AGENDA

CABINET

Thursday, 5th October, 2023, at 9.00 am
Darent Room, Sessions House,
Maidstone, Kent, ME14 1XQ

Ask for: **Georgina Little**
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UNRESTRICTED ITEMS

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

1. Apologies
2. Declarations of Interest
3. Minutes of the Meeting held on 17 August 2023 (Pages 1 - 8)
4. Quarterly Performance Report, Quarter 1 2023-2024 (Pages 9 - 74)
5. 23/00090 - Finance Monitoring Report 2023-2024 (Pages 75 - 166)
6. Securing Kent's Future - Budget Recovery Strategy (Pages 167 - 200)
7. Cabinet reconsideration of Decision 23/00069 (Post 16 Transport Policy Statement including Post 19 for 2024/25) (Pages 201 - 204)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Benjamin Watts
General Counsel
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Wednesday, 27 September 2023

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Council Chamber on Thursday, 17 August 2023.

PRESENT: Mr R W Gough (Chairman), Mrs C Bell, Miss S J Carey, Mrs S Chandler, Mr R C Love, OBE, Mr D Murphy, Mr D Watkins, Mr N Baker and Mr D Jeffrey

UNRESTRICTED ITEMS

1. Apologies
(Item 1)

Mr Oakford attended virtually.

2. Declarations of Interest
(Item 2)

There were no declarations of interest.

3. Minutes of the meeting held on 29 June 2023
(Item 3)

RESOLVED that the minutes of the meeting on 29 June 2023 were a correct record and that they be signed by the Chair.

4. Cabinet Member Updates
(Item 4)

1) Mrs Chandler said KCC was involved in 3 separate judicial review claims in relation to the care of unaccompanied asylum seeking children (UASC) and their accommodation in hotels by the Secretary of State for the Home Office. An expedited preliminary issues hearing of claims took place on 20 and 21 July 2023 and the outcome of the judgement had continued to be explored in court. There were to be further hearings as other elements of the claim were considered and brought forward by the court. KCC's principal concerns related to the operation of the National Transfer Scheme (NTS) and these were to be raised substantively with a court hearing which was likely to be in October.

Social workers at the Port and across the county were paid tribute to as they had worked tirelessly to demonstrate to the court how seriously KCC took the issues relating to UASC. Thanks were given to the Corporate Director for Children's, Young People and Education; Assistant Director (Front Door Services); and the Service Manager (for Reception and Safe Care Service). The work done by KCC was unparalleled in the country and work was being done to support all vulnerable children in the county.

KCC had been required to refuse to receive some UASC into the county's care as the last resort. It had been necessary since the judgement on 27 July 2023 because of the high numbers of UASC arriving by small boats to the Kent coast. The situation for frontline children's services and UASC was very challenging and unsustainable without meaningful government intervention and leadership.

At the time of the meeting, 605 UASC were being looked after by KCC under the Children Act 1989. This was 259 more than the National Transfer Scheme's 0.1% threshold. 277 UASCs had arrived in Kent since 27 July 2023 and of this cohort, KCC had accommodated 208 located in Kent or in placements in other local authorities. A large number of arrivals were anticipated in the coming week. KCC was taking all possible steps to accommodate consistently with the duties under the Children Act 1989 and it was only as a last resort that KCC determined it could not accommodate a child. The primary consideration is whether KCC can keep the individual child safe. Safeguards were built into this process and senior management approval was required for each UASC. The 3 Section 5 reports that had been issued demonstrated the seriousness with which KCC took these matters. The primary focus was always the safe care of the children arriving and those already residing in Kent. KCC respected its statutory duties and shared the court's concern about compliance. Due to the geographic position of the county, KCC dealt with a significant proportion of arriving UASC and it was considered that the government needed to implement and enforce the NTS. In his judgment, the judge indicated that there were a range of options open to The Secretary of State for the Home Department and The Secretary of State for Education to resolve the issues of UASC being accommodated in hotels and ensure they be taken into care by local authorities. KCC was pushing for the robust arrangements of NTS protocol and enforcement.

2) The Leader said that it was possible that further Section 5 reports would need to be issued as the safety of the children in KCC's care was prioritised. Work was being undertaken at pace resulting in changes, some of which might require key decisions. Work would be undertaken with officers and there would be early and full engagement with opposition groups.

3) Mr Love said A Level results day was on 17 August, with thousands of young people across Kent having found out their grades earlier in the day. Mr Love had visited Maidstone Grammar School for Girls with Deputy Cabinet Member, Mrs Hamilton and Christine McInnes, Director of Education and SEN. Congratulations were given to all those who got the grades they had hoped for, many of whom were preparing to go to university.

Mr Love said that for those who did not get the grades they had hoped for, a university placement might still be possible via the clearing process, or alternatively there were a wealth of options such as apprenticeships which offered fantastic long-term career prospects.

GCSE results day was to follow on Thursday, 24 August.

Since the new SEND staffing structure went live at the end of April, there had been a huge amount of work taking place behind the scenes to ensure that all the vacant posts were filled. It was confirmed that recruitment to permanent posts had gone very well and when the new members of staff start, the SEND service was to be up to almost full capacity. This was a stark contrast to the previous position whereby over

100 posts were vacant. Additional temporary staff were to be brought in over and above this to help tackle the backlog to ensure the service was back on track in the short-term.

As well as focusing on recruitment, a professional development programme was in place for all SEND staff to ensure they had the knowledge and skills needed to be able to undertake their roles as effectively as possible, whilst boosting staff retention.

There was no quick fix to the challenges Kent's SEND services were facing, but steps were being taken to get services to where KCC wanted them to be as soon as practically possible.

Mr Love paid tribute to Five Acre Wood School for being awarded the Inclusion Quality Mark National Champions Award 2023-24. Five Acre Wood was a school for children and young people with Profound, Severe and Complex Learning Difficulties, including Autistic Spectrum Disorder. They were just one of eight winners of this award nationwide, and it was hoped their achievements would help to inspire and support other special schools across the county.

Congratulations were given to all the staff and pupils of Five Acre Wood.

4) Mr Watkins said the government had awarded KCC supplementary Workforce funding through the Market Sustainability and Improvement Fund (MSIF). On 28 July 2023, the government had announced an additional £600 million nationwide to be provided to Adult Social Care across 2023 and 2024, which translated to £9.4 million for Kent. This meant that KCC could boost capacity within Adult Social Care.
The Kent and Medway Hope Community Arts Exhibition which aimed to raise awareness of suicide prevention and spread the message ‘there is always hope’, was launched at the Turner Contemporary in Margate on 18 July 2023 and went on regional tour. 11 local artists and community groups exhibited the work which had been co-produced with people who had lived experience of poor mental health. There was an impressive array of work including paintings, ceramics, creative writing and textiles. The exhibition was shown in venues in Maidstone, Chartham and Tunbridge Wells to highlight the help available to anyone living with suicidal thoughts, urges to self-harm or the loss of a loved one who had taken their own life. Mr Kennedy, who is one of KCC’s Mental Health Champions spoke at the launch event in Margate and Mrs Bell visited the exhibition in Maidstone.

KCC offered mental health and wellbeing support services: Release the Pressure, which was free expert advice from trained counsellors available for every mental health concern; Live Well Kent & Medway, which was run by The Shaw Trust and Porchlight charities; and Every Mind Matters, which assisted people suffering from stress and anxiety, low mood or sleep issues.

5) Mrs Bell said thanks to Mr Hill for all of his work as Cabinet Member for Communities and Regulatory Services.

The Prime Minister visited Kent Scientific Services’ (KSS) site in West Malling in May and was shown a trailblazing laboratory test developed by a KSS scientist, Punil Sanatcumar analysing the dangerous ingredient levels in vapes which were being imported and were getting into the hands and lungs of those under 18 years old. The visit was an opportunity to focus on the actions being taken to tackle the problem of the underage sales and the Prime Minister promised to close the legal loophole which allowed retailers to give away free samples to children.

There was a 12 week consultation on the Community Warden Service. Due to the financial challenges KCC was facing, changes were being made across the authority. As was set out in the Budget, the Community Warden Service had been asked to reduce its budget by £1 million by 2025. To meet this, the proposal which included a reduction in warden numbers had been developed with information from service users, input from staff and partners to maintain the broad scope and strengths of the service.

There had been a successful bid from the Gypsy, Roma and Traveller Resident Service to the Department of Levelling Up, Housing and Communities for The Traveller Site Fund which had secured £3.8 million in a capital grant to refurbish and complete a range of improvements to the 7 sites owned by KCC. The award of this funding is a great success and provided a unique opportunity to refurbish Kent's sites which would not be possible otherwise; the project would improve the lives of residents and meant KCC would fulfil its legal responsibilities as landlord.

The work taking place in Kent Prisons by KCC Library Service was amongst the 2023 winners of The National Libraries Connected Awards. The Awards celebrated the achievements of library workers who have had an exceptional impact on their service users or communities. There were 6 categories which reflected the core services that modern library services provided and KCC's award was the 'Reading Award' category. Tracy McKenzie and Liz Gunn were nominated for their use of technology to encourage more prisoners to use the library at HMP Swaleside and were praised for their dedication to improving the lives of their customers.

KCC's Country Parks were celebrating after receiving 8 Green Flag Awards for Brockhill, Grove Ferry, Lullingstone, Manor Park, Pegwell Bay, Shorne Woods, Teston Bridge and Trosley.

The news that Kent Country Parks had achieved the accreditation - the international quality mark for parks and green spaces – was testament to the hard work and dedication of the staff and volunteers who cared for the green spaces.

6) Mr Murphy said KCC was proud to be able to host the latest meeting of the Straits Committee in Dover on 4 and 5 July 2023 where colleagues from Belgium, France and the Netherlands were welcomed. The meeting was to take forward themes in relation to water-related challenges and the economic impacts. The next meeting which was to be held in Rotterdam in the Netherlands was to focus on tackling the issues through small projects.

Due to the government's decision about the funding of The South East Local Enterprise Partnership (SELEP), the board was to be dismantled. However, the resources from SELEP were to be divided among the 3 counties and KCC was to continue working with colleagues in Medway. Work was to continue with the related federated bodies.

The Kent & Medway Progression Federation (KMPF) funding issue had been resolved and the government had agreed that KCC can retain these monies. The process was being relaunched to help businesses in the county.

On 17 July, Andrew Bowie, the Parliamentary Under Secretary of State (Minister for Nuclear and Networks) was welcomed to Dungeness as part of programme to promote the site for small modular reactors.

Mr Murphy made a number of visits:

- To a cricket bat manufacturer at Langley, near Maidstone. The company wished to expand and move into new premises. It was possible that KCC would be able to assist with this;
- To St Thomas's Almshouses, Gravesend, which was a Pinnock's Charity who are seeking to build 30 new almhouses;
- To Berkley Modular Homes at Gravesend, which was a £200 million facility which built 1000 units per annum;
- Several meetings had taken place with broadband providers;
- To Margate School of Arts, who were keen to expand. The School had connections with a highly respected facility in France.

- To Medway Council to meet with Lauren Edwards, Portfolio Holder for Economic and Social Regeneration and Inward Investment. It was a constructive meeting and moving forward, Medway Council were keen to participate in KMPF and federated bodies.
- There had been several meetings with Jim Martin, the Leader of Folkestone & Hythe District Council, particularly to discuss Otterpool Park.
- To the naming ceremony of the new P&O Ferry, the P&O Pioneer, alongside Mr Brazier. The vessel had been specifically designed for the Dover-Calais route and was a hybrid diesel and electric propulsion system.

7) Miss Carey said Plan Bee, KCC's pollinator action plan, had been named as Bees' Needs Champion by the Department for Environment, Food and Rural Affairs. The award recognised and celebrated examples of exceptional initiatives undertaken by local authorities, community groups, farmers and businesses to support pollinators.

For the third year running, KCC had successfully bid to the Local Authority Treescape Fund; and had secured the maximum funding available - £300,000. Over 2 years, this was to fund the replacement street trees, orchards, trees emerging from hedgerows and 22,000 whips.

KCC had been appointed the lead local authority for the creation of the Kent & Medway Local Nature Recovery Strategy over the next two years. With this came a £380,000 grant which ensured KCC could engage with landowners, stakeholders and the wider public so that the strategy was tailored to Kent and KCC was in the best possible place to implement it.

5. Securing Kent's Future - Budget Recovery Strategy & Financial Reporting

(Item 5)

Zena Cooke, Corporate Director of Finance and Joel Cook, Democratic Services Manager were in attendance for this item

1) The Leader introduced the report which related to both the outturn and projections for the year, out of quarter 1 of the financial year. The report outlined the pressures, actions already being taken, the need for a short term plan and also longer terms measures to build a sustainable position for KCC.

2) Mr Oakford outlined the report which said the 2023-24 revenue budget was showing a forecast overspend of £43.7.m before management action. The overspend from 2022-2023 was severely impacting KCC's financial resilience. The General Fund reserve level was now £37.4 million which was well below the agreed £65.8 million (5% of the net revenue budget).

The forecast revenue overspend from 2022-23 was taken into account when determining the 2023-24 budget and future medium term plans, with significant additional spending growth of £182.3m allocated in the 2023-24 budget.

Despite the additional spending growth allocated in the 2023-24 budget, the revenue forecast outturn position for 2023-24 was an overspend of £43.7m (excluding schools) before management action. Initial management action was expected to reduce this forecast overspend to £26.7 million. Significantly more action was needed to reduce this further. Work was being prioritised throughout the council to develop further management action that can be taken immediately in the current year, and over the medium term and this was to be reported back to the Cabinet meeting of 5 October.

Within the overall outturn position there were significant forecast overspends (before management action) in Children's, Young People and Education totalling £28.4 million, and in Adult Social Care & Health totalling £25.8 million. Detailed analysis of the main areas of overspend was being undertaken to help understand the underlying causes, the degree of common features and pressures being experienced by other councils and how these were to be mitigated. The council would need to limit its actions to focus on essential activities and priorities until the financial position was brought under control. The results of the analysis and resulting actions were to be reported back at the October meeting of Cabinet.

The forecast overspend presented serious and significant risk to the council's financial sustainability, if it was not addressed as a matter of urgency. The risk reserve set aside to deal with any overspend in 2023-2024 was only £12 million, so further action was needed to ensure the budget was brought back to as close to balance as possible by the end of the financial year. The action taken, building on the initial management action detailed in the report, would need to focus on recurring cost reductions and savings to ensure the 2024-25 budget and medium-term financial plan were not impacted.

3) Ms Cooke said the report which was to be brought to the meeting of Cabinet on 5 October was key in demonstrating that KCC was reducing the overspend, in order to demonstrate that KCC was still financially viable and financially resilient.

4) The Leader said that further actions would be taken following the meeting of Cabinet on 5 October and that it was a 3 stage process. There was an initial estimate of the projected overspend of £43.7 million and there were actions that were already committed to in 2 areas of work which would reduce the overspend but there was still

a significant amount to be done. The focus would continue to be in the areas of the biggest overspend as that was where the pressures were. However, the strong message from Cabinet was that KCC was committed to take the actions to ensure that there was a balanced position. The pressures were set out in detail in the report but they came from a number of areas in Adult Social Care, home-to-school transport (particularly but not solely in SEN and Disability school transport) and placement costs within Children's Social Services. The pressures were well known not to be limited to Kent.

Longer term work was critical for securing Kent's future. The whole path for local government was not in a sustainable position and this was the message of the letter that the Leader and the Leader of Hampshire County Council wrote to government ministers in 2022. It was vital that KCC did everything within its power to ensure that it was in position to continue providing vital services to residents in the county.

5) Further to comments and questions, the following points were noted:

- The Adult Social Care and Health directorate was committed to bringing their part of budget into balance. However, it was noted that KCC was invariably at the mercy of forces beyond its control. Key elements moving forward would be close working with NHS, changing the way services were commissioned, financial assessments conducted at an earlier point in the user timeline. A fundamental staff restructure had already been undertaken.
- Management actions in Children's, Young People and Education would contribute to the savings. The work ongoing with NHS to look at expenditure was showing positive outcomes. By October, significant quantifiable information on progress would be able to be brought.
- There was work going on regarding support for Looked After Children (LAC), looking at individual placements and looking at the suitability of the placements. Every appropriate member of staff was part of that forensic work into LAC placements. Work was also ongoing regarding care cooperatives in the medium term and progressing special guardianship orders.
- The numbers of children in care was a significant factor. The targeted preventative work was significant in preventing children from coming into local authority care. KCC's preventative work was funded in a number of ways, some funding was ringfenced with specific requirements around it.
- In education, there were no sustainable 'quick fixes' and in the short term, there was a higher level of expenditure on staffing levels but it was essential to deliver the services. There were a number of temporary staff being retained to get through the backlog of EHCP assessments.

6) Mr Cook advised Members that in considering the recommendations outlined in the report, attention should be paid to the sections relating to legal and equalities implications. Members were reminded that in developing any activities listed in the report that the council's statutory duties need to be met.

7) RESOLVED to agree the recommendations as outlined in the report.

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From: Roger Gough – Leader of the Council

Amanda Beer – Interim Chief Executive Officer

To: Cabinet – 5 October 2023

Decision No: n/a

Subject: **Quarterly Performance Report, Quarter 1, 2023/24**

Classification: Unrestricted

Summary: The purpose of the Quarterly Performance Report (QPR) is to inform CMT and Cabinet about key areas of performance for the authority. This report presents performance to the end of June 2023 (Quarter 1, 2023/24).

Of the 38 Key Performance Indicators (KPIs) contained within the QPR, 16 achieved target (Green), 11 achieved or exceeded the floor standard but did not meet target (Amber). 11 KPIs did not meet the floor standard (Red).

Recommendation(s): Cabinet is asked to NOTE the Quarter 1 Performance Report.

1. Introduction

1.1. The Quarterly Performance Report (QPR) is a key mechanism within the Performance Management Framework for the Council. The report summary for Quarter 1, 2023/24 is attached at Appendix 1, and includes data up to the end of June 2023.

1.2. The QPR includes 38 Key Performance Indicators (KPIs) where results are assessed against Targets set at the start of the financial year, this is one more than the previous year when there were 37 KPIs.

2. Quarter 1 Performance Report

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

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

- 16 are rated Green (one more than the previous Quarter) - the target was achieved or exceeded.
- 11 are rated Amber (one more than the previous Quarter) – performance achieved or exceeded the expected floor standard but did not meet target.
- 11 are rated Red (one fewer than the previous Quarter) – performance did not meet the expected floor standard.

2.3. The 11 indicators where the RAG rating is Red, are in:

- Customer Services
    - Percentage of complaints responded to within timescale
- Governance and Law
    - Percentage of Freedom of Information Act (FoI) requests completed within 20 working days
    - Percentage of Data Protection Act (DPA) Subject Access requests completed within statutory timescales
- Environment and Transport
    - Percentage of routine pothole repairs completed within 28 days
    - Percentage of routing highways repairs reported by residents completed within 28 days
    - Percentage of Emergency highway incidents attended within 2 hours of notification.
- Children, Young People and Education
    - Percentage of Education, Health Care Plans (EHCPs) issued within 20 weeks
    - Percentage of annual EHCP reviews waiting over 12 months
    - Percentage of pupils (with EHCP's) being placed in independent or out of county special schools
    - Percentage of foster care placements which are in-house or with relatives and friends (excluding UASC)
- Adult Social Care
    - Percentage of new Care Needs Assessments delivered within 28 days

2.4. With regards to Direction of Travel, four indicators show a positive trend (two more than the previous Quarter), 24 are stable or with no clear trend (same as previous Quarter), and 10 are showing a negative trend (one fewer than the previous Quarter).

3. Recommendation(s)

Cabinet is asked to NOTE the Quarter 1 Performance Report.

4. Contact details

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Kent County Council

Quarterly Performance Report

Quarter 1

2023/24

Produced by: Kent Analytics
E-mail: performance@kent.gov.uk
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Executive Summary

With the addition of one new Key Performance Indicator (KPI) for the 2023/24 year, there are now 38 KPIs reported. 16 of the 38 indicators are rated as Green, on or ahead of target (one more than last Quarter). 11 indicators reached or exceeded the floor standard and are rated Amber (one more than last quarter) with 11 indicators not achieving the floor standard and so RAG rated Red (one fewer than last Quarter). Four indicators were showing an improving trend (two more than last Quarter), with ten showing a worsening trend (one fewer than last Quarter).

	G	A	R	⇧	⇨	⇩
Customer Services	2		1		2	1
Governance and Law			2		2	
Growth, Economic Development & Communities	1	1			2	
Environment and Transport	2	1	3	2	2	2
Children, Young People and Education	5	5	4		12	2
Adult Social Care	1	4	1	1	2	3
Public Health	5			1	2	2
TOTAL	**16**	**11**	**11**	**4**	**24**	**10**

Customer Services – Satisfaction with Contact Point advisors improved and exceeded target. The percentage of phone calls answered also improved, exceeding its new target. The percentage of complaints responded to within timescale decreased further below floor standard and remains RAG rated Red. **An action plan has been put in place to reduce backlogs within Highways and Special Educational Need (SEN) services; these will take some time to reduce, and the impact on performance will continue throughout this year.**

Customer Services KPIs	**RAG rating**	**DoT**
% of callers to Contact Point who rated the advisor who dealt with their call as good	GREEN	⇨
% of phone calls to Contact Point which were answered	GREEN	⇨
% of complaints responded to within timescale	RED	⇩

Governance and Law - Freedom of Information (FOI) / Environmental Information Regulation (EIR) requests responded to in timescale and Data Protection Act Subject Access requests completed within timescale remain below floor standards. **An ongoing staff resource issue within the Information, Resilience and Transparency team, should ease as the year progresses due a current recruitment process. In addition, more resource will be focused on supporting officers in drafting responses. Better use of technology to support further efficiencies will also be investigated. Further to this, two recent projects have been delivered which aim to reduce officer time spent on other aspects of information governance which should free-up time in responding to FOI and SAR requests.**

Governance and Law KPIs	**RAG rating**	**DoT**
% of Freedom of Information Act (FoI) requests completed within 20 working days	RED	⇨
% of Data Protection Act (DPA) Subject Access requests completed within statutory timescales	RED	⇨

Growth, Economic Development & Communities – The number of properties brought back into active use through the No Use Empty programme was below target this Quarter and was RAG rated Amber. The amount of Developer Contributions secured as a percentage of amount sought improved to close to 100% and was RAG rated Green. The total number of issues from libraries continues to be higher than for the same period last year.

Growth, Economic Development & Communities KPIs	**RAG rating**	**DoT**
Number of homes brought back to market through No Use Empty (NUE)	AMBER	⇨
Developer contributions secured as a percentage of amount sought	GREEN	⇨

Environment & Transport – For Quarter 4, three of the Highways KPIs are RAG rated Red and one Amber, with high demand continuing to impact on achievement of targets. Potholes and routine highway faults repaired within 28 days, and Emergency Incidents attended within 2 hours, remain below floor standard. **Our contractor, Amey, is undertaking an internal review to drive improvements and get performance back in line.** The callback satisfaction survey remains Amber rated. Municipal Waste recycled or converted to energy, continues to be above target, and reduction in Greenhouse Gas emissions also remains ahead of target.

Environment & Transport KPIs	RAG rating	DoT
% of routine pothole repairs completed within 28 days	RED	⇨
% of routine highway repairs reported by residents completed within 28 days	RED	⇨
% of emergency highway incidents attended within 2 hours of notification	RED	⇩
% of satisfied callers for Kent Highways & Transportation, 100 call back survey	AMBER	⇩
% of municipal waste recycled or converted to energy and not taken to landfill – rolling 12 months	GREEN	⇧
Greenhouse Gas emissions from KCC estate (excluding schools) in tonnes – rolling 12 months	GREEN	⇧

Education & Wider Early Help – Schools continue to exceed the inspection target, but Early Years settings remain slightly below, although 97% are still rated good or outstanding. Completion of Education, Health and Care Plan (EHCP) assessments in timescale decreased further below the floor standard and is RAG rated red. The new KPI measuring annual EHCP reviews waiting over 12 months is on a worsening trend, and not meeting floor standard so is RAG rated red. **Since September 2022, when there were over 100 vacancies in the case work teams, vacancies have been reduced by two thirds and recruitment is continuing. In addition, the council is investing more money in an additional team of experienced SEND staff to accelerate the speed of improvement.** Pupils with EHCPs placed in independent or out of county special schools is unchanged and not meeting its floor standard. **The project on the phase transfer process this year is continuing with the aim to reduce the number of children transitioning into specialist settings, support more children with EHCPs in mainstream settings, and ensure maintained special school places are targeted at those children with the most complex needs. This strategy will contribute to reducing pupils placed in the independent sector over time.** Permanent pupil exclusions have increased and is not now meeting target. The number of first-time entrants to the youth justice system improved slightly but remains Amber rated.

Education & Wider Early Help KPIs	RAG rating	DoT
% of all schools with Good or Outstanding Ofsted inspection judgements	GREEN	⇨
% of Early Years settings with Good or Outstanding Ofsted inspection judgements (childcare on non-domestic premises)	AMBER	⇨
% of Education, Health Care Plans (EHCPs) issued within 20 weeks – rolling 12 months	RED	⇨
Percentage of annual EHCP reviews waiting over 12 months	RED	⇩
Percentage of pupils (with EHCP's) being placed in independent or out of county special schools	RED	⇨
% of pupils permanently excluded from school – rolling 12 months	AMBER	⇨
Number of first-time entrants to youth justice system – rolling 12 months	AMBER	⇩

Children's Social Care & Early Help – Four of the seven indicators met target. Percentage of case holding posts filled by permanent qualified social workers is relatively unchanged, remaining below target and close to floor standard. The percentage of foster care placements which are in-house or with relatives improved but remains below floor standard. **Management actions include: a focus on recruitment and retention of foster carers; continual monitoring of capacity to ensure full utilisation of available placements; and plans to address some of the barriers to recruitment.** The percentage of Care Leavers in education, employment remains below target.

Children's Social Care & Early Help KPIs	**RAG rating**	**DoT**
Percentage of Early Help cases closed with outcomes achieved that come back to Early Help / Social Work teams within 3 months	GREEN	⇨
% of case holding posts filled by permanent qualified social workers	AMBER	⇨
% of children social care referrals that were repeat referrals within 12 months	GREEN	⇨
% of child protection plans that were repeat plans	GREEN	⇨
Average no. of days between becoming a child in care and moving in with an adoptive family – rolling 12 months	GREEN	⇨
% of foster care placements which are in-house or with relatives and friends (excluding UASC)	RED	⇨
% of care leavers in education, employment or training (of those KCC is in touch with)	AMBER	⇨

Adult Social Care – One KPI met target and is RAG rated Green. The proportion of new Care Needs Assessments delivered within 28 days, improved slightly but remains below floor standard. **Completion of CNAs continues to be prioritised as part of the Performance Assurance Framework and new ways of working are being looked into to help balance all the activities worked on by Practitioners in the new community teams.** The proportion of clients receiving Direct Payments also improved slightly but remains below target. The proportion of older people still at home 91 days after discharge increased slightly but remains below target. Long Term support needs of older people met by admission to residential and nursing care homes, improved and met floor standard but not target so is RAG rated Amber. Percentage of KCC supported people in residential or nursing care where the CQC rating is Good or Outstanding continues on a declining trend and is below target, rated Amber.

Adult Social Care KPIs	**RAG rating**	**DoT**
% of people who have their contact resolved by ASCH but then make contact again within 3 months	GREEN	⇧
% of new Care Needs Assessments delivered within 28 days	RED	⇩
% of people receiving a long-term community service who receive Direct Payments	AMBER	⇨
Proportion of older people (65+) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services	AMBER	⇩
Long Term support needs of older people (65 and over) met by admission to residential and nursing care homes, per 100,000	AMBER	⇨
% of KCC supported people in residential or nursing care where the CQC rating is Good or Outstanding	AMBER	⇩

Public Health – All five KPIs are meeting or exceeding target. However, the number of mandated checks delivered by the health visiting service, and successful completions of drug and alcohol treatment, are both on a declining trend.

Public Health KPIs	**RAG rating**	**DoT**
Number of eligible people receiving an NHS Health Check – rolling 12 months	GREEN	⇧
Number of mandated universal checks delivered by the health visiting service – rolling 12 months	GREEN	⇩
% of first-time patients (at any sexual health clinics or telephone triage) who are offered a full sexual health screen	GREEN	⇨
Successful completion of drug and alcohol treatment	GREEN	⇩
% of Live Well clients who would recommend the service to family, friends or someone in a similar situation	GREEN	⇨

Customer Services

Cabinet Member	Dylan Jeffrey
Corporate Director	Amanda Beer

KPI Summary	GREEN	AMBER	RED	⇧	⇨	⇩
	2		1		2	1

Customer contact through Contact Point (KCC's call centre) is provided via a strategic partnership, whilst Digital services are provided by KCC. The percentage of callers who rated their advisor as good was 98%, exceeding the target.

The call answer rate improved to 91% this Quarter, exceeding the current target. For the new activity indicators on average speed of answer, this was above expectations for all calls at 1 minute 45 seconds, meaning calls are answered quicker than anticipated, priority calls at 43 seconds were answered within the expected range.

Contact Point received 8% fewer calls compared to the previous Quarter and 12% fewer calls than Quarter 1 last year. The 12 months to June 2023 saw a 6% decrease in calls compared to the 12 months to June 2022. A new SEND (Special Educational Needs and Disabilities) line is now available to the public and received an increasing number of calls as the Quarter progressed, which was possibly due to the line becoming more widely known.

Average call time reduced from the previous Quarter to 6 minutes 4 seconds, meeting target.

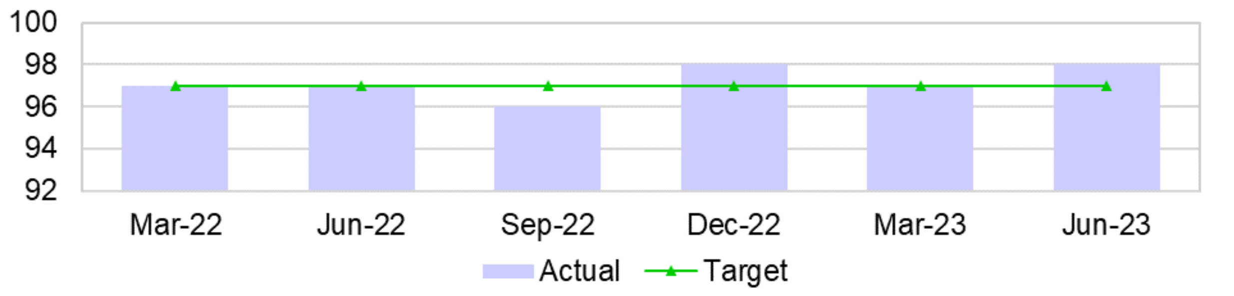
There were close to 2 million visits (sessions) to the kent.gov website in Quarter 1, similar to the previous Quarter, but 10% lower than the same Quarter the previous year. Pages relating to Household Waste Recycling Centres continue to be the most visited.

Quarter 1 saw a slight increase in the number of complaints received compared with the previous Quarter and an increase on the same Quarter last year. Between April and June, 58% of complaints were responded to within timescales. In terms of Directorate performance, the Chief Executive's Department and Deputy Chief Executive's Departments, together achieved 90% of responses within target; Adult Social Care and Health, 61%; Growth, Environment and Transport, 56%; and Children, Young People and Education, 39%. Whilst performance remains below the floor standard overall, this is in part due to the work being taken to respond to overdue cases. **An action plan has been put in place to reduce backlogs within Highways and Special Educational Need (SEN) services; these will take some time to reduce, and the impact on performance will continue throughout this year.**

There was an increase in complaints received for Household Waste Recycling Centres (HWRCs) following an intermittent issue with the booking system, now resolved, and the news regarding potential closures of some HWRC sites across Kent. There was also an increase in complaints regarding potholes and road works with concerns around damage to cars and traffic issues respectively.

