Sparsity: Primary	£25,000	n/a
Sparsity: Secondary	£65,000	n/a

Note: The NFF unit rates are those set by Government **after** the investment of the additional £1.3billion mentioned in paragraph 1.1. Whereas the Kent unit rates are those used in our 2017-18 local funding formula **before** the impact of the additional investment.

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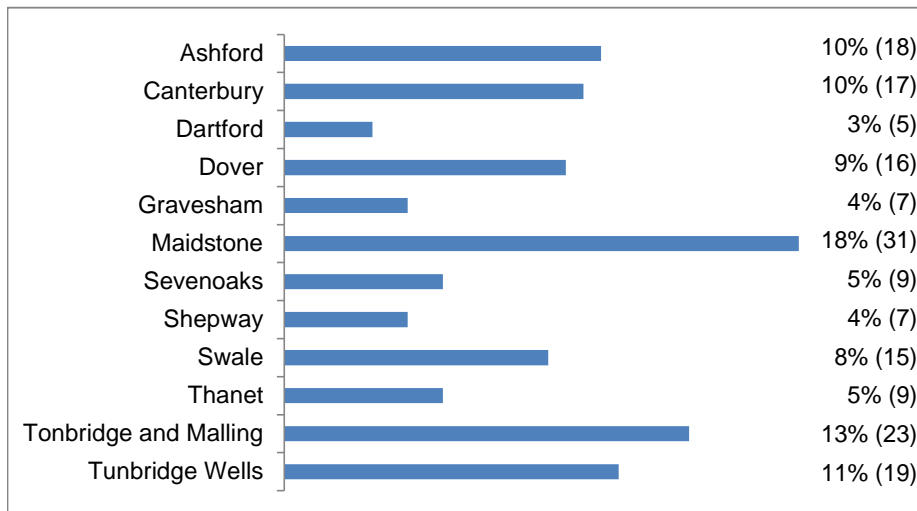
# School Funding Formula Consultation

## Summary of Responses

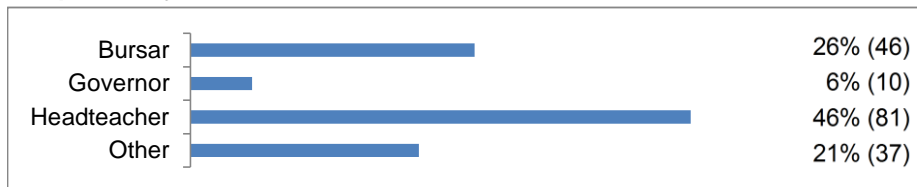
### Number of Responses

Primary	112		
Secondary	60	Selective	31
Special	5	Non Selective	29
<b>Total</b>	<b>177</b>	<b>Total Secondary</b>	<b>60</b>

### Responses by District

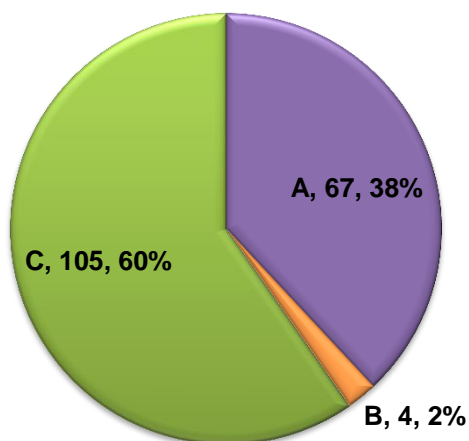


### Responses by Role



### Q2. General direction of travel

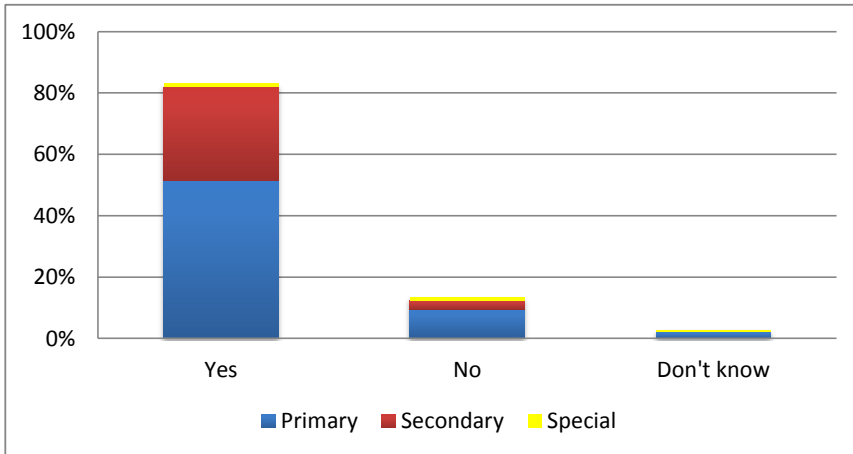
- A) Aim to replicate the NFF as soon as possible
- B) Continue to prioritise local circumstances and priorities
- C) Take steps towards the NFF, and also take into consideration local circumstances



## Removal of Existing Factor

### Q3. Removal of the Looked After Children (LAC) factor

Should we look to remove the LAC factor (Looked After Children) from our local funding formula from 1 April 2018 as the Pupil Premium Plus rate has increased?

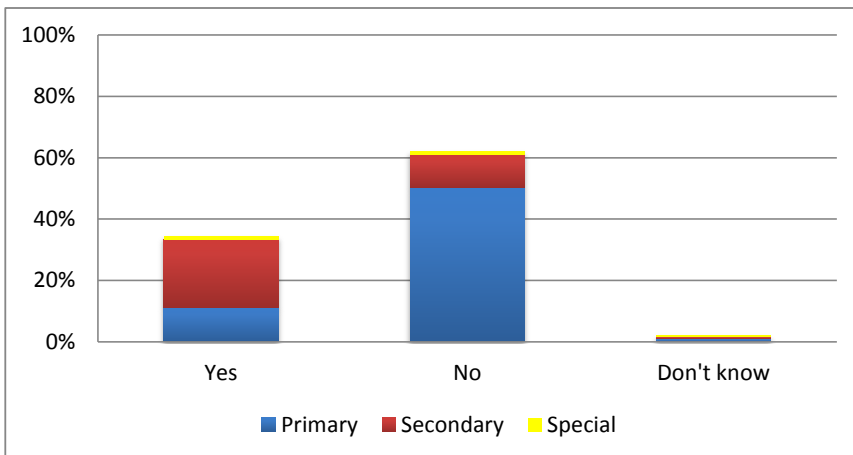


	Yes	No	Don't Know
Primary	91	17	4
Secondary	54	5	0
Special	2	2	1
Total	147	24	5

	Yes	No	Don't Know
Primary	52%	10%	2%
Secondary	31%	3%	0%
Special	1%	1%	1%
Total	84%	14%	3%

## Reduction to Existing Rates and Protection

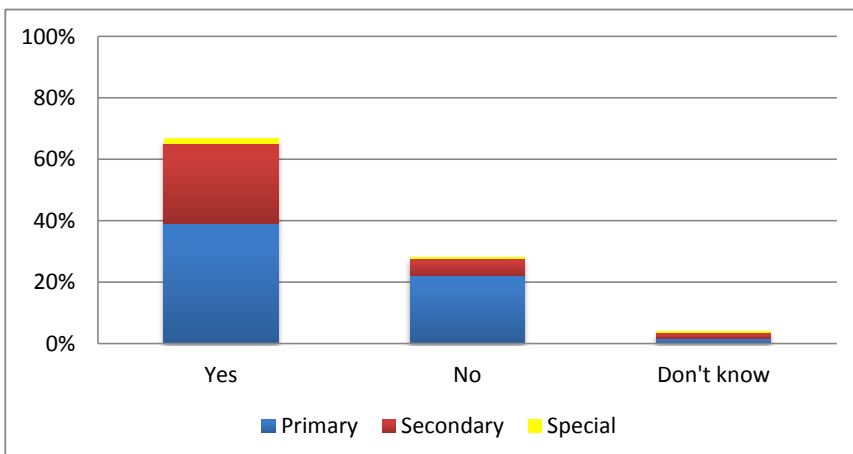
Q4 a) Should we lower the lump sum from £120,000 to £110,000 in line with the NFF rate?



	Yes	No	Don't Know
Primary	20	89	2
Secondary	39	19	1
Special	2	2	1
Total	61	110	4

	Yes	No	Don't Know
Primary	11%	51%	1%
Secondary	22%	11%	1%
Special	1%	1%	1%
Total	35%	63%	2%

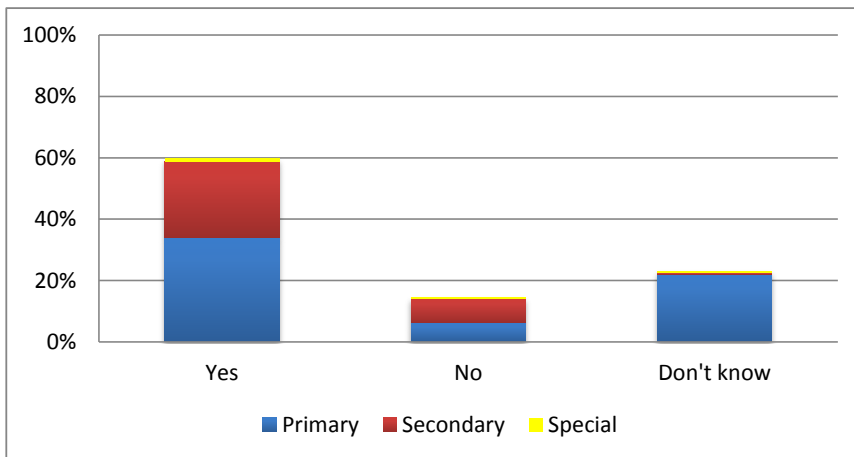
Q4 b) Should we lower the English as an Additional Language rate for eligible primary pupils from £885 to £515 so that it is in line with the NFF rate?



	Yes	No	Don't Know
Primary	69	39	3
Secondary	46	10	3
Special	3	1	1
Total	118	50	7

	Yes	No	Don't Know
Primary	39%	22%	2%
Secondary	26%	6%	2%
Special	2%	1%	1%
Total	67%	28%	4%

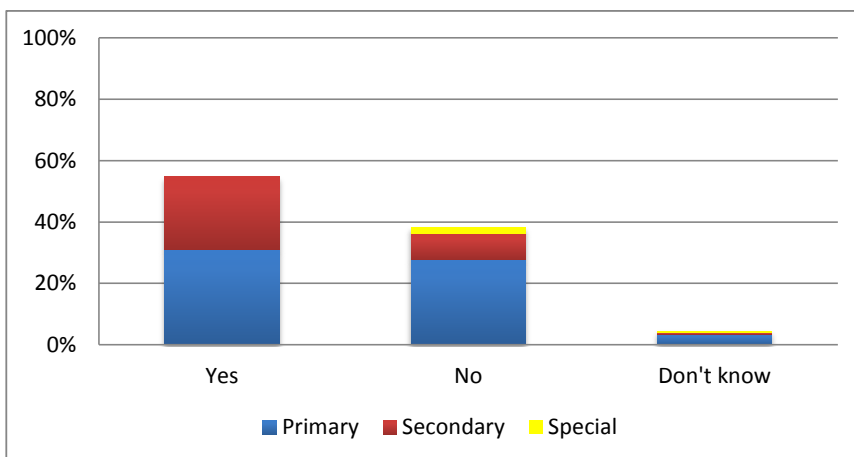
Q4 c) Should we lower the English as an Additional Language rate for eligible secondary pupils from £3,344 to £1,385 so that it is in line with the NFF rate?



	Yes	No	Don't Know
Primary	60	11	39
Secondary	44	14	1
Special	2	1	1
Total	106	26	41

	Yes	No	Don't Know
Primary	34%	6%	22%
Secondary	25%	8%	1%
Special	1%	1%	1%
Total	60%	15%	23%

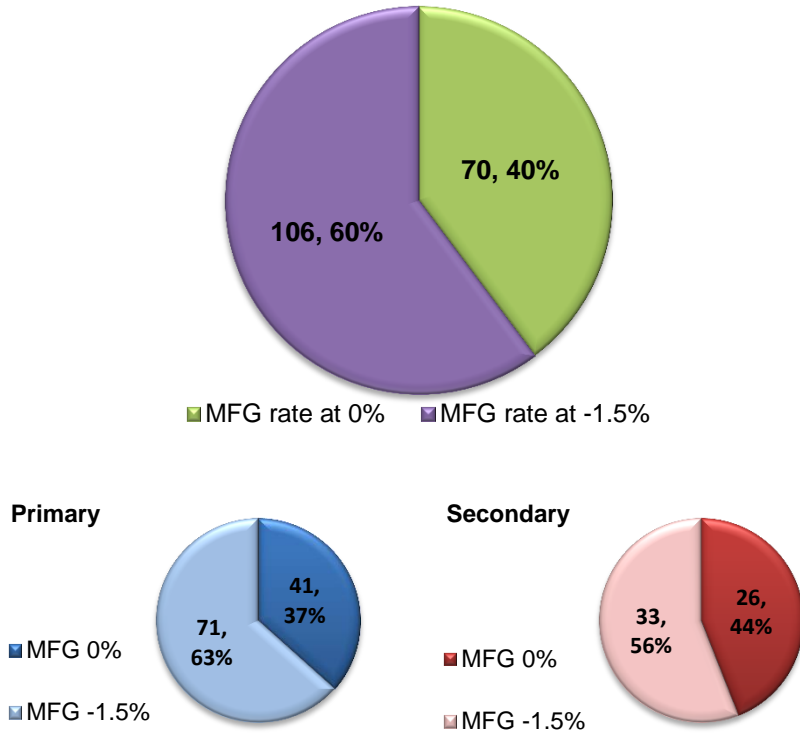
Q4 d) Should we lower the majority of IDACI rates (Income Deprivation Affecting Children Index) for eligible primary and secondary pupils so that they are in line with the NFF rates?



	Yes	No	Don't Know
Primary	55	49	6
Secondary	42	15	1
Special	0	4	1
Total	97	68	8

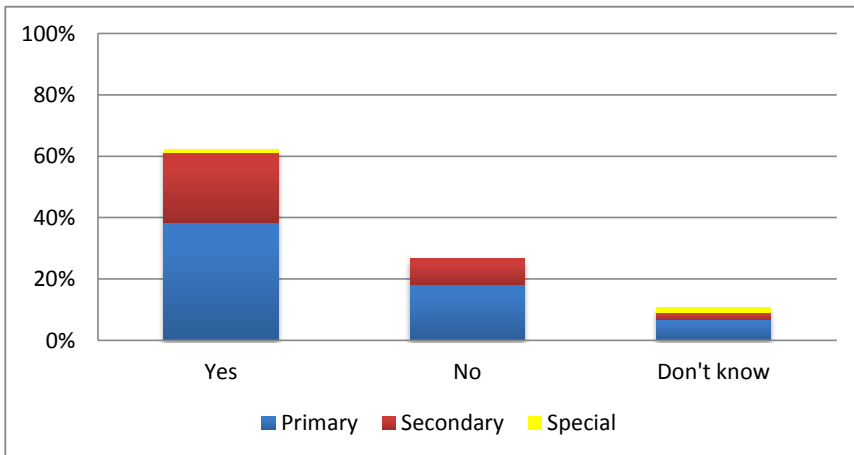
	Yes	No	Don't Know
Primary	31%	28%	3%
Secondary	24%	9%	1%
Special	0%	2%	1%
Total	55%	39%	5%

Q5. Please tell us which of the following approaches you prefer for the Minimum Funding Guarantee (MFG):



**New Factors**

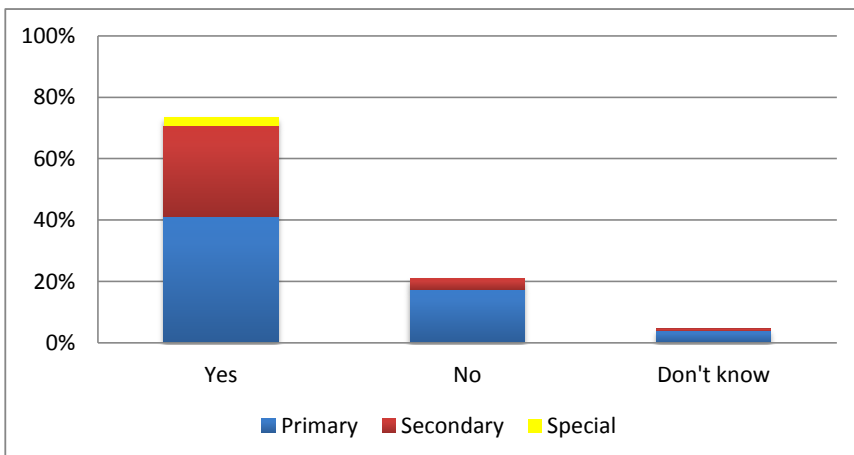
Q6. Do you support the introduction of the sparsity factor into the Kent local funding formula from 1 April 2018?



	Yes	No	Don't Know
Primary	68	32	12
Secondary	40	15	4
Special	2	0	3
Total	110	47	19

	Yes	No	Don't Know
Primary	39%	18%	7%
Secondary	23%	9%	2%
Special	1%	0%	2%
Total	63%	27%	11%

Q7. Should we introduce the Ever 6 Free School Meals (FSM) factor within our local formula?

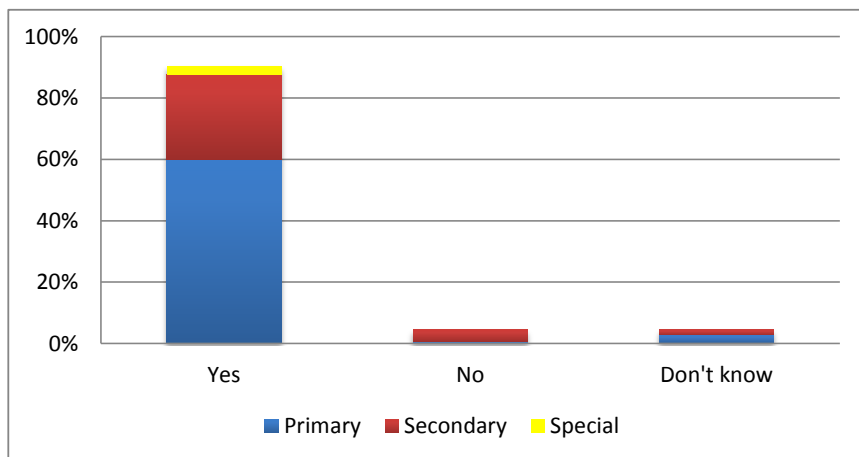


	Yes	No	Don't Know
Primary	73	31	7
Secondary	52	6	1
Special	5	0	0
Total	130	37	8

	Yes	No	Don't Know
Primary	41%	18%	4%
Secondary	30%	3%	1%
Special	3%	0%	0%
Total	74%	21%	5%

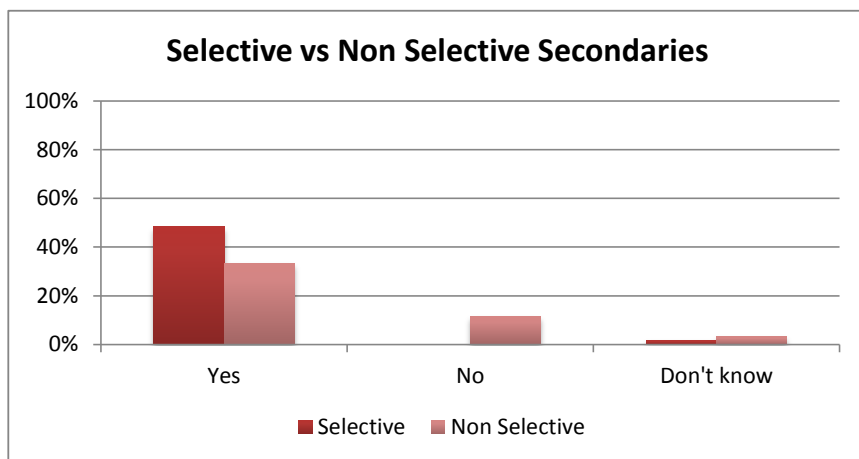


Q8. Do you support the introduction of Minimum Funding Levels (MFLs) for Primary and Secondary schools?



	Yes	No	Don't Know
Primary	106	1	5
Secondary	49	7	3
Special	5	0	0
Total	160	8	8

	Yes	No	Don't Know
Primary	60%	1%	3%
Secondary	28%	4%	2%
Special	3%	0%	0%
Total	91%	5%	5%

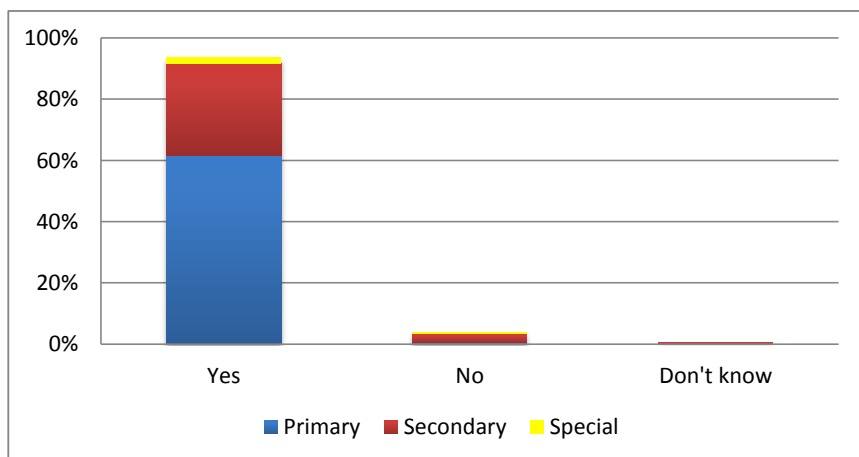


	Yes	No	Don't Know
Selective	29	0	1
Non-Selective	20	7	2
Total	49	7	3

	Yes	No	Don't Know
Primary	49%	0%	2%
Non-Selective	34%	12%	3%
Total	83%	12%	5%

### Increase to Existing Funding Rates

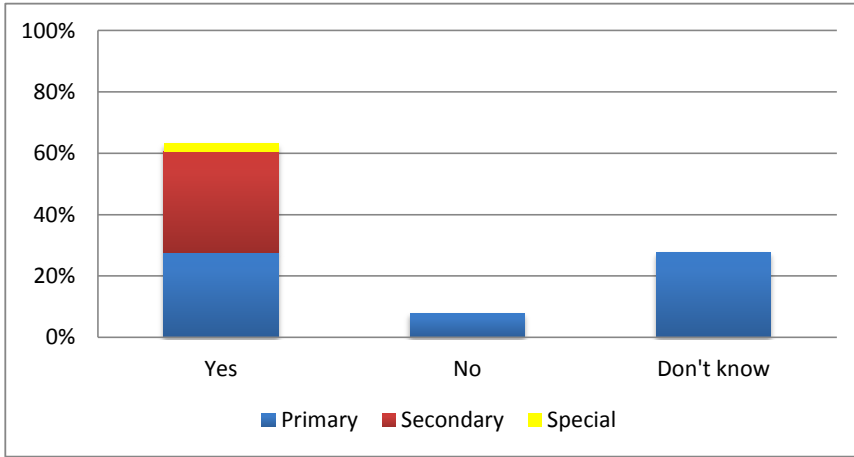
Q9 a) Should we look to increase the Primary Basic Entitlement rate by £7 per pupil (from £2,740 to £2,747) so that it is in line with the NFF rate?



	Yes	No	Don't Know
Primary	109	1	0
Secondary	53	5	1
Special	4	1	0
Total	166	7	1

	Yes	No	Don't Know
Primary	62%	1%	0%
Secondary	30%	3%	1%
Special	2%	1%	0%
Total	94%	4%	1%

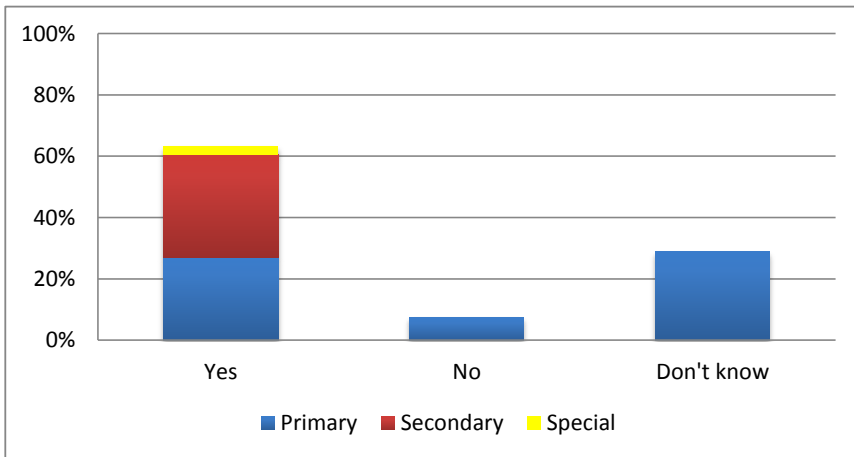
Q9 b) Should we look to increase the Key Stage 3 Basic Entitlement rate by £60 per pupil (from £3,803 to £3,863) so that it is in line with the NFF rate?



	Yes	No	Don't Know
Primary	49	14	49
Secondary	58	0	0
Special	5	0	0
Total	112	14	49

	Yes	No	Don't Know
Primary	28%	8%	28%
Secondary	33%	0%	0%
Special	3%	0%	0%
Total	64%	8%	28%

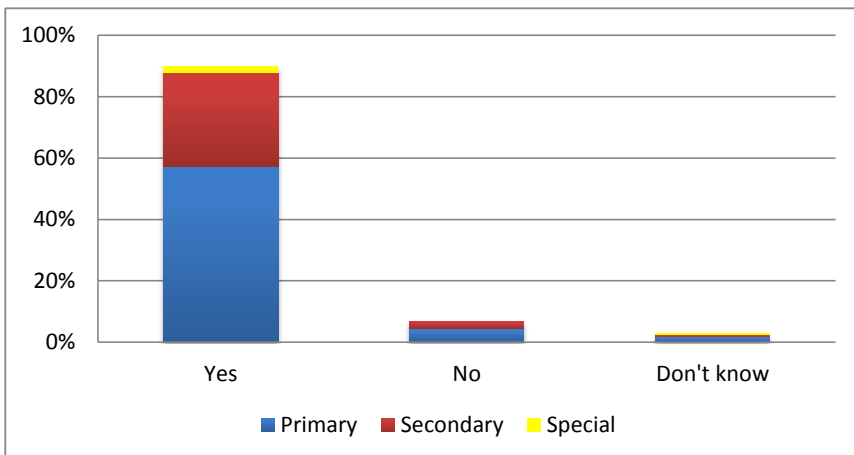
Q9 c) Should we look to increase the Key Stage 4 Basic Entitlement rate by £213 per pupil (from £4,173 to £4,386) so that it is in line with the NFF rate?



	Yes	No	Don't Know
Primary	48	13	51
Secondary	59	0	0
Special	5	0	0
Total	112	13	51

	Yes	No	Don't Know
Primary	27%	7%	29%
Secondary	34%	0%	0%
Special	3%	0%	0%
Total	64%	7%	29%

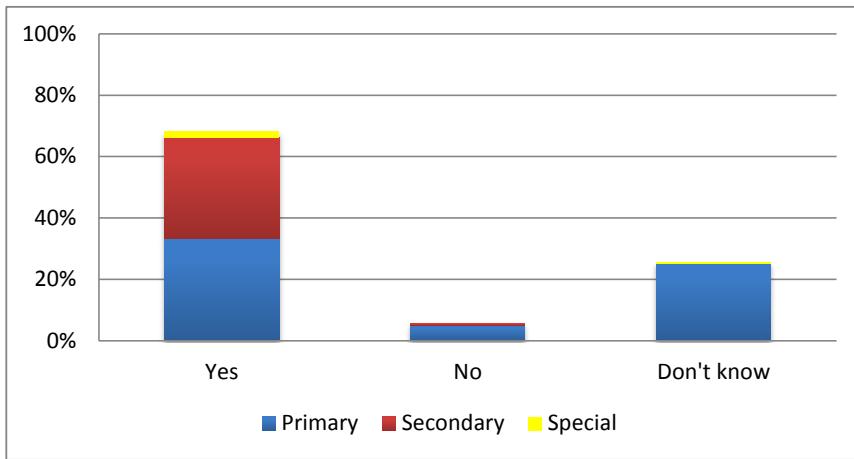
Q9 d) Should we look to increase the current eligibility for Free School Meals factor rate for eligible Primary pupils from £359 to £440 so that it is in line with the NFF rate?



	Yes	No	Don't Know
Primary	101	8	3
Secondary	54	4	1
Special	4	0	1
Total	159	12	5

	Yes	No	Don't Know
Primary	57%	5%	2%
Secondary	31%	2%	1%
Special	2%	0%	1%
Total	90%	7%	3%

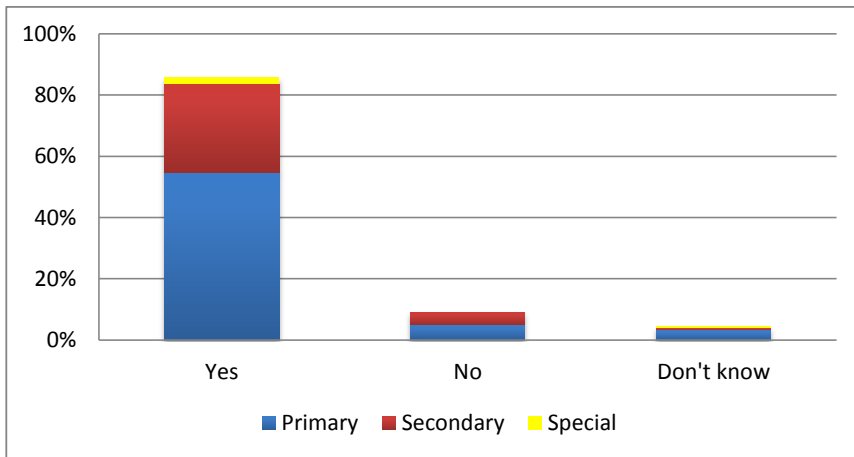
Q9 e) Should we look to increase the current eligibility for Free School Meals factor rate for eligible Secondary pupils from £334 to £440 so that it is in line with the NFF rate?



	Yes	No	Don't Know
Primary	59	9	44
Secondary	58	1	0
Special	4	0	1
Total	121	10	45

	Yes	No	Don't Know
Primary	34%	5%	25%
Secondary	33%	1%	0%
Special	2%	0%	1%
Total	69%	6%	26%

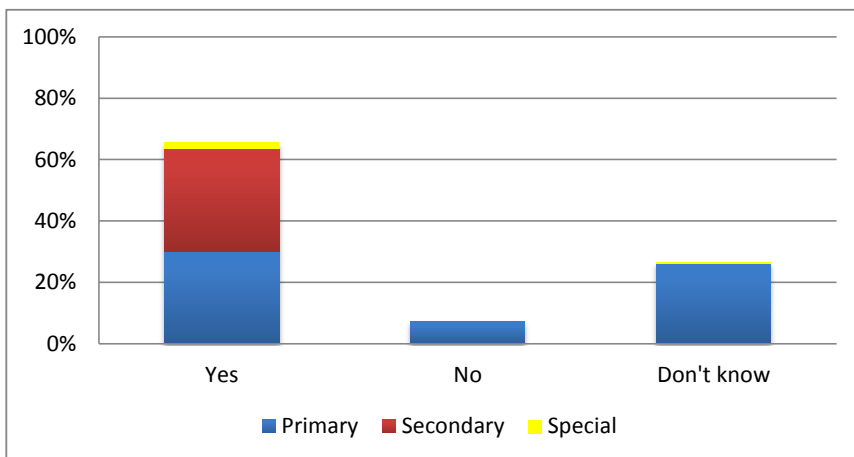
Q9 f) Should we look to increase the low prior attainment rate for eligible Primary pupils from £729 to £1,050, so that it is in line with the NFF rate?



	Yes	No	Don't Know
Primary	97	9	6
Secondary	51	7	1
Special	4	0	1
Total	152	16	8

	Yes	No	Don't Know
Primary	55%	5%	3%
Secondary	29%	4%	1%
Special	2%	0%	1%
Total	86%	9%	5%

Q9 g) Should we look to increase the low prior attainment rate for eligible Secondary pupils from £863 to £1,550, so that it is in line with the NFF rate?

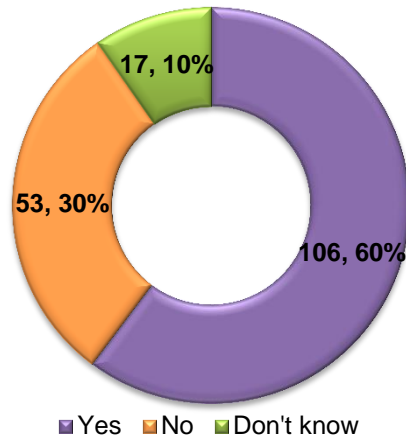


	Yes	No	Don't Know
Primary	53	13	46
Secondary	59	0	0
Special	4	0	1
Total	116	13	47

	Yes	No	Don't Know
Primary	30%	7%	26%
Secondary	34%	0%	0%
Special	2%	0%	1%
Total	66%	7%	27%

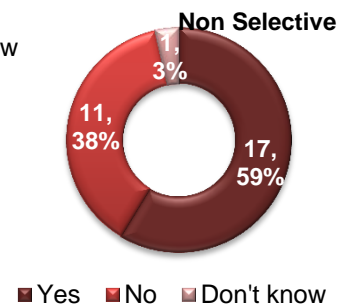
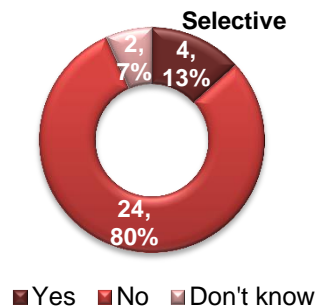
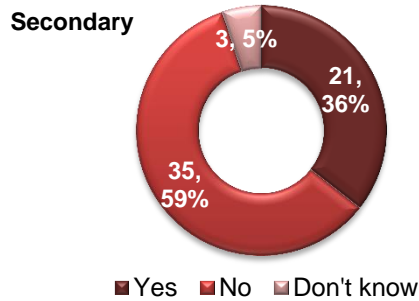
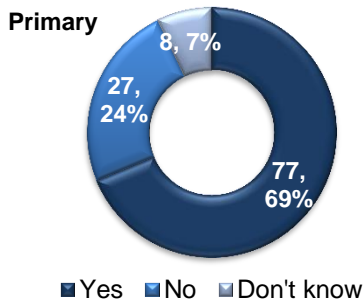
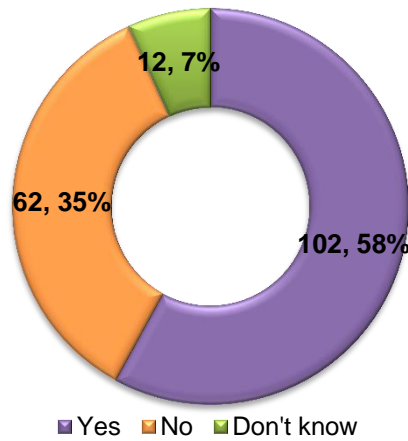
## Pupil Growth

Q10. Do you support the proposal to increase the amount of funding available for pupil growth budget by a further £2m for 2018-19 so that the current reorganisation funding rates can be sustained?



## Transfer of Funding From the Schools Block to the High Needs Block

Q11. Do you support the transfer of 0.5% (approximately £4.3m) from the Schools block to the High Needs block?



## Prioritisation

Q12. Following on from the questions above respondents were asked to then rank their top 5 proposals.

Proposal	Total	Primary	Secondary
Introduce Minimum Funding Levels	1	3	3
Introduce the Ever 6 Free School Meals (FSM) factor	2	4	4
Transfer 0.5% to the High Needs block	3	1	14
Increase Primary Basic Entitlement rate by £7 per pupil	4	2	9
Set the Minimum Funding Guarantee (MFG) rate at -1.5%	5	6	6
Increase the low prior attainment rate from £729 to £1,050	6	5	13
Increase Key Stage 4 Basic Entitlement rate by £213 per pupil	7	15	1
Lower the lump sum from £120,000 to £110,000	8	8	10
Set the Minimum Funding Guarantee (MFG) rate at 0%	9	9	11
Increase Free School Meals factor rate from £359 to £440	10	7	17
Increase Key Stage 3 Basic Entitlement rate by £60 per pupil	11	19	2
Remove the LAC factor	12	10	8
Increase pupil growth budget by a further £2m	13	12	12
Increase the low prior attainment rate from £863 to £1,550	14	17	5
Lower the majority of IDACI rates	15	11	18
Introduce sparsity factor	16	13	16
Increase Free School Meals factor rate from £334 to £440	17	18	7
Lower the English as an Additional Language rate from £885 to £515	18	14	19
Lower the English as an Additional Language rate from £3,344 to £1,385	19	16	15

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**Kent County Council  
Equality Analysis/ Impact Assessment (EqIA)**

**Directorate/ Service:** Children, Young People and Education

**Name of decision, policy, procedure, project or service:** School Funding Formula Review – School Funding Consultation

**Responsible Owner/ Senior Officer:** Patrick Leeson, Corporate Director of CYPE

**Version:** 5

**Author:** Simon Pleace, Finance Business Partner for CYPE

**Pathway of Equality Analysis:**

Corporate Director of CYPE – Monday 23 October 2017

Cabinet Member for CYPE – Monday 23 October 2017

Schools Funding Forum – Friday 1 December 2017

CYPE Cabinet Committee – Tuesday 5 December 2017

Cabinet – 11 December 2017

**Summary and recommendations of equality analysis/impact assessment.**

- **Context**

Our statutory obligation is to run a local funding formula for schools that calculates the annual revenue budget for each school in Kent

- **Aims and Objectives**

We are consulting on changes to the local funding formula in light of the Government's decision to a) introduce a soft national funding formula from 1 April 2018, and b) invest an additional £1.3billion in the national budget for schools.

The Department for Education published its own equalities impact assessment alongside its consultation on proposals to introduce a National Funding Formula back in December 2016. A copy of that assessment can be accessed here: [https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/supporting\\_documents/NFF\\_EqualityImpactAssessment.pdf](https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/supporting_documents/NFF_EqualityImpactAssessment.pdf)

This is not a new policy. The proposals we are consulting schools on are merely refinement of the existing arrangements for allocating funding to schools via the local funding formula.

The proposals concern the number of factors, in accordance with school finance regulations, as well as how much funding is provided through each factor. The formula allocates funding to school governing bodies. It is the governing body of each school that is then responsible for making decisions on how that funding is to be spent. The governing body will be expected to expedite their Equality Duty under the Equality Act 2010 and its associated Guidance.

- **Summary of equality impact**

Updated 28/11/2017

## Adverse Equality Impact Rating **Low**

The reason why this has been given a Low Equality Impact Assessment rating is because it only presents a small proportion of the overall schools budget. Schools will still have to ensure the educational attainment of EAL students.

### Attestation

I have read and paid due regard to the Equality Analysis/Impact Assessment concerning School Funding Formula Review – School Funding Consultation. I agree with risk rating and the actions to mitigate any adverse impact(s) that has /have been identified.

### Head of Service

Signed: \_\_\_\_\_ Name: \_\_\_\_\_

Job Title: \_\_\_\_\_ Date: \_\_\_\_\_

### DMT Member

Signed: \_\_\_\_\_ Name: \_\_\_\_\_

Job Title: \_\_\_\_\_ Date: \_\_\_\_\_

Updated 28/11/2017



## **Part 1 Screening**

**Could this policy, procedure, project or service, or any proposed changes to it, affect any Protected Group (listed below) less favourably (negatively) than others in Kent?**

**Could this policy, procedure, project or service promote equal opportunities for this group?**

Protected Group	Please provide a <u>brief</u> commentary on your findings. Fuller analysis should be undertaken in Part 2.			
	High negative impact EqlA	Medium negative impact Screen	Low negative impact Evidence	High/Medium/Low Positive Impact Evidence
<b>Age</b>				Potentially more funding provided to secondary school age pupils (compared to primary school age pupils)
<b>Disability</b>			<p>School budgets contain a notional amount of funding for SEN and this is made up of a basket of factors, including low prior attainment and deprivation. The proposals within the consultation may affect the amount of notional SEN funding each school receives</p> <p>Pupils with more complex needs are funded from a separate budget and are not in scope of this</p>	

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			consultation.	
<b>Gender</b>		Prior attainment of pupils is a consideration that schools will need to look at in the funding formula. Kent data suggest that across all key stages, boys progress is lower than girls.		
<b>Gender identity/ Transgender</b>	N/A	N/A	N/A	N/A
<b>Race</b>		.	The amount of funding distributed to schools for pupils with English as an additional language (EAL) may change as a result of the consultation proposals. Specifically the rates set by Government under the National Funding Formula are lower than those currently used in Kent's local	

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			<p>funding formula. However the decision on how much funding is spent on EAL pupils is a decision for individual schools and is not determined by the Local Authority</p>	
<b>Religion and Belief</b>			<p>The Formula budget applied to faith schools is exactly the same as non-faith schools therefore faith schools are not adversely impacted by these funding proposals</p>	
<b>Sexual Orientation</b>	N/A	N/A	N/A	N/A
<b>Pregnancy and Maternity</b>			<p>There is nothing in the current or proposed formula mechanism that takes into consideration additional funding for children and young people who may become parents at school.</p>	
<b>Marriage and</b>	N/A	N/A	N/A	N/A

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<b>Civil Partnerships</b>				
<b>Carer's Responsibilities</b>			There is nothing in the current or proposed formula to allow additional or less funding for young carers	

## **Part 2**

### **Equality Analysis /Impact Assessment**

As a result of the consultation proposals, schools will attract differing levels of additional funding. Changes to individual school budget shares are a routine annual event and schools are used to managing their service delivery according to the variations in funding. It is the impact of local school policies and governing body decisions on resource allocation that will affect individual pupils. The LA has not power to impose restrictions on how the local funding formula should be spent.

The impact on school pupils is unknown and cannot be quantified as individual school governing bodies determine how their resources will be used.

The impact on school budgets cannot be quantified precisely as the factors that determine them change annually in line with changes in school pupil data.

If the overall net impact of those changes for any one school is significant the proposals include provision for the changes to be deferred (via the operation of a minimum funding guarantee) to provide reasonable time for governing bodies to determine their strategies for adjustment.

### **Protected groups**

In relation to Race, one proposal within our consultation was to lower the amount of funding we provide to schools for pupils with English as an Additional Language. This proposal has arisen as the Government's National Funding Formula rate for EAL pupils is lower than Kent's local funding formula rate. Overall the impact of this proposal is to provide £3.289m less funding to primary schools and £2.324m less funding to secondary schools. The impact of this proposal could be offset by a number of other proposals through the increasing of other factor rates. In addition one of the proposals is to set the Minimum Funding Guarantee rate at 0% which would provide complete protection based on current per pupil funding levels.

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We do not believe any of the other protected groups will be directly or indirectly negatively impacted by these changes.

### Information and Data used to carry out your assessment

We have used the same data used to calculate the 2017-18 school budgets, and modelled this using the Department for Education published National Funding Formula rates.

#### Kent School Profile- Children and young people supported categorised by gender as at 31 March 2017

Gender as at 31.03.2017	UASC*	CIC (exc. UASC)	CP/CIN (exc. UASC and Care Leavers)**	Care Leavers (exc. UASC)
Male	93.37%	55.74%	53.69%	52.87%
Female	6.63%	44.26%	46.26%	47.13%
Indeterminate	-	-	0.05%	-

#### Kent School- Children and young people supported categorised by sexuality or gender orientation as of 31 of March 2017

Sexual Orientation as at 31.03.2017	UASC*	CIC (exc. UASC)	CP/CIN (exc. UASC and Care Leavers)**	Care Leavers (exc. UASC)
Bisexual	0.08%	-	-	0.48%
Gay/Lesbian	0.25%	-	-	0.64%
Heterosexual	14.73%	0.50%	0.05%	40.13%
Not Recorded	71.68%	98.44%	99.76%	51.74%
Rather Not Say	0.08%	-	0.02%	0.80%
Unknown	13.18%	1.06%	0.17%	6.05%

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Kent Children and young people supported categorised by Ethnicity as of 31 March 2017

Ethnicity as at 31.03.2017	UASC*	CIC (exc. UASC)	CP/CIN (exc. UASC and Care Leavers)**	Care Leavers (exc. UASC)
White British	-	86.76%	81.86%	87.41%
White Other	2.37%	5.10%	5.79%	4.46%
Mixed	0.57%	6.02%	4.99%	4.94%
Asian	6.06%	0.71%	1.90%	0.48%
BCiCk and Minority Ethnic Group	42.47%	1.06%	2.57%	2.23%
Any other ethnic group	48.53%	0.35%	0.90%	0.48%
Refused	-	-	0.03%	-
Information not yet obtained	-	-	1.48%	-
Not Recorded	-	-	0.48%	-

\*UASC figures taken from caseload report and will therefore include CIC and Care Leavers

\*\*This includes all cases from caseload report excluding those CIC and Care Leavers. This means if they were both CP and CIC they have not been included

Updated 28/11/2017

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## **Who have you involved consulted and engaged?**

Kent County Council has run a public consultation inviting all Kent schools and academies, as well as Headteachers, Governors & Trustees and School Business Managers to respond to the proposals. In addition to this a number forums were held in order to provide the opportunity for schools leaders to discuss and debate the funding proposals.

Noting the changes related to EAL funding, we invited VSK LAC with overview for Unaccompanied Asylum Seeking Children to participate in consultation on the Kent Schools' Funding Forum and the Kent Governors Association.

The consultation was open to the public through the KCC website and open to anybody or group that had an interest in the schools funding formula.