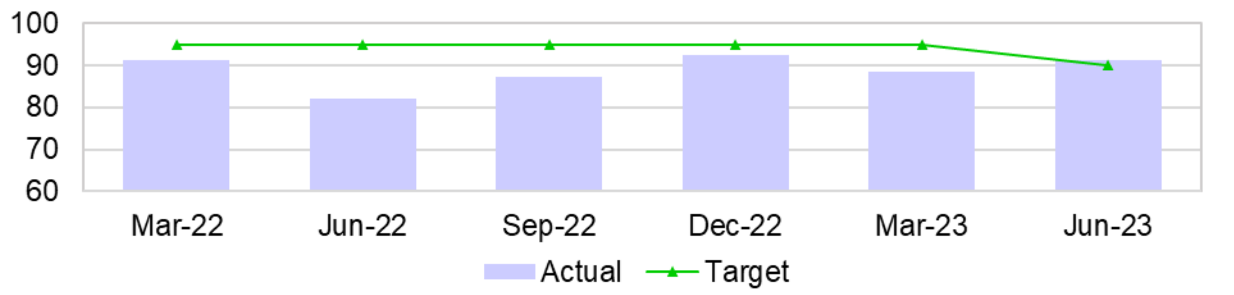
Key Performance Indicators

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



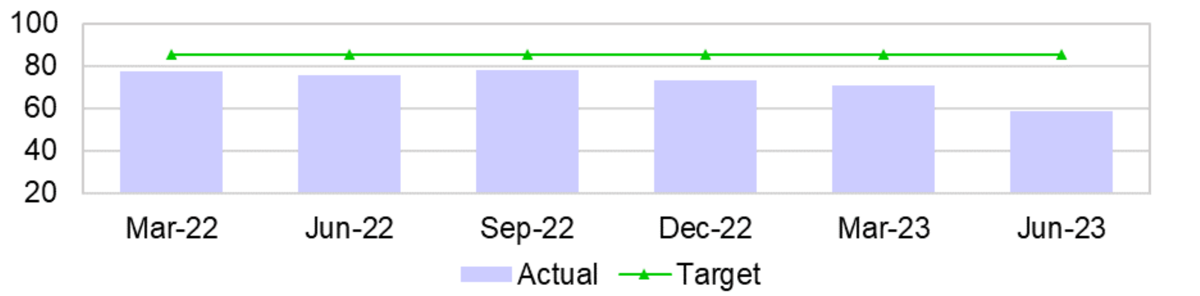
Latest: 98%	Target: 97%, Floor: 90%	Previous: 97%

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



Latest: 91%	Target: 90%, Floor: 85%	Previous: 88%

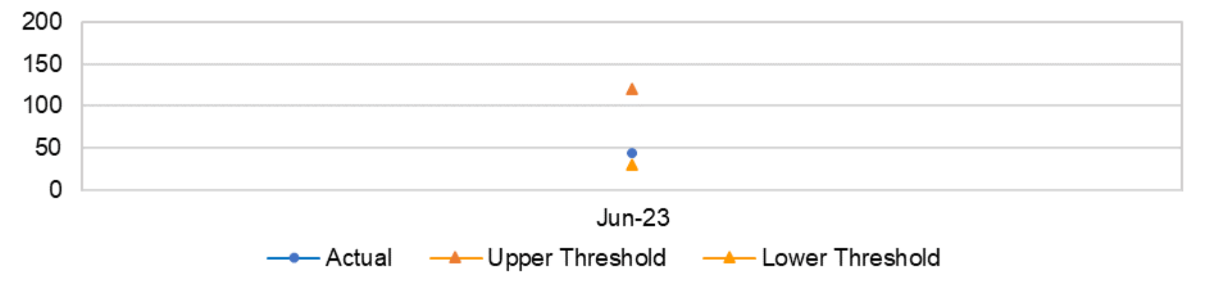
Percentage of complaints responded to within timescale	RED ⇩



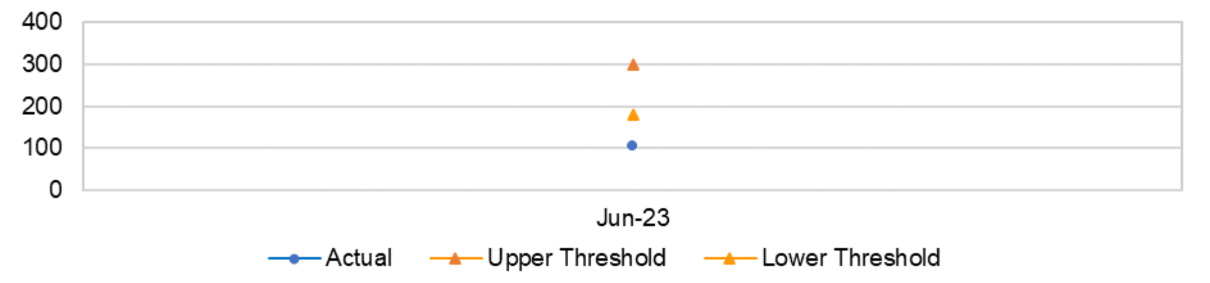
Latest: 58%	Target: 85%, Floor: 80%	Previous: 71%

Activity indicators

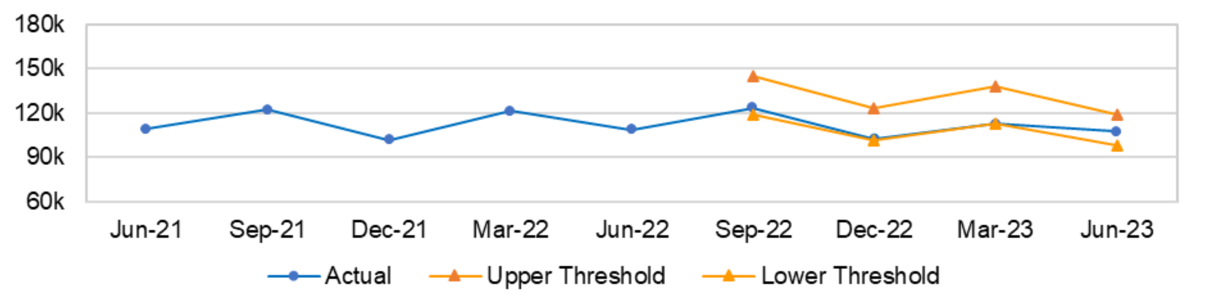
Average speed of answer (ASA) by Contact Point in seconds – priority services



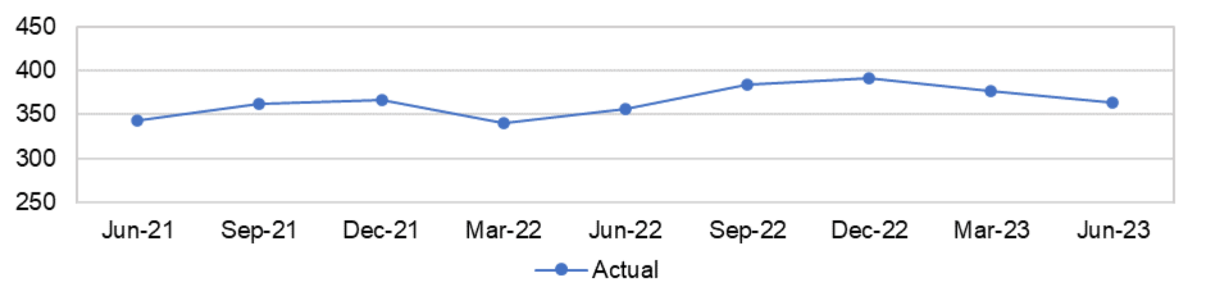
Average speed of answer (ASA) by Contact Point in seconds – all services



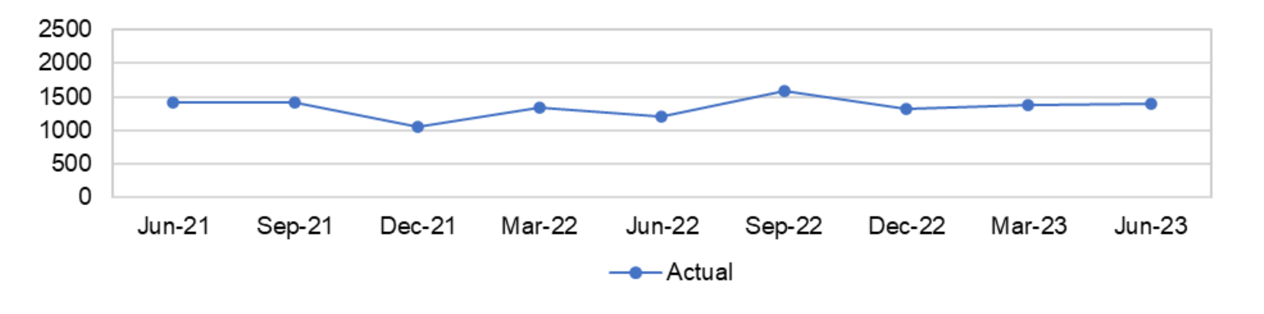
Number of phone calls responded to by Contact Point – Quarterly



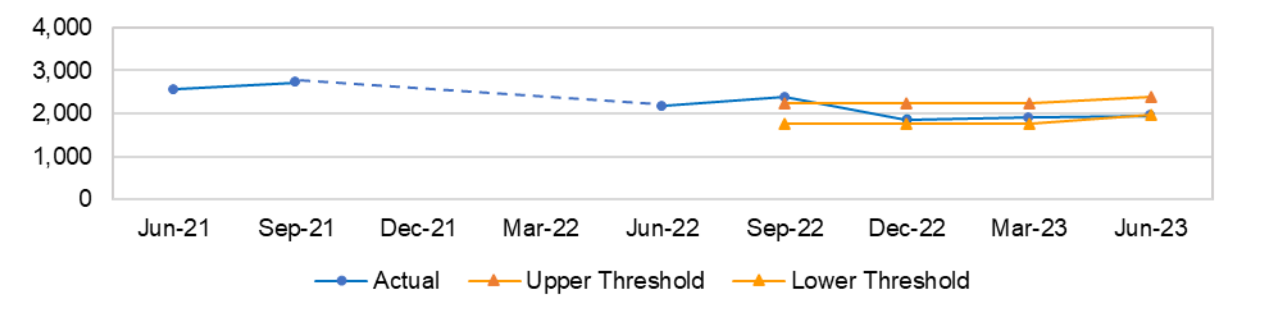
Average Contact Point call handling time in seconds – Quarterly



Number of complaints received - Quarterly



Number of visits (sessions) to the KCC website (in thousands) – Quarterly*



* Due to a review of KCC's use of cookies on kent.gov.uk no visitor data was available from October 2021 until February 2022. Reporting of this data recommenced from the June 2022 Quarter.

Customer Services – Call Activity

Number of phone calls to Contact Point (thousands)

Contact Point received 8% fewer calls compared to the previous Quarter and 12% fewer calls than Quarter 1 last year. The 12 months to June 2023 saw a 6% decrease in calls compared to the 12 months to June 2022.

Service area	Jul – Sep 22	Oct – Dec 22	Jan – Mar 23	Apr-Jun23	12m to Jun 23	12m to Jun 22
Adult Social Care	28	24	27	25	103	108
Integrated Children's Services	20	16	18	19	72	74
Highways	13	15	17	14	59	56
Transport Services	18	8	13	10	50	43
Blue Badges	14	10	10	9	43	49
Waste and Recycling	8	6	6	9	30	46
Registrations	9	7	8	7	31	24
Schools and Early Years	5	5	6	7	23	20
Libraries and Archives	7	6	7	5	25	31
Adult Education	6	4	5	4	20	19
Main line	4	3	4	3	15	12
Driver improvement	4	3	3	2	13	15
KSAS*	3	3	3	2	11	23
Other Services	2	1	1	2	7	10
Total Calls (thousands)	**142**	**112**	**128**	**118**	**501**	**530**

Figures may not add up to totals due to rounding.

* Kent Support and Assistance Service

Customer Services – Complaints Monitoring

Quarter 1 saw the number of complaints received increase from the previous Quarter by 1% and by 16% on the same Quarter last year. Over the 12 months to June 2023 there has been a 14% increase in complaints received compared to the 12 months to June 2022.

In Quarter 1, frequently raised issues included SEN provision, potholes and the news relating to the future consultation on the potential closure of some HWRCs.

Service	12 mths to Jun 22	12 mths to Jun 23		Quarter to Mar 23	Quarter to Jun 23
Highways, Transportation and Waste Management	2,578	2,894		714	661
Adult Social Services	810	978		237	246
Integrated Children’s Services	352	504		64	92
SEN	456	658		163	187
Education & Young People’s Services	182	34		38	7
Libraries, Registrations and Archives	239	238		85	49
Chief Executive's Department and Deputy Chief Executive's Department	158	215		40	102
Environment, Planning and Enforcement & Economic Development	178	133		29	39
Adult Education	50	67		13	10
Total Complaints	**5,003**	**5,721**		**1,383**	**1,393**

Customer Services – Digital Take-up

The table below shows the digital/online or automated transaction completions for key service areas where there are ways to complete other than online.

The online booking system for birth registrations was unavailable for part of April due to the migration to a new system and caused a reduction in those completed online for the latest Quarter. Concessionary bus pass transactions increased by 58% compared to the previous Quarter, resulting in a reduction in those completed online.

Transaction type	Online Jul 22 - Sep 22	Online Oct 22 - Dec 22	Online Jan 23 - Mar 23	Online Apr 23 - Jun 23	Total Transactions Last 12 Months
Renew a library book*	81%	83%	83%	83%	1,069,592
Report a Highways Fault	57%	65%	73%	70%	124,302
Book a Driver Improvement Course	85%	84%	89%	89%	35,952
Apply for or renew a Blue Badge	79%	85%	79%	81%	20,140
Book a Birth Registration appointment	87%	90%	89%	49%	19,677
Report a Public Right of Way Fault	93%	94%	89%	77%	16,374
Apply for a Concessionary Bus Pass	74%	76%	77%	58%	19,193
Apply for a HWRC recycling voucher	99%	100%	99%	100%	5,903

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

Governance, Law & Democracy

Cabinet Member	Dylan Jeffrey
Corporate Director	Amanda Beer

KPI Summary	GREEN	AMBER	RED	⇧	⇨	⇩
			2		2	

Both Freedom of Information (FOI) / Environmental Information Regulation (EIR) requests, and Data Protection Act Subject Access requests completed within timescales remain below floor standard.

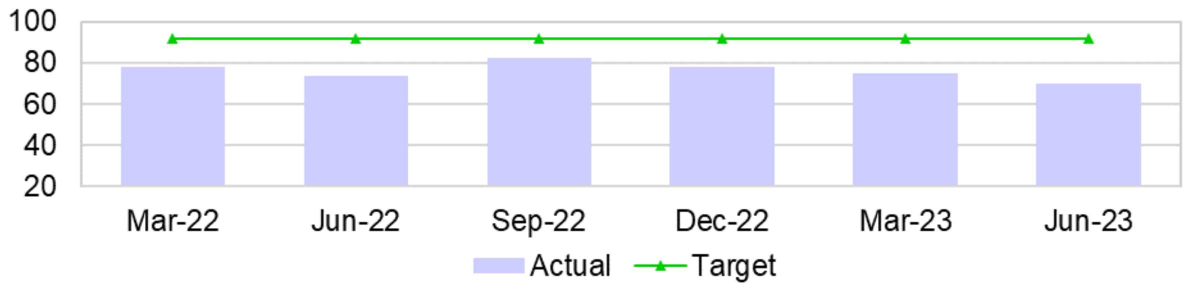
The percentage of FOI / EIR requests completed has not met target for several years. With regards to performance in the last Quarter, no Directorate achieved target, with the best performing being Children, Young People and Education with 78% completed in timescale, The highest number of requests continue to be received by Growth, Environment and Transportation (186 requests). Reasons for delays in dealing with requests include prioritisation of other work, and time taken to produce a thorough response to complex requests.

For Subject Access Requests (SARs) last Quarter, over 80% of these came under the Children, Young People and Education Directorate. Reasons for delays in responding to requests include complexity of some requests, prioritising of other work, and the need for the acquisition and use of redacting tools for electronic records which can add significant time when responding.

With regard to action being taken to address performance, an ongoing staff resource issue within the Information, Resilience and Transparency team, should ease as the year progresses due a current recruitment process. In addition, more resource will be focused on supporting officers in drafting responses. Better use of technology to support further efficiencies will also be investigated. Further to this, two recent projects have been delivered which aim to reduce officer time spent on other aspects of information governance which should free-up time in responding to FOI and SAR requests, these were the Data Protection Impact Assessment App, and a new process for notifying and investigating data breaches. In addition, an improvement plan for each KCC Directorate is being worked on and will be reported to Policy and Resources Committee in November.

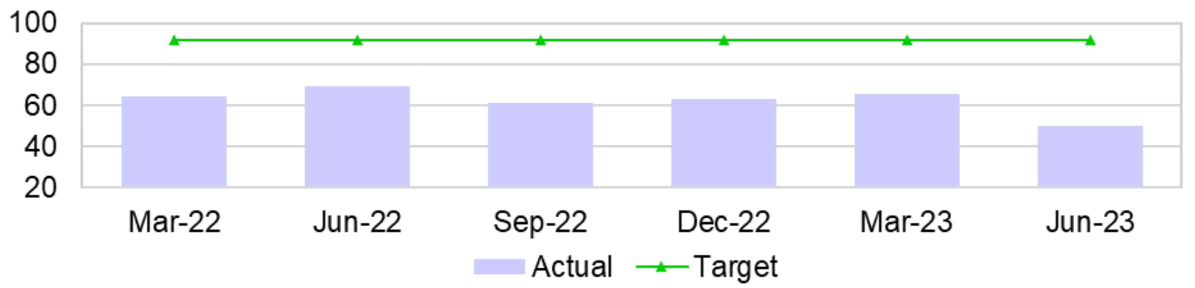
Key Performance Indicators

Freedom of Information (FOI) / Environmental Information Regulation (EIR) requests completed within 20 working days	RED ➪



Latest: 70%	Target: 92%, Floor 90%	Previous: 75%

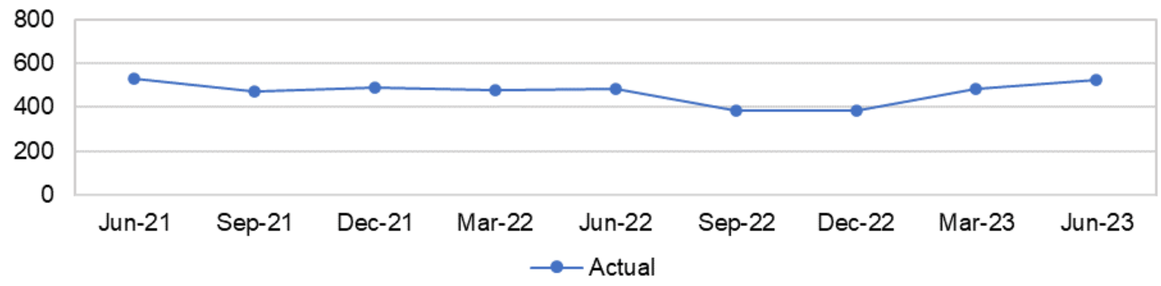
Data Protection Act Subject Access requests completed within timescales	RED ➪



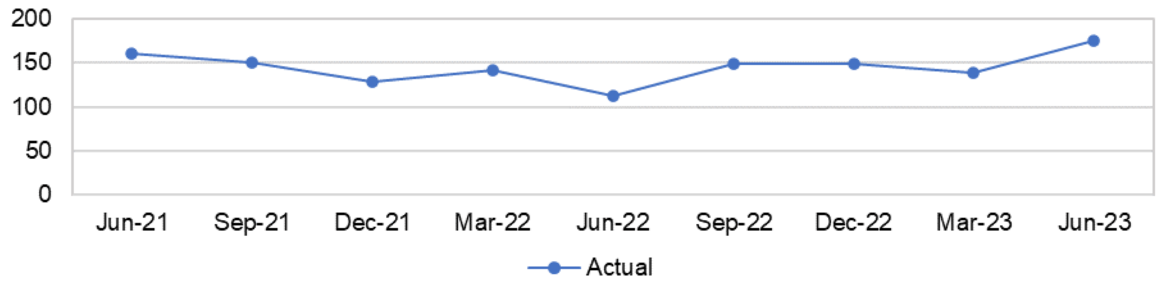
Latest: 50%	Target: 90%, Floor 85%	Previous: 65%

Activity indicators

FOI/EIR requests – by Quarter



Data Protection Act Subject Access requests – by Quarter



Growth, Economic Development & Communities

Cabinet Members	Derek Murphy, Clair Bell
Corporate Director	Simon Jones

KPI Summary	GREEN	AMBER	RED	⇧	⇨	⇩
	1	1			2	

Support for business
KCC continued to use funds from the Government’s Regional Growth Fund (RGF) to create and sustain employment opportunities in Kent during Quarter 4 which is the latest reporting period available.

Since 2017 the latest figures (to the end of Quarter 4, 2022/23), show the Kent and Medway Business Fund (KMBF) has provided finance of £18.5m to 131 Kent and Medway businesses, creating 491 new jobs and safeguarding a further 136 jobs in the Kent and Medway area.

The current economic climate has had an adverse impact on those Kent’s businesses which had previously received loans, with a continued increase in the number of requests to revise loan repayment terms. From the feedback provided by the companies, we believe that this is due to increases in costs, particularly energy bills, and the ending of Government business support schemes set-up during the pandemic.

Recent quarters have seen fluctuations in net FTE job outputs created by the KMBF funded companies, however Quarter 4 has reported a more solid increase since Quarter 3 with a net increase of 57.0 FTE, which has been boosted by new investments completed in late 2022/23 entering the quarterly monitoring cycle.

Following advice from KCC’s RGF Contract Managers, the Department for Levelling Up, Housing & Communities (DLUHC), KCC had to close both the KMBF secured loan scheme and the KMBF Small Business Boost schemes to new applications in February 2023. Written confirmation was received on 12th June 2023 that the Council can continue to utilise the RGF funds for at least another 10 years, stating that such “funds are to be used to provide loans for local businesses”.

The Kent & Medway Investment Advisory Board, supported by the Business Investment Team are now reviewing the terms of the new agreement with The Department for Business and Trade (DBT), to support the re-launch of the Kent & Medway Business Fund in Quarter 3 2023-24.

The South-East Local Enterprise Partnership (SELEP) has, in addition, provided funding for the Innovation Investment Loan scheme which the KMBF team manages for applications from companies in Kent and Medway. Since 2017, £6 million of loans have been made to 18 businesses creating 200 Full-time Equivalent (FTE) jobs and safeguarding 63.43 FTE jobs.

KCC has agreed with the South East Local Enterprise Partnership (SELEP) in March 2023 to use the Innovation Investment Loan (i3) recycled loan repayments to progress and award new loans to the existing pipeline of KMBF & KMBF SBB applications, and this is now progressing with pace with new guidance and rules agreed. To the end of Quarter 1, 2023/24, 9 loans had been approved from this pipeline to a value of £1.09 million and are now progressing through legal completion before payment to the successful applicants.

No Use Empty - Converting derelict buildings for new housing and commercial space

In Quarter 1, a total of 45 long term empty properties were made fit for occupation through the No Use Empty (NUE) Programme bringing the total to 7,815 since the programme began in 2005. Not all districts have dedicated Empty Property Officers and districts currently have vacancies in their Private Sector Housing teams. Whilst this is impacting on performance, NUE projects funded in the previous budget year will, on completion, contribute to achieving the annual target.

NUE processed 12 loan applications with a value of £2.2m during Quarter 1. The total NUE investment in converting derelict properties has increased to £100.5m (£57.2m from KCC recycled loans and £43.3m from private sector leverage). There is a healthy pipeline of new projects for 2023-24. On average there are 60 live projects at any given time.

NUE were awarded £2.5m last year under the SELEP Growing Places Fund (GPF) to convert additional derelict properties. As at the end of Quarter 1, loans to the value of £1.8m had been approved which will fund 75 new homes.

GPF awarded a separate £2m for NUE Commercial Phase II. The target is to return 18 empty commercial units back into use and create 36 new homes. Full repayment of the GPF funds is due no later than March 2027. A total of 17 projects have been approved at the end of Quarter 1 covering Canterbury (3), Dover (3), Faversham (1), Folkestone (2), Herne Bay (1), Hythe (1), Margate (1), Minster (1), Ramsgate (2), Sheerness (1) and Sittingbourne (1) and these will return 20 empty commercial units back into use and create 52 homes. NUE are discussing further commercial projects (Lyminge and Sheerness) which if approved would use all remaining GPF funds available (£100k) and help exceed both commercial and residential targets.

KCC Treasury have made available £24m for NUE to bring forward empty/derelict sites with planning permission for new builds. At the end of Quarter 1, loans to the value of £28.2m have been approved including four new applications with a value of £1.2m. This has been achieved by recycling £8.9m of loan repayments following the completion of 19 projects which resulted in 103 new homes. The total number of new homes funded at the end of Quarter 1 is 204 across 8 Kent districts. There remains a strong pipeline of new build projects. Five new applications received in June are to be appraised in Quarter 2. Subject to approval, all funds currently available to NUE for 2023/24 under the new build programme are likely to be exhausted by Quarter 3.

NUE are supporting a project which will create 22 new business units at Whitfield Dover. Phase I and Phase II have completed with a final completion expected Autumn 2023. All units have been sold subject to contract. A Belgium logistics company (Widem

UK Ltd) who wanted to have a base close to the port of Dover for customs clearance purposes, have acquired three of the units, creating 8 new roles for local people.

NUE also administer loans for Medway Council (one loan is approved and in contract) and Southend on Sea City Council (six loans are approved, five in contract, one due to complete early in Quarter 2).

Infrastructure projects
Two Kent projects which had been awarded additional Getting Building Fund monies from SELEP completed their activities during Quarter 1:

- Dover Techfort (Dover Citadel Ltd) completed the refurbishment of two further Casemates to bring them back into economic use hosting a workspace and a retail/hospitality venue.

- Discovery Park (Sandwich) completed the refurbishment of two floors within the East Block of Building 500 to provide 30,000sqft of net lettable incubator space. The new facility includes self-contained laboratory units, informal breakout and café space and shared lab support facilities.

Additionally, the SELEP Accountability board met on 6 June. It discussed a final round of GBF funding launched on 21 July to allocate £2.049m to new projects by January 2024. KCC would circulate information about the call for new projects once information was provided by SELEP.

Developer Investment
The revised Developer Contributions Guide was taken to Cabinet Committee in May and subsequently through Cabinet on the 29 June. Both supported the officers' recommendations to publish the guide as KCC policy which was actioned on 20 July. From that date on, the team will issue updated planning application response letters to reflect the newly approved contribution rates and areas. Contribution requests for Special Education Needs (SEND) infrastructure will now be included in KCC's planning application responses.

For this quarter a total of 37 planning applications were received. 17 legal agreements have been completed securing a total of £13.3m, a 99.7% success ratio against the amounts originally requested. Contributions are particularly high due to the completion of a S106 for a 330-home site on land south of Barming Station and east of Hermitage Lane in Tonbridge & Malling. At the time of reporting, it is still too early to say whether outstanding contributions from last Quarter (when performance was at 81%) will be forthcoming.

Strategic Planning
The team have been co-ordinating the County Council's responses to the National Planning Reforms, as these will have significant implications for many roles and services across the County Council. The consultations have included proposed changes to the National Planning Policy Framework and also the Environmental Outcomes report.

In particular, the team co-ordinated a response to the Government's proposals to create an Infrastructure Levy. These proposals were consulted on in Quarter 1. Officers attended workshops to fully understand the impact of the proposals and ensure that all issues were covered in the response. Following presentations to and feedback from KCC members, a letter was sent to the Secretary of State raising strong concerns regarding the proposed changes. This letter was signed by over 30 organisations, including the County Councils' Network, District Council's Network, Home Builders Federation, Housing Associations, the Royal Town Planning Institute and the Local Government Association.

Libraries, Registration and Archives (LRA)
The highlight of Quarter 1 was the engagement across LRA with the Coronation of King Charles III in May 2023. All 99 libraries took part in the celebrations with book displays, artwork created by local communities, coronation themed activities such as rhyme times, craft sessions and adult social groups to name but a few examples, as well as live streaming of the Coronation itself at Kent History and Library Centre that over one hundred people attended on the day. Kent Archives displayed items from the collection from past coronations and hosted a talk by Dr James Lloyd on royal heraldry, while the Registration teams at Oakwood House in Maidstone and Danson House in Bexley held a special Citizenship Ceremony with flags and Coronation-themed cakes.

Further cause for celebration was the success of the team from HMP Swaleside's prison library at the National Libraries Connected Conference in June. The team won the Reading Award within the Universal Reading Offer category for their dedicated work to bring library services to prisoners who were unable to leave their cells to visit the library during and after lockdown. At the same conference, Kent Libraries' innovative Playground initiative was also recognised by being nominated for the Children's Promise award. These awards are open to every library service across the UK and each nomination has a panel of sector experts to judge, so Kent's performance is recognition of the teams drive to innovate and improve services for customers.

The engagement of Kent's Libraries with the Coronation, plus continued efforts to reinstate events and activities and launch new initiatives, resulted in just under 42,000 people attending events throughout Quarter 1, surpassing the target of 34,000. Total visitor numbers were over 735,000 which was up by over 20% on Quarter 1, 2022/23.

Library issues increased by 12% on the same period last year and, at over 1.3 million, were at the upper end of expectations. We would expect to see library visits and issues increasing during Quarter 2, and positive initial take-up of the Summer Reading Challenge has already indicated that this is likely to be the case. Nonetheless, the percentage increases are very encouraging. The library survey, carried out in April 2023, yielded a customer satisfaction rating of 94% for Kent's library services.

The number of death registrations has fallen from the high levels experienced during the winter months, but are still higher by 4% compared to the same period last year, with just over 4,200 registration appointments delivered. Birth registration appointments remain fairly level, with just four fewer appointments than in Quarter 1 2022/23. There were 2,073 ceremonies during Quarter 1, which included the welcoming of 969 new citizens to the United Kingdom, 16 of whom attended the individual ceremonies newly implemented at Oakwood House, Maidstone - an additional option to the existing group ceremonies. The updated registration booking system, Cara Neo, was launched in April, which saw all Registration staff adapting well to the new system.

The promotional plan for Oakwood House, the new site for the County Register Office, included three open days which were held in May 2023 and attended by 156 couples, resulting in 54 new bookings for ceremonies at the venue. Overall, Oakwood House has been very well received by couples and citizens attending ceremonies there.

The number of Archive enquiries has dropped slightly by 2% in comparison with Quarter 1, 2022/23, with numbers at the lower end of expectations. However, an analysis of the figures shows that while remote enquiries have fallen, physical visits to the Search Room have increased by 14%. The Archive Service launched their outreach programme for the year with a well-attended two-day conference held in May both at Kent History and Library Centre and the University of Kent. Entitled “Constables, Charters and Kent”, the conference served to highlight new material acquired by Kent Archives, and this coupled with the fresh programme of lunchtime talks has served to attract more researchers to the Search Room. This is borne out by the increasing number of “Archive Enabled” cards that are being issued to customers visiting the facility which enable them to order documents and use the equipment for research.

Creative & Cultural Economy

The Workspace Strategy has been launched on behalf of South East Creative Economy Network which KCC co-leads. The strategy is aimed at those seeking funds and investment opportunities to establish creative workspace as part of new development or regeneration schemes. With creative industries contributing £108bn annually into the UK economy and employing 12m people, there are significant economic benefits to developing creative workspace. The Workspace Strategy supports the emerging Kent and Medway Economic Framework.

In partnership with Creative Estuary, KCC launched in May the Cultural Planning Toolkit in association with Town and Country Planning Association and Creative Estuary, aimed at planners and developers to give them the tools and language to embed cultural provision into new developments and regenerations schemes.

Active Kent & Medway
On the 9th May the team launched Move Together, the 2023-2027 countywide strategy for Sport and Physical Activity. Partners and stakeholders have been invited to pledge their support for the strategy and to encourage more people to be more active, more often across Kent and Medway. The team are making use of the assets developed to support the strategy, including a short film – which has already been shared with key audiences as part of their wider stakeholder engagement and influencing work.

A week later, at the Kent Showground, we hosted our annual Primary Physical Education (PE) conference, including keynote speeches from Ali Oliver (CEO Youth Sport Trust), Steve Caldecott (Association for Physical Education) and endurance swimmer Sarah Philpott. Over 100 primary schools were represented at the event.

Quarter 1 has also seen the release of the latest Active Lives data, which shows participation levels broadly back at pre-pandemic levels. Further information can be found here: Adult activity levels bounce back but inequalities remain - ActiveKent. The data will be used to inform the work and priorities moving forwards, particularly in light of potential place-based working opportunities. Sport England has recently announced that £250m will be available to support place-based working over the next five years and we are currently engaging with them as to what this might look like for Kent.

KCC has launched its summer campaign – #summermoves. This and the team's wider work has been promoted on Steve Ladner's Radio Kent Show to positive response.

Finally, the team's website has a new Activity Finder – Welcome to Active Kent & Medway - ActiveKent, accessible via the AKM and Everyday Active platforms.

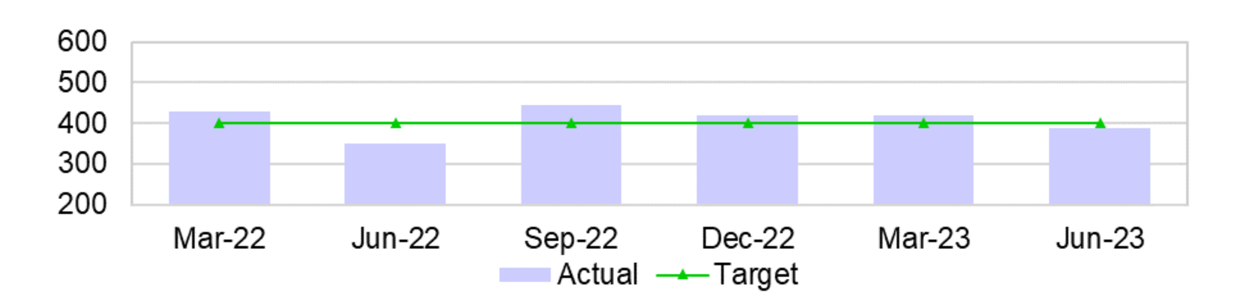
Community Safety
Focus areas during this period include the rising cost of living, with wardens assisting with food and pet food banks, and supporting residents to access grants and funds. Wardens are also assisting residents and communities in relation to a rise in reports of anti-social behaviour and scams, working closely with Kent Police whilst the new Neighbourhood policing model is implemented. Wardens are now delivering the social prescribing model 'Positive Wellbeing' across the county as part of their wider offer of support to residents and communities. This was piloted over the last two years as part of an Interreg funded project and builds on evidence of the impact wardens have in reducing social isolation and loneliness.

To help meet the financial challenges Kent County Council (KCC) is facing, the Community Warden Service has been asked to reduce its annual budget by £1 million. The proposals were finalised in Quarter 1 and are subject to a public consultation which is open until 3 October 2023. Visit https://letstalk.kent.gov.uk/community-warden-service to find out more.

The Kent Community Safety Team (KCST) also delivered virtual Community Safety Information Sessions (CSIS) via MS Teams for community safety partners across the county. The first of these events was delivered in June to over 60 people with a specific focus on the new Kent Police Neighbourhood Policing model. July's event has a focus on scams and dangerous dogs.

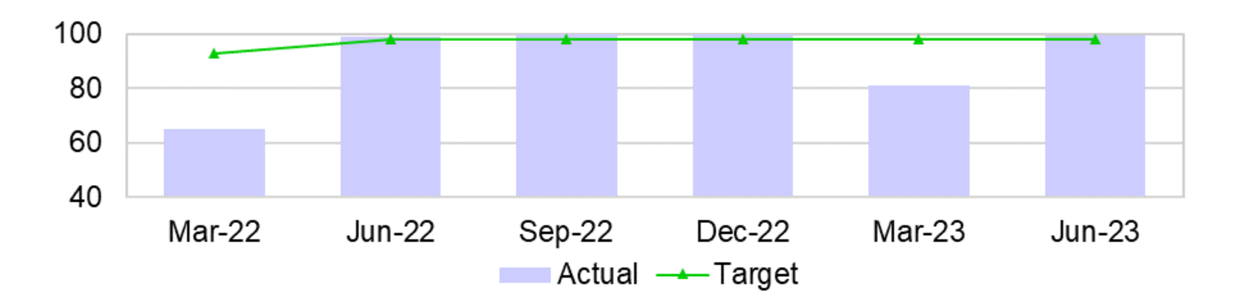
Key Performance Indicators

Number of homes brought back to market through No Use Empty (NUE) – Rolling 12 months	AMBER



Latest: 388	Target: 400, Floor 350	Previous: 418

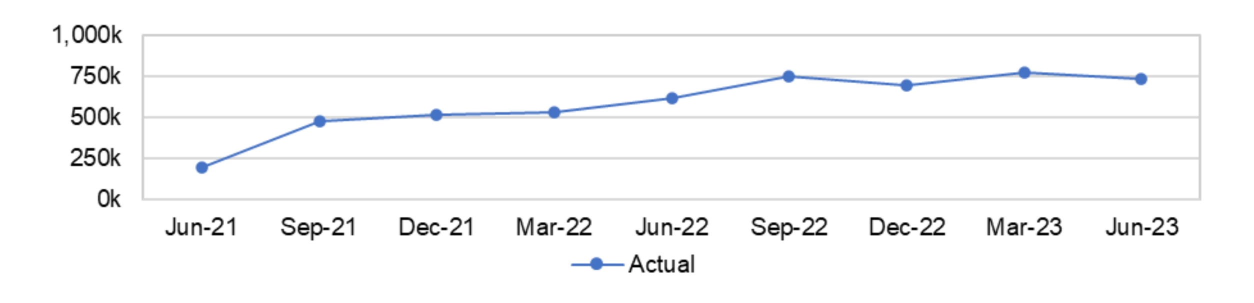
Developer contributions secured as a percentage of amount sought	GREEN



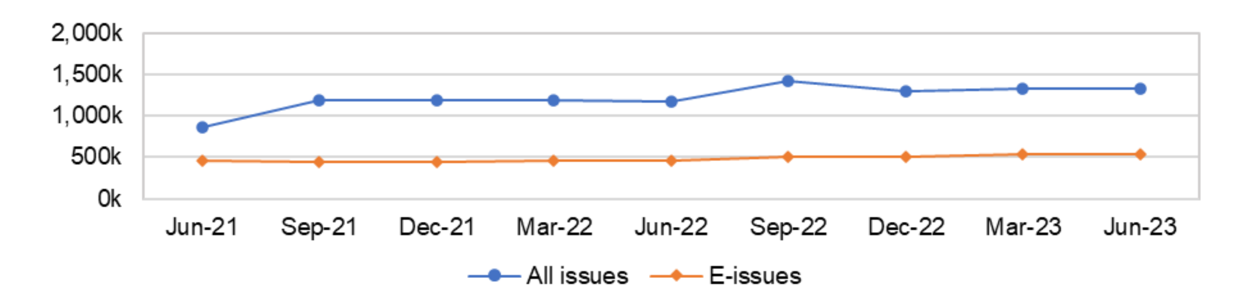
Latest: 99.7%	Target: 98%, Floor 85%	Previous: 81%

Activity indicators

Total number of physical visits to Kent libraries



Total number of book issues from Kent libraries



Environment and Transport

Cabinet Members	Neil Baker, Susan Carey
Corporate Director	Simon Jones

KPI Summary	GREEN	AMBER	RED	⇧	⇨	⇩
	2	1	3	2	2	2

Highways
For Quarter 1, three of the Highways KPIs are RAG rated Red, one Amber, and two Green. Highways teams and front-line staff continue to work at high capacity due to unprecedented demand mainly from the weather.

Potholes and Routine repairs
The number of potholes requiring repairs remains higher than expected, with over 50% more repairs completed in Quarter 1 compared to the same period last year. As a result, performance remains below floor standard at 77%. The increase in demand was mainly due to very wet and cold weather at the beginning of the Quarter, coupled with attending to the backlog of jobs from March when we experienced above average rainfall.

The bad weather meant the total number of routine faults completed this Quarter was 24,291, over twice the number completed for the same period last year. This increase in demand resulted in a drop in performance to 78%, a red RAG rating, but we expect performance to improve in Quarter 2.

Our contractor, Amey, continues to arrange additional resources to attend to the increase in repairs. In addition to this they are undertaking an internal review of all their processes to ensure they are operating in the most effective way.

Emergency incidents
Attendance at Emergency Incidents within two hours of notification has fallen below floor standard to 91% (red RAG rating). The service attended 687 callouts with 60 failing the target attendance time but with all incidents made safe. **Our contractor, Amey, is reviewing processes to drive improvements and get performance back in line.**

Call back survey
The monthly call back survey, where we call 100 highways customers whose enquiries have been closed in the last month, remains under the 95% target at 90%. The slight dip in performance seems to relate to the increase in volumes and subsequent delays to repairs.

Contacts and enquiries
The total number of customer contacts regarding highway issues in Quarter 1 was 53,506 (compared to 39,000 for the same period last year), with over 26,000 of these identified as faults requiring action by front line teams (compared to 17,000 for the same period last year). This is a big increase on usual demand, likely due to wet weather that continued throughout the period.

Use of the online reporting tool remains high with 70% of all enquiries in Quarter 1 coming directly from the public via the tool.   A new reporting tool (My Kent Highways) was successfully trialled on potholes over the spring and a decision has been made to begin rollout for all highway defects over the next year.

At the end of Quarter 1, there were 9,499 open enquiries (work in progress), which compares to 5,511 at the same time last year, reflecting the much busier period in some parts of the business.

Permit requests to undertake works on Kent roads remain high and co-ordination of all works on highways continues to be pressured. There are some high-profile road closures planned for the summer period which will cause additional strain on the network in the surrounding areas as well as limiting roadspace availability to other works promoters.

Asset Management
In July 2021, KCC published its new Highways Asset Management Plan (HAMP) covering 2021/22 to 2025/26. It explains how effective and efficient highways asset management, as a key enabling service, facilitates the delivery of Kent's strategic objectives. It also includes asset condition forecasts based on (then) assumed levels of investment, what maintenance services KCC provides and what it does not, an assessment of associated risk and a five-year forward works programme.

Since 2021, there have been funding reductions and significant inflationary pressures which have added to the challenge KCC faces in maintaining its road network. For example, 2022 saw typical inflation of 6% but 2023 has seen high inflation of 20-30%, which means the modelling forecasts and various risk and other assessments in the 2021 HAMP document are no longer valid. Officers are therefore updating their analyses to reflect the effect of funding and inflationary pressures, with a view to producing a HAMP update report that will be presented to the Environment and Transport Cabinet Committee later in 2023, prior to a Cabinet Member key decision to formally adopt it.

Road Safety
The casualty figures for Quarter 1, show an overall decrease of 21 casualties compared to the same Quarter in the previous year, and a decrease of 78 compared with the same Quarter in 2019/20 (pre-pandemic). However, for people Killed or Seriously Injured (KSI), these are up by 23 when compared to the previous year, but are down 28 compared to the same Quarter pre-pandemic.

Quarter 1											
2023/24				2022/23				2019/20			
Fatal	Serious	Slight	Total	Fatal	Serious	Slight	Total	Fatal	Serious	Slight	Total
5	180	904	1089	8	154	948	1110	9	204	954	1167

The formation of working groups that underpin the aims of the Vision Zero Road Safety Strategy and the wider commitment of partners of the Kent & Medway Safer Roads Partnership has gained momentum. Initial meetings of each of the working groups have been held or scheduled and gap analysis, priority setting and group/theme strategy development is underway.

The working groups cover each of the five safe system themes –

- Safer Roads and Streets,
- Safer Speeds,
- Safer Behaviours,
- Safer Vehicles
- Post Collision Response

Additionally, over-arching working groups have been introduced focusing on:

- The tactical coordination of the partnership.
- Communication and engagement.
- Performance monitoring.
- Killed or very seriously injured (KVSI) incidents on the network.
- Weekly partnership activity.

In support of the Safe Behaviour theme, the Kent Driver Education (KDE) Team has continued to arrange and deliver courses to drivers that have offended and opted to take a rectification course as part of their penalty.

UKROEd/NDORS, the Governing bodies for such courses have now completed their external audit and the KDE Team received extremely positive feedback from the inspection team and is approved as a Course Provider for Kent Police for a further two years.

As demand continues for National Speed Awareness Courses (NSAC), our forecast for 2023/24 has already increased from 28,000 to 32,000 clients for this course type.

KCC can now offer the National Rider Risk Awareness Course (NRRAC) with all relevant website and documents to go-live shortly. NRRAC was developed following consultation with UK Police Forces and in response to an increase in the number of people riding motorbikes and mopeds across the country. Whilst numbers are expected to be very low it brings the total courses offered in Kent to ten (five delivered in venues and five delivered online).

Also, in support of the Safe Behaviour Theme, our Safer Road User Team has engaged with many road users during the Quarter. They have delivered education relating to Road Safety Club, to 5,395 Primary School Pupils across 64 different schools. 87 Primary schools attended our Safety in Action events with 3,136 pupils accessing the Road Safety lesson. The team also delivered educational sessions to Eco ambassadors (100 primary pupils) and participated on Kent Police school day engaging 2,900 children and staff from 66 schools.

Eleven schools have received Young Driver & Passenger interventions reaching 1,328 potential year 12/13 pupils. 2 schools have completed Youth Travel Ambassador projects, benefiting 697 pupils.

Eleven Mature driver conferences have been delivered across the County reaching 387 older road users and one HASTE course has been delivered reaching eight drivers.

Seatbelt campaign ran with an objective to increase awareness of necessity to wear a seatbelt and advise on penalty for non-compliance. With estimated reach of 206,455.

Community events and engagement attended this Quarter include two teacher conferences reaching 230 educational staff and the Kent Police annual Open days for staff and members of public. Over the Kent Police event weekend, the police staff day achieved attendance of 5,816 and the public day footfall was recorded as 10,075 in attendance.

One thousand children received Bikeability training from KCC this Quarter, going up to 1,800 when including those carried out by our framework of training providers. Adult cycle training is slowly increasing in numbers, with Learn to Ride sessions continuing to be the most popular – we are reviewing any changes we can make to the service to encourage more people to book on our courses, especially with our e-bike fleet – but cost of living may be impacting on this service. We ended the school year with 87 active school crossing patrol sites and holding 20 vacancies, with recruitment to patrol roles remaining an issue. During the academic year we delivered 22 Small Steps pedestrian training schemes in schools – training 650 six to eight year-olds how to find and use safer places to cross the road. We have also piloted a transition practical training package to year 5 pupils (Street Smart) to build on existing road safety skills to move towards safer independent walking; we are currently reviewing the feedback from this and will look to extend the pilot in term 1.

Crash Remedial Measures & Local Transport Plan (LTP)
The 2023/24 Crash Remedial Measures (CRM) Cluster Site programme is now well underway, with schemes being designed and undergoing consultation & engagement as appropriate. A number of these schemes have already been delivered with the remaining works programmed between now and the end of the financial year. Schemes have been designed and delivered at specific locations around the County where engineering solutions have been assessed to be able to reduce risk of collisions occurring.

In addition to the Cluster Site programme, the Highway Improvements Team (HIT) are also carrying out analysis of routes and junctions that have been identified as 'high risk' by a series of factors that identify them as having a higher than 'normal' level of collisions compared with similar sites. This cluster, junction and route review work forms a suite of Crash Remedial Measures (CRM) carried out by the authority in line with our Vision Zero approach.

The Highway Improvements Team (HIT) are also working with elected officials, members and parishes to assist them in delivering items that have been prioritised within their local Highway Improvement Plans. The HIT is currently tasking their small but focussed Community Engagement teams to support Parishes in their efforts to realise highway improvements that our communities are promoting.

There are also a series of Local Transport Plan (LTP) funded schemes that have been delivered and will continue to be rolled out in this financial year including new pedestrian crossings, Speedwatch equipment and school travel and business grants.

The Active Travel team are continuing to work with the Member walking & cycling group and assist districts and boroughs with their walking and cycling plans and develop a Kent-wide Cycling and Walking Implementation Plan (KCWIP). The team are developing and delivering schemes funded under Tranches 2, 3 & 4 of the Active Travel Capital Grant Fund. Further updates on our active travel fund programmes can be sought from activetravel@kent.gov.uk.

Traffic Management
Work continues with preparations for undertaking enforcement of moving traffic offences. The procurement process for a supplier to deploy certified equipment and systems is currently underway and expected to be in place by 1st October 2023. This will enable on-street enforcement of Moving Traffic Offences to commence shortly thereafter. The team will also shortly consult on a tranche of new sites, with the aim of implementing additional sites in early 2024.

We continue to work with National Highways for diversion routes for emergency use on the A20 between M20 Junction 13 and the entry to the Port of Dover. We have agreed actions and are now undertaking design work to refresh, upgrade or replace around 125 signs on Kent's network. Works are expected to commence early 2024, all of which will be fully funded by National Highways.

The Network Innovation team are working on developing Kent's strategy for the delivery of on-street charging infrastructure and have submitted an Expression of Interest for the Local Electric Vehicle Infrastructure (LEVI) funding, from the Department for Transport, of up to £12m Capital funding and £600k revenue funding, aimed at providing Electric Vehicle chargers for those residents without access to off-street parking and driveways.

Local Growth Fund (LGF) Transport Capital Projects
Through SELEP, KCC is managing £128m of Government funding from rounds 1 to 3 of the LGF. There are currently two schemes causing concern, Sturry Link Road and the Maidstone Integrated Transport Package.

For Sturry Link Road project, the Compulsory Purchase Order is being progressed, with a view to enacting this in September 2023 to ensure the scheme remains on programme. Approval to award the design and build contract has been given, and notification letters were issued in April 2023. A further update will be presented to SELEP Accountability Board in September 2023.

For the Maidstone Integrated Transport Package, the scheme has been downgraded to medium/high risk by SELEP. There is a risk that inflationary pressures will affect the remainder of the programme, which has been delayed to avoid conflict with the Bearsted Road (non-LGF) improvement scheme works. The scheme no longer needs to be reported separately to each Accountability Board meeting, however, progress on the programme delivery will continue to be closely monitored by SELEP.

Transport Strategy
The National Highways' Development Consent Order (DCO) application for the new Lower Thames Crossing has continued to progress through to the Examination stage which commenced on 20th June following the conclusion of the Preliminary Meeting. Open Floor and Issue Specific Hearings on the project's definition and on the draft DCO were held in late June. The Examination will last for six months until late December. Work funded by National Highways on the desktop study to develop local road mitigations continued, and this has helped inform KCC's Local Impact Report, which was submitted on 18th July and will be reported next Quarter.

Work with National Highways on the business case development for Road Investment Strategy (RIS) pipeline (post 2030) schemes for Brenley Corner and A2 Lydden to Dover has been paused pending review by the Department for Transport (DfT) as to whether these schemes move into the next stage of project development.

Partnership working with Transport for the South East (TfSE) continued with KCC submitting expressions of interest to TfSE for funding to develop business cases for Fastrack and bus network schemes included in TfSE's Strategic Investment Plan (SIP) that are in Kent.

Work to develop a new Local Transport Plan 5 (LTP5) for Kent has continued with the launch on 27th June of a public consultation on a draft emerging plan. The consultation will run until September and will be reported next Quarter. Information gained from the consultation will help inform the new full plan which will need to be compliant with new guidance from government on local transport plans which has still not been published.

Delivery of Thanet Parkway railway station and car park are now practically complete. Network Rail progressed the Entry into Service process that will allow the station to open. The level crossing and signalling works (essential before the station can open) were also progressed through this Quarter. The station opened to passengers on 31st July.

Public Transport

Bus Service Improvement Plan (BSIP)

Following the award and acceptance of £18.9m of Bus Service Improvement Plan (BSIP) funding in March 2023, the Public Transport Department has now begun to roll out a programme of initiatives, all designed to grow bus usage across the county. On June 24th / 25th, delivery kicked off with the Kent Free Bus Weekend, which saw free bus travel for all passengers countywide, up until 8pm on both the Saturday and Sunday. The initiative was run in conjunction with Visit Kent to coincide with the Kent Big Weekend and was a great success, seeing an uplift of approximately 33% in passenger numbers. Quickly following on from this came confirmation that we will be using BSIP funding to hold the cost of the Kent Travel Saver Pass at £450, representing an investment from KCC through its BSIP of £2.5m.

Wider BSIP initiatives include new Real Time Information (RTI) screens, a new online information portal, three new bus priority schemes and a range of highway interventions to support buses. We will shortly be creating a dedicated BSIP page on www.kent.gov.uk to update on progress across all schemes.

Fastrack

In April, Fastrack B and AZ services began operating a diverted route due to the closure of Galley Hill Road (Swanscombe). Due to the diversion, on-time performance fell by 20% between March and May, with Arriva (Fastrack Operator) planning to introduce a new timetable during the Summer to reflect the extended journey times caused by the longer route. Despite this, patronage on Fastrack in June 2023 was 6% higher than June 2022. In June, The Go-Ahead Group were awarded the contract for the new Fastrack Thameside Electric Operation. The Kent Thameside electric service with a fleet of 28 vehicles is due to commence in November 2024.

Kent Travel Saver

During the month of June, testing of a new application platform for the Kent Travel Saver was completed. The new platform provides a new, robust method of application, providing new options for applicants and is directly linked to the production of the actual pass. This will enable the delivery of passes, and particularly replacement of lost passes, to be sped up. Testing was successful and the new platform launched in early July.

Resource Management & Circular Economy

The KPI target on diversion of waste from landfill continues to be met, with 99.9% of waste over the last 12 months being recycled, composted, or used for energy generation. The 0.1% going to landfill includes asbestos, with landfill being the only approved way to dispose of this material.

The total volume of waste collected over the previous 12 months increased slightly in the last Quarter, following reductions since September 2021. Kerbside waste volumes are 4% above pre-pandemic levels and HWRC volumes down 37%, with total waste collected 5% below pre-pandemic levels.

Energy and Climate Change

Over 6,400 residents registered for the third phase of the Solar Together collective buying scheme and 1175 people have accepted their offer from the installers that won the reverse auction. They will now be asked to pay a deposit (which is £150 and conditionally refundable) and on-site surveys will begin to check that the solar installation quoted is feasible for the roof. This year's scheme has been split in two, to better manage demand for the scheme, and registration will open again at the end of August for a second round.

The greenhouse gas emission target for 2022/23 has been met with a total of 13,550 tCO2e of greenhouse gas emissions compared with the target of 15,000 tCO2e. Electricity generated by KCC's Bowerhouse II solar farm has had a positive impact to our net emissions for the year with a total of 2,765 tCO2e of solar energy produced.

Explore Kent

Explore Kent's digital channels saw strong engagement with over 22,000 followers on Twitter, over 6,000 followers on Instagram (315 new followers), and over 10,000 followers on Facebook (136 new followers). Our website ExploreKent.org had a total of 434,968 page views and 36,984 of our route guides were downloaded.

In April, Explore Kent coordinated the Green Social Prescribing Network, drawing together partners from health, social prescribing and providers of green space, interested in developing green social prescribing initiatives across the county. Around 40 partners were represented at the network.

Explore Kent worked to further promote the mental and physical health benefits of being active outdoors, working with partners. This included coordinating a Countryside Communications group (Active Kent and Medway, Country Parks and Kent Downs Area of Outstanding Natural Beauty) to collaborate on campaigns.

Explore Kent continued to promote the enjoyment and respect of the public rights of way network, including newly opened sections of the King Charles III England Coast Path. Promotions in GP practices and health settings are also being planned.

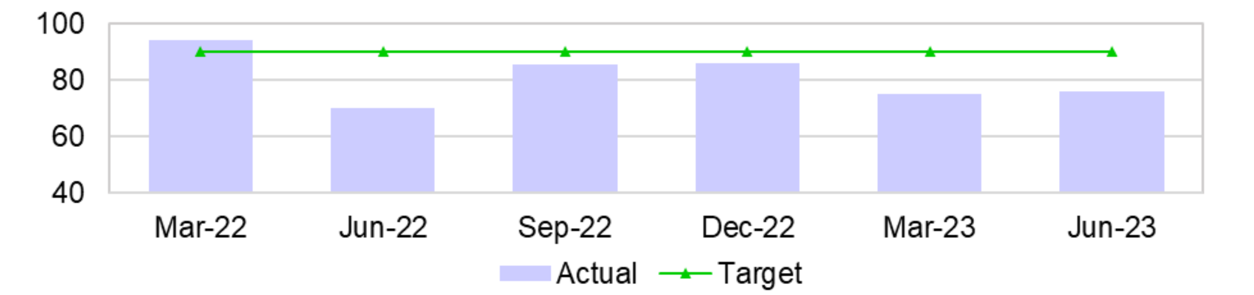
Explore Kent continued working with the Active Travel Team and partners to promote walking and wheeling for short journeys, using a range of promotional films.

Kent Country Parks
Work on accessibility continues with new guides being developed so customers are able to plan their visit. Visitor numbers have been steady and booked school visits are slightly up. Easter events were well attended, and a busy summer programme is underway.

Kent Countryside Management Partnerships (KCMP)
KCMP continues to provide volunteering opportunities, health & wellbeing projects, environmental education, habitat and community project delivery and landowner advice across Kent in collaboration with partners. Competition for funding is challenging.

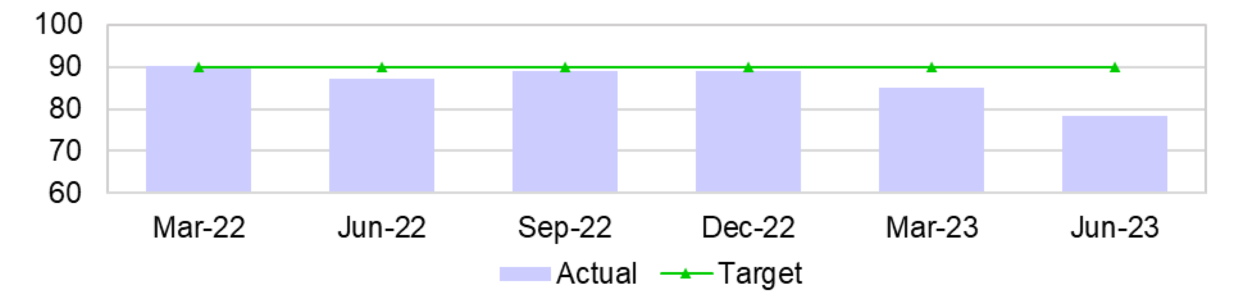
Key Performance Indicators

Percentage of routine pothole repairs completed within 28 days	RED ⇨



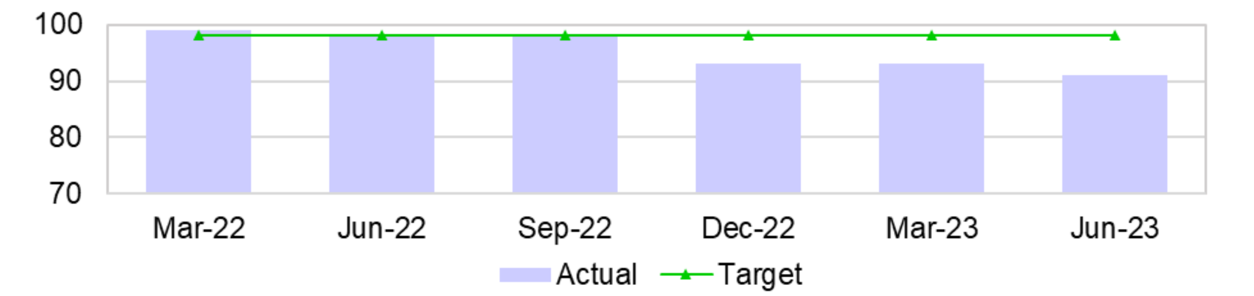
Latest: 76%	Target: 90%, Floor: 80%	Previous: 75%

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



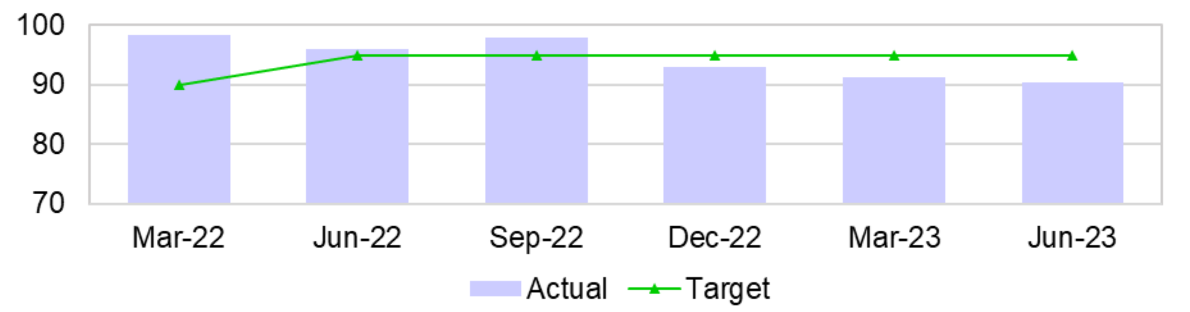
Latest: 78%	Target: 90%, Floor: 80%	Previous: 85%

Emergency highway incidents attended within 2 hours of notification	RED ⇩



Latest: 91%	Target: 98%, Floor: 95%	Previous: 93%

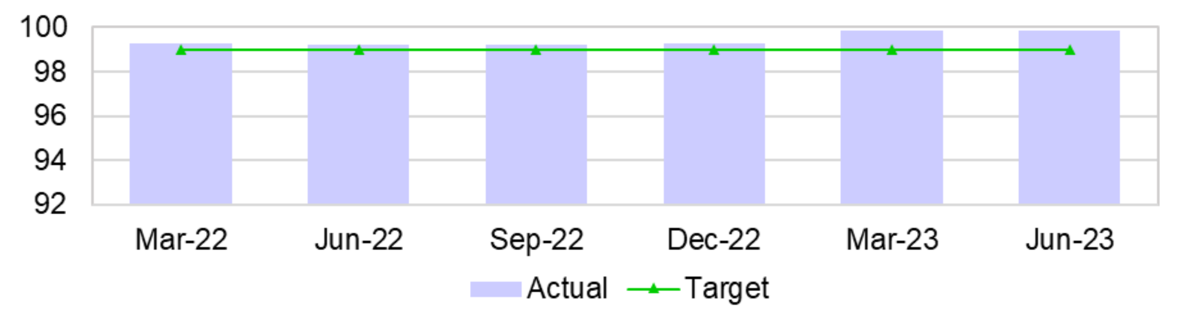
Percentage of satisfied callers for Kent Highways and Transportation, 100 call back survey	AMBER ⇩



Latest: 90%	Target: 95%, Floor: 85%	Previous: 91%

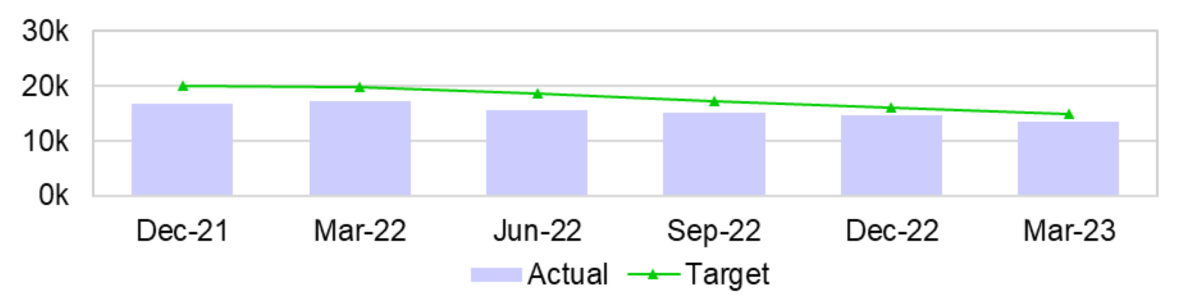
NB: The September 2022 Quarter only includes results for July 2022, with the survey having been paused in August and September so the Contact Centre can prioritise incoming calls. The survey resumed in October.