Following the consultation, additional equality issues were raised in relation to any of the other protected groups. Where comments were made, they generally agreed with the analysis for the impact assessment. One respondent from a school in west Kent raised some concerns on equality issues but was not specific with regard to which protected groups it was felt could be adversely impacted. This will be followed up and if necessary a verbal update will be given at the CYPE Cabinet Committee on 5 December 2017.

## **Analysis**

There is potential positive impact for all schools with key stage 3 and 4 pupils. The proposed funding formula will have a positive impact on notional SEN funding as it is expected to increase.

## **Adverse Impact**

Even though the impact of lowering the EAL funding rate will be minimal to most schools in relation to their total school budget and the total number of EAL pupils within the school, there is no scope to change the formula to mitigate this risk. The risk of adverse

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equality impact in relation to educational outcomes based on Race, will rest on how schools will ultimately provide support to EAL learners through their total school budget.

**Positive Impact:**

See above

**JUDGEMENT**

The Council's local funding formula is essentially an internal resource allocation mechanism aimed at providing a fair share of the available budget to each Kent school. It is not a service provision policy; neither does it dictate how money is to be spent. That decision is made by the governing body.

The funding system must always, according to regulations, treat each pupil of the same age and characteristics equally. Some positive action for disadvantaged groups (e.g. from deprived backgrounds, pupils with low prior attainment and English as an Additional Language) is allowable and is already a feature of the formula. As indicated above, however, what is provided for in the formula is not an indication of how the governing body must then use it.

**Our judgement is to continue the policy. The policy will be consulted on in order to ascertain whether the adverse impacts are as identified and to consider if there can be any mitigation in the final decision around the factors and rates with the local funding formula.**

**Internal Action Required                      YES/NO**

There is potential for adverse impact on particular groups and we have found scope to improve the proposal...

**Equality Impact Analysis/Assessment Action Plan**

Protected	Issues identified	Action to be	Expected	Owner	Timescale	Cost
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Characteristic		taken	outcomes			implications
Race	Potential reduction in funding for EAL	<p>Statutory consultation with all schools and academies.</p> <p>Monitor English as an Additional Language attainment (including UASC pupils).</p> <p>Continued dialogue with schools through Headteacher meetings</p>	Better understanding of the impact of the new funding formula	<b>Matt Dunkley</b>	<b>2019/20 Academic Year review</b>	<b>Business as usual</b>

**Have the actions been included in your business/ service plan?** (If no please state how the actions will be monitored)  
Yes/No

Appendix

Updated 28/11/2017

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Please include relevant data sets

Please forward a final signed electronic copy and Word version to the Equality Team by emailing [diversityinfo@kent.gov.uk](mailto:diversityinfo@kent.gov.uk)

If the activity will be subject to a Cabinet decision, the EqIA must be submitted to committee services along with the relevant Cabinet report. Your EqIA should also be published.

The original signed hard copy and electronic copy should be kept with your team for audit purposes.

From: **Penny Smith-Orr, RE Consultant Kent SACRE**

To: **Children's, Young People and Education Cabinet Committee  
5 December 2017**

Subject: Update - Kent Agreed Syllabus for Religious Education

Classification: **Unrestricted**

Past Pathway of Report: **None**

Future Pathway of Report: **None**

Electoral Division: **All**

**Summary:** This report provides an update on the Kent Agreed Syllabus for Religious Education.

**Recommendation(s):** The Children's, Young People and Education Cabinet Committee is asked to NOTE the information.

## **1. Introduction**

- 1.1 Kent SACRE (Standing Advisory Council on Religious Education) has a duty to review the Kent Agreed Syllabus for Religious Education every 5 years, usually after 10 years the syllabus is renewed.
- 1.2 In 2016 the decision was made to look at a number of syllabuses that could be bought for Kent schools to use rather than writing a new syllabus.
- 1.3 A presentation was made to SACRE by RE Today and it was decided to buy their product.
- 1.4 A working party of teachers and a new RE Consultant spent some time writing a new introduction which makes it suitable for Kent schools and an appendix was written for the Diocesan schools to link the Kent syllabus with the Rochester Diocese syllabus, Canterbury Diocese schools use the Kent Syllabus.

## **2. The New Agreed Syllabus**

- 2.1 The New Agreed Syllabus for Kent schools is being launched on five occasions in order to give every school the opportunity to attend a day's training on using the new document. The costs of the training and the opportunity to purchase units of work at these launch days will be income for Kent Council.
- 2.2 It is expected that schools will start using it in place of the old one from the Summer Term 2018.

## **3. Recommendations:**

The Children's, Young People and Education Cabinet Committee is asked to NOTE

the information.

## **7. Background Documents**

### 7.1 Workshop dates

<https://www.kelsi.org.uk/news-and-events/news/primary/launch-of-the-new-agreed-religious-education-syllabus-for-kent-schools>

## **8. Contact details**

Report Author: Penny Smith – Orr  
RE Consultant Kent SACRE

**From:** Roger Gough, Cabinet Member for Children, Young People and Education  
 Patrick Leeson, Corporate Director for Children, Young People and Education  
 Andrew Ireland, Corporate Director for Social Care, Health and Wellbeing

**To:** Children’s, Young People and Education Cabinet Committee – 5 December 2017

**Subject:** **REVENUE & CAPITAL BUDGET MONITORING –2017-18 Financial Year**

**Classification:** Unrestricted

**Past Pathway of Paper:** None

**Future Pathway of Paper:** None

**Electoral Divisions:** All

Summary:

To provide **The Children’s, Young People and Education Cabinet Committee** with the latest revenue and capital budget monitoring position for the 2017-18 financial year.

Recommendation(s):

**The Children’s, Young People and Education Cabinet Committee** is asked to note the revenue and capital forecast variances for the 2017-18 budget that are in the remit of this Cabinet Committee, based on the August monitoring position presented to Cabinet on 30 October 2017.

1. Introduction
  - 1.1 The presentation of the latest budget monitoring position is now set to be a regular item which will be taken to all future Cabinet Committees.
2. Background
  - 2.1 Attached at Appendix 1 is a copy of the most recent Revenue and Capital Budget Monitoring report that was presented to Cabinet on 30 October 2017. This report contains the latest revenue and capital budget monitoring position for the whole Council and is structured by Directorates. Section 3 of this report relates to the Revenue position, and section 5 relates to Capital.

- 2.2 As this is a whole Council report, we thought it would be helpful to provide some sign posting to the relevant sections that fall under the remit of this Cabinet Committee. These are as follows:
- a) Paragraphs 3.3.1 to 3.3.3 and 3.3.5 provide the movement in the Revenue budget monitoring position from the previous report.
  - b) Paragraphs 3.4.1 to 3.4.3 and 3.4.5 provide the headline reasons for the Revenue budget forecast outturn variance position.
  - c) Paragraph 3.5 provides the latest Delegated Schools Budget reserves position
  - d) Paragraph 5.3 provides the headline reasons for the Capital budget monitoring position.

**3. Recommendation(s):**

**The Children's, Young People and Education Cabinet Committee** is asked to note the revenue and capital forecast variances for the 2017-18 budget that are in the remit of this Cabinet Committee, based on the August monitoring position presented to Cabinet on 30 October 2017.

**4. Contact details**

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By: Cabinet Member for Finance, John Simmonds  
Corporate Director of Finance, Andy Wood  
Corporate Directors

To: CABINET – 30 October 2017

Subject: **REVENUE & CAPITAL BUDGET MONITORING – AUGUST 2017-18**

Classification: Unrestricted

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## 1. SUMMARY

- 1.1 This report provides the budget monitoring position up to 30 August 2017-18 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;
- 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 2017-18, as any residual pressures rolled forward into 2018-19 will only compound an already extremely challenging 2018-19 budget position. This forecast revenue pressure of £11.226m (after Corporate Director adjustments) is clearly very concerning and needs to be managed down to at least a balanced position.
- 1.4 Although budget managers are urged to be less guarded when forecasting, this month's reported position has worsened, predominately due to Adult Social Care.
- 1.5 After further discussion at Directorate and Corporate Management Teams about how this can be managed, the following points should be factored in:
- a) despite the current forecast overspend in Adults, the DMT are confident that they can correct the position. Some of the forecast spend now includes the impact of the measures taken to improve market sustainability and reduce delayed transfers of care from hospitals and this therefore releases some of the forecast spend shown against the 'new monies'. Other action will be taken that will not impact on client care. These together are expected to remove the forecast overspend on Adults, although of course there is the potential for unexpected demand through the second half of this year.

- b) The Growth, Environment and Transport DMT are also confident they will balance their budget, and the movement in their forecast since last month is a good indicator of that.
- c) The Leader and Cabinet Member are meeting the Minister with responsibility for immigration at the end of October, to put our case for appropriate funding for caring for young Asylum Seekers. We expect some success as a result.
- d) The previous monitoring report informed Cabinet that the Finance Team would work with corporate directors to identify opportunities to reduce the in-year spend, whilst also identifying the service impact and potential longer-term cost of short-term decision making. The directorates have identified the following opportunities:
- Children, Young People and Education: opportunities include holding non-essential vacancies for longer, to delay or stop purchasing equipment and to stop room hire and refreshments.
  - Growth, Environment and Transport: potential savings have been identified from across the directorate, with the Coroners Service releasing part of the Medical Examiners budget following a delay in the potential implementation date of this new service; a one-off release of a reserve due to the RFID+ pilot costs being lower than expected, as well as directorate wide review of income forecasts and use of reserves.
  - Strategic and Corporate Services: potential savings identified through stopping uncommitted spend on Member grants, no further spend in training and ending contracts with supernumery project and programme managers.

Further work is required to substantiate the value of the potential savings identified although prudent estimates suggest this could deliver around £3m – 4m.

- 1.6 Given the positive outlook from a) to c) above, it is not proposed to implement a block on the more sensitive issues shown at d) above.

## 2. RECOMMENDATIONS

**Cabinet** is asked to:

- i) **Note** the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, 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 5.4.

## 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 £13.617m. Corporate Directors have adjusted this position by -£2.391m, leaving a residual pressure of £11.226m. Details of the Corporate Director adjustments are provided below in sections 3.4. This forecast position represents a movement of +£0.232m (excluding Schools) from the July position. The main reasons for this movement are provided in section 3.3 below. In 2017-18, we have £73m of savings to deliver and to achieve this we need to

urgently identify options to eliminate the residual £11m forecast pressure. Currently there have been no requests for roll forwards. The position by directorate, together with the movement from the last report, is shown in table 1 below.

3.2 Table 1: Directorate **revenue** position

Directorate	Budget	Net Forecast Variance *	Corporate Director adjustment	Revised Net Variance	Last Reported position	Movement
	£m	£m	£m	£m	£m	£m
Children, Young People & Education - Education & Young People	58.792	2.895	-0.400	2.495	2.446	0.050
Children, Young People & Education - Specialist Children's Services	112.732	1.748	-0.050	1.698	1.607	0.090
Children, Young People & Education - Asylum	0.550	3.914		3.914	3.908	0.006
<i>Sub Total Children, Young People &amp; Education</i>	<i>172.074</i>	<i>8.557</i>	<i>-0.450</i>	<i>8.107</i>	<i>7.961</i>	<i>0.147</i>
Adult Social Care & Health - Disabled Children Services	20.754	0.679		0.679	0.628	0.051
Adult Social Care & Health - Adults	396.298	4.577	-1.541	3.036	2.535	0.500
Adult Social Care & Health - Public Health	-0.011	0.000		0.000	0.000	0.000
<i>Sub Total Adult Social Care &amp; Health</i>	<i>417.041</i>	<i>5.256</i>	<i>-1.541</i>	<i>3.715</i>	<i>3.164</i>	<i>0.551</i>
Growth, Environment & Transport	166.756	0.961	-0.400	0.561	1.102	-0.540
Strategic & Corporate Services	71.175	0.297		0.297	0.223	0.075
Financing Items	111.009	-1.455		-1.455	-1.455	0.000
<b>TOTAL (excl Schools)</b>	<b>938.054</b>	<b>13.617</b>	<b>-2.391</b>	<b>11.226</b>	<b>10.993</b>	<b>0.232</b>
<i>Schools (CYP&amp;E Directorate)</i>	<i>0.000</i>	<i>15.425</i>		<i>15.425</i>	<i>2.108</i>	<i>13.317</i>
<b>TOTAL</b>	<b>938.054</b>	<b>29.042</b>	<b>-2.391</b>	<b>26.651</b>	<b>13.102</b>	<b>13.550</b>
<b>Variance from above (excl schools)</b>				<b>11.226</b>	<b>10.993</b>	<b>0.232</b>
Roll forwards				0.000		0.000
- committed				0.000		0.000
- re-phased				0.000		0.000
- bids				0.000		0.000
Total roll forward requirements				0.000	0.000	0.000
<b>(-ve Uncommitted balance / (+ve) Deficit</b>				<b>11.226</b>	<b>10.993</b>	<b>0.232</b>

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

3.3 The main reasons for the movement of +£0.232m (after Corporate Director adjustments) since the last report are:

3.3.1 Children, Young People and Education – 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 £0.050m since the July monitoring position. This is made up of a number of minor movements on a range of services. The Corporate Director adjustment reflects the expectation there will be a general reduction in forecast over the coming months of an additional -£0.400m, in part this will be from efficiency savings within Adult Education and additional income from EduKent Services.

3.3.2 Children, Young People and Education – Specialist Children's Services:

The current forecast variance represents an increase of +£0.090m (after the Corporate Director adjustment) since the July report. The Corporate Director adjustment has been made to reflect more up to date information received after the

submission of manager forecasts. The movement from the July report is due to various minor movements across services, the most significant being an increase in the number of Special Guardianship Orders resulting in a further pressure of +£0.1m.

### 3.3.3 Children, Young People and Education – Asylum Services:

There has been no material change in the current forecast variance since the July report. Work is currently underway to complete a full review of the Asylum forecast and the result of this will be reflected in the September monitoring report.

### 3.3.4 Adult Social Care and Health

The overall movement for the Directorate since the July monitoring round is +£0.551m (after the Corporate Director Adjustment); +£0.500m of which relates to 'Adult Health & Social Care – Adults' and +£0.051m of which relates to 'Adult Health & Social Care – Disabled Children Services (0-18)'. Paragraphs 3.3.4 to 3.3.6 below provide a detailed explanation of the movement.

### 3.3.5 Adult Social Care and Health – Disabled Children Services:

The pressure on Disabled Children Service has increased by +£0.051m since the July exception report, increases in residential care, partly resulting from recent price negotiations, have been predominately offset by higher levels of direct payment reclaims and review of the staffing forecast.

### 3.3.6 Adult Social Care and Health – Adults:

The pressure on 'Adults Social Care – Adults' has increased since July by +£0.500m. This includes Corporate Director adjustments of -£1.541m to reflect updates received after the submission of forecasts by managers.

The main movements in the variance relate to: a movement in Direct Payments for Learning Disability, Older People and Physical Disability of +£1.445m; an overall net increase in Nursing and Residential Care across all client groups of +£0.510m; and an increase in Domiciliary – Older People and Physical Disability of +£0.102m. This is offset by: Adaptive and Assistive Technology -£0.481m, mainly relating to additional Better Care Fund monies forecast to be received; a reduction in forecast for Social Support - Carers - Commissioned service of -£0.380m; an increase in Non-residential Charging Income across all client groups of -£0.303m; a reduction in forecast for Social Support - Information & Early Intervention of -£0.163m; and a reduction in Day Care forecasts across all client groups of -£0.121m.

### 3.3.7 Adult Social Care and Health – Public Health:

There is no overall movement in the variance, nor have there been any individual material variance movements within the service since the July monitoring report.

### 3.3.8 Growth, Environment and Transport:

The current forecast outturn is a +£0.561m pressure after the Corporate Director adjustment of -£0.400m set out below; this is a decrease of -£0.540m since last month.

Waste Processing costs have reduced in a number of areas, primarily Materials Recycling Facilities, payments to waste collection authorities and the operating costs of waste facilities amounting to -£0.227m. The availability of more up to date information on journey numbers has enabled the service to revise the Concessionary Fares forecast down by -£0.122m. There has also been a net decrease in Other Highways Maintenance & Management which is made up of a number of small movements of -£0.106m.

The improving forecast, has allowed for a reduced Corporate Director adjustment this month: -£0.400m down from -£0.500m (+£0.100m).

Other small movements make up the remaining movement -£0.185m.

### 3.3.9 Strategic and Corporate Services:

The directorate forecast has increased by +£0.1m since the July monitoring report. This is due to a number of variances, each less than +/- £0.1m.

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

### 3.4.1 Children, Young People and Education – Education & Young People’s Services:

3.4.1.1 The forecast variance of +£2.5m after the Corporate Director adjustment (excluding schools and before roll forward requirements) is made up of a number of service lines, the most significant as follows:

3.4.1.2 There is a forecast underspend of -£0.4m on Early Help & Prevention for Children and Families. An underspend on externally commissioned services -£0.5m due to delays in the start of a new wellbeing contracts along with higher than expected troubled families grant, partially offset by +£0.1m pressure made up of a number of small variances across all 12 district hubs.

3.4.1.3 There is a forecast pressure of +£0.6m within Early Years Education & Childcare which predominately relates to a shortfall on their general service income target. The EY&C unit are aiming to generate income from private, voluntary and independent nurseries through their Threads to Success scheme. It is hoped that a review of the product pricing will lead to increased demand and an increase in income generation. It is our intention to take action to reduce costs if this increased demand is not forthcoming.

3.4.1.4 There is a minor forecast pressure of +£0.1m on SEN and Psychology Services due to number of small variances in both services.

3.4.1.5 There is a forecast pressure of +£0.5m on Other Services for Young People & School Related Services, relating to:

- +£0.2m ISSK pressure. The target saving of £0.2m is yet to be secured against this service and will depend on the outcome of the recent consultation on the restructure of this service, current vacancies are helping to deliver this saving but this is offset by an expected shortfall income from schools based on current activity.

- +£0.5m pressure on School Improvement Service. There is an expected shortfall against the income targets of approximately +£0.8m based on current trends, however this is partially offset by a greater levels of savings from the restructure than originally expected
- Underspends across other services including -£0.1m Governor Support Services mainly due to overachievement of their income targets and -£0.1m Business Support Services from current staffing vacancies.

3.4.1.6 There is a forecast pressure of £1.2m on Other Schools' Related costs. +£0.7m of this relates to revenue maintenance costs that are in excess of the grant funding available. These costs, which are administered by colleagues within GEN2 on behalf of the Directorate, cover both planned maintenance agreements and subsequent resultant work and fall under the TFM contracts. The Directorate is also considering options for introducing greater controls to prevent further/future pressure on this budget. The balance of +£0.5m is mainly due to the expectation that the higher than budgeted demand from schools for the payment of excepted items (such as maternity leave) will continue for the remainder of the financial year.

3.4.1.7 The Youth and Offending Services is forecasting a breakeven position which is formed from -£0.2m underspend on the commissioning of external youth services following recent retender exercise which is partially offset by +0.2m shortfall in income generated from outdoor education facilities.

3.4.1.8 There is a forecast pressure of £0.2m on Adult Education and Employment Services for Vulnerable Adults. The pressure is all within Community, Learning & Skills (CLS) and has arisen due to changes resulting from the National Apprenticeship reform process. As part of the process KCC has chosen not to continue to use CLS as the training provider of choice for Business Administration apprenticeships for internal KCC apprentices. This was a significant income stream which ceased from May 2017 and now creates a risk in CLS achieving its budgeted surplus target of £1.3m. Other options are being considered within the service to address this and we are confident that this service will be able to offset this pressure with in-year management action.

3.4.1.9 Finally there is a forecast pressure of +£0.8m on EYPS Management & Support Services, this is formed from a number of distinct variances:

- +£0.6m pressure relating to Edukent Services. EduKent provide the single point of contact for all traded services with schools and academies and have in the past been funded from the DSG reserve. This is no longer possible and other options are being investigated to provide a long term solution to the funding of this unit. EduKent has funded the billing admin costs for other KCC school traded services such as Invicta Law, GEN2 and Schools Personnel Services (SPS) & Education Information Systems (EIS) within the Business Services Centre. These costs will have to be allocated to the other KCC companies. At present all these costs are held within CYPE Directorate.
- +£0.4m pressure resulting from former EYPS directorates share of savings for both spans and layers and tactical procurement. At this stage the directorate is exploring ways in which these savings could be realised.
- +£0.1m pressure for one-off security costs at the former Chaucer School site
- -£0.4m underspend on Education Pension costs based on current activity.

- +£0.1m Other minor variances including reduction in academy legal fees -£0.1m and shortfall in academy team income +£0.2m.

### 3.4.2 Children, Young People and Education – Specialist Children’s Services

- 3.4.2.1 The overall forecast position for Specialist Children’s Services (excluding Asylum) is a pressure of +£1.7m after the Corporate Director adjustment.
- 3.4.2.2 Within Children’s Assessment Staffing, a net +£1.0m pressure is forecast as the service continues to have a number of vacant posts filled by agency workers along with some additional supernumerary agency workers above establishment to cope with a post Ofsted rise in workload demand. This increased number of referrals has also led to a pressure on the Central Referral Unit. Although the service is currently striving to manage demand within their existing resource, there remains a risk that the forecast could rise further in future months, if the increase demand continues and longer term social work support is required.
- 3.4.2.3 The pressure on Family Support & Other Children Services +£0.5m is mainly due to the ongoing pressure on Care Leaver Services from 2016-17 of +£0.3m, and increased spend on Section 17 +£0.1m.
- 3.4.2.4 Although the Adoption & Other Permanent Children’s Arrangements service is forecasting a break-even position, this is formed from a number of compensating variances: a pressure of +£0.4m arising from the current number of Special Guardianship Orders which is offset by an underspend of -£0.2m due to a reduction in the number of adoption payments, along with the estimated impact of the new financial mean-testing process of -£0.2m.
- 3.4.2.5 There is also a pressure of +£0.1m on management support services mainly resulting from Specialist Children’s Services share of savings (both spans and layers and tactical procurement) that were initially parked and have recently been allocated to services. There are no immediate plans to deliver this saving this year therefore a pressure is being reported.
- 3.4.2.6 There is a minor variance for Children in Care (looked after) services +£0.1m but this is formed from a number of compensating variances across the various services including; fostering arising from the recent increase in the number of independent fostering placements of +£0.4m; residential care -£0.1m and supported accommodation for 16-17 year olds -£0.2m.

### 3.4.3 Children, Young People and Education – Specialist Children’s Services – Asylum

- 3.4.3.1 The current predicted pressure on the Asylum Service is £3.9m and is based on a number of assumptions. The 2017-18 Unaccompanied Asylum Seeker Children (UASC) and Care Leavers grant rates have not yet been confirmed by the Home Office, therefore we have assumed that for young people who arrived before the National Transfer Scheme (NTS) commenced in July 2016 will continue to be paid at the rates agreed for 2016-17.
- 3.4.3.2 This position therefore assumes that we will have a shortfall on eligible UASC’s (aged under 18) of approximately +£0.7m, Care Leavers (aged 18+) of +£1.9m, and ineligible costs of +£0.3m, the remaining +£1m pressure relates to the hosting of the reception centre and duty process for the NTS.