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



Latest: 99.9%	Target: 99%, Floor: 95%	Previous: 99.8%

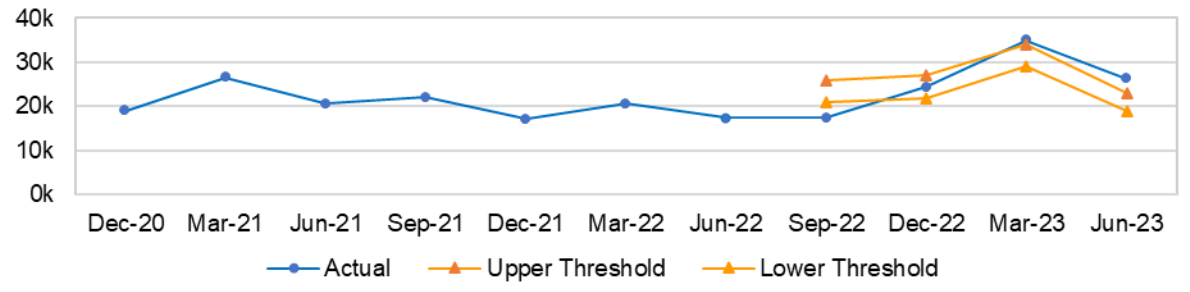
Greenhouse Gas emissions from KCC estate (excluding schools) in tonnes – rolling 12 months	GREEN ⇧



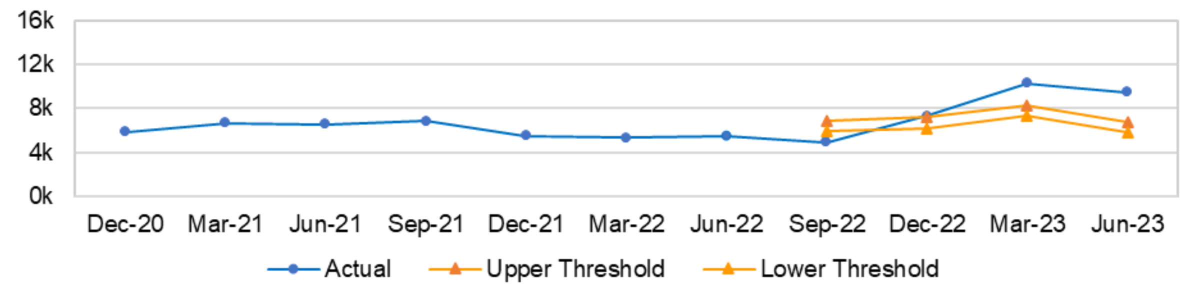
Latest: 13,550	Target: 15,000, Floor: 16,500	Previous: 14,726

Activity indicators

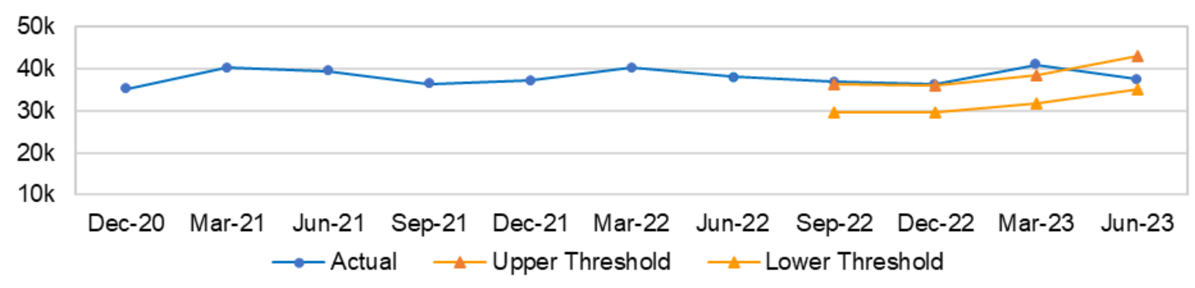
Number of Highways enquiries raised for action – by Quarter



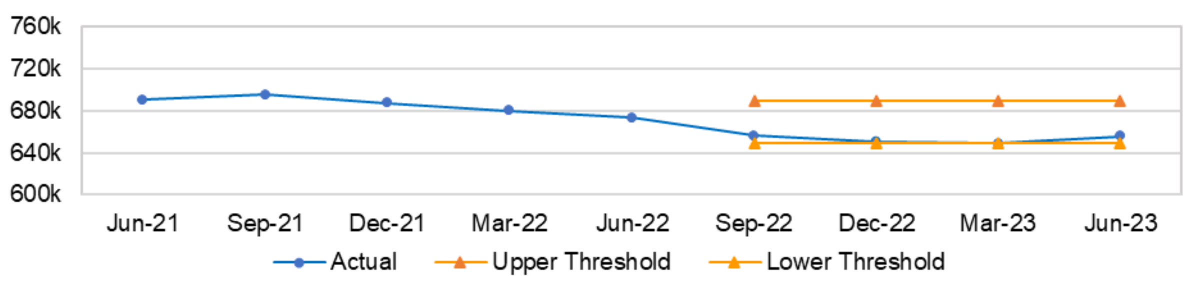
Highways Work in Progress (active enquires/jobs)



Number of streetwork permit requests



Total municipal waste tonnage collected – rolling 12 months



Children, Young People and Education

Cabinet Member	Rory Love, Sue Chandler
Corporate Director	Sarah Hammond

KPI Summary	GREEN	AMBER	RED	⇧	⇨	⇩
	5	5	4	0	12	2

Attainment
In the Summer term pupils sat statutory end of year tests and assessments in Reception (Early Years Foundation Stage), Year 2 (Key Stage One) and Year 6 (Key Stage 2). This data will be reported in next quarterly report. Kent County Council are asking secondary schools to share outcomes for GCSE (Year 11) and Post 16 (Year 13) students in August.

Attendance
The Covid-19 pandemic has had a significant ongoing impact on pupil attendance with Kent's absence rate remaining higher than the national average (based on the data year to date attendance data as of 30/06/2023 collected for the Department for Education). KCC's Attendance Working Group is focused on developing practice and protocols to support the workforce when managing cases with persistent or severe absence, interfacing with the Supporting Families programme and overcoming attendance barriers.

School inspections
Based on the latest inspection data as at the end of June 2023, 91% of schools in Kent (533 of the 587) were Good or Outstanding, compared to the national figure of 88%. The percentage of Primary schools judged as Good or Outstanding at 91% compares favourably to the national figure of 90%. 91% of Secondary schools were judged to be Good or Outstanding compared to 81% nationally. The percentage for Special schools, at 88%, was one percentage point lower than the national position. 83% of Alternative Provision schools (five out of six) were good or outstanding compared to the national figure of 86%.

Implementation of the Education Inspection Framework (EIF) this Quarter continues to focus on safeguarding, record keeping, and attendance, in particular, persistent absence and attendance for disadvantaged pupils and pupils not in school. Recent challenges at inspection have linked to perceived weaknesses in support from social care and getting information in a timely manner from the Local Authority Designated Officer / safeguarding team.

The Divisional Lead for school improvement joined KCC officers in a meeting with His Majesty's Inspectors (HMIs) in June. Named HMIs have been confirmed for each area and links with the relevant Senior Improvement Adviser established. This will support improved communication and discussion around key schools and issues. During the meeting HMI commented on how well school improvement colleagues knew the school, how insightful the adviser reports are, and their alignment with subsequent inspection findings. Requests were made to push inspections for vulnerable schools further back in the inspection window so they have more time to address issues.

The biggest priority in secondary schools continues to be mainstream inclusion alongside attendance strategies and the plans to reduce the levels of persistent absence, development of leadership at all levels through quality of education reviews and for some schools, developing behaviour for learning approaches. Evidence suggests a need for further support to improve attendance levels in some and engaging those learners who are persistently absent for a variety of reasons, such as medical needs or social, emotional, and mental health needs (SEMH).

Early Years
The latest inspection data for the percentage of Early Years settings rated Good or Outstanding is 97%, one percentage point below the target but one percentage point higher than the national average. 98% of childminders were judged to be good or outstanding, one percentage point above national.

For early years group settings, The Education People (TEP) continues to support, through Annual Conversations, all good and outstanding settings, but prioritising those due an Ofsted inspection to assist them in retaining a good or better Ofsted judgement, making clear recommendations where appropriate and offering the 'Securing Good' programme to those in their inspection and not meeting at least Good Ofsted Grade Descriptors. Settings with a Requires Improvement or Inadequate judgement receive targeted and bespoke support, with support for plans of action and follow up visits as required.

At the time of reporting, 2,828 two-year olds have been funded through the Free for Two (FF2) scheme in the 2023 Summer term, equating to a 65.0% take up. It is anticipated that the final data will increase by a few percentage points to bring it broadly in line with last Summer's final take-up of 67.1%.

Established and regular communications with the Early Years and Childcare Sector continue, including the scheduled termly (six times annually) generic Early Years and Childcare Bulletin; communications in between these continue when appropriate and necessary with ongoing contact with individual providers as required. The Early Years and Childcare Service's Threads of Success training offer continues to be delivered principally on virtual platforms as recruitment and retention challenges are still making it very difficult for providers to attend face-to-face training.

SEND (Special Educational Needs and Disability)
Based on the rolling 12-month average to June 2023, 32% of Education, Health and Care Plans (EHCPs) were issued within 20 weeks excluding exceptions (547 out of 1,735). In the single month of June, performance was 13% with 22 plans out of 167 being issued within timescale. The percentage of annual EHCP reviews waiting over 12 months currently is 65%, 15 percentage points above the target of 50%

The SEND service have had a big recruitment drive to reduce vacancies. Since September 2022, when there were over 100 vacancies in the case work teams, vacancies have been reduced by two thirds and recruitment is continuing. In addition, KCC is investing more money in an additional team of experienced SEND staff to accelerate the speed of improvement.

Prioritising senior officer time on the recruitment of high-quality new staff, means they have been pulled off their other work. We think this is a worthwhile investment which will pay dividends in the longer term. As in any organisation, there is a delay between recruiting staff, when they start and the time it takes to induct them. The dip in performance, which we believe is temporary, is due to three factors:

- Resource used to improve processes,
- Senior staff time taken up by recruitment, and
- The gap between recruitment and staff reaching their full capacity.

In the longer term this will lead to sustainable improvement.

At the end of June, 10.8% of pupils with EHCPs were placed in independent or out of county special schools. The percentage of school-age children and young people with an EHCP who are in a mainstream setting remains static at 40.8%. **The project on the phase transfer process this year is continuing with the aim to reduce the number of children transitioning into specialist settings, support more children with EHCPs in mainstream settings, and ensure maintained special school places are targeted at those children with the most complex needs. This strategy will contribute to reducing pupils placed in the independent sector over time.**

Wider Early Help

Sixty-eight pupils were permanently excluded during the rolling 12-month period to June 2023, which equates to 0.03% of the school population. 15 were ‘primary’ phase pupils and 53 ‘secondary’ phase pupils. The overall figure is comparable to levels seen in 2017, where the rolling 12-month period to June 2017 was 71 (0.03% of the school population). Maidstone district accounted for 13 of the 68 pupilsexcluded across the County for the 12-month period to June 2023 (4 ‘primary’ phase and 9 ‘secondary’ phase).

More than half of pupils permanently excluded this academic year to date have SEN support or an EHCP, with more than 80% of all permanent exclusions attributed to persistent disruptive behaviour, or physical assault against an adult or another pupil. Despite this, the PRU Inclusion and Attendance Service (PIAS) and other partners have worked collaboratively with schools to find solutions for pupils who were provisionally permanently excluded, resulting in 40 pupils having their exclusions cancelled by the Headteacher. KCC services continue in their journey to provide support, training, and access for schools with wider inclusion resources around trauma-informed practices and emotional wellbeing to manage ongoing challenges from the Covid-19 pandemic and lockdowns. KCC is also adapting to the expectations on local authorities and schools following amendments to government exclusions guidance and the potential impact on suspensions and permanent exclusion rates, now that schools are no longer permitted to use part-time timetables to manage pupil behaviour.

The number of First-Time Entrants to the Youth Justice System in Kent in March, at 307 (rolling 12-month figure), is above the target of 270 and is RAG-rated Amber. The Youth Justice Board and the Ministry of Justice announced at a recent meeting that first time entrants have gone up nationally. Kent Police and Kent Youth Justice have scheduled to launch Outcome 22[1] in August 2023, and this is when we expect to start to see reductions in First Time Entrants. We are also now implementing ‘Turn around’ which enhances our prevention and diversion model and as this starts to have impact, we will see less children offending and re-offending, and will slowly reduce numbers of First Time Entrants.

[1] Outcome 22 is when diversionary, educational or intervention activity, resulting from the crime report, has been undertaken and it is not in the public interest to take any further action.

Early Help
At the end of June 2023, there were 2,606 open family cases with Early Help units providing support for 5,334 children and young people under the age of 18. This is an 8.3% reduction in the number of families supported compared to the end of the previous Quarter (2,843) and 167 fewer families (6.0%) compared to Quarter 1 last year (2,773).

The performance measure for 'Percentage of Early Help cases closed with outcomes achieved that come back to Early Help / Social Work teams within 3 months was 13.7% for the rolling 12 months to June 2023, a similar result to the previous Quarter (13.3%) and continuing to achieve the target of below 15.0%.

Children's Social Care - Staffing and Caseloads
The number of open cases (including those for care leavers above the age of 18) was 12,340 at 30th June, an increase of 471 children and young people when compared to the end of the previous Quarter (11,869).

There were 5,879 referrals to children's social care services in the Quarter, a decrease of 1.6% when compared to the previous Quarter (5,973) and close to the number of referrals received in the same period of 2022 (5,888). The rate of re-referrals within 12 months for the 12 months to June 2023 was 23.3%, compared to 22.0% the previous Quarter, continuing to achieve the target of below 25.0%. This compares to the England average of 21.4% for 2021/22.

The percentage of case-holding social worker posts held by permanent, qualified social workers employed by Kent County Council (75%) remained the same as the previous Quarter (75%). The average caseload for Social Workers in Children's Social Work Teams was 25 cases in June 2023, the same as for the end of the previous quarter, remaining outside of the target of no more than 18 cases.

Child Protection
On 30th June 2023 there were 1,318 children subject to a child protection plan, a decrease of 18 from the end of the previous Quarter (1,336). The rate per 10,000 children (aged 0-17) was 39.2, which remains below the last published rate for England of 42.1 (31st March 2022). The percentage of children who were subject to a Child Protection Plan for a second or subsequent time reduced by 1.4% in the Quarter, from 23.2% in March 2023 to 21.8% in June 2023. This is within the target range of between 17.5% and 22.5% and compares to an average for England of 23.3% (March 2022).

Children in Care
The number of citizen children in care decreased by 14 (0.9%) in the Quarter to 1,491. The number of unaccompanied asylum seeker children (UASC) in care increased by 43 to 491. Some of these young people will be awaiting transfer under the National Transfer Scheme. The number of children in care placed in Kent by other local authorities (OLA) increased by 66 in the Quarter to 1,256.

Status	Sep 22	Dec 22	Mar 23	Jun-23
Citizen	1,497	1,470	1,505	1,491
UASC	399	489	448	491
Total	**1,896**	**1,959**	**1,953**	**1,982**
Gender				
Male	1,218	1,276	1,254	1,296
Female	675	679	696	683
Non-binary	3	4	3	3
Age Group				
0 to 4	267	266	272	253
5 to 9	210	206	220	233
10 to 15	703	687	689	690
16 to 17	716	800	772	806
Ethnicity				
White	1,362	1,368	1,392	1,392
Mixed	109	114	109	104
Asian	39	35	26	31
Black	75	102	93	100
Other	311	340	333	355

The percentage of Children in Care (excluding UASC) placed in KCC in-house foster care or with family/friends improved in the Quarter from 73.7% in March 2023 to 74.4% in June 2023 but remains below the target of 85.0%. Performance against this measure is impacted by the number of children coming into care, extended timescales of care proceedings and the availability of in-house foster placements. Over the last year there has been a significant challenge in the recruitment and retention of carers. These difficulties are not confined to Kent, it is a national issue which has been highlighted within the Government Social Care Review. **Management actions include: a focus on recruitment and retention of foster carers; continual monitoring of capacity to ensure full utilisation of available placements; and work with Local Authority colleagues in the South to apply to become one of the pilot Regional Care Co-operatives so that the recommendations of the Social Care Review can be implemented to start to address some of the barriers to recruitment.**

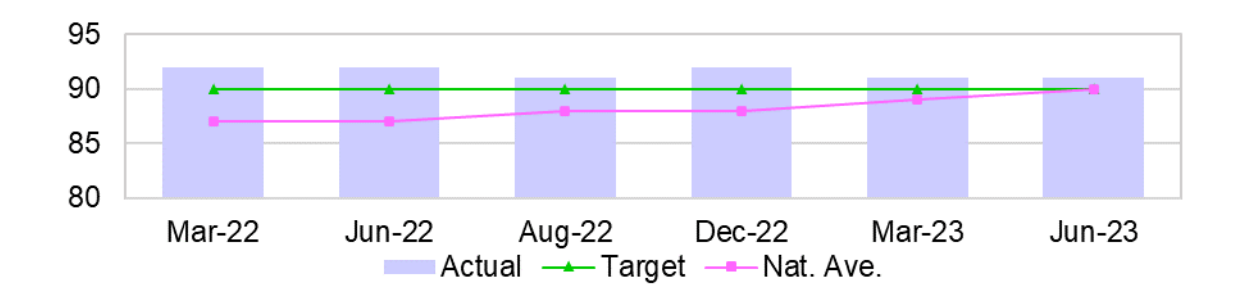
For children who were adopted in the last 12 months, the average number of days between coming into care and moving in with their adoptive family continues to outperform the nationally set target of 426 days. The average number of days for Kent's children at the end of June 2023 was 315 days, an improvement when compared to the average of 352 days at the end of the previous Quarter.

Care Leavers

The number of care leavers at the end of June 2023 was 2,045, an increase of 5 from the previous Quarter (2,040 in March 2023). Of the 2,045 care leavers, 1,000 (48.9%) were citizen care leavers and 1,045 (51.1%) were unaccompanied asylum-seeking young people. The percentage of care leavers in education, employment or training has decreased during the Quarter, from 62.2% in the 12 months to March 2023 to 61.3% in the 12 months to June 2023, remaining below the target of 65.0%.

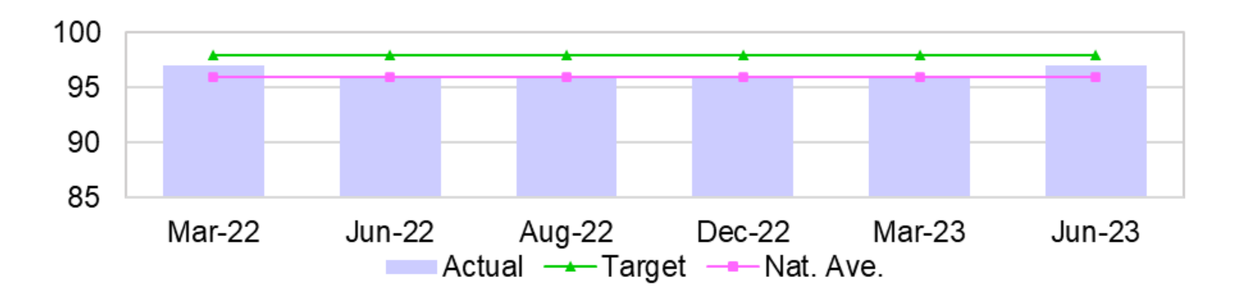
Key Performance Indicators

Percentage of all schools with Good or Outstanding Ofsted inspection judgements		GREEN ⇨



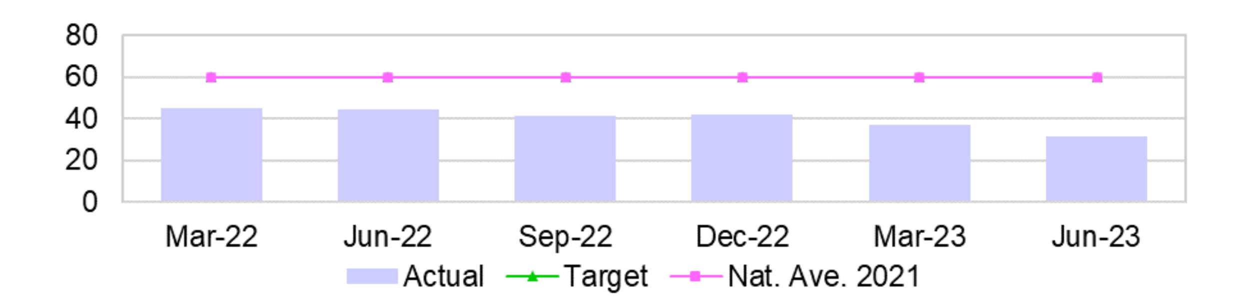
Latest: 91%	Target: 90%, Floor: 87%	Previous: 91%

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



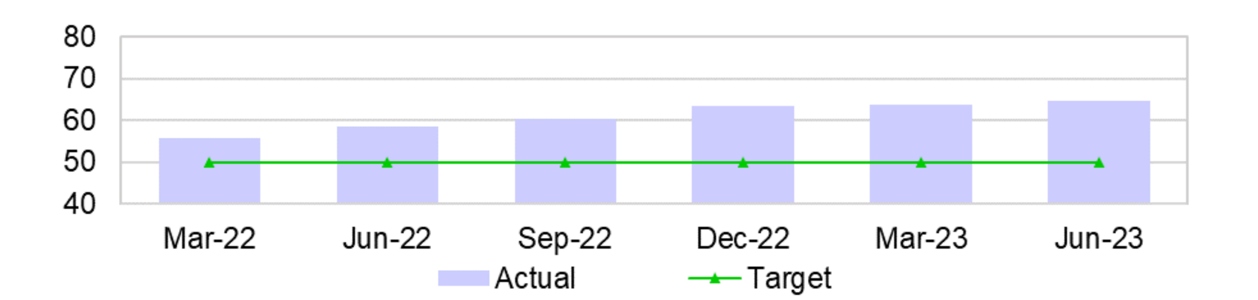
Latest: 97%	Target: 98%, Floor: 93%	Previous: 96%

Percentage of Education, Health and Care Plans (EHCPs) issued within 20 weeks – rolling 12 months		RED ⇨



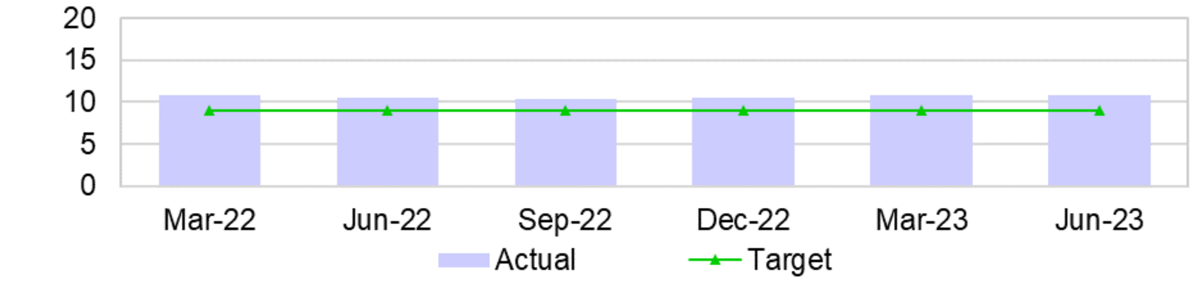
Latest: 31.5%	Target: 60%, Floor: 55%	Previous: 37%

Percentage of annual EHCP reviews waiting over 12 months		RED ⇩



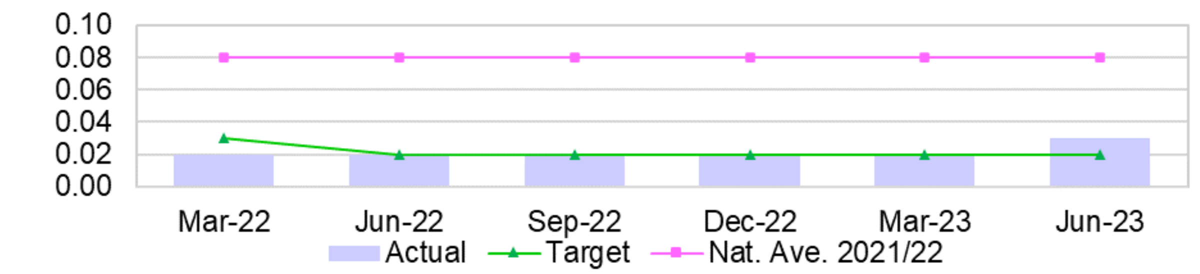
Latest: 65%	Target: 50%, Floor: 60%	Previous: 64%

Percentage of pupils (with EHCP's) being placed in independent or out of county special schools	RED ⇨



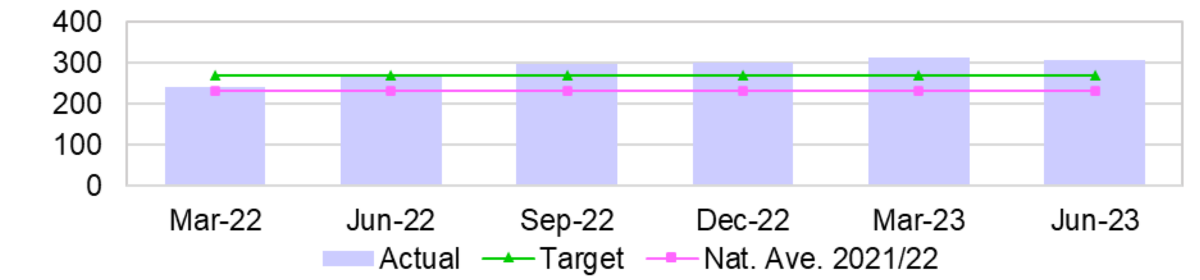
Latest: 10.8%	Target: 9.0%, Floor: 10.5%	Previous: 10.8%

Percentage of pupils permanently excluded from school – rolling 12 months	AMBER ⇨



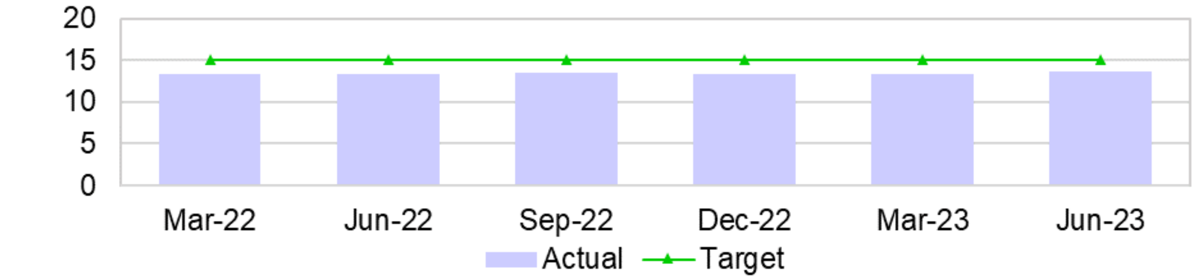
Latest:0.03%	Target: 0.02%, Floor: 0.04%	Previous: 0.02%

Number of first-time entrants to youth justice system – rolling 12 months	AMBER ⇩



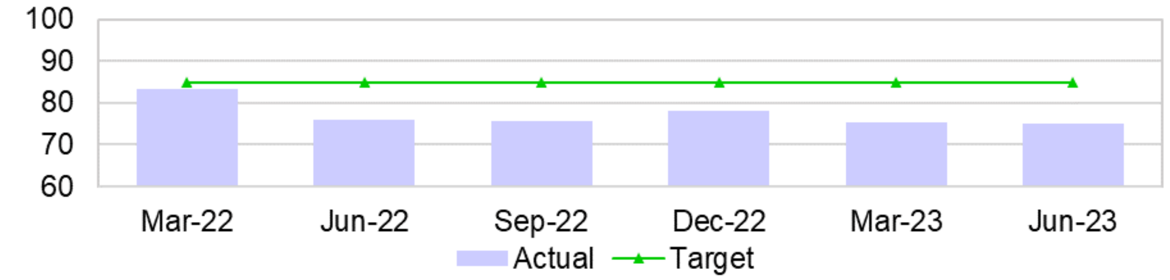
Latest: 307	Target: 270, Floor: 340	Previous: 313

Percentage of Early Help cases closed with outcomes achieved that come back to Early Help / Social Work teams within 3 months	GREEN ⇨



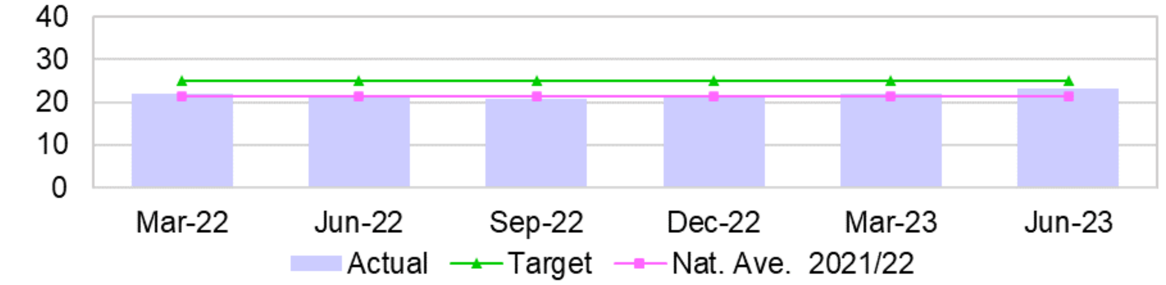
Latest: 13.7%	Target: 15%, Floor: 20%	Previous: 13.3%

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



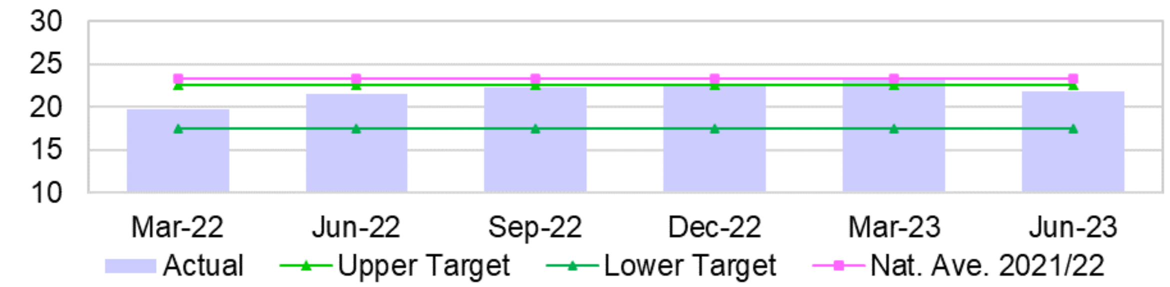
Latest: 75.1%	Target: 85.0%, Floor 75%	Previous: 75.2%

Percentage of children's social care referrals that were repeat referrals within 12 months	GREEN



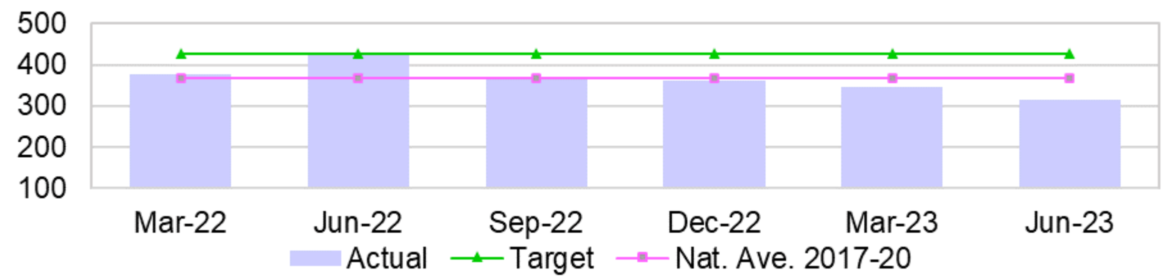
Latest: 23.3%	Target: 25.0%, Floor 30%	Previous: 22.0%

Percentage of child protection plans that were repeat plans	GREEN



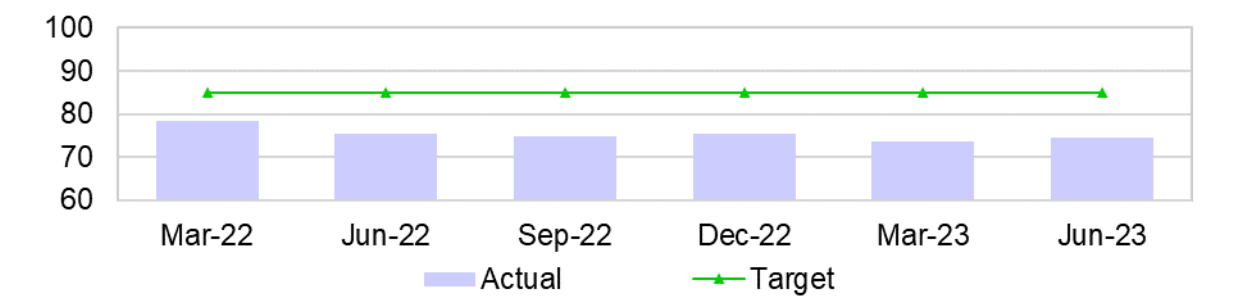
Latest: 21.8%	Target: 17.5% - 22.5% Floor: Above 27.5% or Below 12.5%	Previous: 23.2%