- 3.4.3.3 The forecast pressure on the Asylum Service for 2017-18 is greater than 2016-17 due to the age of the children being supported. The UASC grant rate paid by the Home Office reduces once the child turns 16 years old therefore leading to an increasing pressure as the child gets older if the cost of support is not reduced, which is not always possible for the current UASC. Most of the current UASC (irrespective of age) are in higher cost placements due to the fact that they arrived before the age of 16, so had to be placed in fostering placements, which is where they have chosen to remain. In addition, fostering placements made from 2015 onwards were with independent fostering providers with the higher costs that this entails and that attempts to move any individual who is settled in this placement is likely to result in legal challenge. However, where possible, UASC are being moved to lower cost supported lodging placements when turning 16 and this is reflected in a reduction in costs for this month's forecast.
- 3.4.3.4 The shortfall in the grant rate to support Care Leavers is not dissimilar to previous years, but the overall pressure is greater due to higher numbers of young people. However, it is anticipated the overall pressure on Care Leavers should reduce in future months as the Home Office have, as promised, now processed the 100+ outstanding claims on the 18+ UASC care leavers. Going forward this will have a positive impact as it will reduce the number of cases where we have to fully fund accommodation costs and subsistence. An initial estimate has been made contributing to a reduction in the forecast this month but further work is being completed to validate this and this will be reported in future months.
- 3.4.3.5 As we have no agreement on the funding of the hosting of the NTS and reception centre, we can only assume at this stage that we will receive the daily grant rate for those young people we are supporting for a few weeks leading up to their dispersal.
- 3.4.3.6 Work is currently underway to complete a full review of the Asylum forecast and the result of this will be reflected in the September monitoring report. In addition discussions are ongoing with the Home Office regarding Kent's financial position.

#### 3.4.4 Adult Social Care and Health

- 3.4.4.1 The overall forecast variance for the Directorate is an overspend of £5.3m; £4.6m of which relates to 'Adult Health & Social Care – Adults' and +£0.7m of which relates to 'Adult Health & Social Care – Disabled Children Services (0-18)'. A Corporate Director adjustment of -£1.5m against 'Adult Health & Social Care – Adults' has been proposed, which would take the Directorate overspend down to £3.7m (£3.0m relating to Adults and £0.7m relating to Disabled Children Services).

#### 3.4.5 Adult Social Care and Health – Disabled Children Services

- 3.4.5.1 Disabled Children Services are forecasting a net pressure of +£0.7m, the most significant variances being:
- The +£1.0m variance for Children in Care (looked after) services is due to a pressure on residential care commissioned from external providers of +£1.4m offset by underspends on fostering services of -£0.2m and -£0.2m in-house residential respite services.



- The -£0.4m variance for Family Support & Other Children Services is mainly due to underspends on both direct payments of -£0.2m and day care services of -£0.1m, along with other minor variances.
- The +£0.1m pressure on assessment staffing resulting from the service being fully recruited with no expected vacancies at this time, partially offset by underspends on the sensory and equipment services.

### 3.4.6 Adult Social Care and Health – Adults

3.4.6.1 The forecast variance for 'Adult Health & Social Care – Adults' is +£4.6m, however a Corporate Director adjustment of -£1.5m is proposed, which takes the forecast variance to +£3.0m. The Corporate Director adjustment comprises:

- -£1.9m application of sustainability funding to elements already contained within the forecast.
- +£0.8m revision to the Older People and Physical Disability Direct Payments forecast based on latest information available.
- -£0.5m additional funds received as part of Improved Better Care Fund monies.

This forecast does not take into account any impact of the investment from the new Adult Social Care allocation of £26.1m in 2017-18. It is hoped that as the year progresses the impact of this investment will reduce the remaining variance further. In addition, the forecast still assumes that the 'winter pressures allocation' will be fully spent during the winter months.

3.4.6.2 Within the overall variance of +£4.6m there are pressures of +£6.2m resulting from direct provision of services to clients across adult social care, and a forecast underspend of -£1.2m against adult and older people preventative and other services. These pressures are partly offset by anticipated underspends on staffing and management and support services of -£0.6m.

This overspend position reflects activity data to date in the 2017-18 financial year and we will continue to refine the forecast alongside activity trends over the coming months..

3.4.6.5 Learning Disability services are forecasting a net pressure of +£1.7m, which includes a number of offsetting variances. The most significant variances relate to:

- Nursing & Residential Care - Learning Disability (aged 18+) +£1.7m pressure (more information on which is provided in appendix 2.1).
- Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements +£1.1m pressure (more information on which is provided in appendix 2.2).
- Supported Living - Learning Disability (aged 18+) - Shared Lives Scheme -£1.0m underspend, this is due to activity being less than budgeted.
- Supported Living - Learning Disability (aged 18+) - In house service -£0.1m underspend.

3.4.6.6 Mental Health services are forecasting a net pressure of +£1.7m, which comprises of a number of offsetting variances. The most significant of which relate to:

- Supported Living - Mental Health (aged 18+) - Commissioned service underspend of -£0.2m which is due to -£0.6m relating to delays in commencing the Your Life Your Home scheme, reflecting £0.4m of red rated savings when netted against increase on Residential Care and +£0.4m which is due to activity being higher than budgeted.
- Nursing & Residential Care - Mental Health (aged 18+) +£1.9m. This variance is predominantly due to +£1.0m relating to delays in commencing the Your Life Your Home, reflecting £0.4m of red savings when netted against reduction on Supported Living and +£0.9m which is due to activity being higher than budgeted.

3.4.6.7 Older People and Physical Disability services are forecasting a net pressure of +£2.8m, which includes a number of offsetting variances. The most significant variances relate to:

- Nursing and residential care +£4.0m overspend which includes +£2.7m relating to Older People Commissioned Residential services (more information on which is provided in appendix 2.4), +£1.3m relating to Older People nursing (more information on which is provided in appendix 2.5), +£0.2m relating to Older People In-house Residential services and -£0.2m relating to Physical Disability nursing and residential care services.
- There is a forecast over recovery of non-residential charging income of -£1.6m, based on the year-to-date income received, which is linked to services on the following community service lines: Domiciliary care services +£1.1m pressure of which +£0.5m relates to Older People Commissioned Services and links with appendix 2.6, Direct Payments -£0.7m, Supported Living +£0.4m and Day Care -£0.4m.

The Older People and Physical Disability forecast assumes that some funding is set aside for the remaining winter pressures. If there is no increased spend as a result of winter then this funding will be available to offset other pressures.

3.4.6.8 Within 'Adult & Older People Preventative & Other Services' there is a forecast net variance of -£1.2m, comprising a number of offsetting variances. Because of slippage on some of the transformation savings, at this stage it is felt prudent to reflect +£1.7m as a pressure. It is hoped that management action will reduce this pressure as we continue through the year. A further pressure of +£0.7m relates to slippage on Housing Related Support savings. In addition, there is a +£0.2m variance on Other Adult Services predominately relating to +£0.2m for savings relating to a recently allocated tiers and spans saving across the authority which is not forecast to be achieved, +£0.2m due to other savings not forecast to be achieved and -£0.2m due to the release of prices monies from the tailored approach to contractual uplifts for placement fees. These pressures are offset by: forecast underspends of -£1.8m in social support services, such as those for carers (in-house and commissioned), information & early intervention and social isolation; -£1.0m underspend on equipment against the adaptive & assistive technology budget; -£0.6m variance on centrally held funds to cover costs already recognised in the forecast position; -£0.2m underspend on meals against the Other Adult Services budget; and -£0.2m for the Social Fund.

3.4.7 Adult Social Care and Health – Public Health:

- 3.4.7.1 The overall variance prior to any transfer to/from the Public Health reserve is a forecast drawdown lower than budgeted of -£0.2m, of which the most significant variance relates to -£0.2m an underspend on core sexual health services contracts.
- 3.4.8 Growth, Environment and Transport
- 3.4.8.1 The overall position for the Directorate, before Corporate Director Adjustments, is a forecast pressure of +£1.0m (+£1.6m last month), with forecast pressures of +£1.599m being partially offset by forecast underspends of -£0.6m.
- 3.4.8.2 The main pressures previously reported to Cabinet remain: General Highways Maintenance & Emergency Response, GET Management & Support Services and Other Highways Maintenance & Management budgets are showing +£0.2m, +£0.6m and +£0.4m respectively. Within the latter is a +£0.3m pressure arising from Streetlight Energy. In addition there continues to be a pressure resulting from an increased levy on all Driver Diversion courses from 1st September 2017 and a significant forecast reduction in the number of course attendees against budget; this is currently +£0.3m. The forecast pressure against the GE&T Management & Support Services budget is due to the impact of staffing and procurement savings that have yet to be fully implemented.
- 3.4.8.3 Public Protection and Enforcement is forecasting a net pressure of +£0.2m due to a number of minor variances, primarily around the under-recovery of income.
- 3.4.8.4 Waste is forecasting an overall underspend of -£0.2m. Treatment and Disposal of Residual Waste is forecasting a small pressure +£0.1m with a price pressure being offset by additional trade waste income (as can be seen in Appendix 2.14). Waste Processing is forecasting an underspend of -£0.3m. Savings within the soil and hard-core budget and Materials Recycling Facilities budgets are slightly offset by reduced income (see Appendix 2.15). Waste Management show a small pressure of +£0.044m.
- 3.4.8.5 All other GET budgets are forecasting a combined underspend of -£0.3m of which -£0.1m relates to Subsidised Bus Services.
- 3.4.8.6 Although reduced from last month a significant forecast pressure remains and so a Corporate Director adjustment of -£0.4m has been included; this reduces the forecast pressure of +£1m down to +£0.6m. Further management action, currently being identified, will be reflected through the monitoring report in subsequent months, with a view to achieving a balanced position overall by the end of the year.
- 3.4.9 Strategic and Corporate Services
- 3.4.9.1 The overall variance reflected in appendix 1 against the directorate is an overspend of +£0.3m which is made up of a break even position for the S&CS Directorate itself, increased by +£0.3m relating to the corporate aspirational savings target for Asset Utilisation, held within the Corporate Landlord budgets, the delivery of which depends on operational service requirements and Member decisions regarding the exiting of buildings. It should be noted that this in-year overspend is due to the delayed implementation of some plans, resulting in the £0.3m delivery slipping to 2018-19. Work is now on-going on the 2018-19 savings target of an additional -£0.65m saving which, to be deliverable from 1st April 2018, requires early identification of plans.

3.4.9.2 The directorate break even position includes variances of +£0.2m for the Contact Centre & Digital Web Services budget set in 2015 using a transformation plan suggested by Agilisys, predicting that the number of calls and average call duration would fall significantly. Although the call volumes and times have reduced, this is not in line with the original budgeted plan, hence resulting in a budget pressure. The commissioners of this service, together with Agilisys, are working with directorate services to get these figures reduced further; -£0.2m on Engagement, Organisation Design & Development relating primarily to staffing vacancies; -£0.1m for Finance arising from lower salary costs following a major restructure; -£0.1m for Strategic Commissioning due to staffing vacancies being held vacant pending restructure; +£0.2m Infrastructure controllable budgets, arising mostly from backdated Kier costs and minor variances across all areas of Property and ICT commissioning budgets.

### 3.4.10 Financing Items

The Financing Items budgets are currently forecast to underspend by £1.5m, which is due to:

3.4.10.1 Additional Government funding compared to our assumptions at the time of setting the budget, together with additional retained business rates relief relating to Dover Enterprise Zone for 2015-16 and 2016-17, result in a forecast underspend of £0.8m.

3.4.10.2 The Cabinet decision in June not to make the budgeted £3.9m contribution to General Reserves in light of our reduced level of risk following our success in delivering an underspend in 2016-17, and the announcement in the Chancellor's Spring Budget of the additional social care funding. Instead £3m is being spent on pothole repairs and the remaining £0.9m is declared as an underspend to go towards offsetting the pressures reported elsewhere in this report.

3.4.10.3 A £1.9m decrease partly due to a deferment of Minimum Revenue Provision (MRP) and partly due to re-phasing of the 2016-17 capital programme, resulting in fewer assets becoming operational last year. As we have adopted the asset life method of calculating MRP, MRP does not become payable until assets become operational, therefore resulting in an "MRP holiday" this year. We would usually transfer this to reserves to cover the potential impact in future years but in light of the forecast outturn position of the authority; this has been released to offset the current pressures.

3.4.10.4 A £0.1m underspend on Carbon Reduction Commitment reflecting finalisation of our carbon emissions for 2016-17 and our estimated carbon emissions for the current year.

3.4.10.5 However, these underspends are partially offset by the following:

- A forecast shortfall of £1.8m in the contribution from Commercial Services based on initial trading results for the year; and
- £0.5m unallocated saving relating to the anticipated amalgamation of business support in the old SCHW directorate is unachievable in the current year following the decision to create the new Strategic Commissioning Division within S&CS directorate. Some of the services that were due to be amalgamated are now in different directorates. However, it is expected that savings will be delivered from the creation of the new Strategic Commissioning Division but these will not be realised until 2018-19.

### 3.5 Schools delegated budgets:

The schools delegated budget reserves are currently forecast to end the financial year in surplus by £12.9m, compared to £28.3m at the start of the financial year. This is made up of a forecast surplus of £32.4m on individual maintained school balances, and a deficit on the central schools reserve of £19.5m. The table below provides the detailed movements on each reserve:

	Individual School Reserves (£m)	Central Schools Reserve (£m)	Total School Reserves (£m)
<b>Balance b fwd</b>	30.171	(1.830)	28.340
<b>Forecast movement in reserves:</b>			
Academy conversions and closing school deficits	2.230	(4.580)	(2.350)
Contribution to schools broadband		(1.000)	(1.000)
School Growth		(1.000)	(1.000)
High Needs (Mainstream & Independent)		(8.700)	(8.700)
Various		(0.569)	(0.569)
Overspend on Central DSG budgets		(1.806)	(1.806)
<b>Forecast reserve balance</b>	<b>32.400</b>	<b>(19.485)</b>	<b>12.915</b>

Note: a negative figure indicates a draw down from reserves/deficit

The schools delegated budget is currently showing pressure of £15.425m which is the sum of the figures highlighted above.

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

Dividends/Contributions (£m)	Budget	Forecast	From trading surplus	from reserves
Commercial Services	6.800	5.000	5.000	
GEN2	0.620	0.620	0.620	
Invicta Law	1.057	1.057	1.057	

## 4. REVENUE BUDGET VIREMENTS/CHANGES TO BUDGETS

- 4.1 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.

## 5. SUMMARISED CAPITAL MONITORING POSITION

5.1 There is a reported variance of -£26.808m on the 2017-18 capital budget (excluding schools and PFI). This is a movement of -£10.613m from the previous month and is made up of -£1.834m real movement and -£8.779m rephasing movement. Headline variances are detailed below by Directorate.

5.2 Table 3: Directorate **capital** position

Directorate	2017-18 Working budget	2017-18 Variance	Real variance	Re-phasing variance	Last reported position		Movement	
					Real	Rephasing	Real	Rephasing
					£m	£m	£m	£m
Children, Young People & Education	115.919	-11.821	-3.484	-8.337	-3.612	-0.125	0.128	-8.212
Adult, Social Care & Health	8.383	-1.255	-0.145	-1.110	-0.145	-1.000	0.000	-0.110
Growth, Environment & Transport	133.984	-12.072	-4.914	-7.158	-2.442	-6.213	-2.472	-0.945
Strategic & Corporate Services	21.446	-1.660	2.448	-4.108	1.938	-4.596	0.510	0.488
<b>TOTAL</b>	<b>279.732</b>	<b>-26.808</b>	<b>-6.095</b>	<b>-20.713</b>	<b>-4.261</b>	<b>-11.934</b>	<b>-1.834</b>	<b>-8.779</b>

### 5.3 Capital budget monitoring headlines

The real variances over £0.100m and rephasing variances over £1.000m are as follows:

#### **Children, Young People and Education**

- Modernisation Programme: rephasing movement of -£3.033m. Constrained resources have led to priority being given to providing additional places under the Basic Need programme. All modernisation projects are now commissioned and are progressing.
- Basic Need: -£5.179m rephasing movement. There have been delays in obtaining planning permission for a new primary School. Some secondary school expansions are pending final agreement and therefore not as yet progressing.
- Whitstable Youth Hub: real movement of +£0.128m. New project to be funded from developer contributions.

#### **Adult, Social Care and Health**

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

#### **Growth, Environment & Transport**

##### Highways, Transportation & Waste

- Highway Major Enhancement: -£2.650m real movement. As per the last monitoring report the cash limit has been amended to reflect the additional

£2.7m funding to rectify pot holes and patching. This has resulted in a movement from the last reported position even though the forecast has not changed significantly.

- Integrated Transport: +£0.344m real movement. This movement is largely due to increased costs on the Elwick Road scheme in Ashford. The two junctions need a complete renewal of traffic signals which was not originally anticipated and additional resurfacing is being undertaken. This will be funded by additional external funding and developer contributions.
- North Farm Transfer Station – Betterment Works: real movement of -£0.523m. As per the last monitoring report the cash limit has been amended to reflect the additional funding for this scheme. This has resulted in a movement from the last reported position even though the forecast has not changed.

#### 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

- Workspace Kent: +£0.295m real movement. As per the last monitoring report the cash limit has now been amended to reflect these funds being repaid to Essex County Council. This has resulted in a movement from the last reported position even though the forecast is unchanged.

#### Strategic & Corporate Services

New Ways of Working: +£0.510m real movement. The previous monitoring report included this variance but it was originally expected to impact in 2018-19. These works have now been brought forward to the current year. This will be funded from a future year Modernisation of Assets budget.

## 5.4 Cash Limit Adjustments

### For information

Directorate	Project	Amount £m	Year	Funding	Reason
CYPE	Whitstable Youth Hub	+£0.128	17-18	Dev Conts	New scheme
SCS	Modernisation of Assets (MOA)	-£0.483	17-18	Cap Rec	To reflect virement to New Ways of Working as previously agreed.
		-£0.200	18-19	Prudential	
		-£0.310	19-20	Prudential	
SCS	New Ways of Working	+£0.483	17-18	Cap Rec	To reflect virement from MOA and additional banked grant.
		+£0.510	17-18	Prudential	
		+£0.084	17-18	Grant	

### For approval:

Directorate	Project	Amount £m	Year	Funding	Reason
GET	Sustainable Access to Maidstone Employment Areas	-£0.060	17-18	External - other	To vire to Maidstone Gyratory project.
GET	Maidstone Gyratory Bypass	+£0.060	17-18	External - other	From Sustainable Access to Maidstone Employment Areas.
CYPE	Platt CEPS	-£0.085	17-18	Cap Rec	To fund PSBP
CYPE	PSBP	+£0.085	17-18	Cap Rec	Funded from Platt CEPS

## 6. CONCLUSIONS

- 6.1 It is concerning the revenue pressure continues to remain at £11m, but the Corporate and Directorate Management teams are confident of a significant reduction to that forecast without the need for blanket moratoria on spending.

## 7. RECOMMENDATIONS

**Cabinet** is asked to:

- 7.1 **Note** the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.
- 7.2 **Agree** the changes to the capital programme as detailed in section 5.4.

## 8. CONTACT DETAILS

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**Breakdown of Directorate Monitoring Position**

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
<b>Children, Young People &amp; Education</b>					
<b>Specialist Children's Services</b>					
Children in Care (Looked After) Services - Non-Disabled Children**	52.9	-4.7	48.2	0.1	0.3
Adoption & Other Permanent Children's Care Arrangements	13.8	-0.1	13.7	0.0	-0.2
Family Support & Other Children Services - Non-Disabled Children	14.5	-4.5	10.1	0.5	-0.2
Asylum Seekers**	23.6	-23.1	0.6	3.9	0.0
Children's Assessment Staffing - Non-Disabled Children**	40.7	-3.1	37.6	1.0	-0.5
Children's Management & Support Services	3.4	-0.2	3.2	0.1	0.0
<b>Sub Total Specialist Children's Services</b>	<b>149.0</b>	<b>-35.7</b>	<b>113.3</b>	<b>5.7</b>	<b>-0.6</b>
<b>Education &amp; Young People's Services</b>					
Early Help & Prevention for Children and Families	32.6	-17.6	15.0	-0.4	0.0
Early Years Education & Childcare	74.4	-73.4	1.0	0.6	0.1
Attendance, Behaviour and Exclusion Services	5.0	-5.0	0.0	0.0	0.0
High Needs Education Budgets (excl. Schools & Pupil Referral Units)	35.2	-35.2	0.0	0.0	0.0
SEN & Psychology Services	19.9	-16.9	3.0	0.1	0.0
Other Services for Young People & School Related Services	16.8	-13.6	3.2	0.5	0.0
Pupil & Student Transport Services**	36.4	-3.7	32.6	-0.1	0.0
Other Schools' Related Costs	34.0	-34.0	-0.1	1.2	-0.7
Youth and Offending Services	5.0	-3.8	1.2	0.0	0.0
Adult Education and Employments Services for Vulnerable Adults	13.5	-14.4	-0.9	0.2	0.0
YP&E Management & Support Services	19.5	-15.9	3.6	0.8	0.1
<b>Sub Total Education &amp; Young People's Services</b>	<b>292.3</b>	<b>-233.5</b>	<b>58.8</b>	<b>2.9</b>	<b>-0.4</b>
<b>Sub Total CYP&amp;E directorate</b>	<b>441.3</b>	<b>-269.2</b>	<b>172.1</b>	<b>8.6</b>	<b>-1.0</b>
<b>Adult Social Care &amp; Health</b>					
Additional Adult Social Care allocation	26.1	0.0	26.1	0.0	0.0
Learning Disability Adult Services**	163.9	-13.2	150.6	1.7	-0.8
Physical Disability Adult Services	36.0	-4.1	31.8	-0.5	-0.2
Mental Health Adult Services	16.1	-1.6	14.5	1.7	0.1
Older People Adult Services**	172.5	-91.5	81.0	3.3	0.4
Adult & Older People Preventative & Other Services	61.7	-16.5	45.2	-1.2	-1.6
Adult's Assessment & Safeguarding Staffing	43.5	-3.3	40.3	-0.5	-1.1
Children in Care (Looked After) Services - Disabled Children	10.5	-2.1	8.4	1.0	0.2
Family Support & Other Children Services - Disabled Children	7.0	-0.3	6.7	-0.4	-0.2
Family Support & Other Children Services - Non-Disabled Children	0.2	0.0	0.2	0.0	-0.4
Children's Assessment Staffing - Disabled Children	5.5	-0.1	5.5	0.1	-0.3
Public Health	79.1	-76.2	2.9	-0.2	0.0
Transfer to/from Public Health Reserve	-3.0	0.0	-3.0	0.2	0.0
ASC&H Management & Support Services	7.1	-0.2	6.8	0.0	0.0
<b>Sub Total ASC&amp;H directorate</b>	<b>626.2</b>	<b>-209.1</b>	<b>417.0</b>	<b>5.3</b>	<b>-4.1</b>