Average number of days between becoming a child in care and moving in with an adoptive family	GREEN



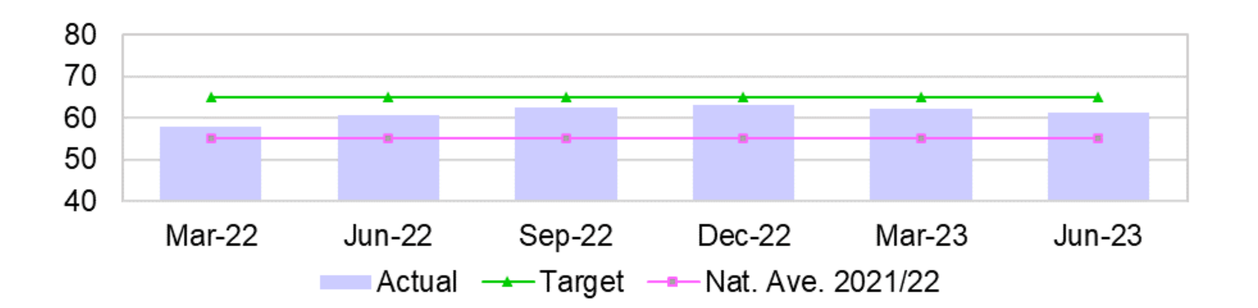
Latest: 315.2	Target: 426, Floor: 450	Previous: 352.1

Percentage foster care placements which are in-house or with relatives and friends (excluding UASC)	RED ⇨



Latest: 74.4%	Target: 85.0%, Floor: 75%	Previous: 73.7%

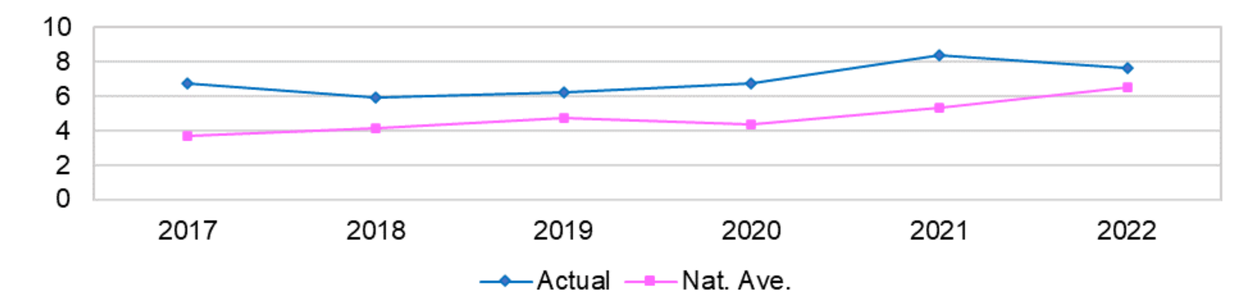
Percentage of care leavers in education, employment or training (of those KCC is in touch with)	AMBER ⇨



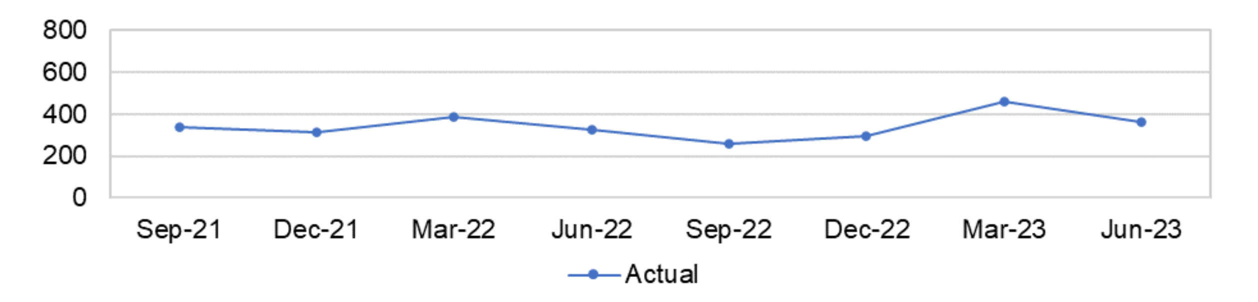
Latest: 61.3%	Target: 65.0%, Floor: 55%	Previous: 62.2%

Activity indicators

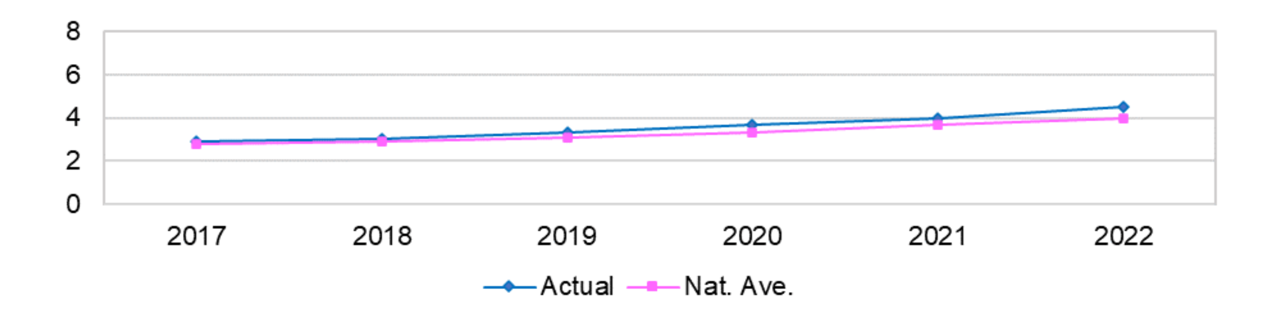
Number of initial requests for statutory assessment (for an EHC plan) per 1,000 population



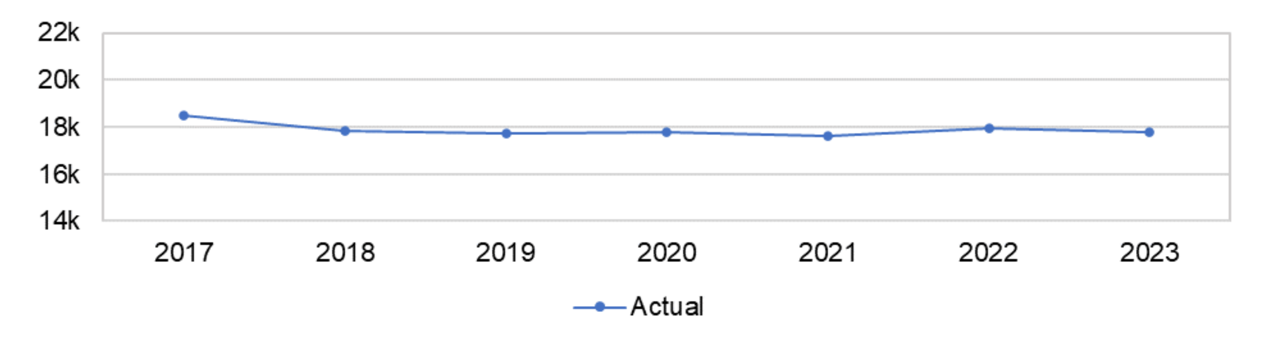
Number of initial requests for statutory assessment for an EHC plan (Quarterly)



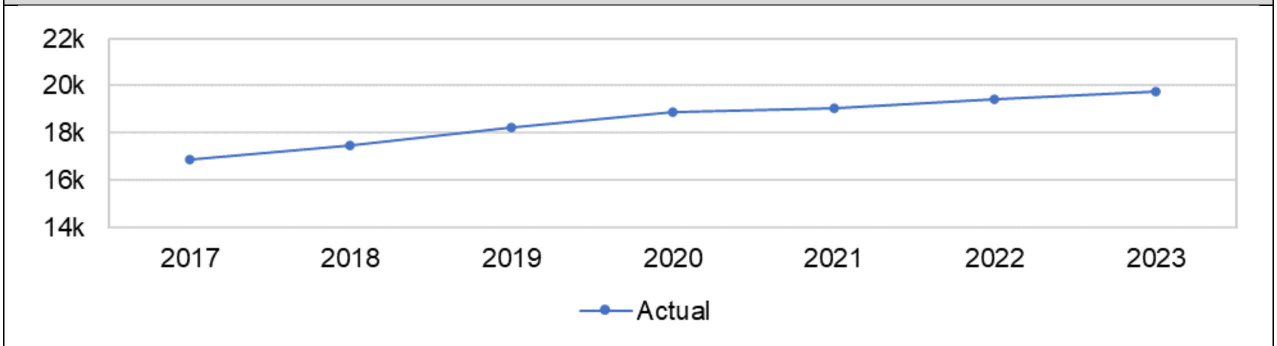
Percentage of pupils with an EHCP



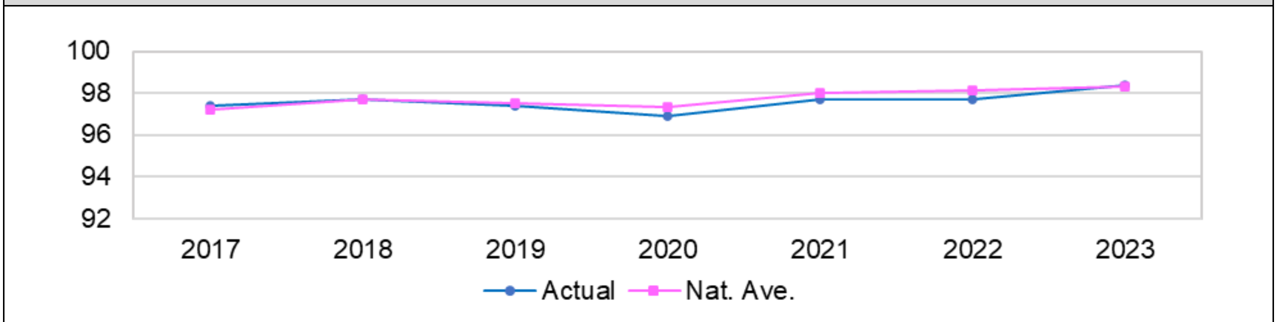
Number of pupils in Reception year (Kent state funded schools)



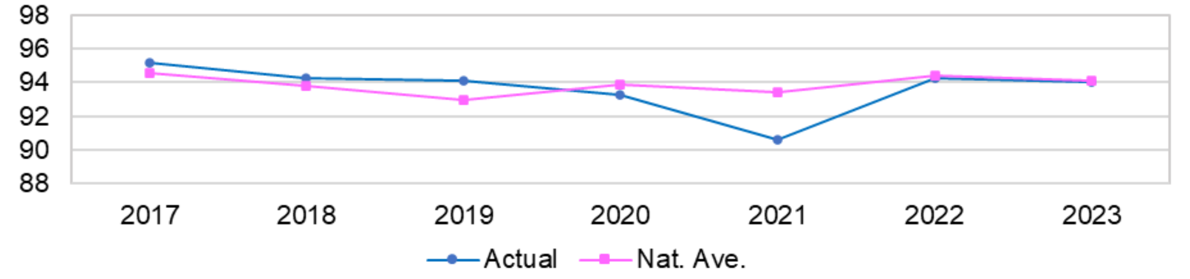
Number of pupils in Year 7 (Kent state funded schools)



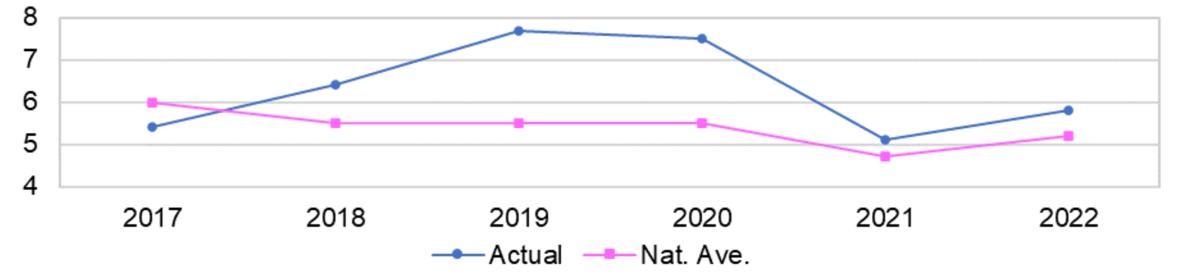
Percentage of Primary school applicants offered one of top three preferences



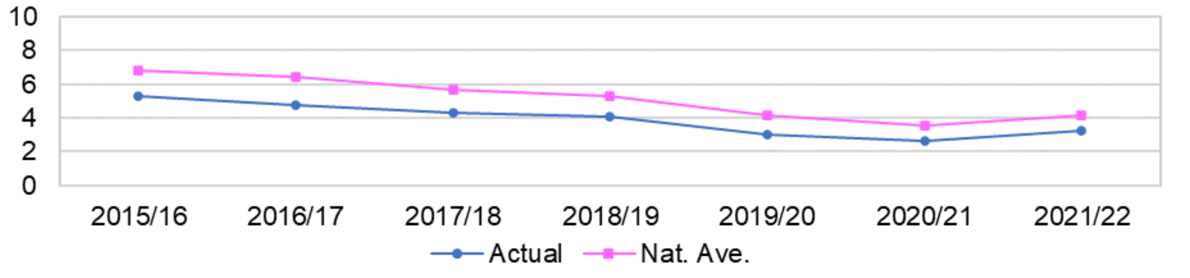
Percentage of Secondary school applicants offered one of top three preferences



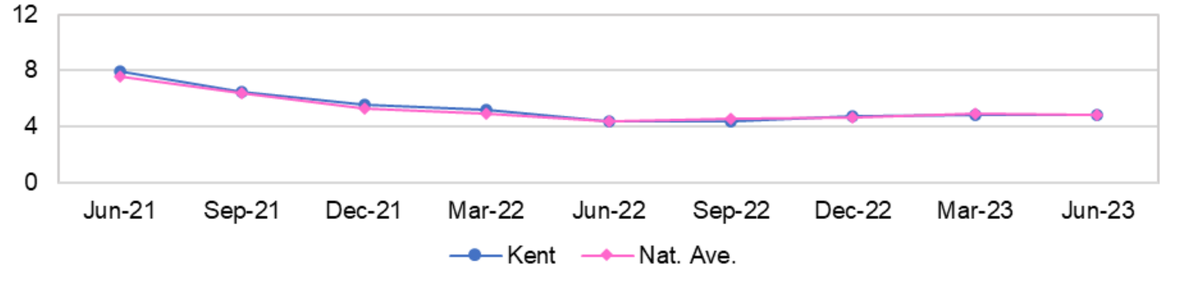
Percentage of 16-17 years olds Not in Education, Employment or Training (NEETs) or whose activity is Not Known



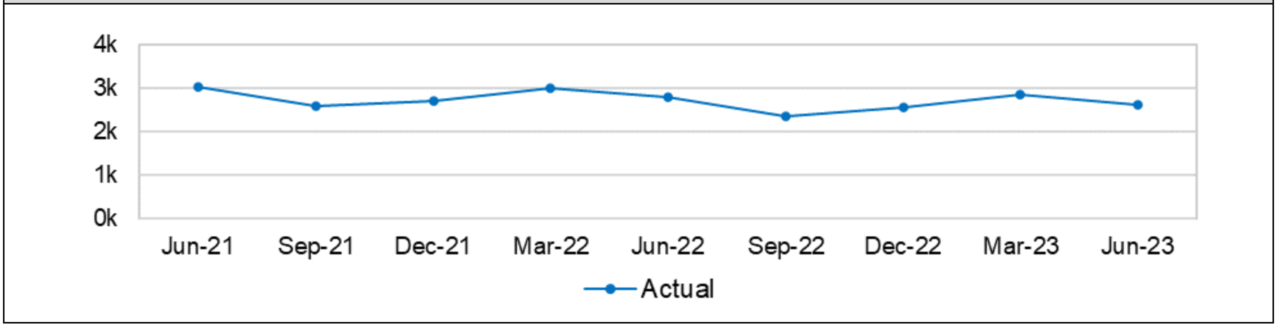
Percentage of 16-18 year olds who start an apprenticeship



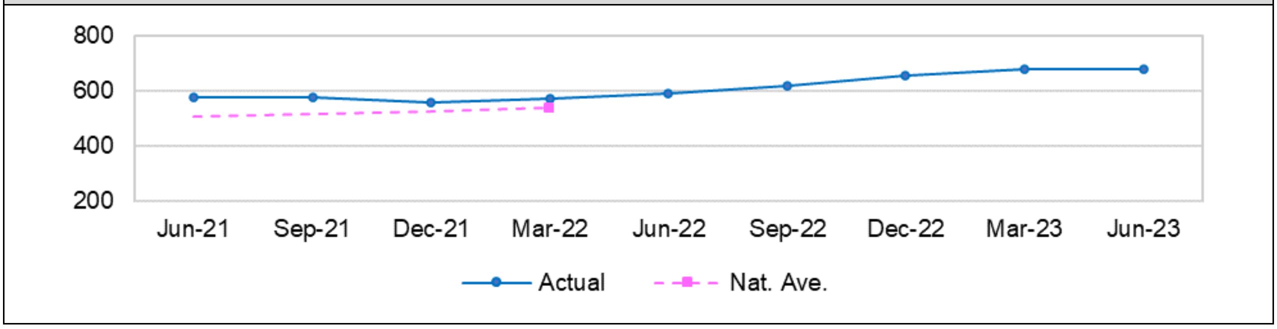
Percentage of 18-24 year olds claiming Universal Credit



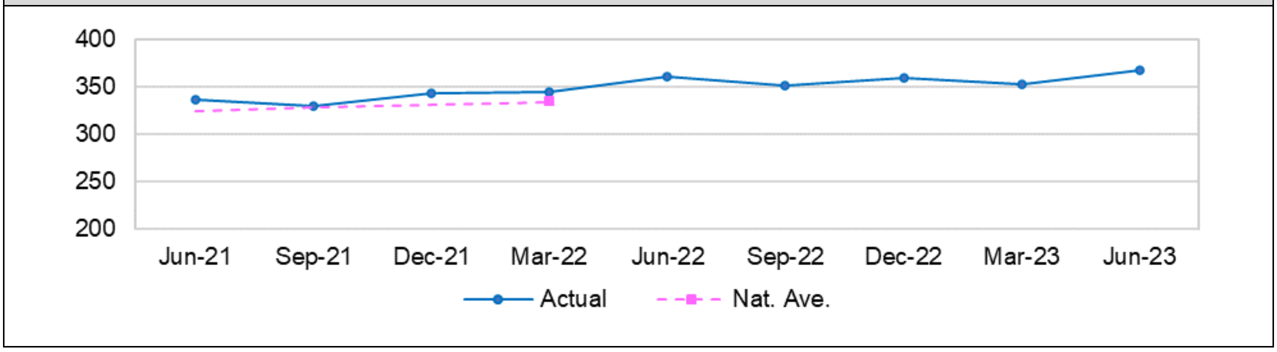
Number of open Early Help cases managed by Units



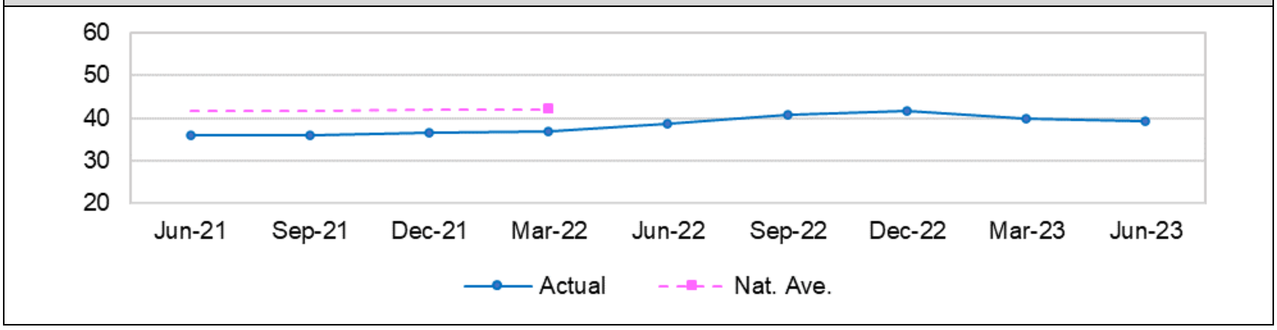
Rate of CSW referrals per 10,000 population aged under 18 – rolling 12 months



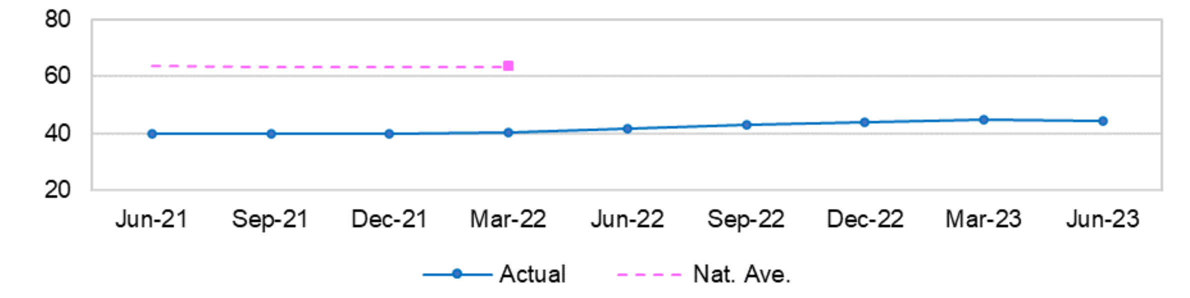
CSW caseload per 10,000 child population – snapshot at Quarter end



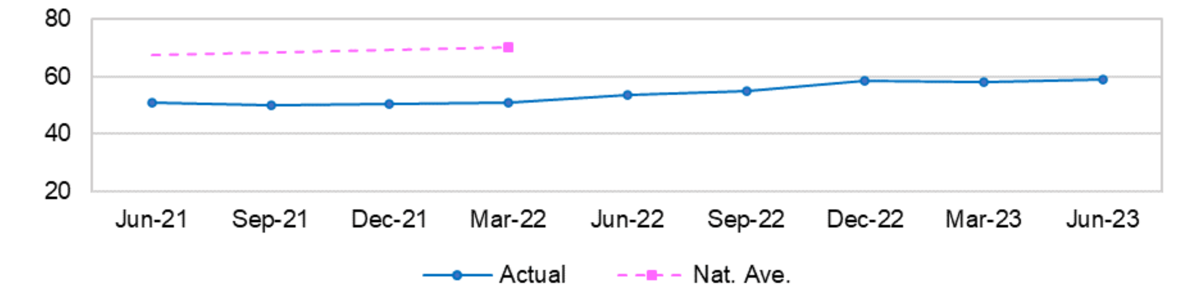
Rate of children with Child Protection Plans per 10,000 child population – snapshot at Quarter end



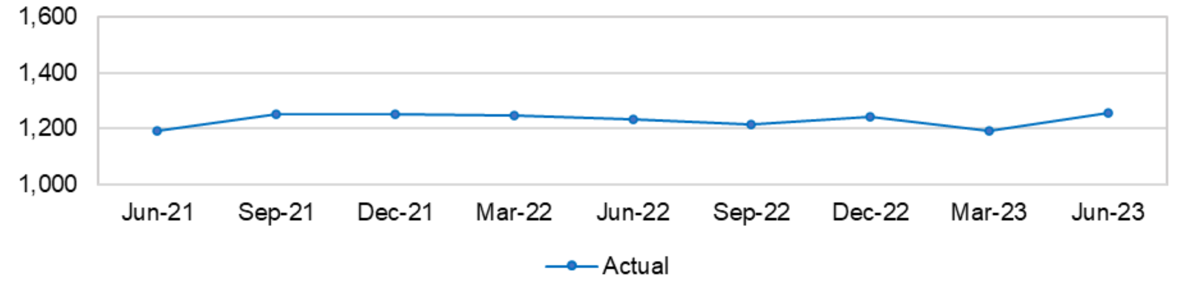
Rate of Children in Care (excluding UASC) per 10,000 child population – snapshot at Quarter end



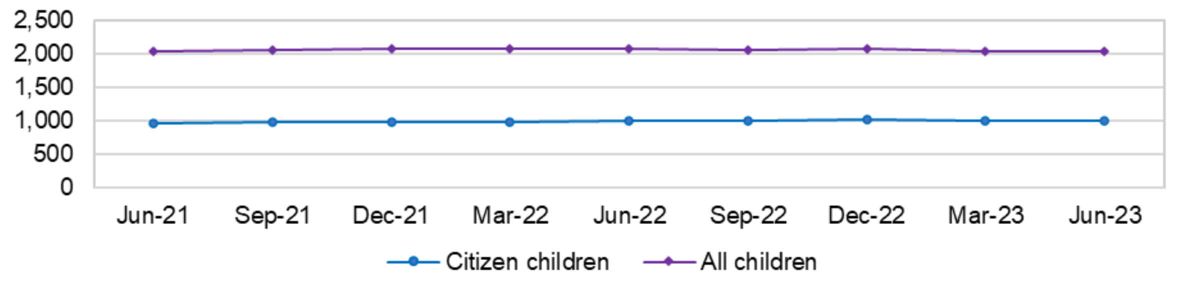
Rate of Children in Care (including UASC) per 10,000 child population – snapshot at Quarter end



Number of other local authority children in care placed into Kent – snapshot at Quarter end



Number of care leavers as at Quarter end



Adult Social Care & Health

Cabinet Member	Dan Watkins
Corporate Director	Richard Smith

KPI Summary	GREEN	AMBER	RED	⇧	⇨	⇩
	1	4	1	1	2	3

Contacts
Adult Social Care and Health (ASCH) continue to have high volumes of contacts each Quarter, with over 22,400 people making contact in Quarter 1. This continues an ongoing trend of increasing activity, with this Quarter having a 3% increase on the same Quarter last year. **In addition to the new tools made available on kent.gov.uk which help people understand their ASC needs, give advice and information, and help estimate how much they may need to pay towards their care and support, ASCH are working on transforming the contact and referral pathways to ensure they work for Kent residents and the people we support, working further with partners to utilise these resources.** The KPI on the percentage of people who re-contacted ASCH, having had a previous contact resolved with advice and information, continues to achieve the target of 9% (RAG rated Green) having decreased further to 5% in Quarter 1.

Assessments and Support Packages
Quarter 1 also saw another increase in the number of Care Needs Assessments (CNA) to be undertaken, with an increase of 5%, which was on top of the 15% increase experienced the previous Quarter. 5,573 CNAs were initiated in Quarter 1 with ASCH completing 4,878. This was fewer than in previous Quarters, which led to more people needing their CNA to be completed on the last day of the Quarter (over 3,000).

Of the incoming new CNAs for Quarter 1, 71% were completed by ASCH within 28 days, an increase of 1% on the previous Quarter, however this continues to be below the floor standard of 80% (RAG Rated Red). The time taken to complete a CNA is dependent on the person and their needs, however most CNAs can be, and are, completed within 28 days (Care Act guidance states that they should be timely). **ASCH continues to prioritise completing CNAs as part of its Performance Assurance Framework and are looking at new ways of working to help balance all the activities worked on by Practitioners in the new community teams.**

1,085 Carers' Assessments were completed by ASCH and the Carers organisations in Quarter 1. The Carer Strategy Group has been running for 3 months, co-chaired by an Assistant Director and a Carer (with lived experience). The group will deliver against the Carer Strategy and has plans to also roll out localised Carer Forums in each of the four locality areas. Work within the Health and Care Partnerships and with the Community Mental Health Framework is highlighting the needs of Carers with partner organisations. The Carers week in June included several opportunities to highlight the needs of carers and included further awareness raising within ASCH.

Evidence continues to show the positive effect on wellbeing when carers are supported to receive short breaks from their responsibilities and are also signposted to other support services, supporting their individual aims and goals. Furthermore, the whole system approach to prevention and improving outcomes is underpinned by the Carers Strategy 2022-2027 and the Kent and Medway Integrated Care System Social Prescribing and Navigation Strategy which will support the long-term shifts and core purposes of an integrated care system.

Following a CNA, where eligible for support, people receive a Care and Support Plan (C&SP) which details how a person will be supported and the services they may receive. ASCH had 16,294 people with an active C&SP at the end of Quarter 1, which is an increase of 2%. Not everyone will go on to need a support package and ASCH has seen varying numbers of new support packages being arranged each Quarter, in Quarter 1 it was 2,501, with an average weekly cost of £629 up from £592 last Quarter. Increased average costs reflect both increases in the level of need for people we support, such as those with Mental Health needs, and the increased cost of services.

Annual reviews of the Care and Support Plan
ASCH completed 2,475 annual reviews of the C&SP in Quarter 1, which was a decrease on the previous quarter; this decrease alongside people's ongoing review becoming due in Quarter 1 has meant ASCH has seen an increase in the number of people requiring an annual review on the last day of the quarter again to 5,621. **As with CNAs, ASCH continues to prioritise completing reviews as part of its Performance Assurance Framework.**

Enablement
ASCH has the Kent Enablement at Home service (KEaH) which aims to keep people independent and in their home. In Quarter 1 there was a decrease in the number of people actively receiving this support to 1,572; changes in activity were due to a decrease in referrals from ASCH's Referral Service. **ASCH have temporarily increased the use of a pause function in the Care Needs Assessment to ensure people have enablement services where appropriate whilst we work on increasing the enablement focus at the referral service.** The pause function, which is within the guidance of the Care Act will be stood down following the changes to the referral service.

Where people require residential or nursing care on a temporary basis, this will be to assess their longer-term needs or circumstances, or to provide respite. **ASCH have been working to reduce the use of short-term beds as well as the amount of time people spend in them, ensuring they maximise the opportunities for people to remain independent in their own homes.** There was another decrease from Quarter 4 to Quarter 1, continuing the quarterly decreases in activity since Quarter 2 last year.

Hospital Discharge Pathway
Although reported one quarter in arrears, ASCH saw a slight increase in the percentage of people aged 65 and over at home 91 days after discharge from hospital having had reablement services, at 82% in Quarter 4 compared to 81% in the previous quarter. Increases in those accessing KEaH in Quarter 4 and the work to reduce the longer-term use of a short-term bed have contributed to this improved performance. **There is work with Partners to develop the Transfer of Care Hubs, where it is anticipated that decision making on people's care and support will shift to outside of the hospital to a robust Multi-Disciplinary Team, maximising the outcomes for people**.

Direct Payments
Direct Payments are a nationally recognised route for enabling people to remain independent and in their own homes with clear personal choice of their support. For Quarter 1 this measure is RAG Rated Amber at 25%, a 1 percentage point increase on the previous Quarter, with increases seen in the numbers of carers, people with learning disabilities, mental health and sensory needs receiving one.

Residential and Nursing care
The number of people aged over 65 going into long term residential and nursing care varies each Quarter. Following an increase in Quarter 3 leading to the KPI being RAG Rated Red, there has now been a decrease in Quarter 4 to 115 people per 100,000 and the KPI is now RAG Rated Amber. For the past 3 years Quarter 4 has seen the lowest number of admissions.

The percentage of KCC supported people in residential or nursing care with a CQC rating of Good or Outstanding decreased again, and is now at 75%, below target and RAG Rated Amber. There has been a consistent downwards trend over at least the last 6 quarters and the KPI is now just above the floor standard. There has not been an increase in the proportion of those in an Inadequate home, being at 2% this Quarter compared to 3% last Quarter (1% of Care Homes in Kent are rated Inadequate) with the movement happening from those rated Good to those rated as Requires Improvement. This is a trend we have seen since the CQC re-started their inspections following the Covid-19 pandemic.

KCC continues to work closely with the Care Quality Commission (CQC) and Providers to improve the levels of quality in the care home market. Locality Commissioners provide advice and support to ensure that effective action plans are in place that respond to identified concerns and/ or CQC findings and monitor these action plans as required. At present, eleven care homes (five older person care homes and six learning disability, physical disability, and mental health care homes) have contract suspensions in place to prevent further placements whilst improvements are being made.