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
<b>Growth, Environment &amp; Transport</b>					
Libraries, Registration & Archives	16.2	-6.4	9.8	0.0	0.0
Environment	10.4	-6.7	3.7	0.0	0.0
Economic Development & Other Community Services	10.1	-5.2	5.0	0.1	0.0
General Highways Maintenance & Emergency Response	11.5	-0.6	10.9	0.2	0.0
Other Highways Maintenance & Management	29.9	-8.5	21.4	0.6	-0.1
Public Protection & Enforcement	11.6	-2.2	9.4	0.2	-0.1
Planning & Transport Strategy and Other Related Services (inc School Crossing Patrols)	4.1	-0.6	3.5	0.0	0.0
Concessionary Fares	16.8	0.0	16.8	-0.1	-0.1
Subsidised Bus Services	8.3	-2.1	6.2	-0.1	0.0
Young Person's Travel Pass	14.2	-5.8	8.4	-0.1	-0.1
Waste Management	1.9	0.0	1.9	0.0	0.0
Waste Processing**	31.0	-1.9	29.2	-0.3	-0.2
Treatment and Disposal of Residual Waste**	37.4	0.0	37.4	0.1	-0.1
GE&T Management & Support Services	3.5	-0.1	3.4	0.4	0.0
<b>Sub Total GE&amp;T directorate</b>	<b>206.8</b>	<b>-40.0</b>	<b>166.8</b>	<b>1.0</b>	<b>-0.6</b>
<b>Strategic &amp; Corporate Services</b>					
Contact Centre, Digital Web Services & Gateways	4.9	-0.3	4.5	0.2	0.0
Local Democracy	4.1	0.0	4.1	0.0	0.0
Infrastructure (ICT & Property Services) & Business Services Centre	77.0	-41.7	35.3	0.5	0.0
Finance	15.6	-5.8	9.8	-0.1	0.0
Engagement, Organisation Design & Development (HR, Comms & Engagement)	9.4	-1.2	8.3	-0.2	0.0
Other Support to Front Line Services	6.5	-1.3	5.2	0.0	0.2
Adult & Older People Preventative & Other Services	0.7	0.0	0.7	0.0	0.0
Commissioning Management & Support Services	5.9	-0.2	5.7	-0.2	-0.1
S&CS Management & Support Services	2.9	-5.2	-2.4	0.0	0.0
<b>Sub Total S&amp;CS directorate</b>	<b>126.9</b>	<b>-55.8</b>	<b>71.2</b>	<b>0.3</b>	<b>0.1</b>
<b>Financing Items</b>	<b>128.2</b>	<b>-17.2</b>	<b>111.0</b>	<b>-1.5</b>	<b>0.0</b>
<b>TOTAL KCC (Excluding Schools)</b>	<b>1,529.4</b>	<b>-591.3</b>	<b>938.1</b>	<b>13.6</b>	<b>-5.7</b>

\*\*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 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+)**

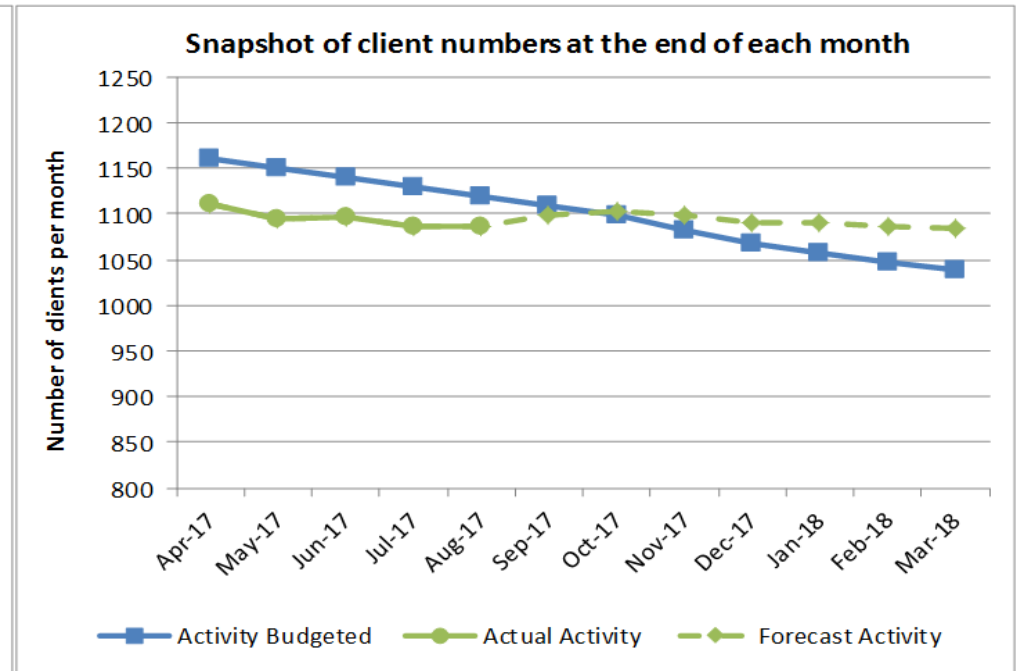
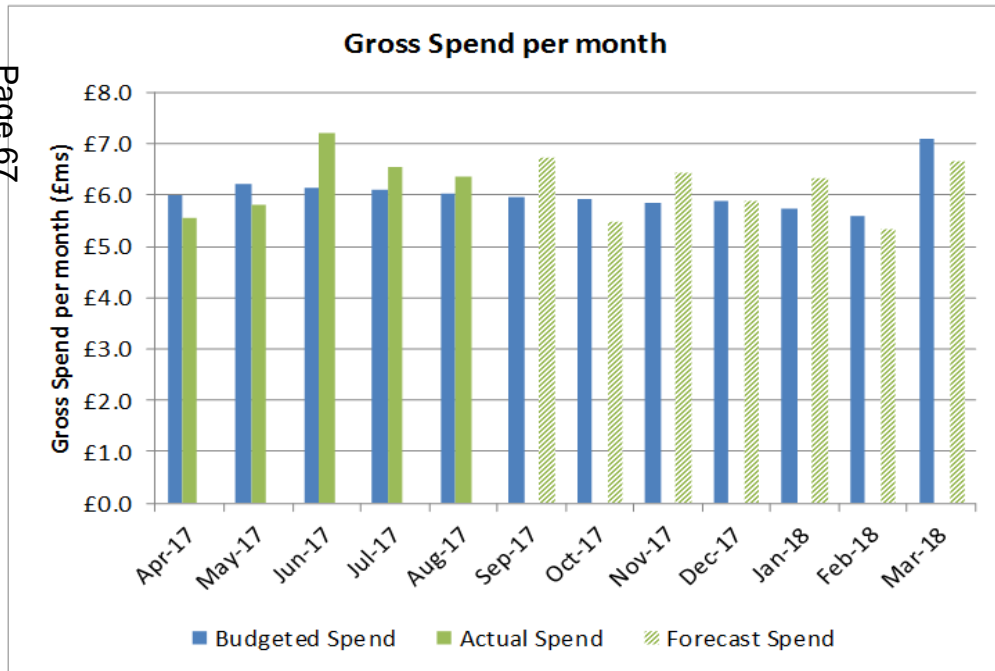
<b>2017-18 Forecast</b>	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£72.5	£-5.9	£66.6	1,038
Forecast	£74.2	£-6.0	£68.2	1,084
Variance	£1.8	£-0.1	£1.7	46

<b>Position as at 31st August 2017</b>	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£30.5	1,120
Actual: Spend/Activity Year to Date	£31.5	1,087
Variance as at 31st August 2017	£1.0	-33

**MAIN REASONS FOR VARIANCE:**

The gross forecast pressure of +£1.8m is due to higher than anticipated demand (+£1.3m) and higher unit cost (+£0.5m). This pressure is partly offset by greater than expected income of -£0.1m. This leads to a net forecast pressure of +£1.7m.

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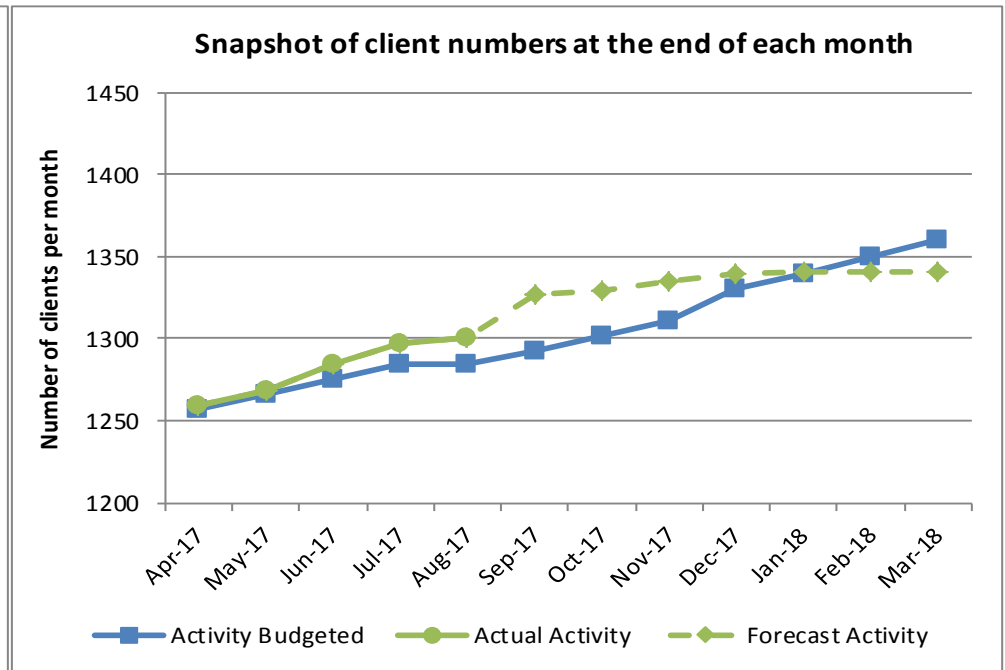
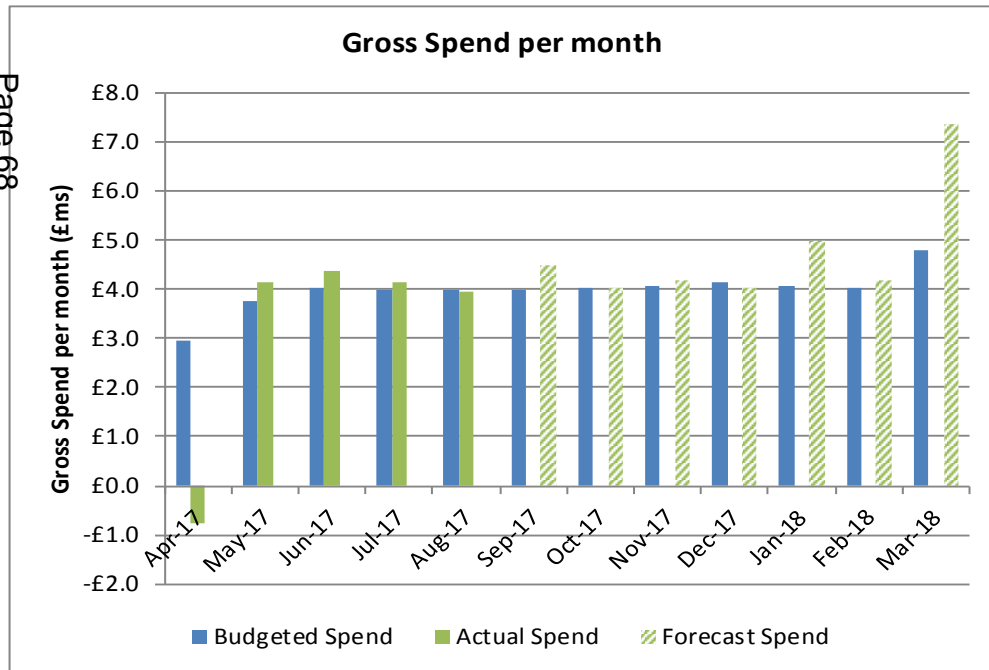
**Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements**

<b>2017-18 Forecast</b>	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£47.9	-£0.2	£47.7	1,360
Forecast	£49.0	-£0.2	£48.8	1,341
Variance	£1.1	£0.0	£1.1	-19

<b>Position as at 31st August 2017</b>	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£18.7	1,284
Actual: Spend/Activity Year to Date	£15.8	1,300
Variance as at 31st August 2017	-£2.9	16

**MAIN REASONS FOR VARIANCE:**

The gross forecast pressure of +£1.1m is due to higher than anticipated demand in hours (+£3.4m) and lower unit cost (-£1.0m), along with an additional variance of -£1.3m predominately due to a transfer from reserves. This leads to a net forecast pressure of +£1.1m.



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

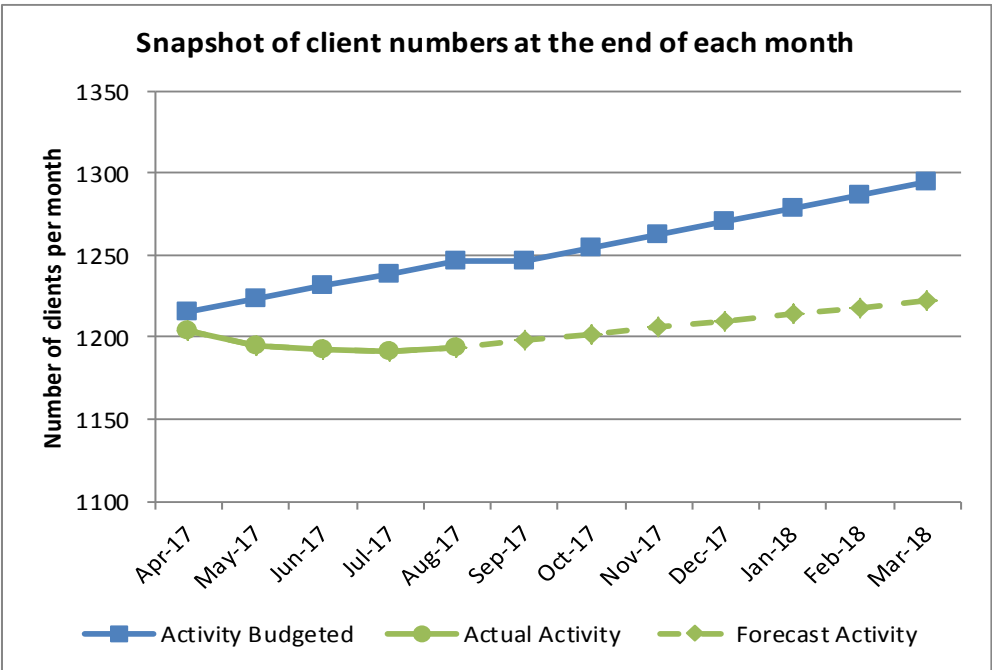
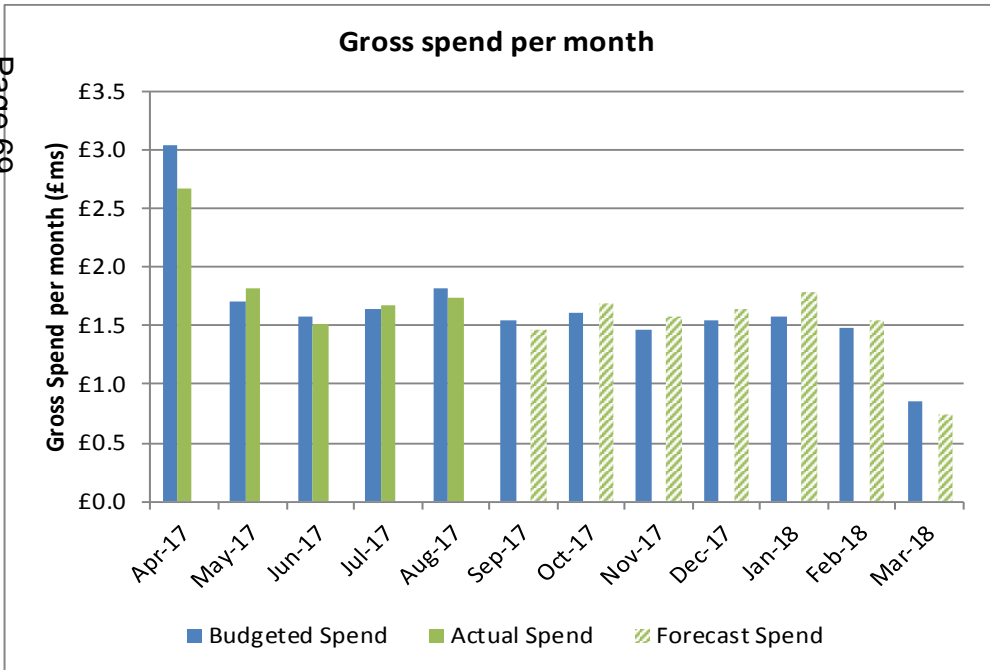
<b>2017-18 Forecast</b>	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£19.8	-£0.8	£19.0	1,295
Forecast	£19.8	-£0.8	£19.0	1,222
Variance	-£0.0	£0.0	£0.0	-73

<b>Position as at 31st August 2017</b>	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£9.8	1,247
Actual: Spend/Activity Year to Date	£9.4	1,194
Variance as at 31st August 2017	-£0.4	-53

**MAIN REASONS FOR VARIANCE:**

The gross forecast shows a balanced position, but within this there is lower than anticipated demand (-£0.3m) and higher unit cost (+£0.2m), along with an additional variance of +£0.1m predominately due to one off payments. This leads to a net forecast pressure of +£0.0m.

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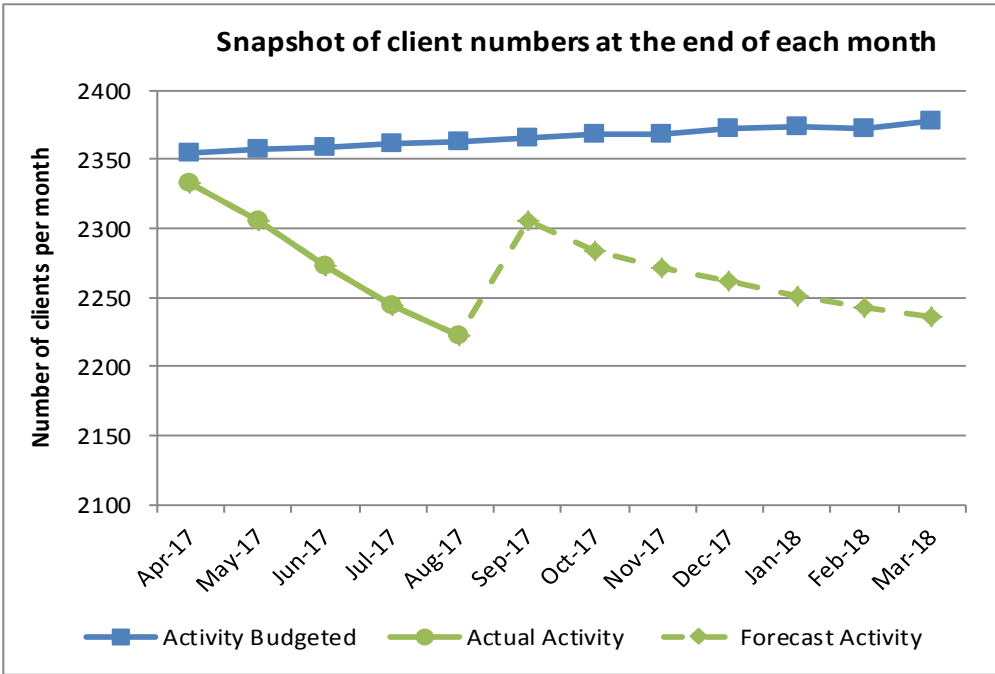
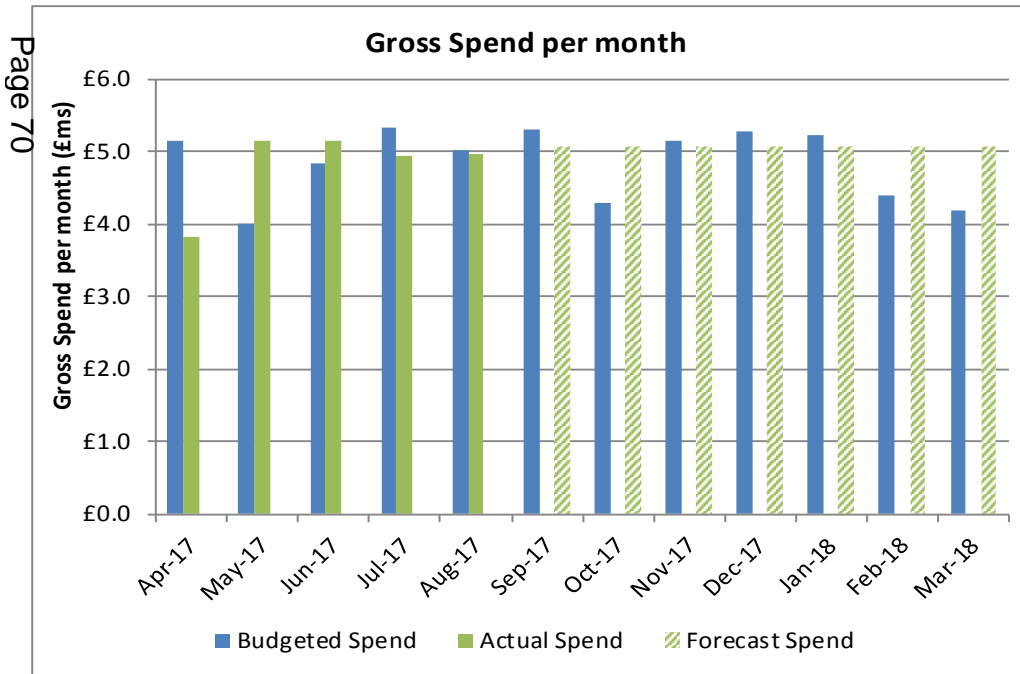
**Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service**

<b>2017-18 Forecast</b>	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£58.1	-£35.2	£23.0	2,378
Forecast	£59.5	-£33.9	£25.7	2,236
Variance	£1.4	£1.3	£2.7	-142

<b>Position as at 31st August 2017</b>	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£24.3	2,363
Actual: Spend/Activity Year to Date	£24.0	2,223
Variance as at 31st August 2017	-£0.3	-140

**MAIN REASONS FOR FORECAST VARIANCE:**

The gross forecast a pressure of +£1.4m is due to a higher unit cost (+£1.4m). This pressure is further increased by lower than expected income of +£1.3m due to a lower average contribution per service user (+£1.3m). This leads to a net forecast pressure of +£2.7m. There is a slight time delay before clients are included in the actual client count as contract details are finalised, accounting for the difference between forecast client count and the previous month's actual client count shown below.



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

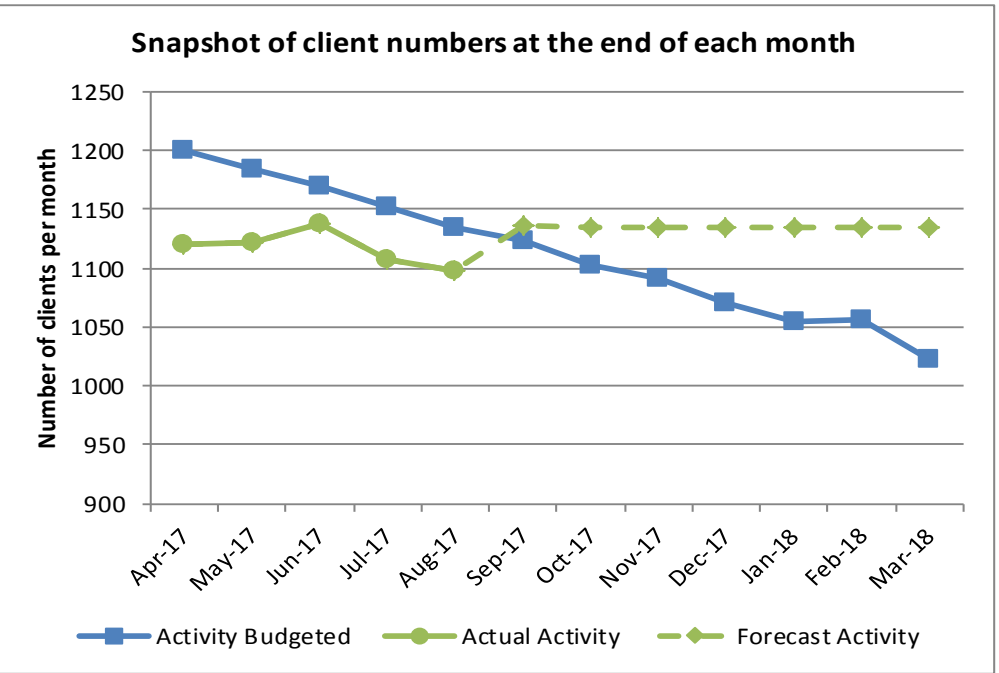
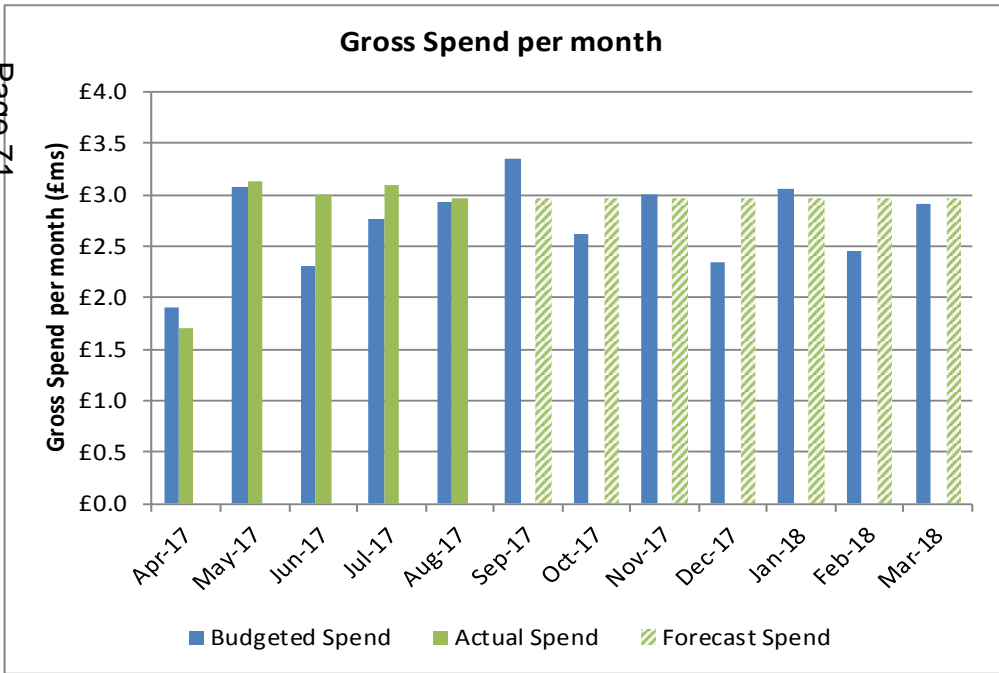
<b>2017-18 Forecast</b>	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£32.7	-£17.4	£15.3	1,023
Forecast	£34.6	-£18.0	£16.6	1,135
Variance	£1.9	-£0.6	£1.3	112

<b>Position as at 31st August 2017</b>	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£13.0	1,135
Actual: Spend/Activity Year to Date	£13.9	1,097
Variance as at 31st August 2017	£0.9	-38

**MAIN REASONS FOR FORECAST VARIANCE:**

The gross forecast pressure of +£1.9m is due to higher than anticipated demand (+£0.6m) and higher unit cost (+£1.3m). This pressure is partly offset by greater than expected income of -£0.6m primarily due to higher than anticipated service user contributions linked to the higher demand (-£0.2m) and a higher average contribution per service user (-£0.4m). This leads to a net forecast pressure of +£1.3m.

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

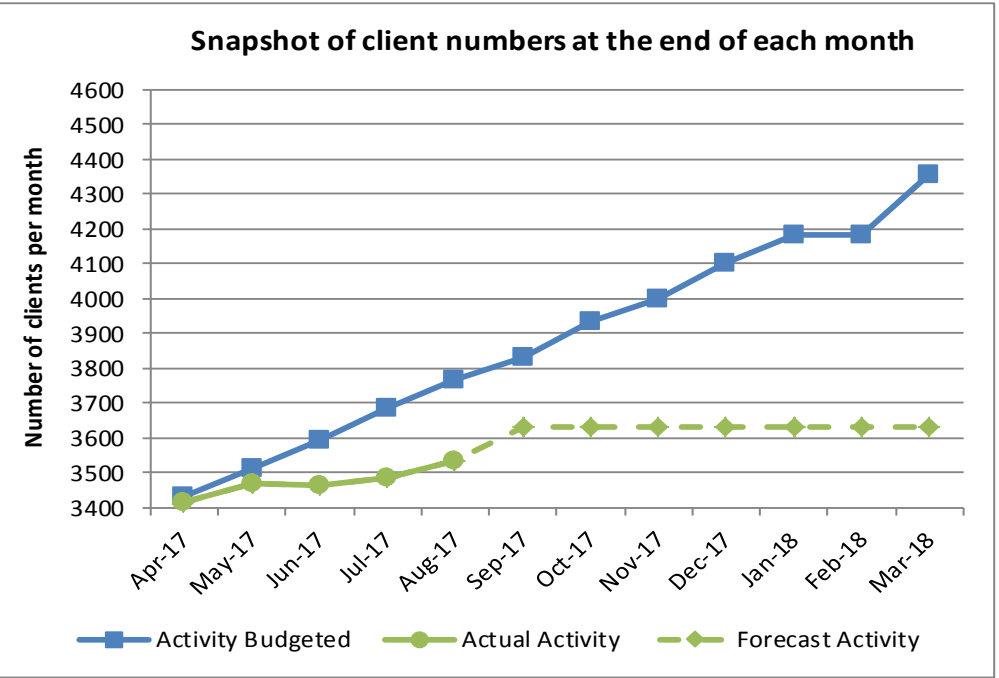
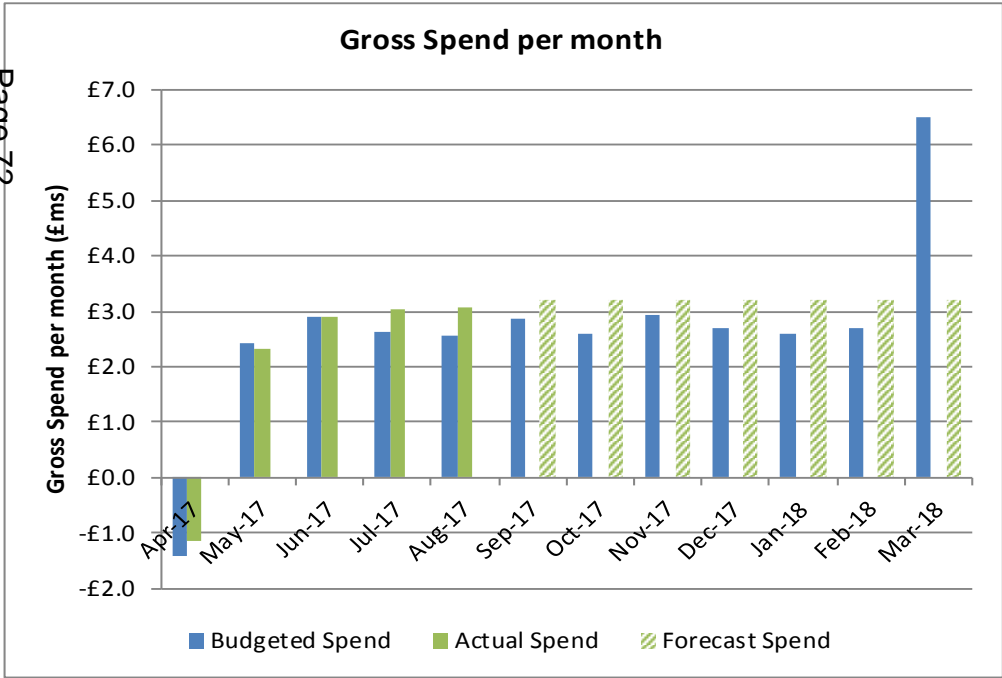
<b>2017-18 Forecast</b>	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£32.0	-£5.8	£26.2	4,353
Forecast	£32.5	-£5.8	£26.7	3,629
Variance	£0.5	£0.0	£0.5	-724

<b>Position as at 31st August 2017</b>	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£9.1	3,766
Actual: Spend/Activity Year to Date	£10.2	3,535
Variance as at 31st August 2017	£1.1	-231

**MAIN REASONS FOR FORECAST VARIANCE:**

The gross forecast pressure of +£0.5m is due to lower than anticipated demand (-£0.4m) and higher unit cost (+£0.8m). This leads to a net forecast pressure of +£0.5m.

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

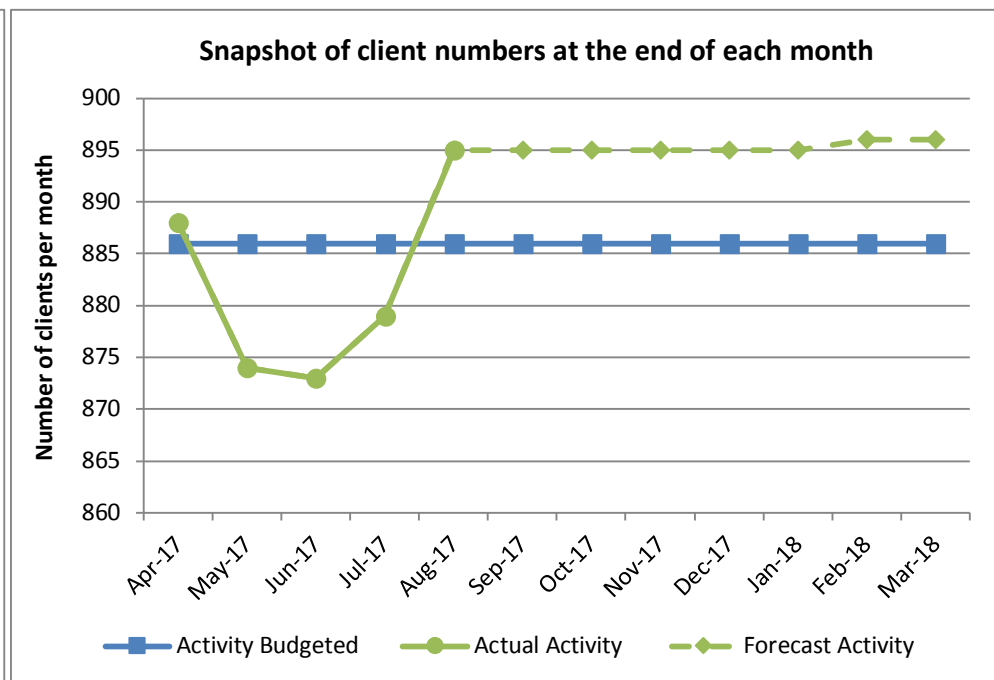
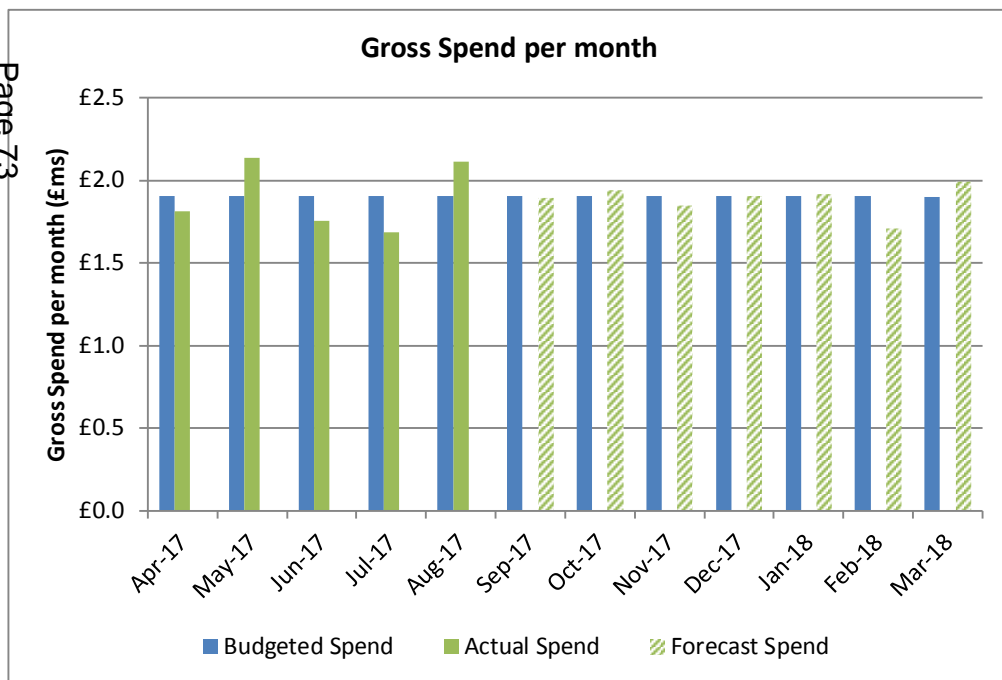
<b>2017-18 Total Forecast</b>	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£22.8	-£0.3	£22.6	886
Forecast	£22.7	-£0.2	£22.6	896
Variance	-£0.1	£0.1	-£0.0	10

<b>Position as at 31st August 2017</b>	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£9.5	886
Actual: Spend/Activity Year to Date	£9.5	895
Variance as at 31st August 2017	£0.0	9

**MAIN REASONS FOR FORECAST VARIANCE:**

The gross forecast underspend of -£0.1m is due to higher than anticipated demand (+£0.1m) and lower unit cost (-£0.3m), along with a variance of +£0.1m on other In House Fostering related expenditure. This is combined with lower than expected income of +£0.1m to produce a net forecast underspend of -£0.0m.

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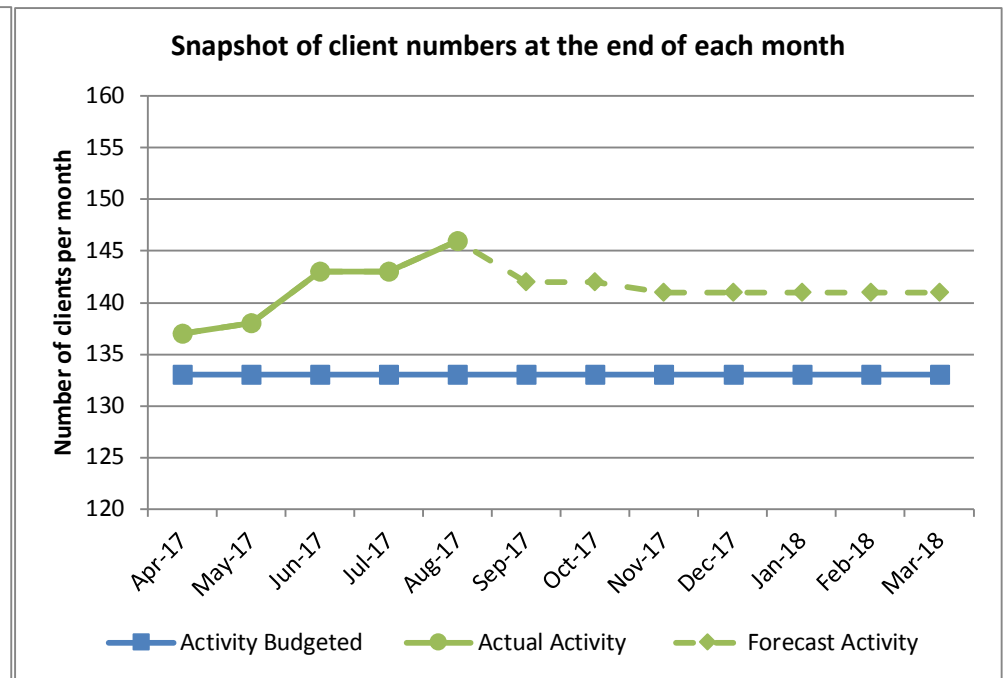
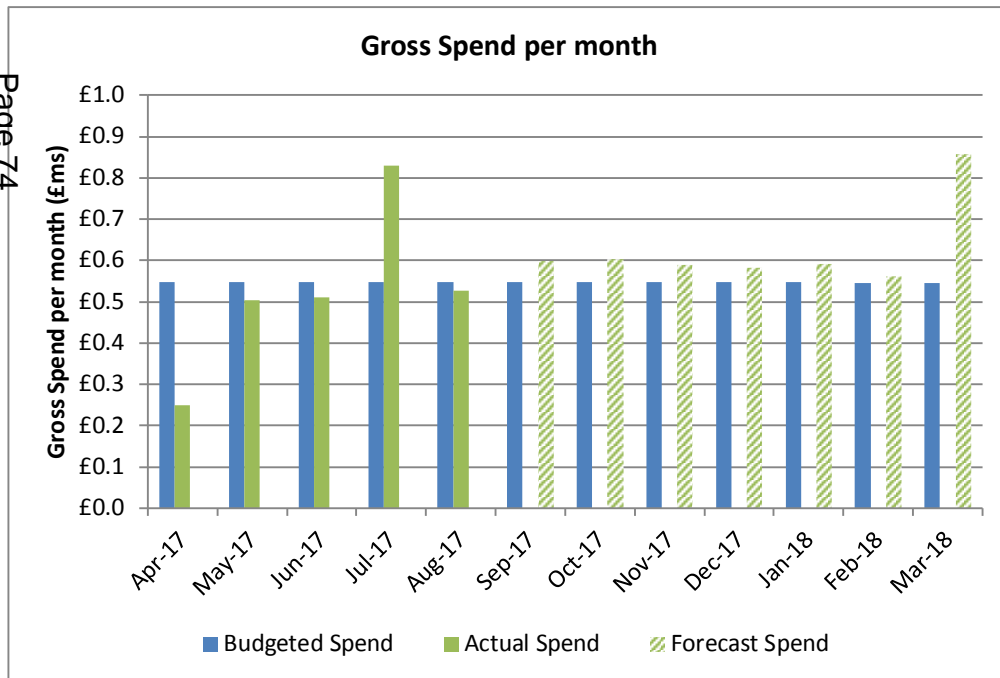
**Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies**

<b>2017-18 Total Forecast</b>	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£6.6	£0.0	£6.6	133
Forecast	£7.0	£0.0	£7.0	141
Variance	£0.4	£0.0	£0.4	8

<b>Position as at 31st August 2017</b>	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£2.7	133
Actual: Spend/Activity Year to Date	£2.6	146
Variance as at 31st August 2017	£-0.1	13

**MAIN REASONS FOR FORECAST VARIANCE:**

The gross forecast pressure of +£0.4m is due to higher than anticipated demand (+£0.3m) and higher unit cost (+£0.1m).



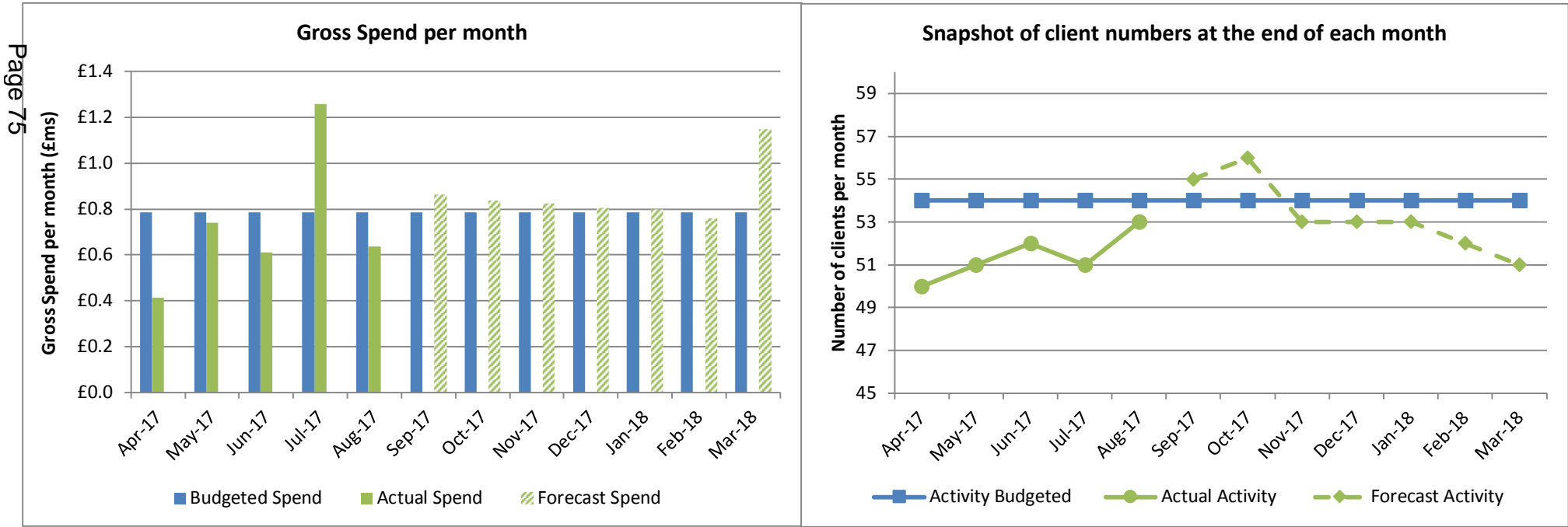
**Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector**

<b>2017-18 Total Forecast</b>	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£9.4	-£0.6	£8.8	54
Forecast	£9.7	-£1.0	£8.7	51
Variance	£0.3	-£0.4	-£0.1	-3

<b>Position as at 31st August 2017</b>	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£3.9	54
Actual: Spend/Activity Year to Date	£3.7	53
Variance as at 31st August 2017	-£0.3	-1

**MAIN REASONS FOR FORECAST VARIANCE:**

The gross forecast pressure of +£0.3m is due to lower than anticipated demand (-£0.1m) and higher unit cost (+£0.3m), along with an additional variance of +£0.1m predominately due to greater than anticipated placements in Secure Accommodation. This pressure is partly offset by greater than expected income of -£0.4m primarily due to greater contributions for care costs from Health & Education. This leads to a net forecast underspend of -£0.1m.