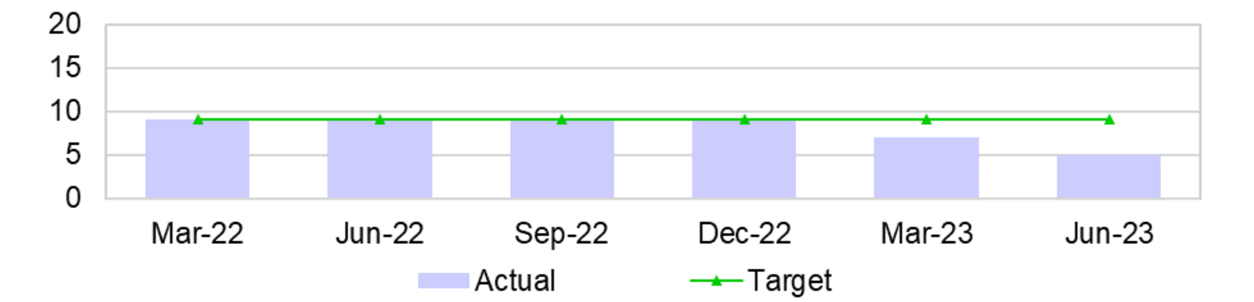
Mental health needs
The number of people accessing support who have a Mental Health need continues to increase each Quarter, with 1,375 people with a Mental Health need being supported by ASCH in Quarter 1. Supporting Independence Services/ Supported Living continue to be the most prevalent service provision.

Deprivation of Liberty Safeguards (DoLS)
The number of Deprivation of Liberty Safeguards (DoLS) applications received remains high, albeit with a lower volume than the previous two Quarters with 2,266 in Quarter 1. Over 2,000 applications were completed, which is back in line with previous Quarters following an increase in Quarter 4. The DoLS Team continue to manage risk through strong relationships with partners and look to innovate to get the best outcomes from the available resources.

Safeguarding
ASCH saw an increase in the number of safeguarding enquiries open on the last day of the Quarter; this follows some anticipated disruption due to the introduction of the new Locality Operating Model in April. **Work on Safeguarding remains a high priority for ASCH within the Performance Assurance Framework and recruitment to the new locality operational teams who now hold safeguarding is in progress; in the meantime, work is being conducted to streamline processes where appropriate.**

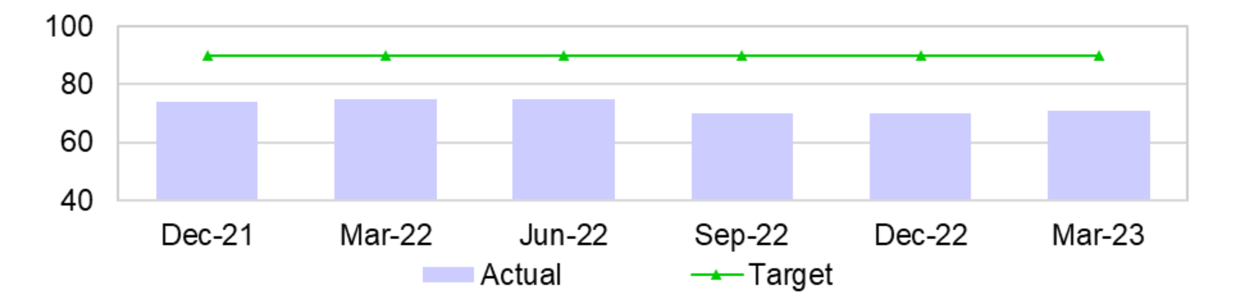
Key Performance Indicators

Percentage of people who have their contact resolved by ASCH but then make contact again within 3 months	GREEN ⇧



Latest: 5%	Target: 9%, Floor: 13%	Previous: 7%

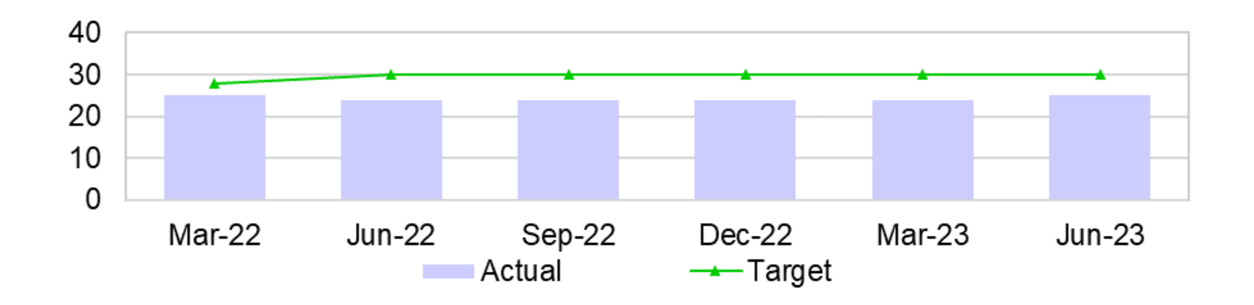
Proportion of new Care Needs Assessments delivered within 28 days	RED ⇩



Latest: 71%	Target: 90%, Floor: 80%	Previous: 70%

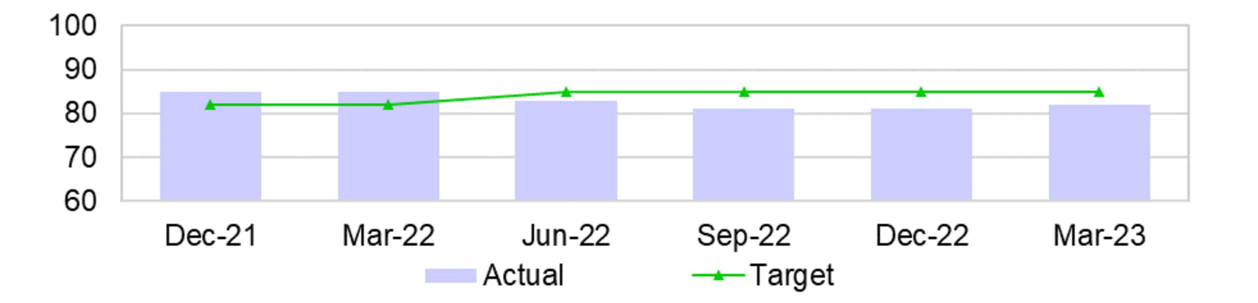
KPI Reported one Quarter in arrears.

Proportion of people receiving a long-term community service who receive Direct Payments	AMBER ⇨



Latest: 25%	Target: 30%, Floor: 24%	Previous: 24%

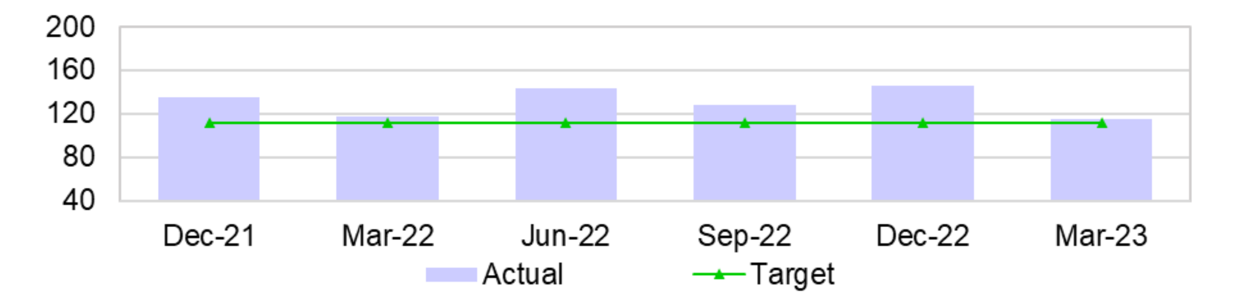
Proportion of older people (65+) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services	AMBER ⇩



Latest: 82%	Target: 85%, Floor: 80%	Previous: 81%

KPI Reported one Quarter in arrears.

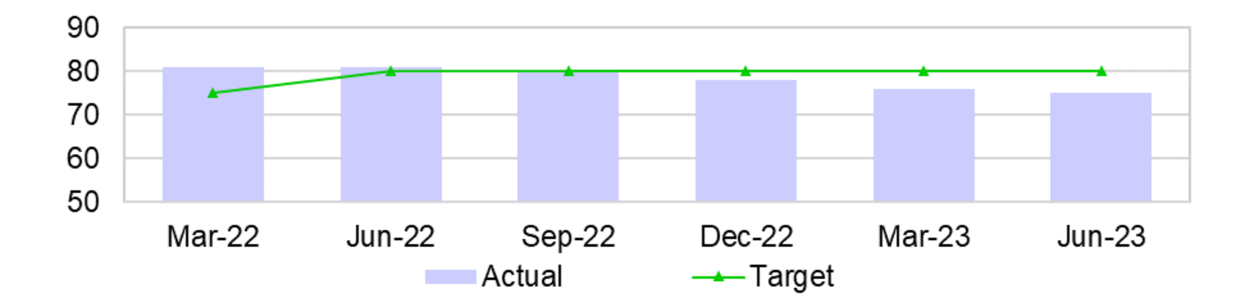
Long Term support needs of older people (65 and over) met by admission to residential and nursing care homes, per 100,000 (Better Care Fund)	AMBER ⇨



Latest: 115	Target: 111, Floor: 138	Previous: 146

KPI Reported one Quarter in arrears.

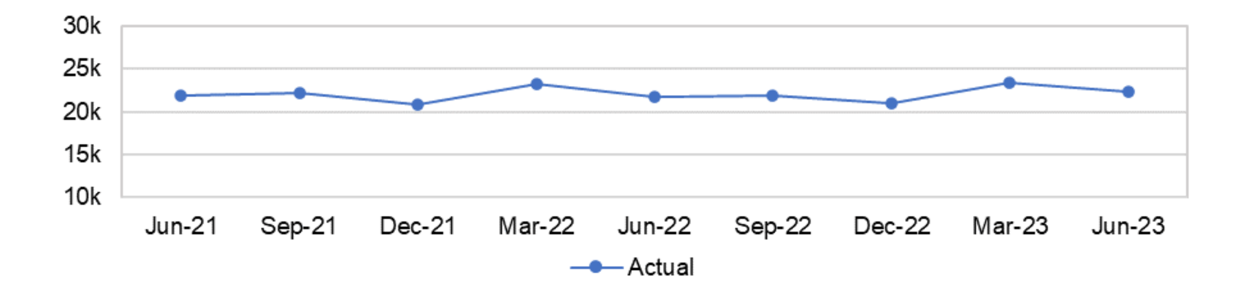
Percentage of KCC supported people in residential or nursing care where the CQC rating is Good or Outstanding	AMBER ⇩



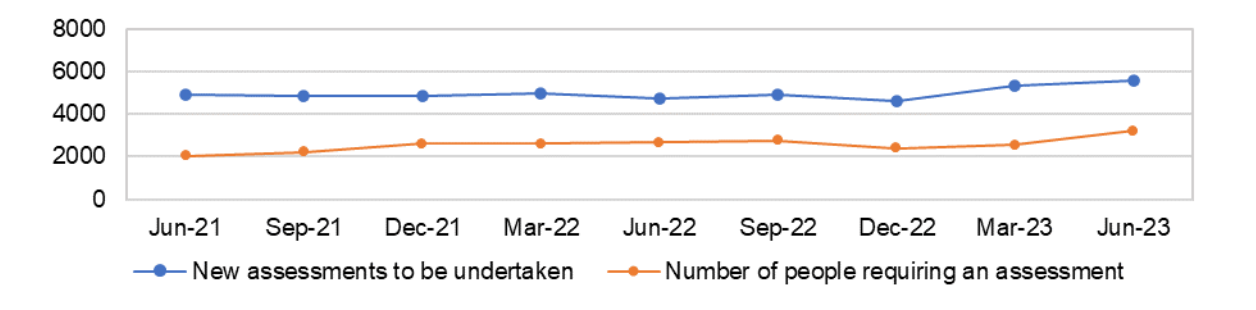
Latest: 75%	Target: 80%, Floor: 75%	Previous: 76%

Activity indicators

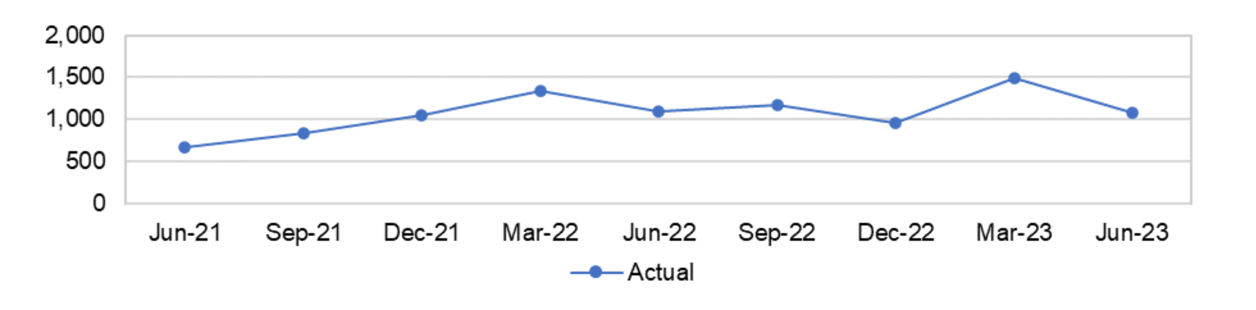
Number of people making contact with ASCH



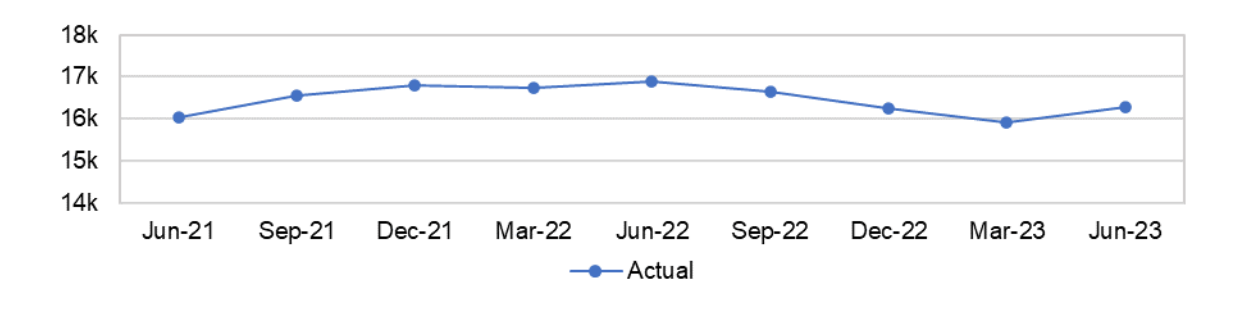
Number of new Care Needs Assessments to be undertaken and the number of people requiring a Care needs Assessment on the last day of the quarter



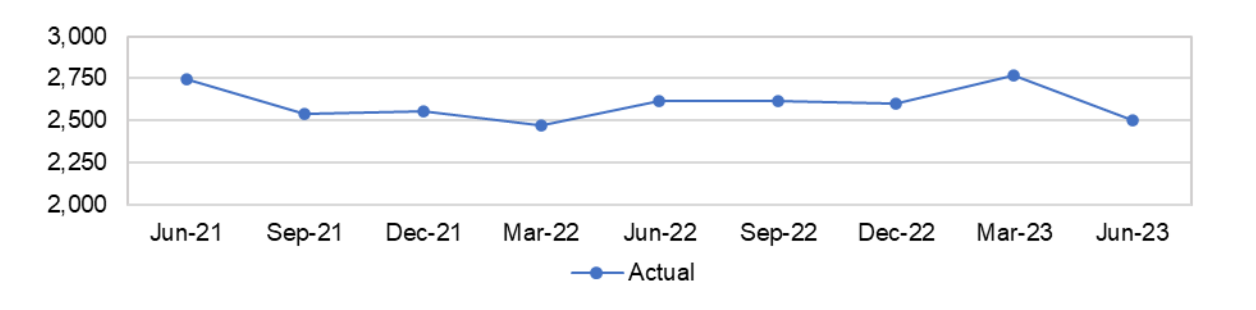
Number of new Carers assessments delivered



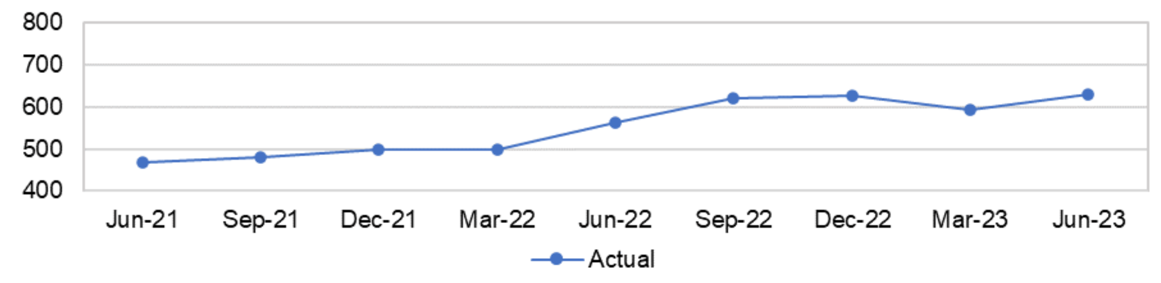
Number of people with an active Care & Support Plan at the end of the Quarter



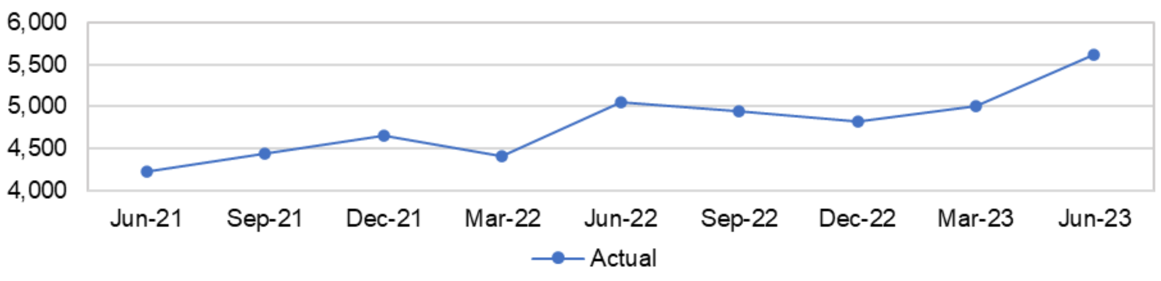
Number of new support packages being arranged for people in the Quarter



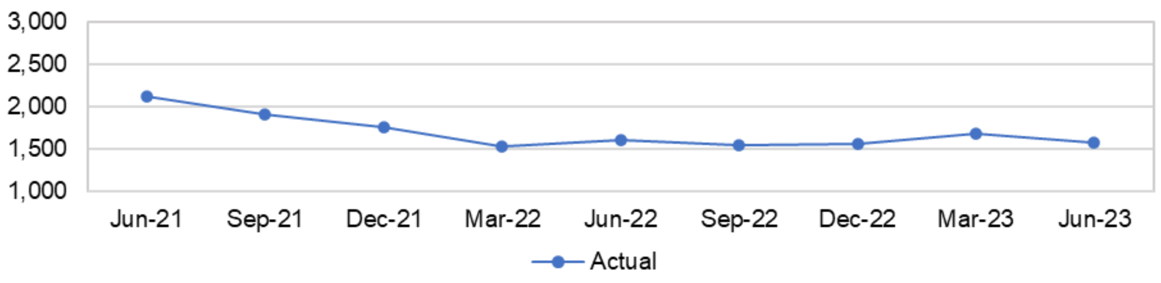
Average cost (£s per week) of new support packages arranged for people in the Quarter



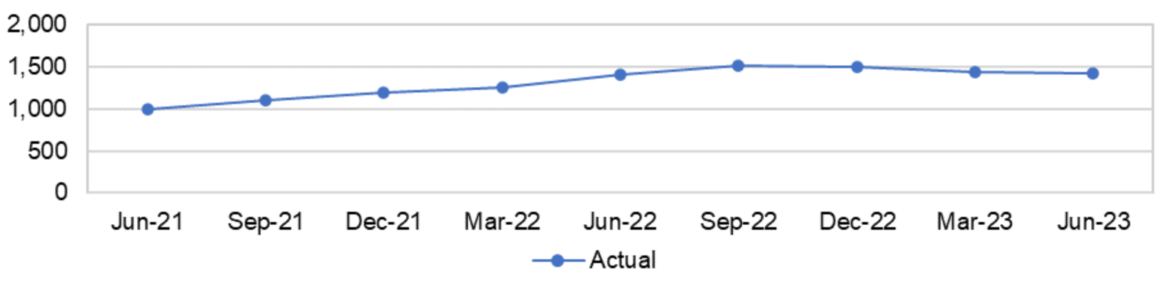
Number of people requiring an annual review to be completed on the last day of the Quarter



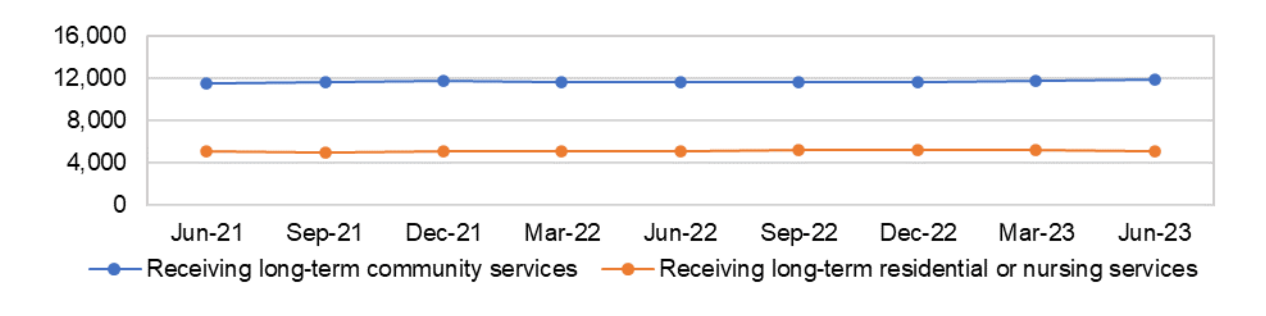
Number of people in Kent Enablement at Home (KeaH)



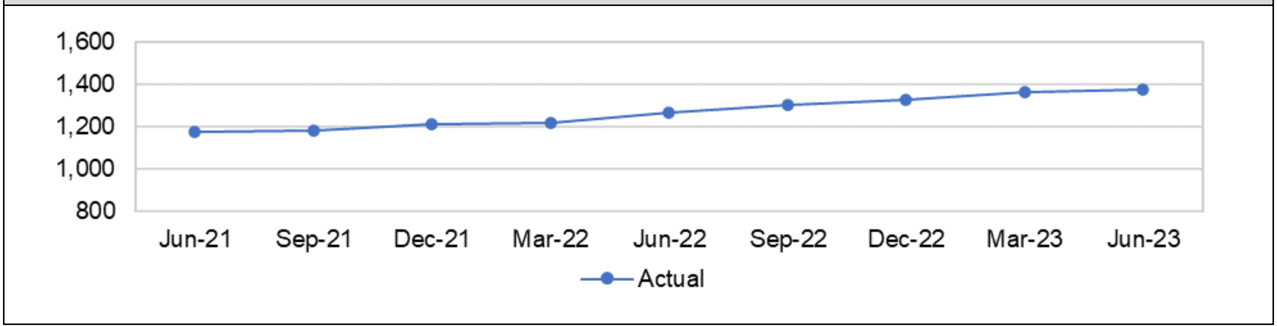
Number of people in Short Term Beds during the Quarter



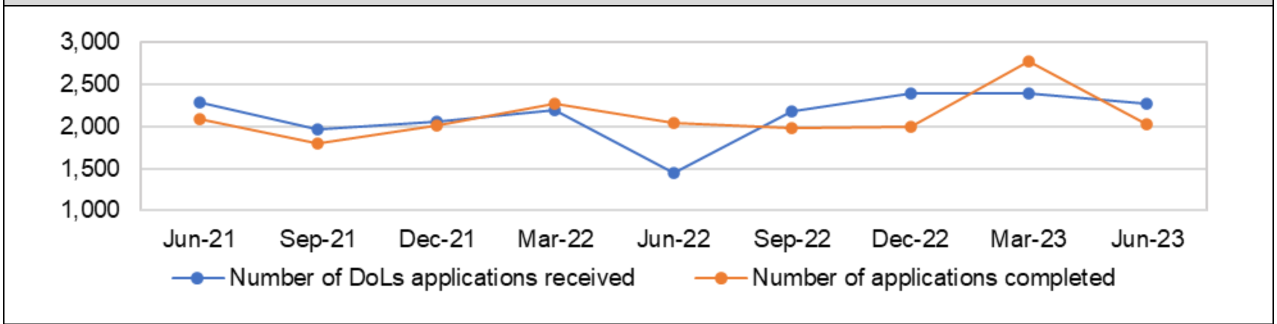
Number of people in Long Term Services



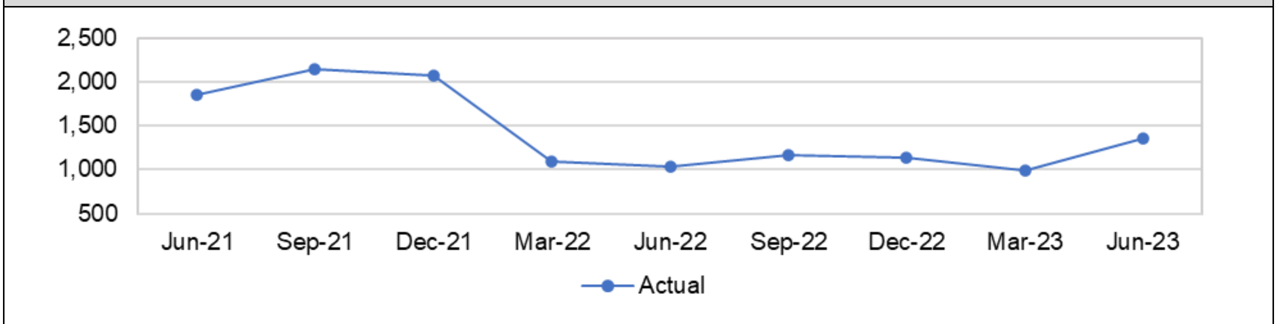
Number of People accessing ASCH Services who have a Mental Health Need



Number of DoLS applications received and completed



Number of safeguarding enquiries open on the last day of the Quarter



Public Health

Cabinet Member	Dan Watkins
Director	Anjan Ghosh

KPI Summary	GREEN	AMBER	RED	⇧	⇨	⇩
	5	0	0	1	2	2

NHS Health Check
In Quarter 1, the number of eligible people receiving an NHS Health Check (twelve-month rolling total) exceeded the target for the second consecutive Quarter at 26,565, of which 7,396 were delivered in Quarter 1. This represents an increase of 22% compared to the same quarter in 2022/2023 (5,945) and demonstrates improved participation from third party providers. Twenty percent (18,607) of the yearly eligible population were invited to an NHS Health Check during the Quarter. Commissioners are working with Kent Community Health Foundation Trust (KCHFT) to trial the use of SMS text message invitations to understand whether this improves uptake and increases programme efficiency.

Health Visiting
In Quarter 1, the Health Visiting Service delivered 16,780 mandated universal health and wellbeing reviews, slightly higher than the previous quarter (16,752). The service delivered 68,713 mandated universal contacts (twelve-month rolling total) and remains on track to meet the increased annual target of 68,000 (by the end of the year). Four of the five mandated contacts met or exceeded the targets with the proportion of new birth visits delivered within 10–14 days at 94%, slightly below the 95% target. Overall, 99% of new birth visits were delivered within 30 days and families with additional needs are always prioritised.

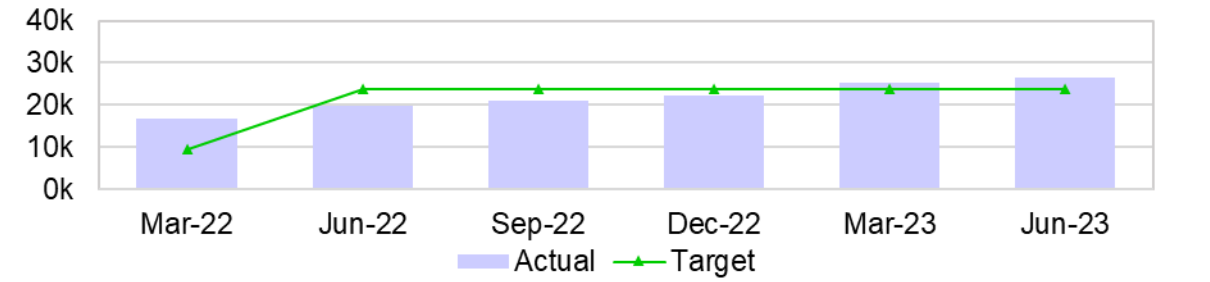
Sexual Health Service
The Sexual Health Service performed above the target for the percentage of first-time patients being offered a full sexual health screening, achieving 98% in Quarter 1. There were 15,191 attendances at KCC commissioned sexual health clinics during the Quarter, an increase of 10% (1,413) compared to the same quarter in 2022/2023. Access to the online Sexually Transmitted Infections (STI) Testing Service continues to be high, with 10,852 testing kits ordered during the Quarter. Works are nearing completion at the new sexual health clinic in Margate, which will increase service capacity to meet current and future need. This facility is projected to open in Quarter 2. The service has also continued successful, proactive outreach work, with collaboration taking place between providers.

Drug and Alcohol Services
The data for Community Drug and Alcohol Services for Quarter 1 is not due for release until near the end of Quarter 2, and so is not available. Work is ongoing to increase numbers of people going into treatment; this includes rebranding, increasing outreach support and improving pathways of care with NHS agencies and service user/lived experience engagement. There is a whole system stakeholder meeting planned for September 2023 and a package of training being delivered to front line providers.

Live Well Kent and Medway
In Quarter 1, Live Well Kent and Medway started the new service contract, which involved some movement between providers of locations covered. The new service is now fully mobilised and has provided a smooth transition of support for clients accessing the service across Kent and Medway. The transfer of clients necessitated a data reset for exit survey completions. As a result, data is not available for Quarter 1.