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

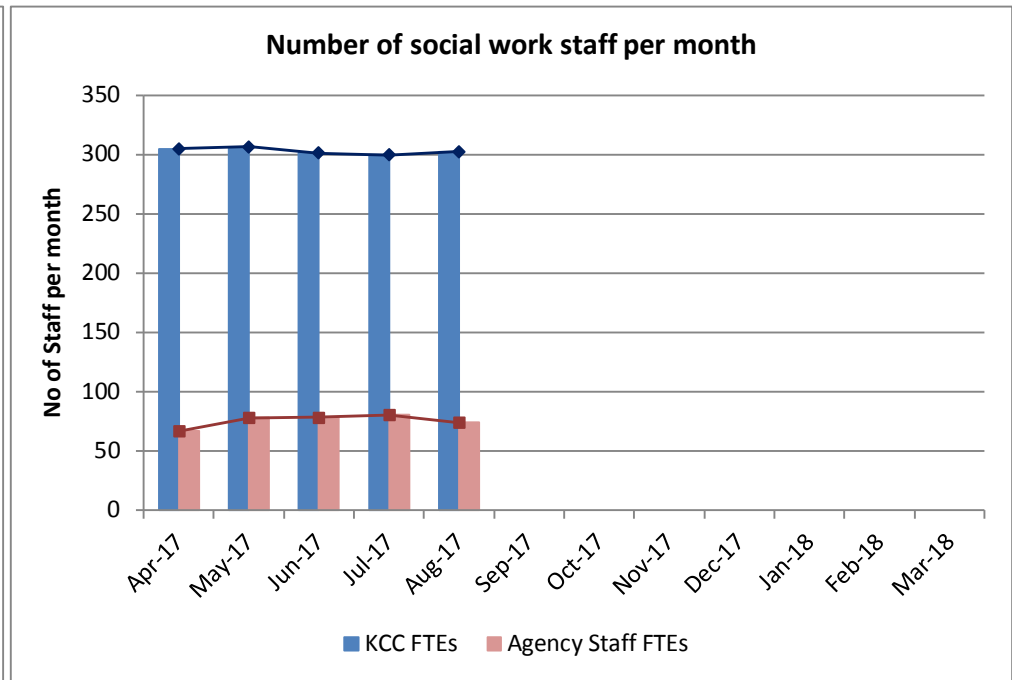
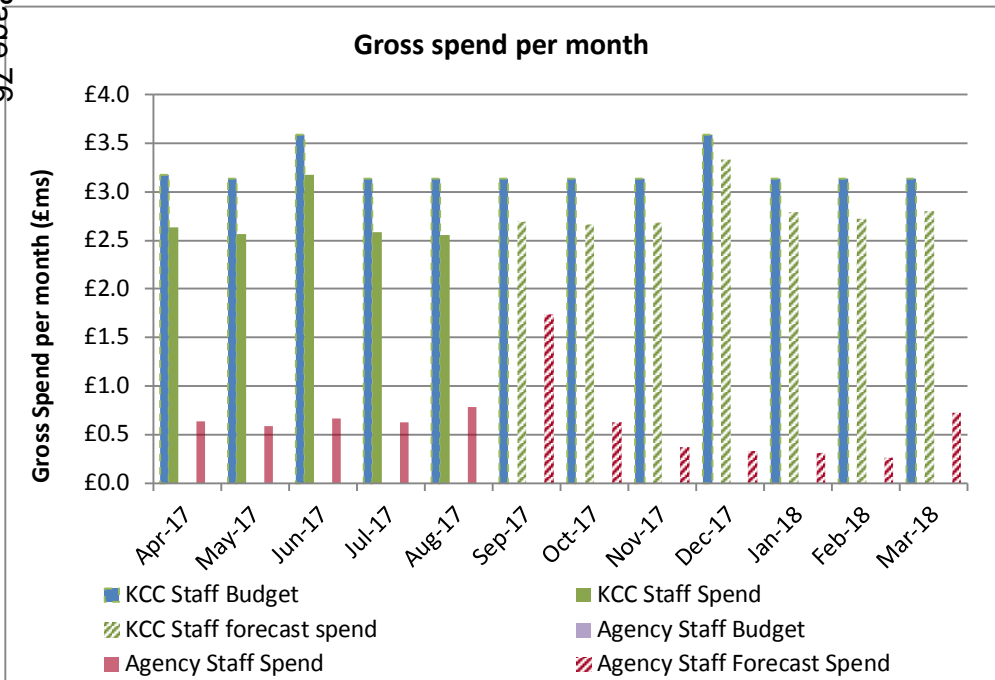
<b>2017-18 Forecast</b>	KCC £m	Agency £m	Gross £m
Budget	£38.6	£0.0	£38.6
Forecast	£33.2	£7.7	£40.8
Variance	-£5.4	£7.7	£2.2

<b>as at 31/08/17</b>	KCC £m	Agency £m	Gross £m
YTD Budget	£16.2	£0.0	£16.2
YTD Spend	£13.5	£3.3	£16.8
YTD Variance	-£2.7	£3.3	£0.6

<b>Staff numbers</b>	KCC FTEs	Agency Nos
as at 31/03/17	307.0	65.4
as at 31/08/17	302.5	74.0
YTD Movement	-4.5	8.6

**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 £1m net pressure reported against Children's Assessment staffing in Appendix 1. The £2.2m staffing pressure identified above is net against -£1.2m additional income, predominately relating to the recharging of the Duty Asylum team to the Asylum service, to produce the overall £1m pressure reported.



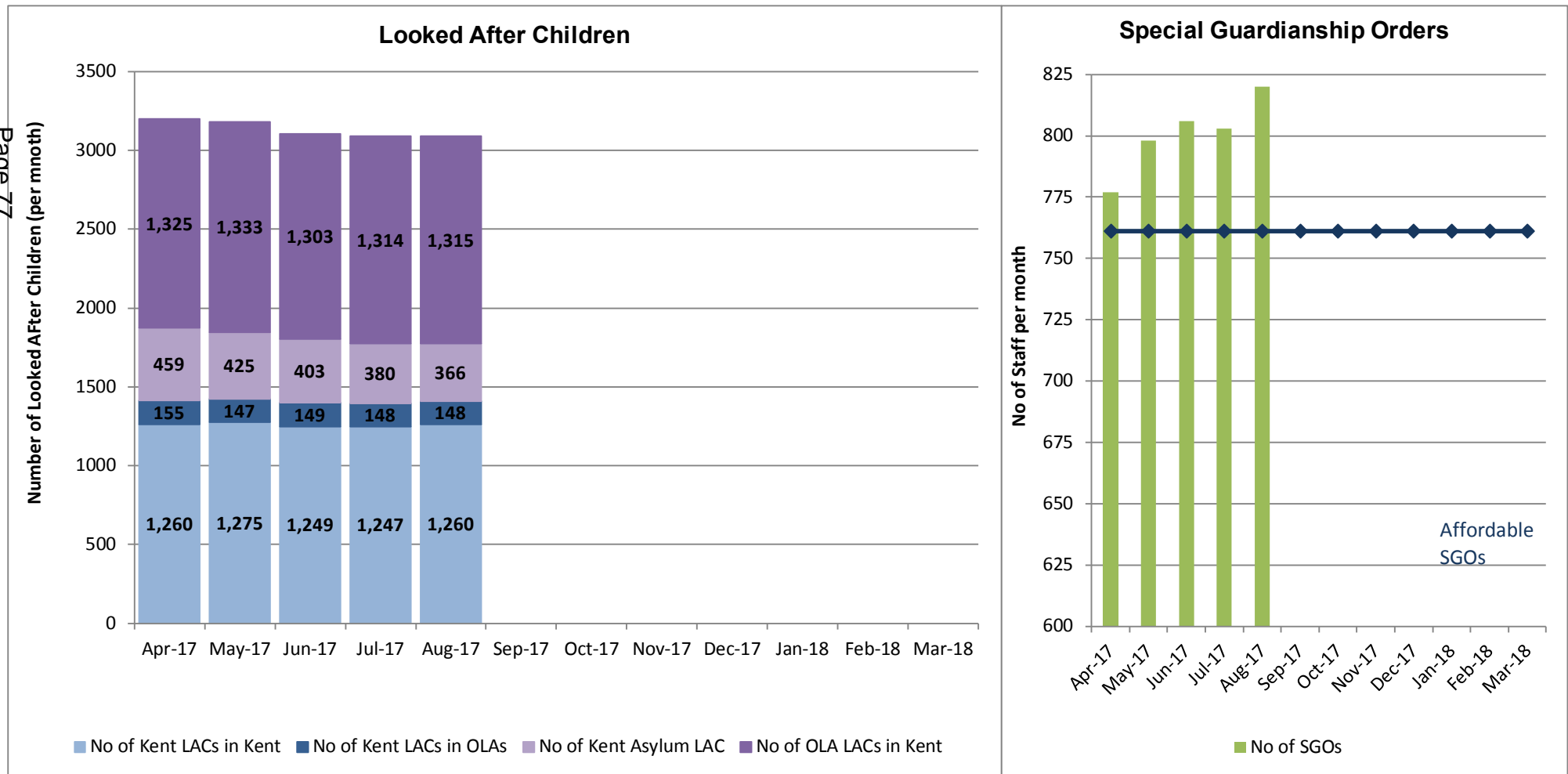
**Appendix 2.11: Number of Looked After Children and Number of Special Guardianship Orders (SGOs) with Costs**

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. The OLA LAC information has a confidence rating of 33% 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 both the Specialist Children's Services and Disabled Children's Services budget, with key parts of this relating to the LAC headings of Residential Care and 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.

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**Appendix 2.12: Transport Services - Concessionary fares**

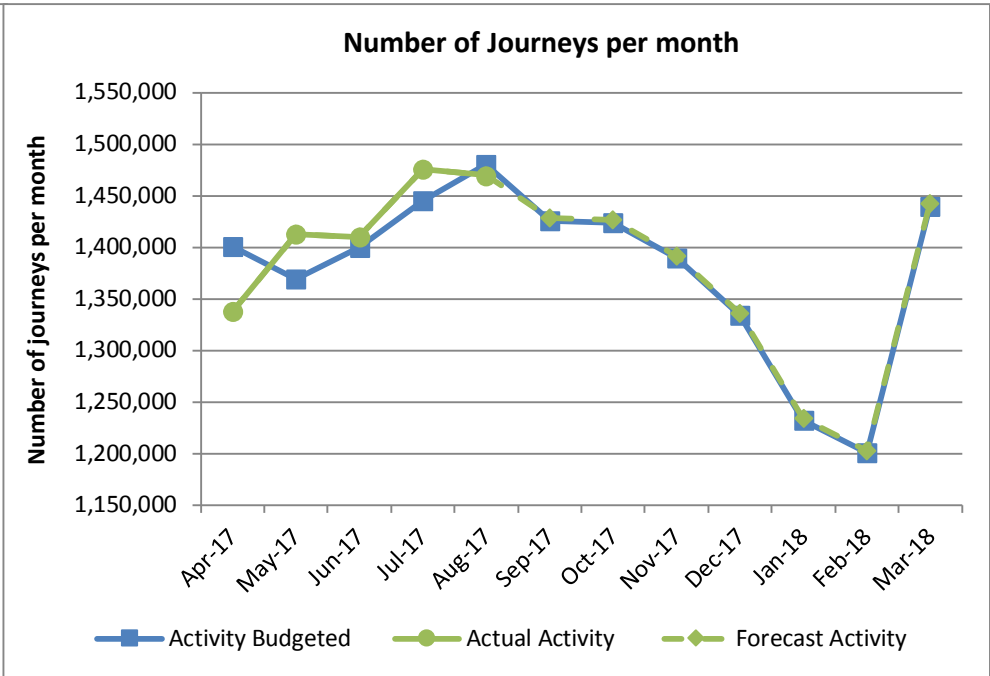
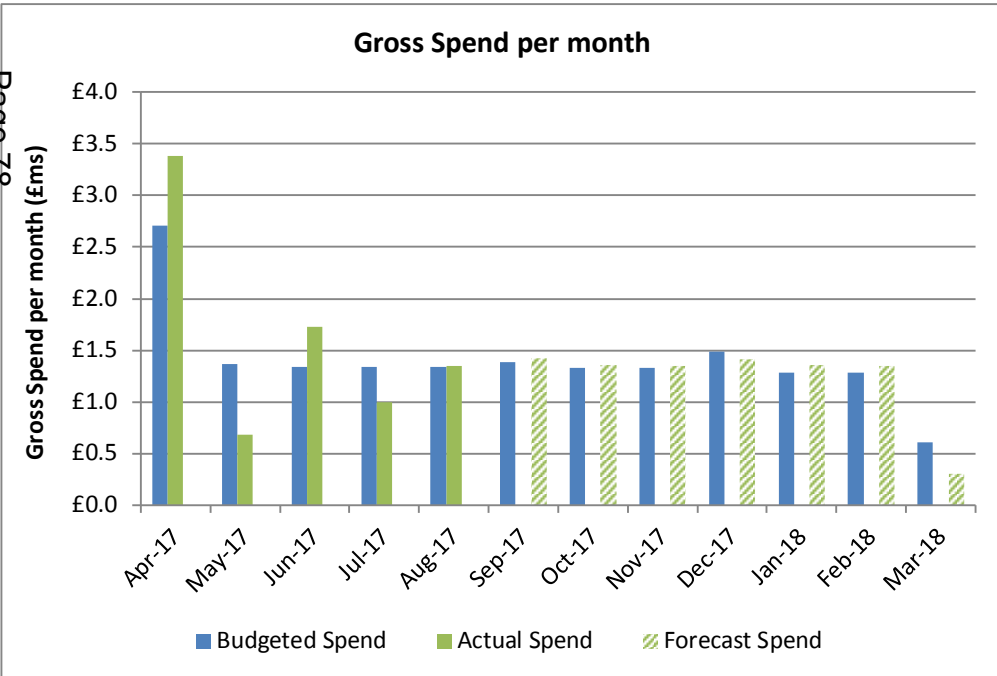
<b>2017-18 Forecast</b>	Gross £m	Income £m	Net £m	No of journeys to 31/03/2018
Budget	£16.8	-£0.0	£16.8	16,542,000
Actual	£16.7	-£0.0	£16.7	16,568,099
Variance	-£0.1	-£0.0	-£0.1	26,099

<b>Position as at 31st August 2017</b>	Gross £m	No of journeys to 31/08/2017
Budget: Spend/Activity Year to Date	£8.1	7,095,270
Actual: Spend/Activity Year to Date	£8.1	7,106,464
Variance as at 31st Aug 2017	£0.0	11,194

**MAIN REASONS FOR FORECAST VARIANCE:**

Currently there is no material variance relating either to number of journeys or price per journey with only a small underspend forecast on non activity headings (-£0.1m). The forecast is based on actual activity for April to August, with estimates for the remaining months. These estimates will continue to be reviewed in light of the actuals and the potential impact of any adverse weather on demand for journeys.

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

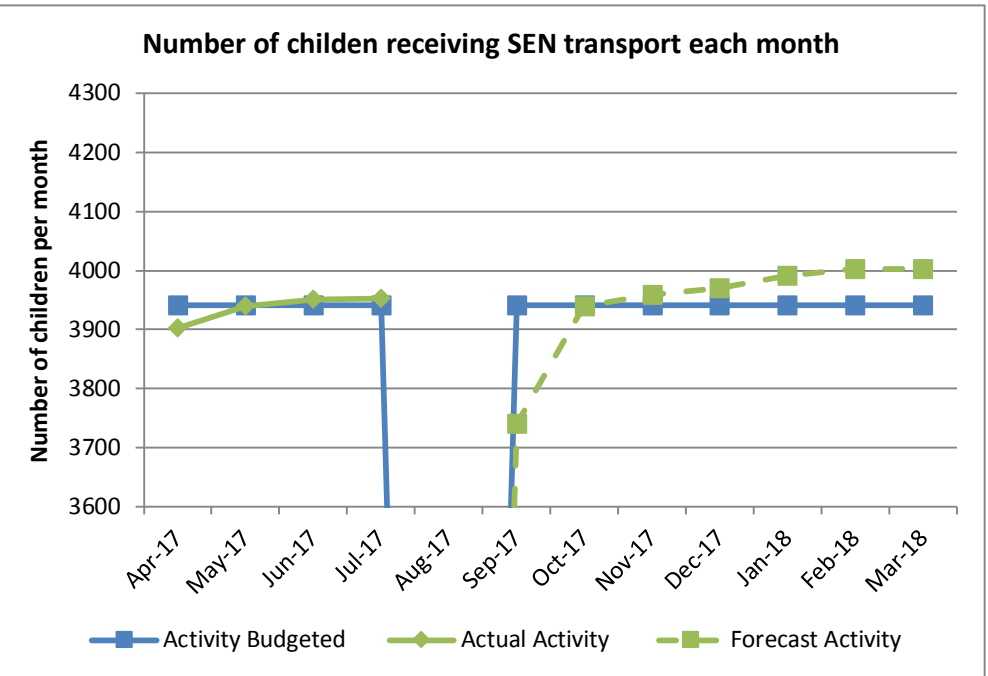
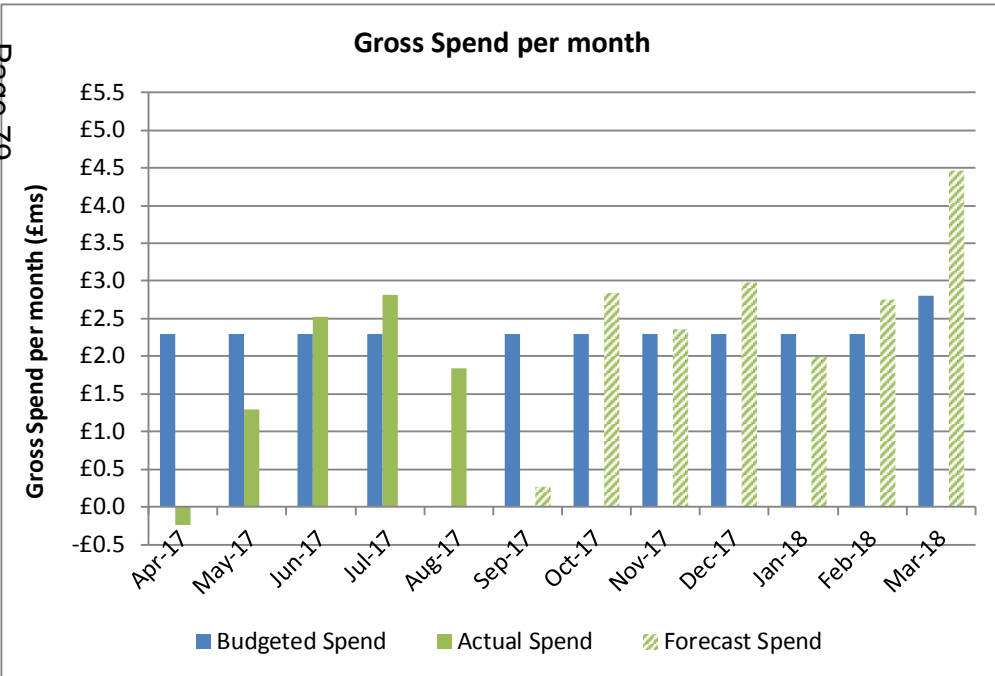
<b>2017-18 Total Forecast</b>	Gross £m	Income £m	Net £m	No of pupils as at 31/03/2018
Budget	£25.8	-£0.8	£25.0	3,941
Forecast	£25.9	-£0.8	£25.1	4,003
Variance	£0.1	-£0.0	£0.1	62

<b>Position as at 31st August 2017</b>	Gross £m	No of pupils as at 31/08/2017
Budget: Spend/Activity Year to Date	£9.2	0
Actual: Spend/Activity Year to Date	£8.2	0
Variance as at 31st August 2017	-£1.0	0

**MAIN REASONS FOR FORECAST VARIANCE:**

The SEN transport position should be looked at in conjunction with the Home to School Mainstream transport and 16+ Kent Travel card forecast. An overall breakeven position is currently being forecast for these services until the October 2017 monitoring report (reported to Cabinet in November 2017) when the forecasts for these budgets will be fully reviewed. These forecasts are heavily dependent on the September pupil numbers which will not be known until the end of September 17. At which time, there will also be further clarity on the impact of the recent procurement exercises.

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**Appendix 2.14: Treatment and disposal of residual waste**

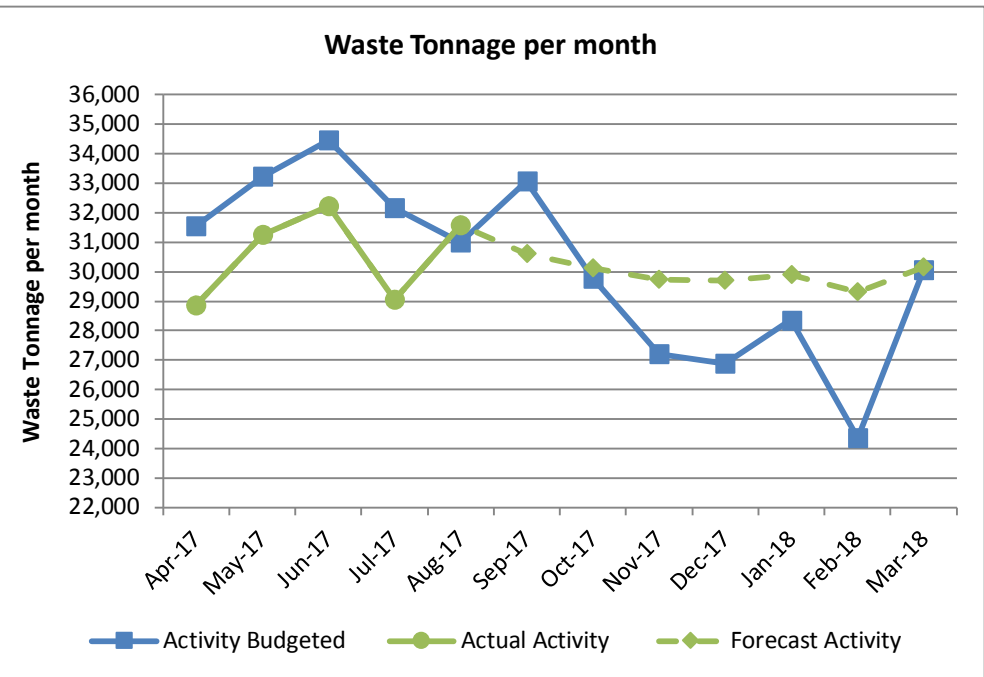
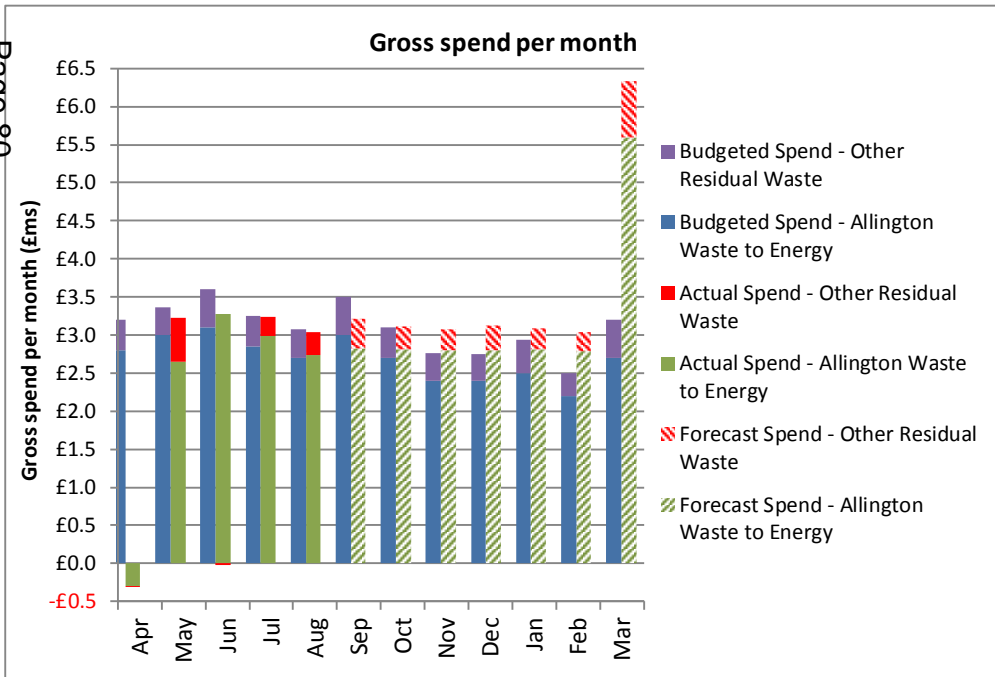
<b>2017-18 Forecast</b>	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2018
Budget	£37.4	£0.0	£37.4	362,047
Actual	£37.7	-£0.2	£37.4	362,505
Variance	£0.3	-£0.2	£0.1	458

<b>Position as at 31st August 2017</b>	Gross £m	Waste Tonnage to 31/08/2017
Budget: Spend/Activity Year to Date	£16.8	162,387
Actual: Spend/Activity Year to Date	£12.4	152,998
Variance as at 31st August 2017	-£4.4	-9,389

**MAIN REASONS FOR FORECAST VARIANCE:**

The gross pressure of +£0.3m is due to a price variance (+£0.4m), offset by a volume variance of +458 tonnes (-£0.1m). Although tonnes are over budget an underspend is being forecast because a large number of tonnes are being redirected from Waste Treatment Final Disposal contracts into Waste to Energy at a cheaper rate. Pressure is also offset by higher than expected income (-£0.2m), from trade waste tonnes, leading to a net pressure of +£0.1m. The -£4.4m underspend to date shown in the table above is due to no monthly payment being made in April; this is forecast to catch up in March as shown in the chart below.

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**Appendix 2.15: Waste Processing**

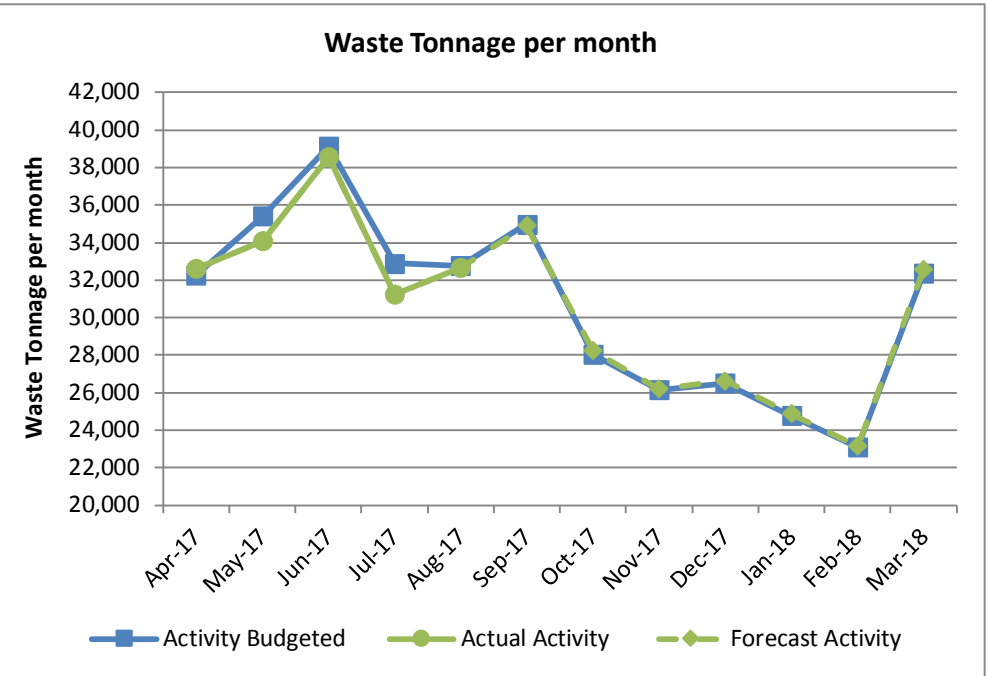
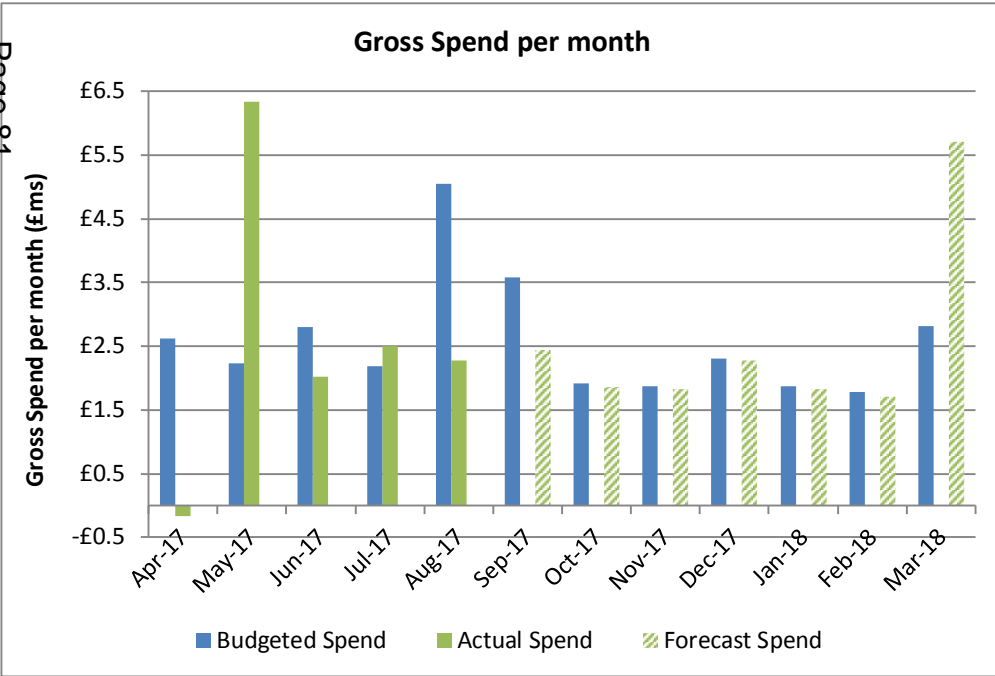
<b>2017-18 Forecast</b>	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2018
Budget	£31.0	-£1.9	£29.2	368,245
Actual	£30.6	-£1.8	£28.9	365,593
Variance	-£0.4	£0.1	-£0.3	-2,652

<b>Position as at 31st August 2017</b>	Gross £m	Waste Tonnage to 31/08/2017
Budget: Spend/Activity Year to Date	£14.9	172,387
Actual: Spend/Activity Year to Date	£13.0	169,110
Variance as at 31st August 2017	-£1.9	-3,277

**MAIN REASONS FOR FORECAST VARIANCE:**

The gross underspend of (-£0.4m) is due to tonnage price variances (-£0.4m) primarily for Soil/Hardcore and Materials Recycling Facilities where contracts have been successfully retendered; there is also a small pressure within income due to a volume variance of -2,081 tonnes (+£0.1m). Variations in tonnes may not always impact on the financial position as not all changes in waste types attract an additional cost. The high spend in May is due to Enabling Payments which were budgeted to be paid in August/September therefore the variance is just a timing issue.

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**Appendix 2.16: All Staffing Budgets (excluding schools)**

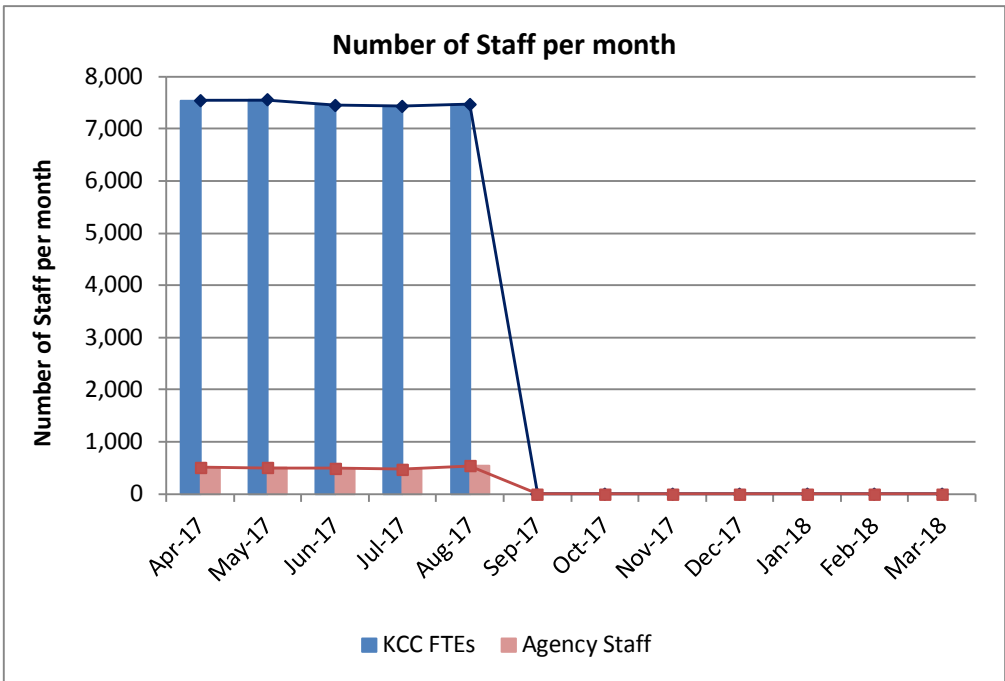
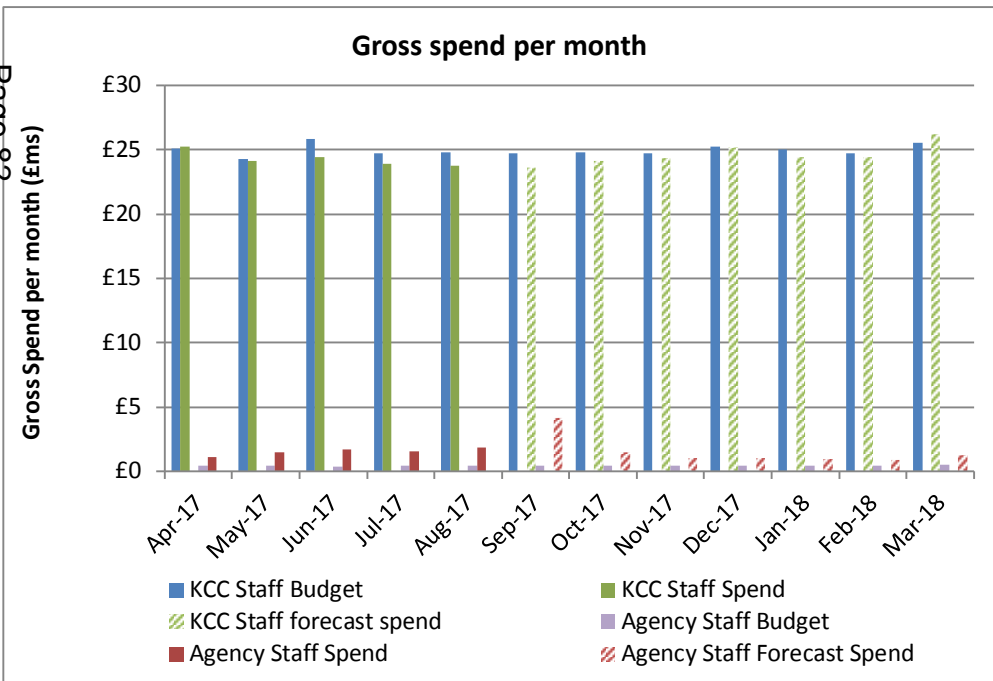
<b>2017-18</b>	KCC	Agency	Gross
<b>Outturn</b>	£m	£m	£m
Budget	£299.6	£5.1	£304.7
Outturn	£293.7	£18.4	£312.1
Variance	-£5.9	£13.3	£7.4

<b>as at 31</b>	KCC	Agency	Gross
<b>August 2017</b>	£m	£m	£m
YTD Budget	£124.8	£2.0	£126.8
YTD Spend	£121.4	£7.7	£129.0
YTD Variance	-£3.4	£5.6	£2.2

<b>Staff numbers</b>	KCC	Agency
	FTEs	Nos
as at 31 Mar 2017	7,609.36	445
as at 31 August 2017	7,470.32	543
Annual Movement	-139.04	98

**MAIN REASONS FOR VARIANCE:**

There is a significant underspend against KCC staff budgets but this is being negated by an overspend on agency staff. Vacancies are being held pending the outcome of restructuring and the uncertainty around budget cuts, which is contributing to the underspend against the KCC staff budgets. The majority of the overspend on agency staff relates to Children's Social Care Staff - see Appendix 2.10. The staffing numbers provided are a snapshot position at the end of the month.



### Unaccompanied Asylum Seeking Children (UASC)

#### 1. Position compared to budget by age category

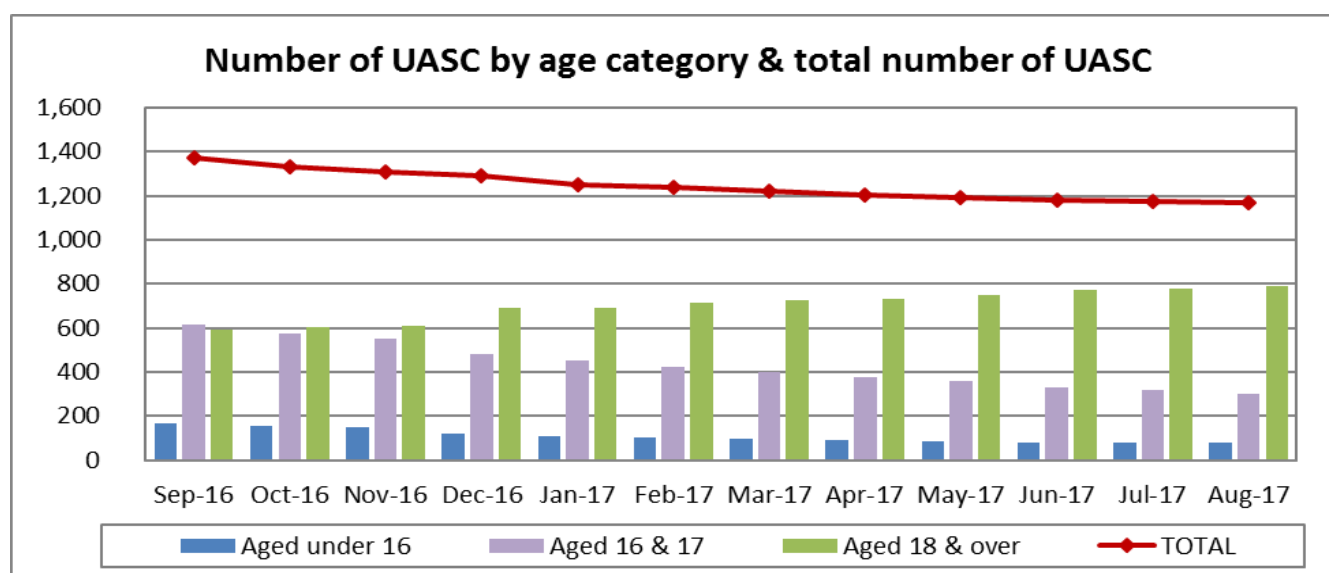
The outturn position is an overspend of £3.9m as detailed below:

	Cash Limit			Forecast Variance		
	Gross £m	Income £m	Net £m	Gross £m	Income £m	Net £m
Aged under 16	4.4	-4.4	0.0	-1.1	0.8	-0.3
Aged 16 & 17	10.5	-10.5	0.0	0.6	1.5	2.1
Aged 18 & over (care leavers)	8.7	-8.2	0.6	1.0	1.1	2.1
	<b>23.6</b>	<b>-23.1</b>	<b>0.6</b>	<b>0.5</b>	<b>3.4</b>	<b>3.9</b>

The following tables exclude individuals being reunited with family under the Dublin III regulation who are awaiting pick up by relatives and are not Asylum seekers (so are not eligible under grant rules), but we are recharging for the time they use the Authority's services, so the authority should not face net costs.

#### 2. Number of UASC & Care Leavers by age category

	Aged under 16	Aged 16 & 17	Aged 18 & over	TOTAL
Sep-16	167	613	594	<b>1,374</b>
Oct-16	155	573	601	<b>1,329</b>
Nov-16	147	553	610	<b>1,310</b>
Dec-16	117	481	693	<b>1,291</b>
Jan-17	109	451	691	<b>1,251</b>
Feb-17	101	425	714	<b>1,240</b>
Mar-17	99	398	725	<b>1,222</b>
Apr-17	93	376	732	<b>1,201</b>
May-17	85	356	750	<b>1,191</b>
Jun-17	80	331	771	<b>1,182</b>
Jul-17	78	316	778	<b>1,172</b>
Aug-17	80	301	790	<b>1,171</b>



The number of Asylum LAC shown in Appendix 2.11 (LAC numbers) 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.

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

2017/18	Eligible Clients	of which AREs	Ineligible Clients	of which AREs	Total Clients	Total AREs
At year end 2016/17	1,008	7	214	38	1222	45
April	982	3	219	42	1,201	45
May	972	3	220	33	1,192	36
June	965	8	217	35	1,182	43
July	967	4	205	32	1,172	36
August	954	21	217	32	1,171	53

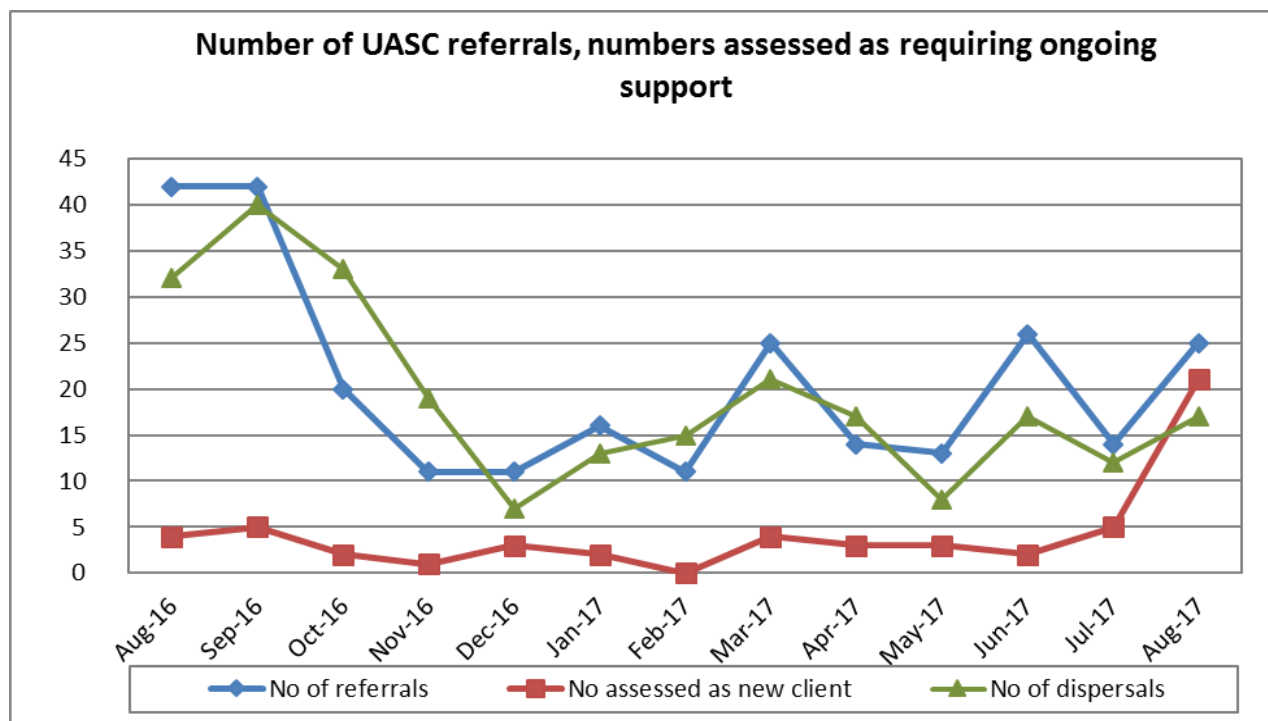
Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed. There is a sharp rise in the number of new ARE clients within the 13 weeks of service, this is due to the Home Office clearing a backlog of asylum decisions, coupled with a long delay in receiving data match information in relation to the grant claim.

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.

**4. Numbers of UASC referrals, assessed as requiring ongoing support**

	No of referrals	No assessed as new client	%	No of dispersals
Jul-16	47	5	11%	25
Aug-16	42	4	10%	32
Sep-16	42	5	12%	40
Oct-16	20	2	10%	33
Nov-16	11	1	9%	19
Dec-16	11	3	27%	7
Jan-17	16	2	13%	13
Feb-17	11	0	0%	15
Mar-17	25	4	16%	21
Apr-17	14	3	21%	17
May-17	13	3	23%	8
Jun-17	26	2	8%	17

	No of referrals	No assessed as new client	%	No of dispersals
Jul-17	14	5	36%	12
Aug-17	25	21	84%	17



#### 5. Total number of dispersals – new referrals & existing UASC

Duration	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
Jul-16	14	11	25
Aug-16	31	1	32
Sep-16	30	10	40
Oct-16	33	0	33
Nov-16	17	2	19
Dec-16	7	0	7
Jan-17	8	5	13
Feb-17	15	0	15
Mar-17	16	5	21
Apr-17	14	3	17
May-17	7	1	8
Jun-17	16	1	17
Jul-17	12	0	12
Aug-17	17	0	17

In total there have been 276 new arrivals that have been dispersed since July 2016. These are included within the referrals in table 4. This also includes arrivals since 01 July 16 dispersed to London Boroughs, who are not participating in the transfer scheme.

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.

Please note numbers have been amended for previous months to reflect more up-to-date information.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Agenda Item 8

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