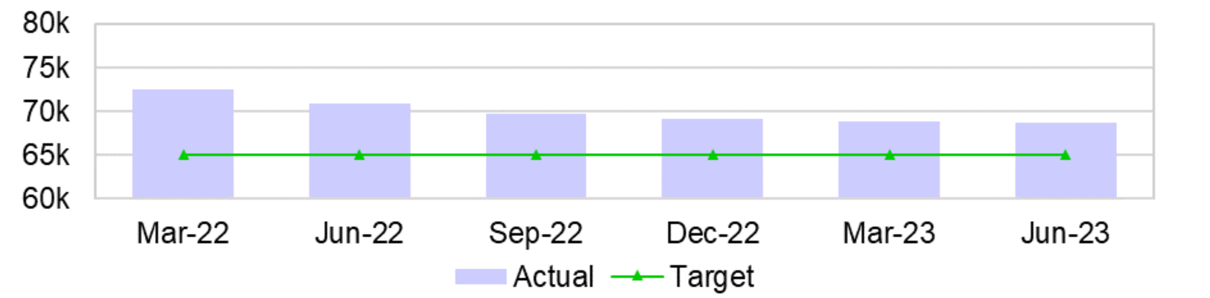
Performance Indicators

Number of eligible people receiving an NHS Health Check (Rolling 12 months)		GREEN ⇧



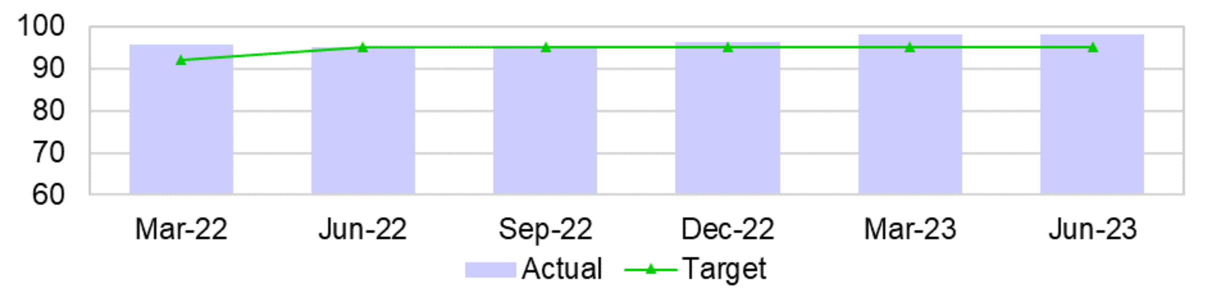
Latest: 26,565	Target: 23,844, Floor: 18,999	Previous: 25,144

Number of mandated universal checks delivered by the health visiting service – rolling 12 months		GREEN ⇩

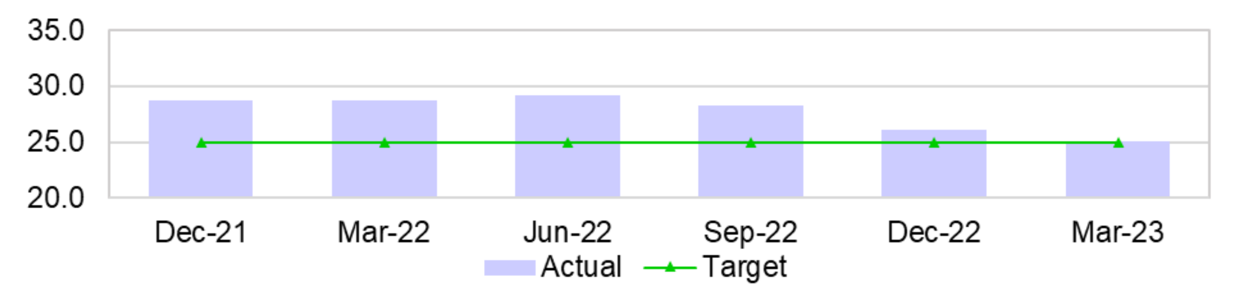


Latest: 68,713	Target: 68,000, Floor: 54,400	Previous: 68,852

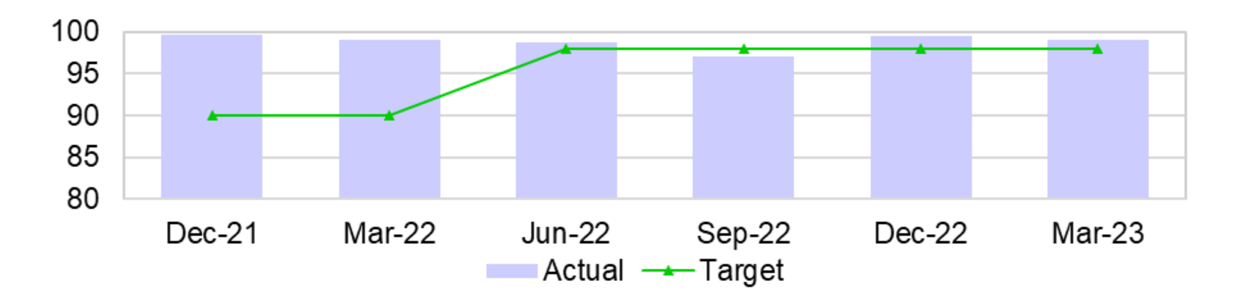
Percentage of first-time patients (at any sexual health clinics or telephone triage) who are offered a full sexual health screen		GREEN ⇨



Latest: 98%	Target: 95%, Floor: 75%	Previous: 98%

Successful completion of drug and alcohol treatment – rolling 12 months		GREEN ⇩
		
Latest: 25%	Target: 25%, Floor: 20%	Previous: 26%

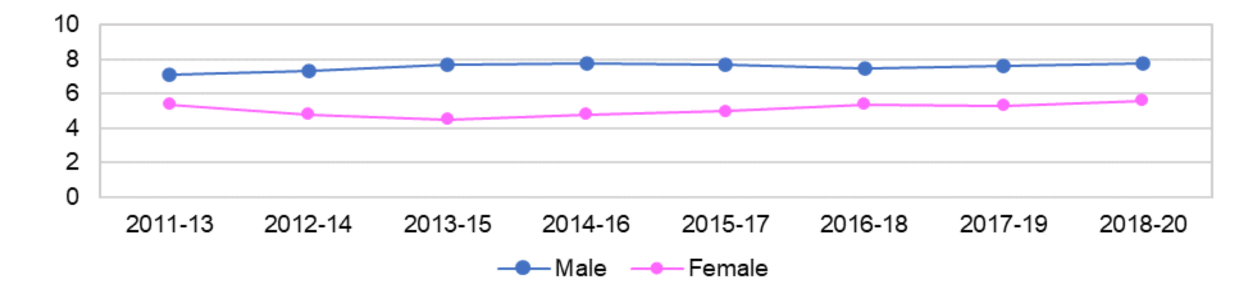
The data for Community Drug and Alcohol Services for Jun-23 is not due for release until near the end of Sept-23, and so is not available.

Percentage of Live Well clients who would recommend the service to family, friends, or someone in a similar situation		GREEN ⇨
		
Latest: 99.0%	Target: 98.0%, Floor: 91%	Previous: 99.5%

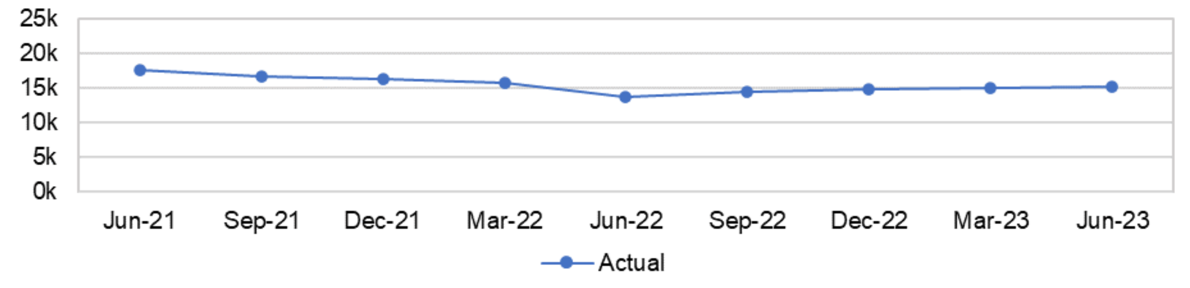
The transfer of clients due to a new service contract necessitated a data reset for the exit survey completions. As a result, data is not available for Jun-23.

Activity indicators

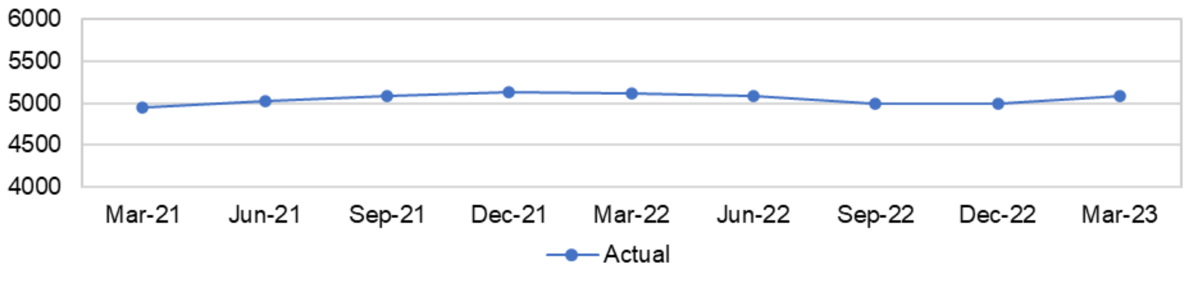
Life expectancy gap in years between least and most deprived areas



Number of attendances at KCC commissioned Sexual Health Clinics



Number of adults accessing structured Substance Misuse Treatment Services



Corporate Risk Register – Overview

A combination of the cost-of-living crisis, rising energy bills, inflation pressures and interest rates, all exacerbated by the war in Ukraine and global supply chain issues, mean that the council, its residents, service users and staff are facing significant challenges, which carry risk implications for the achievement of the Authority's objectives.

The table below shows the number of corporate risks in each risk level (based on the risk score) in August 2023, compared with May 2023.

	Low Risk	Medium Risk	High Risk
Current risk level May 2023	0	6	11
Current risk level August 2023	0	8	13

CHANGES DURING LAST QUARTER

NEW RISKS

<u>CRR0059: Risk of significant adverse variance to the level of savings and income agreed in KCC's budget</u>.
This previously drafted risk has now been formally added to the Corporate Risk Register and focuses on the urgent action required to deliver required budget savings and manage demand to protect the council's financial sustainability. A budget recovery strategy and action plan are being enacted, with further detail to be presented to Cabinet in early October.

<u>CRR0060: Identification of Reinforced Autoclaved Aerated Concrete (RAAC)</u>
A short-term risk has been added relating to the Council's responsibilities for identification of Reinforced Autoclaved Aerated Concrete (RAAC) within both the schools and corporate estates. KCC has been proactive on this matter, working closely with schools, identifying school buildings at risk and taking mitigating action. Work to identify RAAC across the wider corporate estate is being arranged.

<u>CRR0062: Social Care Provider Failure</u>
A new risk in relation to provider failure within the Adult Social Care and Health market is being agreed. The sector is under is under significant strain because of the challenging economic environment with increasing costs, inflationary pressures, increasing interest rates, rising energy costs, complexity of demand for services and constrained local authority budgets all having an impact on providers. The stability and sustainability of providers commissioned by KCC services are paramount to continued service delivery. In the event that one or more of these [major] providers becomes unstable or fails, there is a risk of disruption to service delivery, which could result in service users being put at risk, impact the ability for KCC to deliver its statutory duty, financial impacts and reputational and legal consequences.

CRR0061: Care Quality Commission (CQC) Assurance Readiness.
This risk relates to the Care Quality Commission's new inspection regime, which focuses on the Council's and the Integrated Care System's quality and performance. The CQC will use the Local Authority Assurance Assessment framework and its reviews will focus on how well KCC is meeting its duties under Part One of the Care Act.

MITIGATING ACTIONS
The Corporate Risk Register mitigations are regularly reviewed for their continued relevance and urgency, and new mitigations introduced as required.

Updates have been provided for 26 actions to mitigate elements of Corporate Risks that were due for completion or review up to August 2023. These are summarised below.

Due Date for Review or Completion	Actions Completed / Closed	Actions Partially complete	Actions subject to Regular Review	Actions Outstanding
Up to and including August 2023	11	6	6	3

CRR0001: Safeguarding – protecting children at risk
Action Complete Processes for managing frequent placement moves have been refreshed, including introduction of a placement stability tool to identify placement fragility and provide the right support at the right time to avoid placement breakdown. Action Complete A Child in Need (CIN) panel process has been launched across children's social workers, which facilitates management oversight of all CIN.

CRR0002: Safeguarding – protecting adults at risk
Regular Review Continuous Improvements for Safeguarding work are in progress to improve practice, support equity of experience across the County and streamline process. Partially Complete Following the Government announcement of delay to the implementation of Liberty Protection Safeguards, plans for appropriate management of DOLS cases are being put in place. Action Outstanding Review arrangements for local level partnership meetings (formerly Alliance Meetings) to align to the new working model. This action has been delayed due to other priorities in the service; a new target date has been agreed.

CRR0003: Securing resources to aid economic recovery and enabling infrastructure
<u>Partially Complete</u> The Kent and Medway Economic Framework has been drafted and is due to be presented to the Growth, Economic Development and Communities Cabinet Committee for a key decision in September 2023. <u>Regular Review</u> Development of a funding framework for accessing the right investment at the right time is ongoing due to several uncertainties in the national landscape, e.g. the future of Local Enterprise Partnerships. <u>Action Complete</u> The KCC Developer Contributions Guide has been updated and presented to elected Members at the Growth, Economic Development and Communities Cabinet Committee, who endorsed the decision to proceed with formal policy adoption of the updated guide that will provide stakeholders with the expectations and standards that KCC expects.

CRR0014: Technological resilience and information security
<u>Action Outstanding</u> Migration of the remaining non-business-critical services to a data centre has been delayed due to prioritisation of resource to support the Digital Workspace. It is anticipated that the migrations will take place by the end of October 2023. <u>Partially Complete</u> Cyber standards and risk assessment have been included into the central ICT commissioning framework and a new risk assessment process is being finalised with expected completion by the end of September.

CRR0015: Managing and working with the social care market
<u>Regular Review</u> Recommissioning of the care and support in the home framework has been placed on hold. The current contract does have an option to extend if required. This action will be addressed following the outcome of an external consultant's review of the commissioning approach, which is due to complete in January 2024.

CRR0039: Information Governance
See CRR0014 above for action progress. <u>Action Complete</u> The new data breach process has been implemented across the whole Council with effect from July 2023. <u>Partially Complete</u> Working from Home Information Governance and Records Management audit implementation of recommendations.

CRR0042: Border fluidity, infrastructure and regulatory arrangements
<u>Regular Review</u> Working with Government to develop short, medium and long-term plans for border resilience, looking at infrastructure and technological solutions. KCC has written to Government with an assessment of proposals set out at a recent Ministerial roundtable event and a number of more immediate measures that we believe should be taken forward to increase resilience.

CRR0053: Capital Programme Affordability (impacts on performance and statutory duties)
<u>Action Complete</u> External funding bid for 'schools rebuilding programme' (DfE) was submitted, and successful for Birchington Primary School.

CRR0056: SEND and High Needs Funding
<u>Regular Review</u> County Approach to Inclusive Education (CATIE)– the approach is to reduce the number of children requiring EHCPs and Special Schools by developing more inclusive mainstream schools across the County. <u>Regular Review</u> Implementation of SEND Inclusion workstream to better address the relationship between learner need, outcomes, provision and cost, in addition to reviewing externally commissioned arrangements including independent providers, home tuition and therapy service, to ensure Value for Money.

CRR0004: Recruitment and retention of the workforce
<u>Action Complete</u> Communication, implementation, and measurement of the impact of the People Strategy 2022-2027. The first evaluation of the People Strategy was presented to the Personnel Committee in June. <u>Action Complete</u> Implementation of action plans arising from latest staff survey (conducted December 2022). Each Directorate has undertaken a number of activities which align to action plans resulting from the staff survey. There is a focus on celebrating staff, communication and engagement, and delivering programmes of learning and deep dives using focus groups on key issues such as cultural growth and change programmes. <u>Partially Complete</u> Delivery of the Change Support Hub to provide a suite of tools, knowledge, models, videos and change related resources to support leaders, managers, staff, and project delivery teams. Ongoing progress with development of Delta site for Changes Management. Anticipated launch in September.

CRR0004: Recruitment and retention of the workforce (continued)

Partially Complete
Delivery of Management Development activities to provide clarity and guidance for KCC managers including focus on key areas, such as digital, hybrid, equality, inclusiveness.
The ‘Managing Now’ pilot has been launched; this is a programme of bespoke development for existing managers, with three focus areas initially: resilience, wellbeing and empowerment.

CRR0059: Significant failure to deliver agreed budget savings and manage demand

Action Complete
Central collation of business case information for all savings and income within the approved budget 2023/24.

Action Complete
Plan in place to collate business case information for 2024/25 earlier than in previous years – milestones, risks, dependencies etc.

CRR0060: Reinforced Autoclaved Aerated Concrete (RAAC)

Action Complete
Kent Schools (Local Authority responsibility) written to in relation to RAAC and Diocesan schools and Academies written to in relation to their responsibilities.

Action Complete
Ongoing engagement with the Department for Education (DfE) RAAC Team to obtain funding for remediation works. DfE have agreed to fund all capital expenditure in relation to remediation of RAAC in schools.

Action Outstanding
Remainder of the corporate landlord estate to be surveyed for presence of RAAC. Focus has been on surveys in high and medium risk schools which is now complete. Arrangements for corporate estate to be agreed with contractor.

From: Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Peter Oakford
Corporate Director Finance, Zena Cooke

To: Cabinet, 05 October 2023

Subject: Revenue and Capital Budget Monitoring Report – June (high level update for August) 2023-24

Classification: Unrestricted

Summary:

The attached report sets out the revenue and capital budget monitoring position as at June (high level update for August) 2023-24.

Recommendation(s):

Cabinet is asked to:

a) NOTE the forecast Revenue and Capital position.

b) NOTE the management action of £27.9m and additional £9.4m MSIF grant identified to bring the Council to a balanced position.

c) AGREE the call-off contract award to the supplier known as Oxygen Finance Ltd for the supply of Early Payment Services

d) NOTE the structural budget deficits in both ASCH and CYPE.

e) NOTE the projected Schools' monitoring position of £11.7m overspend.

f) NOTE the progress on the delivery of £65.3m savings and increased income

g) AGREE the transfer of £1m recurring saving from the recalculation of debt charges to a new capital reserve

h) AGREE the transfer of £2m from the Earmarked Reserve to Support Future Years Budget to a new Budget Recovery Reserve

i) AGREE the transfer from the Kings Hill Smoothing Reserve of £14.4m to fund the 2023-24 safety valve

j) NOTE the forecast Capital monitoring position of £42.3m underspend

k) AGREE the Revenue budget adjustments

l) AGREE the Capital budget adjustments

m) NOTE the Prudential Indicators report

n) NOTE the Reserves monitoring position

o) DELEGATE authority to the s151 Officer to, in consultation with the Leader of the Council, finalise and enter into relevant contracts to implement the required contract award

p) DELEGATE authority to the s151 Officer to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision

1. Introduction

1.1 The June 2023-24 budget monitoring report (updated at a high level as at August) being presented sets out the revenue and capital forecast position. This is an update to the position presented to Cabinet in August.

2 Revenue and Capital Budget Monitoring Report – June 2023-24

2.1 The attached report sets out the overall forecast position as at 30 June 2023-24 updated at a high level as at August, which is a revenue overspend of +£37.3m before management action and additional grant, and a capital underspend of -£42.3m.

2.2 2023-24 continues to be an extremely challenging time for local government and KCC is no exception. The latest revenue forecast outturn position for 2023-24 before further management action is an overspend of £37.3m (excluding schools). The forecast overspend represents 2.8% of the revenue budget and presents a serious and significant risk to the Council's financial sustainability if it is not addressed as a matter of urgency. Within the overall outturn position there are still significant forecast overspends in Children's, Young People and Education totalling £28.5m, and in Adult Social Care & Health totalling £25.8m before management action Work has continued to identify and implement further management action that can be taken immediately in the current year, and over the medium term and is included in this report and in the "Securing Kent's Future" budget recovery plan.

2.3 The Schools' Delegated budgets are reporting an overspend of +£11.7m. This reflects the impact of high demand for additional SEN support and greater demand for specialist provision. In 2022-23 the Council entered into a "Safety Valve" agreement with the Department for Education (DfE) and the accumulated DSG deficit will reduce from an estimated £174m to £73m as at 31st March 2024 as a result of contributions from the Council and DfE.

3. Recommendation(s)

Cabinet is asked to:

a) NOTE the forecast Revenue and Capital position.

b) NOTE the management action of £27.9m and additional £9.4m MSIF grant identified to bring the Council to a balanced position.

c) AGREE the call-off contract award to the supplier known as Oxygen Finance Ltd for the supply of Early Payment Services

d) NOTE the structural budget deficits in both ASCH and CYPE.

e) NOTE the projected Schools' monitoring position of £11.7m overspend.

f) NOTE the progress on the delivery of £65.3m savings and increased income

g) AGREE the transfer of £1m recurring saving from the recalculation of debt charges to a new capital reserve

h) AGREE the transfer of £2m from the Earmarked Reserve to Support Future Years Budget to a new Budget Recovery Reserve

i) AGREE the transfer from the Kings Hill Smoothing Reserve of £14.4m to fund the 2023-24 safety valve

j) NOTE the forecast Capital monitoring position of £42.3m underspend

k) AGREE the Revenue budget adjustments

l) AGREE the Capital budget adjustments

m) NOTE the Prudential Indicators report

n) NOTE the Reserves monitoring position

o) DELEGATE authority to the s151 Officer to, in consultation with the Leader of the Council, finalise and enter into relevant contracts to implement the required contract award

p) DELEGATE authority to the s151 Officer to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision

4. Contact details

Report Author	Relevant Director
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Finance Monitoring Report

As at June (high level update for August) 2023-24

By Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Peter Oakford
Corporate Director Finance, Zena Cooke
Corporate Directors

To Cabinet – 05 October 2023

Unrestricted

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A2 Revenue Budget Changes Table
A3 Monitoring of Prudential Indicators
A4 Reserves Monitoring

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Capital Finance Manager – Jo Lee	03000 416 939 | joanna.lee@kent.gov.uk
Capital Finance Manager – Julie Samson	03000 416 950 | julie.samson@kent.gov.uk

1 Introduction

This report sets out an update of the Council's financial position. A high-level position as at the end of June 2023 was reported to Cabinet on 17th August with a forecast overspend of £43.7m before management action. This report provides more detail and further updates to the position reported at that meeting. The latest revenue forecast outturn position for 2023-24 before further management action is an overspend of £37.3m (excluding schools). The forecast overspend represents 2.8% of the revenue budget and presents a serious and significant risk to the Council's financial sustainability if it is not addressed as a matter of urgency. Within the overall outturn position there are still significant forecast overspends in Children's, Young People and Education totalling £28.5m, and in Adult Social Care & Health totalling £25.8m before management action.

Work has continued to identify and implement further management action that can be taken immediately in the current year, and over the medium term and is included in this report and in the "Securing Kent's Future" budget recovery plan. The management action is expected to reduce the 2023-24 forecast outturn position sufficiently to bring the budget back into balance. However, it should be noted, the majority of the management action is related to one-off measures, which means those spending reductions will not flow through into the 2024-25 budget position. The position after management action takes us to a balanced position. An updated position based on the end of August forecasts will be confirmed in the next few weeks; this will take account of the management actions now included in the forecast and any other changes to the forecast, particularly the latest underlying position in our people-based services.

Detailed analysis of the main areas of overspend has been and continues to be undertaken to fully identify the underlying causes, the degree of common features with the pressures experienced by other councils and how these will be mitigated. The Council will need to continue to limit its actions to focus on the most essential activities and priorities until the financial position is brought under control and stabilised. The outcome of the analysis, the related actions and progress to date in reducing the forecast overspend is presented in this report.

Revenue and Capital budget adjustments are also included which require Cabinet approval.

1.1	The overall Revenue forecast before managements action is +£37.3m overspend.	The Revenue General Fund projected year end position is a net overspend of +£37.3m. Overspends are forecast in CYPE, ASCH and GET with underspends in DCED, CED & NAC. The largest overspends are +£28.5m (7.9%) in CYPE and +£25.8m (4.9%) in ASCH, with an overspend in GET of +£0.8m (0.4%). NAC including Corporately Held Budgets is forecasting an underspend of -£15.2m, DCED is forecasting an underspend of -£2.5m and CED is forecasting an underspend of -£0.3m. Details can be found in the individual directorate sections.
1.2	There is £27.9m of planned management action and £9.4m of new market sustainability and improvement fund (MSIF) grant which brings the forecast overspend to within budget	The overspend is reduced to bring the forecast outturn to within budget by the end of the financial year as a result of management action totalling £37.3m. There is 27.9m of management action and £9.4m of MSIF grant £10m has been identified by ASCH, £3.2m in CYPE, £1.5m in GET, £1.5m in CED and £0.3m in DCED. £11.4m has been identified to be met from reducing cross cutting non committed spend and will be removed across all directorates. The details of the £9.4m Market Sustainability and Improvement Fund grant have been confirmed since the last report and the grant will be used to fund the increased fees for new clients (subject to final

		agreement of the plan for the use of this grant). Details of the management action can be found in section 12.
1.3	The Schools' Delegated Budgets are reporting an +£11.7m overspend.	The overspend position is +£11.7m. The forecast in year deficit on the High Needs budget is +£38m due to a combination of higher demand for additional SEN support and higher cost per child resulting from greater demand for more specialist provision. In 2022-23 the Council entered into a "Safety Valve" agreement with the Department for Education (DfE) and the accumulated DSG deficit will reduce from an estimated £174m to £73m as at 31st March 2024 as a result of contributions from the Council and DfE.
1.4	The Capital budget forecast is a net underspend of -£42.3m.	The net underspend is made up of +£8.2 real overspend and -£50.5m slippage, which represents almost 15% of the budget. The largest real variance is an overspend of +£12.4m in GET. Details can be found in the capital sections. The major slippage is -£28.6m in GET and -£21.4m in CYPE. Details can be found in the capital sections.

2 Recommendations

Cabinet is asked to:

2.1	Note the forecast revenue monitoring position of £37.3m overspend before management action	Please refer to sections 3 to 9 for details
2.2	Consider and note the management action of £27.9m and additional £9.4m MSIF grant identified to bring the Council to a balanced position	Please refer to sections 3 and 12 for details
2.3	Agree the call-off contract award to the supplier known as Oxygen Finance Ltd for the supply of Early Payment Services	Please refer to section 12 for further details
2.4	Consider and note the structural budget deficits in both ASCH and CYPE	Please refer to sections 3 to 9 for details
2.5	Note the projected Schools' monitoring position of £11.7m overspend	Please refer to section 10 for details
2.6	Consider and note the progress on the delivery of £65.3m savings and increased income	Please refer to section 11 for details
2.7	Agree the transfer of £1m recurring saving from the recalculation of debt charges to a new capital reserve	Please refer to section 9 for details
2.8	Agree the transfer of £2m from the Earmarked Reserve to Support Future Years Budget to a new Budget Recovery Reserve.	Please refer to appendix 4 for details
2.9	Agree the transfer from the Kings Hill Smoothing Reserve of £14.4m to fund the 2023-24 safety valve	Please refer to appendix 4 for details
2.10	Note the forecast Capital monitoring position of £42.3m underspend	Please refer to Section 13 for details

2 Recommendations

2.11	Note and agree the Revenue budget adjustments	Please refer to Section 14 and Appendix 2 for details
2.12	Note and agree the Capital budget adjustments	Please refer to Section 15 for details
2.13	Note the Prudential Indicators report	Please refer to Appendix 3 for details
2.14	Note the Reserves monitoring position	Please refer to Appendix 4 for details
2.15	Delegate authority to the s151 Officer to, in consultation with the Leader of the Council, finalise and enter into relevant contracts to implement the required contract award	
2.16	Delegate authority to the s151 Officer to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision	

General Fund

Forecast position as overspend/(underspend)

Directorate	Revenue Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance
	£m	£m	£m
Adult Social Care & Health	527.5	553.3	25.8
Children, Young People & Education	360.9	389.4	28.5
Growth, Environment & Transport	195.5	196.3	0.8
Deputy Chief Executive Department	84.6	82.1	(2.6)
Chief Executive Department	33.9	33.6	(0.3)
Non Attributable Costs	116.1	100.9	(15.2)
Corporately Held Budgets	(0.3)	0.0	0.3
General Fund	**1,318.3**	**1,355.6**	**37.3**
Ringfenced Items			
Schools' Delegated Budgets	0.0	11.7	11.7
Overall Position	**1,318.3**	**1,367.3**	**49.0**

Position after management action:

General Fund

Updated forecast position as overspend/(underspend)

Directorate	Revenue Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance	Management Action	New Grant	Revised Net Revenue Forecast Variance
	£m	£m	£m	£m	£m	*£m*
Adult Social Care & Health	527.5	553.3	25.8	(10.0)		15.8
Children, Young People & Education	360.9	389.4	28.5	(3.2)		25.3
Growth, Environment & Transport	195.5	196.3	0.8	(1.5)		(0.7)
Deputy Chief Executive Department	84.6	82.1	(2.6)	(0.3)		(2.9)
Chief Executive Department	33.9	33.6	(0.3)	(1.5)		(1.8)
Non Attributable Costs	116.1	100.9	(15.2)			(15.2)
Corporately Held Budgets	(0.3)	0.0	0.3	(11.4)	(9.4)	(20.5)
General Fund	**1,318.3**	**1,355.6**	**37.3**	**(27.9)**	**(9.4)**	**0.0**
Ringfenced Items						
Schools' Delegated Budgets	0.0	11.7	11.7			11.7
Overall Position	**1,318.3**	**1,367.3**	**49.0**	**(27.9)**	(9.4)	11.7

General Fund

The General Fund forecast position is a net overspend of +£37.3m, with significant overspends in Children, Young People and Education of £28.5m and Adult Social Care & Health of £25.8m. The projected overspend represents 2.8% of the Revenue Budget and presents a serious and significant risk to the Council's financial resilience if it is not addressed.

Non Attributable Costs is forecasting an underspend of -£15.2m. £7m relates to the recalculation of debt charges and £6.5m is the estimated impact of the increase in the Bank of England base rate on the net debt costs budget since setting the budget in February, leading to a significantly higher forecast income return on investments.

Management action of £27.9m has been identified to bring the budget back into balance by the end of the financial year. The £11.4m management action shown against Corporately Held Budgets relates to cross cutting reductions to non committed spend and is removed across all directorates. To deliver this will require a relentless focus across the whole Council and close monitoring each month to ensure the actual spend is coming down as set out in the budget recovery plan. More detail of the management action can be found in Section 12. The details of the £9.4m Market Sustainability and Improvement Fund grant have been confirmed since the last report and following determination will be used to fund the increased fees for new clients (subject to final agreement of the plan for the use of this grant).

The position after management action takes us to a balanced position. This is based on the forecast position as at the end of June updated at a high level throughout August. We will have a more detailed updated position based on the end of August forecasts in the next few weeks ; this will take account of the management actions now included in the forecast and any other changes, particularly the latest underlying position in our people-based services.

There are indications that the forecast position for Adult Social Care has increased in recent weeks due to increased demand especially in older person's residential and nursing care, supported living for younger adults alongside increases in the costs for those new people receiving care. It is also likely that some of the savings may also be delayed and a proportion will need to be reprofiled due to the need to consult and also to align with the forthcoming retenders of contracts. Additional capacity has been commissioned to enhance this process. Further management action is being worked on to offset some of this increase and will focus on the main areas of growth such as residential care and supported living, and this will be reported in more detail in November

Schools' Delegated Budgets

The projected overspend for 2023-24 is +£11.7m, of which +£11.3 relates to the DSG deficit and +£0.4m against Individual School reserves relating to academy conversions.

The cumulative DSG deficit will increase from £61.4m to £72.7m by the end of 2023-24. This is a combination of the in-year DSG overspend of +£39.9m which is almost entirely due to an increase in the High Needs budget deficit; and Safety Valve contributions from the Council and DfE of -£14.4m and -£14.2m respectively. For more information, please refer to section 10.

Forecast Variance

	Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance
	£m	£m	£m
Adult Social Care & Health Operations	488.4	520.2	31.8
Strategic Management & Directorate Budgets (ASCH)	29.1	23.0	(6.1)
Public Health	0.0	0.0	0.0
Business Delivery	10.0	10.1	0.1
Adult Social Care & Health	**527.5**	**553.3**	**25.8**

The Adult Social Care & Health directorate has a forecast net overspend of +£25.8m.

Management action has been identified to reduce the whole Council overspend – the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position with the actions that have a recurring impact helping the 2024-25 position.

The Adult Social Care & Health Operations division is forecasting a net overspend of +£31.8m which is predominately due to Older People Residential Care Services which is forecasting a net overspend of +£16.2m.

There are indications that the forecast position for Adult Social Care has increased in recent weeks due to increased demand especially in older person's residential and nursing care, supported living for younger adults alongside increases in the costs for those new people receiving care. It is also likely that some of the savings may also be delayed and a proportion will need to be reprofiled due to the need to consult and also to align with the forthcoming retenders of contracts. Additional capacity has been commissioned to enhance this process. Further management action is being worked on to offset some of this increase and will focus on the main areas of growth such as residential care and supported living, and this will be reported in more detail in November

Details of the significant variances on the General Fund are shown below:

Key Service (Division)	Variance	Summary	Detail
Older People - Residential Care Services (Adult Social Care & Operations)	+£16.2m	Inflationary pressures beyond budgeted levels	+£16.0m of this overspend is driven by costs for older people accessing residential and nursing care services, of which +£3.1m is from use of short-term beds where individuals leave hospital with increasingly complex needs. It is estimated that the most significant element of this is in relation to the average cost of 'beds' which is the continuation of the trend that has been seen over the last 2 years, and mainly relates to the cost of new people being placed at a far higher cost than those leaving care. It is considered that this is in part due to the current hospital discharge process, which will be reviewed as part of management action, to ensure costs are shared appropriately. Other pressures on this service line include a +£0.2m increase in contributions to the provision for bad and doubtful debts.

Adult Physical Disability - Community Based Services (Adult Social Care & Operations)	+£6.5m	Increases in Supported Living care packages	+£5.4m of the overspend relates to clients receiving supported living services with higher cost packages. This service line is also impacted by a service restructure where lifespan pathway and autism clients are no longer recorded separately for budget monitoring purposes. Cash limits will be realigned to match where spend is now recorded. This will be in part offset by the underspend against Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services. +£1.2m overspend relates to pressures across other community services, predominantly homecare which is seeing an increase in the average number of hours being provided.
Adult Learning Disability - Community Based Services & Support for Carers (Adult Social Care & Operations)	+£5.5m	Increases in Supported Living care packages	+£5.4m of the overspend relates to clients receiving supported living services which is driven in the main by increased activity in terms of hours of support being provided as well as average costs being higher than anticipated, which is most likely due to continued use of non-framework providers. A review of the use of non-framework providers is being undertaken as part of the management action.
Adult Mental Health - Community Based Services (Adult Social Care & Operations)	+£3.3m	Increases in Supported Living care packages	+£3.1m overspend relating to clients receiving supported living care packages, including an increase in average hours provided per client to meet more complex needs. +£0.2m overspend relates to more minor pressures across daycare, direct payments, and supported accommodation services.
Older People - Community Based Services (Adult Social Care & Operations)	+£2.6m	Increases in Homecare packages	+£4.6m overspend relates to homecare services where there has been an increase in both the number of people receiving homecare services and an increase in the average number of hours of support provided. Further to this there is also an increase in average costs which is higher than anticipated, most likely due to the on-going use of non-framework providers who are typically higher cost. A review of the use of non-framework providers is being undertaken as part of the management action. The above pressures are offset by an underspend of -£2.0m across other older people community services, mainly due to direct payments.

Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services (Adult Social Care & Operations)	-£4.8m	Pending realignment of budgets following division restructure	-£4.8m underspend due to service restructure where lifespan pathway and autism clients are no longer recorded separately for budget monitoring purposes. Cash limits will be realigned to match where spend is now recorded.
Provision for Demographic Growth - Community Based Services (Strategic Management & Directorate Budgets (ASCH))	-£5.1m	Release of centrally held funds.	This is the release of centrally held funds to partly offset pressures across ASCH operations.

5 Children, Young People & Education

	Budget £m	Forecast Variance Revenue Forecast Outturn £m	Net Revenue Forecast Variance £m
Integrated Children's Services (Operations and County Wide)	264.7	280.9	16.1
Education & Special Educational Needs	94.2	106.7	12.5
Strategic Management & Directorate Budgets (CYPE)	2.0	1.8	(0.2)
Children, Young People & Education	**360.9**	**389.4**	**28.5**
Earmarked Budgets Held Corporately	-0.2	0.0	0.2
Net Total incl provisional share of CHB	**360.8**	**389.4**	**28.6**

The Children, Young People & Education directorate is forecasting to be overspent by +£28.5m.

Integrated Children's Services (Operations and County Wide) is forecasting a net overspend of +£16.1m, predominately in Looked After Children Care & Support, which is forecasting an overspend of +£12m. Education and Special Educational Needs are forecasting a net overspend of £12.5m, +£9m of which relates to Home to School & College Transport.

Earmarked Budgets Held Corporately relates to an estimated saving from increased fees and charges following the adoption of a revised fees and charges policy. This policy was aimed at improving the transparency of discretionary services where charges include an element of concession or subsidy, and to adopt a more consistent approach to full cost recovery where no concessions/ subsidies are agreed. Achieving the saving always required increases in some fees and charges in line with the policy. Changes in fees and charges will require a decision, and these need to be brought forward to deliver the saving.

Management action has been identified to reduce the while Council overspend – the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position and it is the recurring actions that will help the 2024-25 position.

Details of the significant variances on the General Fund are shown here:

Key Service (Division)	Variance	Summary	Detail
Looked After Children Care & Support (Integrated Children's Services)	+£12m	Increase in number and cost of looked after children.	The number of Looked After Children (excluding Unaccompanied Asylum-Seeking Children) continued to rise during the latter part of 2022-23 whereas it had been anticipated these numbers would stabilise and start to reduce as the delays in the courts started to clear. Due to the ongoing challenges of recruiting in- house foster carers, children are being placed in increasingly more expensive alternatives including independent fostering agencies, unregulated semi-independent placements or residential care. Pressures in the market for suitable children's social

			care placements are also causing the costs of placements to rise at a higher rate than inflation, compounded by placements made by other Local Authorities in the County and UASC numbers. The number of looked after children reached a peak at the end of April and has started to slowly reduce although not at the pace provided for in the budget. The forecast assumes the costs of placements will continue to rise and the number of LAC remains relatively constant leading to an overall pressure of £10.3m. Invicta Law have increased their prices but have not been able to match this with efficiencies leading to a possible cost pressure around £1.0m, the remaining £0.7m overspend assumes spend will continue to remain at a higher level during 2023-24.
Care Leavers Service (Integrated Children's Services)	+£0.5m	Delay in implementation of Post 19 strategy saving	The service is exploring options to deliver the saving arising from the post 19 policy to support Young People to reach independence by their 19th birthday. The implementation of this strategy is linked to the new accommodation contract for shared housing which is expected to be implemented from the 28th October in line with the wider regulation changes in supported accommodation for looked after children.
Adult Learning & Physical Disability Pathway – Community Based Services (Integrated Children's Services)	+£3.7m	Increased cost of Supported Living, Direct Payments and Day Care	The number of supported living, direct payments and homecare packages have remained relatively static, however the average cost of packages continues to increase in response to the level of support required. The forecast assumes trends in both numbers and cost of support will continue to rise in a similar way as 2022-23, whilst savings are expected to take longer to realise than initially anticipated. The service has seen a reduction in the use of residential care (see compensating saving) but this has resulted in higher packages of community support contributing to the higher cost.
Home to School & College Transport (Education & Special Educational Needs)	+£9m	Increases in demand and costs of transport contracts	The initial forecast includes +£2.7m overspend on mainstream home to school transport and +£6.2m on SEN transport services. Forecasts have been based on the current cost of transport. The average cost of both mainstream and SEN transport has continued to increase higher than inflation leading to an estimated pressure of £1.0m and £5.9m respectively, as a result of transport requirements and capacity limitations. The forecast assumes the number of children requiring SEN transport will continue to increase in line with historic trends with the number travelling assuming to increase by around 8%. This is a consequence of the

			higher EHCP numbers and greater number of children with SEN not being educated in their local school. Work to slow this trend is underway but it is not expected to impact significantly in the short term and this has been reflected in the budget plans (with a residual pressure of +£0.3m). The mainstream home to school transport forecast reflects the full year effect of the increasing costs of transporting children in 2022-23, resulting from a combination of increasing numbers of children travelling during the Autumn and Spring Term coupled with the use of more expensive hired transport (+£1.4m). The forecast assumes the numbers travelling will continue to remain high leading to a further +£0.3m pressure. Further updates to this forecast will be made once the September & October actual pupil numbers are known.
Other School Services (Education & Special Educational Needs)	+£2.1m	Use of temporary school accommodation. Increased cost of legal services and costs of surveys in schools	Delays in basic need projects have resulted in use of more temporary accommodation to ensure sufficient school places are available (+£1.0m). In addition, an initial pressure of +£1.1m for other school related costs has been based on historic trends including feasibility costs associated with capital surveys to inform future additional works and costs relating to capital works that are no longer progressing. This is an estimate only as these costs tend to be one-off and so will be reviewed regularly in future forecasts.
Educational Needs & Psychology Services (Education & Special Educational Needs)	+£1.4m	Use of agency staff to support delivery of Accelerated Progress Plan	To support the delivery of the Accelerated Progress Plan, the service is using agency staff to create additional capacity to support the implementation of the new SEN operating model and support permanent staff recently recruited to the new structure. This includes additional support for the processing of both annual reviews and Education, Health and Care Plan (EHCP) assessments.
Adult Learning & Physical Disability Pathway – Residential Care Services & Support for Carers (Integrated Children's Services)	-£1.5m	Reduction in the number of residential care placements	The number of residential care placements has continued to reduce where young people are preferring to live in the community with support. This saving partially offsets the pressure on community services outlined above.
Children in Need (Disability) – Care & Support (Integrated Children's Services)	+£1.8m	Daycare & direct payments trend in spend and delay in achieving savings	The cost of packages for disabled children continued to increase in the latter part of 2022-23 due to additional support required, whilst savings assumed the costs and numbers would start to stabilise and reduce where packages started to return to pre-COVID levels.

Children's Social Work Services – Assessment & Safeguarding Service (Integrated Children's Services)	-£0.8m	Savings on the costs of agency staff.	The costs of agency staff have not increased in line with inflation as anticipated leading to a possible saving of £0.6m.

6 Growth, Environment & Transport

		Forecast Variance	
	Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance
	£m	£m	£m
Highways &Transportation	70.6	70.1	(0.5)
Growth & Communities	31.1	31.4	0.2
Environment & Circular Economy	92.3	93.5	1.1
Strategic Management & Directorate Budgets (GET)	1.4	1.4	0.0
Growth, Environment & Transport	**195.5**	**196.3**	**0.8**
Earmarked Budgets Held Corporately	-0.3	0.0	0.3
Net Total incl provisional share of CHB	195.2	196.3	1.1

The Growth, Environment & Transport Directorate is projected to be overspent by £0.8m. All services/budgets across the directorate will continue to review their staffing and spend levels to ensure only essential spend is incurred and income/activity levels will continue to be reviewed and reflected, as and when such opportunities are identified. A number of the budgets are volatile and demand/activity driven, favourable movements in those areas will help to reduce the overspend but a number, as explained below, have all moved in the wrong direction at the present time.

Earmarked Budgets Held Corporately relates to an estimated saving from increased fees and charges following the adoption of a revised fees and charges policy. This policy was aimed at improving the transparency of discretionary services where charges include an element of concession or subsidy, and to adopt a more consistent approach to full cost recovery where no concessions/ subsidies are agreed. Achieving the saving always required increases in some fees and charges in line with the policy. Changes in fees and charges will require a decision, and at this stage no such decisions have yet been presented or taken.

Management action has been identified to reduce the whole Council overspend – the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position with the actions that have a recurring impact helping the 2024-25 position.

Details of the significant variance on the General Fund are shown below:

Key Service (Division)	Variance	Summary	Detail
Waste Facilities & Recycling Centres (Environment & Circular Economy)	+£1.5m	Delayed HWRC saving, plus increased volumes of waste	Part of the projected overspend is as a result of a delay in the proposed review of the Waste HWRC service (+£0.5m). An Informal Members Group (IMG) has been established to assess the options prior to the consultation being launched. The overspend is the non-delivery of the 2023-24 part-year effect of the planned 2-year £1.5m budget reduction. Increased prices on the Material Recycling Facilities contract (+£0.4m), which are highly variable and based on market commodity prices and volumes of materials are offset in part by a net underspend on other prices primarily on the sale of recyclables (paper and card) and reduced volumes of garden waste for composting (-£0.2m).

			There are overspends within haulage (+£0.4m) and tonnage volumes (+£0.2m) and minor variances across other areas of recycling (+£0.2m).
Public Protection (Enforcement) (Growth & Communities)	+£0.3m	Coroners' pressures plus delay to Community Wardens saving	Within this is an overspend on the Coroners Service resulting from postmortem fees, funeral director costs and NHS Mortuary costs (+£0.3m). The increased duration of the required public and staff consultations to achieve the budget reduction from the review of the Community Warden service represents part of the division's pressures (net £0.2m). Management actions will be implemented to manage the Community Warden overspend insofar as all current and future vacancies will remain unfilled and this has helped to reduce the forecast overspend this month. The full budget reduction for 23-24 was £0.5m.
Highways & Transportation Divisional Management Costs (Highways & Transportation)	-£0.2m	Additional income and other minor variances	Additional grant income within the Public Transport budget, plus vacancies and other minor variances.
Residual Waste, (Environment & Circular Economy)	-£0.2m	Increased tonnes offset by lower than budgeted price	An overspend resulting from additional tonnes and extra haulage (+£0.4m) is more than offset by a reduced price for Allington Waste to Energy plant, as the contractual uplift based on April RPI was lower than the budgeted estimate (-£0.6m).
Highway Assets Management (Highways & Transportation)	-£0.3m	Favourable energy prices and income offset by winter price uplift and tunnels/structures pressures	The main reason for this variance is an underspend on Streetlight energy following recent confirmation of a reduced summer price for electricity plus estimated savings on the winter rate for the proportion of energy that has already been purchased; both are below budgeted rates (-£1.6m). This higher than required budget allocation, together with additional income (-£0.3m), more than offset pressures against Winter Service, where there is a projected price uplift in the contract (+£0.8m), and additional activities for tunnels and structures (+£0.7m). The position has also improved from last month as the forecast assumes £0.3m of DfT funding to support border management activity, which was previously forecast as an overspend.

7 Deputy Chief Executive's Department

		Forecast Variance	
	Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance
	£m	£m	£m
Infrastructure	7.9	7.9	0.0
Strategic Management & Departmental Budgets (DCED)	5.4	5.4	0.0
Technology	25.5	25.5	0.0
Corporate Landlord	33.8	31.3	(2.5)
Marketing & Resident Experience	6.8	6.8	0.0
Human Resources & Organisational Development	5.3	5.2	(0.1)
Deputy Chief Executive's Department	**84.6**	**82.1**	**(2.6)**
Earmarked Budgets Held Corporately	-0.1	0.0	0.1
Net Total incl provisional share of CHB	84.6	82.1	(2.5)

The Deputy Chief Executive's Department is forecasting to underspend by -£2.6m.

Management action has been identified to reduce the overspend across the whole Council– the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position with the actions that have a recurring impact helping the 2024-25 position..

Details of the significant variances on the General Fund are shown here:

Key Service (Division)	Variance	Summary	Detail
Corporate Landlord	-£2.5m	Utilities underspend due to provider revised cost estimate.	There is -£2.5m underspend within the Corporate Landlord budget. This is due to reduced utilities forecast. The budget for utilities was calculated using forecast estimates from our utilities provider (Laser). Since that time the wholesale price of energy has dropped, and Laser have revised their usage estimates resulting in a forecast underspend in 2023-24.

8 Chief Executive’s Department

	Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance
		Forecast Variance	
	£m	£m	£m
Finance	13.0	13.0	(0.1)
Strategic Commissioning	7.6	7.6	0.0
Governance, Law & Democracy	8.3	8.1	(0.2)
Strategy, Policy, Relationships & Corporate Assurance	5.4	5.4	0.0
Strategic Management & Directorate Budgets (S&CS)	(0.5)	(0.5)	0.0
Chief Executive's Department	**33.9**	**33.6**	**(0.3)**

The Chief Executive’s Department is forecasting to underspend by -£0.2m.

Management action has been identified to reduce the overspend across the whole Council – the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position with the actions that have a recurring impact helping the 2024-25 position.

Details of the significant variance on the General Fund are shown below:

Key Service (Division)	Variance	Summary	Detail
Governance, Law & Democracy (Governance & Law)	-£0.2m	Underspend against schools appeals and Member’s travel.	Governance and Law have a forecast underspend of -£0.2m. -£0.1m is related to reduced costs of appeals due to the loss of some of the larger schools not asking us to undertake the appeals process. -£0.1m is due to reduced costs of Member’s travel.

9 Non-Attributable Costs

	Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance
		Forecast Variance	
	£m	£m	£m
Non-Attributable Costs	116.1	100.9	(15.2)
Earmarked Budgets Held Corporately	0.2	0.0	(0.2)
Net Total incl provisional share of CHB	**116.3**	**100.9**	**(15.4)**

The Non-Attributable Costs are forecasting to be underspent by (£15.2m).

-£7m of the underspend relates to the annual recalculation of debt charges that has been completed and due to the decisions that Members have taken to contain the capital programme, the significant levels of slippage of the capital programme in 2022- 23, and changes in interest rates £8m can be released from the debt charges budget, £4m of this is on a recurring basis, with £4m as a one-off in 2023-24. It is proposed to use £1m of the recurring saving as an annual revenue contribution to a new capital reserve to meet the cost of emergency capital events, giving an overall saving of £7m this financial year. This saving does not impact our prudent Minimum Revenue Provision policy which is unchanged.

Details of the significant variances on the General Fund are shown below:

Key Service (Division)	Variance	Summary	Detail
Non-Attributable Costs	-£15.2m	Recalculation of debt charges and increase in forecast return from investments	-£7.0m relates to the recalculation of debt charges. -£6.5m is the estimated impact on the net debt costs budget of the increase in the Bank of England base rate since setting the budget, leading to a significantly higher forecast income return on investments. -£1.1m increase in Retained Business Rates levy for 2022-23 compared to the level of debtor raised at the end of the financial year. -£0.5m provisional adjustments for the 2022-23 and 2021-22 Business Rates Compensation Grants including Covid Additional Relief Fund, based on provisional NNDR3 information. In addition to the £15.2m underspend there are other significant items to report that have a net nil impact on the NAC projected position, as detailed below. Minimum Revenue Provision (MRP) has been recalculated based on assets completed in 2022-23. This has resulted in a saving of £0.3m. In line with usual practice, it is intended that this underspend is transferred to the MRP smoothing reserve to be used to fund future fluctuations in MRP, therefore there is no overall impact in the current year.

			A forecast overspend of £0.8m against the Insurance Fund mainly due to increased cost of premiums including Insurance Premium tax will be offset by a drawdown from the Insurance Reserve. The increase cost of the premiums will need to be factored into the 2024-27 MTFP as it is not sustainable to continue to fund this from reserves.
Corporately Held Budgets	-£0.2m	Residual of Pay Pot	The residual of the pay pot after funding staff pay increases in accordance with policy.

10 Schools' Delegated Budgets

The Schools' Budget reserves are forecast to end the financial year with a surplus of £60.7m on individual maintained school balances, and a deficit on the central schools' reserve of £72.7m. The year end position on the Dedicated Schools Grant of £1,622.9m is a £39.9m overspend.

The balances of individual schools cannot be used to offset the overspend on the central schools' reserve and therefore should be viewed separately.

The Central Schools Reserve holds the balance of any over or underspend relating to the Dedicated Schools Grant (DSG). This is a specific ring-fenced grant payable to local authorities to support the schools' budget. It is split into four main funding blocks: schools, early years, high needs and central, each with a different purpose and specific rules attached. The Council is required to hold any under or overspend relating to this grant in a specific reserve and is expected to deal with any surplus or deficits through future years' spending plans. The tables below provide the overall position for the DSG in 2023-24 (table 1) and an overview of the movements on both the central schools' reserve and individual schools' reserves (table 2).

Table 1 Dedicated Schools Grant (DSG) 2023-24 Forecast Summary:

DSG Block	2023-24 Total Budget* £'ms	2023-24 Forecast £'ms	2023-24 Forecast Variance £'ms
Schools Block	1,190.1	1,189.2	-0.9
High Needs Block	323.0	364.4	+41.4
Early Years Block	97.9	97.3	-0.6
Central Services to Schools Block	11.9	11.9	0.0
Total DSG 2023-24	1,622.9	1,662.8	+39.9

*Before recoupment and other DFE adjustments including additional funding from the Safety Valve Programme. Budgets include the impact of moving £10m from the Schools block to the High Needs Block as agreed by the Secretary of State.

Table 2: Overall Forecast Position for the Schools Budget Reserves:

	Individual Maintained School Reserves £'ms	Central Schools (DSG) Reserve £'ms
Reserve Balance as at 1st April 2023*	61.1	-61.4
Forecast contribution to/(from) reserves: Academy Conversions	-0.4	
Change in School Reserve Balances	0	
Overspend on DSG 2023-24		-39.9
Safety Valve: Local Authority Contribution		14.4
Safety Valve: Payment from DfE		14.2
Reserve Balance as at 31st March 2024*	60.7	-72.7

*Positive figure is a surplus balance & negative balance is a deficit balance

In accordance with the statutory override implemented by the Department of Levelling Up, Housing and Communities (DLUHC), and in line with the Department for Education (DfE) advice that local authorities cannot repay deficits on the DSG from the General Fund without Secretary of State approval, the central schools (DSG) forecast deficit balance of £72.7m is held in a separate unusable reserve from the main council reserves (see appendix 4). DLUHC have confirmed this statutory override will be in place until March 2026 whilst Councils implement recovery plans.

10 Schools' Delegated Budgets

In 2022-23, the Council entered the DfE's Safety Valve Programme for those Councils with the highest deficits to support the development of a sustainable plan for recovery; this includes annual funding from the DfE, totalling £140m by 2027-28, to pay off part of the deficit but only if the Council can demonstrate and deliver a credible plan. Over the same period the Council is also expected to contribute towards the residual deficit estimated to total over £80m. The DSG deficit is the Council's single biggest financial risk; therefore, the successful implementation of the Council's deficit recovery plan is critical. It is recognised, the Government's proposals to reform the SEND and alternative provision (AP) system to support a more sustainable high needs funding will not impact immediately and local actions are required.

In 2023-24, the Council is expecting to receive £14m from the DFE, the second tranche of the £140m safety valve commitment, with the Council required to contribute a further £14m from reserves. This additional funding, along with the extra funding from the DfE and the Council in 2022-23 will have reduced the accumulated deficit from an estimated £174m to £73m as at 31st March 2024.

Key Issues	Details
Individual Maintained Schools Reserves	As at 31st March 2023, there were 299 maintained schools with a surplus reserve balance and 5 schools with a deficit reserve balance. Maintained Schools are required to submit a six & nine-month monitoring return each financial year and these forecasts will be reported in future reports. The Council commissions The Education People to support Schools with their recovery plans. This forecast includes 5 schools converting to academy status during 2023-24. When a maintained school converts to an academy status, the council is no longer responsible for holding the schools reserve and the school's remaining school balance is either transferred to the academy trust, or in the case of a deficit, may have to be retained and funded by the Council depending on the type of academy conversion.
School Block: Underspend falling roll funding	The Schools Block funds primary and secondary core schools' budgets including funding for additional schools places to meet basic need or to support schools with significant falling rolls. The majority of the Schools' Block underspend is due to an anticipated underspend on the Falling Roll fund based on eligibility to access the fund.
Early Years Block: general underspend	The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds, along with the funding of some council led services for early years. Each year, when setting the funding rate an estimate must be made as to likely hours that will be provided to ensure it is affordable within the grant provided. This can lead to under or overspends if activity is slightly lower or higher than expected. This has led to an underspend of £0.7m against a budget of £98m, and in line with DFE guidance (on the use of DSG), this will be used to partly fund spend on the Early Years SEN Inclusion Fund, which is currently funded from the High Needs Block, and reduces the overspend on High Needs Block.
High Needs Block: Higher demand and higher cost for high needs placements.	The High Needs Block (HNB) is intended to support the educational attainment of children and young people with special educational needs and disabilities (SEND) and pupils attending alternative education provision. The HNB funds payments to maintained schools and academies (both mainstream and special), independent schools, further education colleges, specialist independent providers and pupil referral units. Some of the HNB is also retained by KCC to support some SEND services (staffing/centrally

Safety Valve Payment & Local Authority Contribution.

commissioned services) and overheads. Costs associated with the EHCP assessment and annual review process are met from the General Fund and are not included in this section of the report.

The in-year funding shortfall for High Needs placements and support in 2023-24 is +£38m due to a combination of both higher demand for additional SEN support and higher cost per child resulting from greater demand for more specialist provision. Levels of growth are expected to be similar to previous years whilst actions to support future financial sustainability are implemented.

Many other councils are also reporting deficits on their high needs block, despite extra monies from the Government in recent years, resulting from significant increases in their number of EHCPs and demand for SEN services. However, the increases locally have been increasing at a significantly faster rate than other comparative councils and the council is placing a greater proportion of children in both special and independent schools compared to other councils, and a smaller proportion of children with SEND in mainstream schools. The tables below detail the trend in both spend and number of HNB funded places or additional support across the main placement types.

Table: Total Spend on High Needs Block by main spend type

	20-21 £'ms	21-22 £'ms	22-23 £'ms	23-24 £'ms
Maintained Special School	106	123	137	150
Independent Schools	49	60	68	76
Mainstream Individual Support & SRP* **	46	54	61	66
Post 16 institutions***	17	19	21	22
Other SEN Support Services	49	43	48	51
Total Spend	264	299	334	364

*Specialist Resource Provision
** Please note this data excludes any costs incurred by primary & secondary schools from their own school budget.
***Individual support for students at FE College and Specialist Provision Institutions (SPIs)

Table: Average number of HNB funded pupils receiving individualised SEN Support/placements. This is <u>not</u> the total number of children with SEN or number of EHCPs.

	20-21 No	21-22 No	22-23 No	23-24 No
Maintained Special School	5,118	5,591	6,019	6,492
Independent Schools	1,126	1,348	1,485	1,590
Mainstream Individual Support & SRP*	4,510	5,258	5,772	6,306
Post 16 institutions***	1,281	1,453	1,569	1,657
Total Number of Pupils	12,035	13,650	14,845	16,045

Table: Average cost of HNB funded pupils receiving individualised SEN Support or placement cost.

	20-21 £s per pupil	21-22 £s per pupil	22-23 £s per pupil	23-24 £s per pupil
Maintained Special School	£20,629	£21,648	£22,640	£23,156
Independent Schools	£43,734	£44,799	£44,911	£47,799
Mainstream Individual Support & SRP* **	£10,294	£10,245	£10,578	£10,399
Post 16 institutions***	£13,309	£13,090	£12,927	£13,064

The safety valve agreement, sets out the key actions the Council intends to take to achieve a positive in-year balance on its central schools DSG reserve by the end of 2027-28 and in each subsequent years. The actions are co-terminus with our strategy to support improvements across the SEN system in response to the SEN Improvement Notice through the delivery of the Accelerated Progress Plan. The impact of these actions will not be immediate and will take several years to be fully embedded.

11 Savings

Target for year £69.7m
£69.9m savings to be delivered

The budget agreed at County Council included the requirement to deliver savings and increased income totalling £65.3m during 2023-24. A further £4.4m of undelivered savings from the previous year are included in the overall 2023-24 savings requirement of £69.9m. This section does not include changes to Grant Income of £34.7m, savings of less than £50k totalling £0.2m and £10.7m for the removal of one-off or undelivered savings from 2022-23. The breakdown of the position is as follows:

- £52.5m of the overall total £65.3m agreed savings are on track to be delivered
- £4.4m of savings brought forward from the previous year are forecast to be delivered.
- The Public Health, CED and DCED savings for 2023-24 are £3.4m and are on track to be delivered
- The NAC overachieved saving of £6.5m relating to investment income saving is due to increases in the base interest rate.
- A net position of £12.8m is forecast for ASCH, CYPE, GET and CHB as not achieved in 2023-24 and will slip into future years
- £0.2m has been identified by CYPE as undeliverable
- £6.7m of alternative one-off savings have been identified.

Directorate	Previous year saving delivered in 2023-24	2023-24 Target	Not achieved in 2023-24	Alternative Saving (ongoing)	Alternative Saving (one-off)	Saving no longer required	Saving not Deliverable	Over Recovery of Saving	Forecast Savings 2023-24
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care & Health	(4.4)	(30.0)	2.4		(2.4)				(34.4)
Public Health		(2.2)							(2.2)
Children, Young People & Education		(14.5)	6.0		(1.1)		0.2		(9.4)
Growth, Environment & Transport		(11.0)	3.9		(3.2)				(10.3)
Deputy Chief Executive's Department		(0.1)							(0.1)
Chief Executive's Department		(1.0)							(1.0)
Non Attributable Costs		(5.9)						(6.5)	(12.4)
Corporately Held Budget		(0.5)	0.5						0.0
Total	**(4.4)**	**(65.3)**	**12.8**	**0.0**	**(6.7)**	**0.0**	**0.2**	**(6.5)**	**(69.9)**

11 Savings

Target for year £69.7m
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24	2023-24 Target	Not achieved in 2023-24	Alternative Saving (ongoing)	Alternative Saving (one-off)	Saving no longer required	Saving not Deliverable	Over Recovery of Saving	Forecast Savings 2023-24
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care & Health	**(4.4)**	**(30.0)**	**2.4**	**0.0**	**(2.4)**	**0.0**	**0.0**	**0.0**	**(34.4)**
Commissioning - 2022-23 Slipped Savings - review of all contracts	(4.4)	**0.0**							(4.4)
Efficiency: Adult Social Care - Consistently adhere to our policy framework in relation to areas such as: Third Party Top Ups; arranging support and debt for self-funders; transport and maximisation of relevant benefits; use of in-house provision and occupancy to reduce reliance on external purchasing of short term beds; people in residential care in receipt of other services; timely reviews of Section 117 status with regard to charging		(1.3)	0.4		(0.4)				(1.3)
Income: Adult Social Care -Estimated annual inflationary increase in Better Care Fund		(2.3)							(2.3)
Income: Review of Charges for Service Users - existing service income streams & inflationary increases		(8.5)							(8.5)
Policy: Adult Social Care contracts with Voluntary Sector		(4.3)	2.0		(2.0)				(4.3)
Policy: Adult Social Care PFI		(0.2)							(0.2)
Policy: Housing Related Support - Homelessness		(2.3)							(2.3)
Policy: Redesign of In House Adult Social Care Services		(3.6)							(3.6)
Transformation: Adult Social Care service redesign		(7.5)							(7.5)

11 Savings

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Directorate	Previous year saving delivered in 2023-24 £m	2023-24 Target £m	Not achieved in 2023-24 £m	Alternative Saving (ongoing) £m	Alternative Saving (one-off) £m	Saving no longer required £m	Saving not Deliverable £m	Over Recovery of Saving £m	Forecast Savings 2023-24 £m
Public Health	0.0	**(2.2)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(2.2)**
Efficiency: Public Health - Estimated efficiency savings from Public Health Partnership working with Health		(1.0)							(1.0)
Efficiency: Public Health - Healthy Lifestyles		(0.1)							(0.1)
Efficiency: Public Health - Sexual Health		(0.2)							(0.2)
Efficiency: Public Health - Substance Misuse		(0.1)							(0.1)
Income: Public Health - Increase in external income to cover annual pay increases and new expenditure funded by external income		(0.1)							(0.1)
Policy: Public Health - Review of Public Health Services principally related to Healthy Lifestyles to ensure spending is contained within ringfenced grant		(0.4)							(0.4)
Policy: Public Health - Family Drug & Alcohol Court		(0.2)							(0.2)
Children, Young People & Education	0.0	**(14.5)**	**6.0**	**0.0**	**(1.1)**	**0.0**	**0.2**	**0.0**	**(9.4)**
Efficiency: Adult Social Care – Consistently adhere to our policy framework in relation to areas such as: Third Party Top Ups; arranging support and debt for self-funders; transport and maximisation of relevant benefits; use of in-house provision and occupancy to reduce reliance on external purchasing of short term beds; people in residential care in receipt of other services; timely reviews of Section 117 status with regard to charging		(0.3)	0.3						0.0

11 Savings

Target for year £69.7m
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24 £m	2023-24 Target £m	Not achieved in 2023-24 £m	Alternative Saving (ongoing) £m	Alternative Saving (one-off) £m	Saving no longer required £m	Saving not Deliverable £m	Over Recovery of Saving £m	Forecast Savings 2023-24 £m
Efficiency: Children's Services – Review of the Practice Development Service		(0.4)							(0.4)
Efficiency: Children's Services – Reconfigure the Family Drug & Alcohol Court Services into the main Children's Social Work Teams		(0.2)							(0.2)
Efficiency: Children's Social Care – Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers		(1.0)							(1.0)
Efficiency: Community Learning & Skills – Development of income earning activities within the CLS service and engage in efficiency measures to reduce costs		(0.2)							(0.2)
Efficiency: 18-25 Adult Social Care Supporting Independence Service – Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health		(1.8)	0.8						(1.0)
Efficiency: Early Help & Preventative Services – Expanding the reach of case holding Early Help services		(0.5)							(0.5)
Efficiency: Early retirements – Reduction in the number of Historic Pension Arrangements		(0.3)							(0.3)
Efficiency: Open Access – Youth & Children's Centres – Continue to implement vacancy management and avoid all non-essential spend across open access		(0.6)							(0.6)
Income: Kent 16+ Travel Saver		(0.3)	0.3		(0.3)				(0.3)

11 Savings

Target for year £69.7m
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24 £m	2023-24 Target £m	Not achieved in 2023-24 £m	Alternative Saving (ongoing) £m	Alternative Saving (one-off) £m	Saving no longer required £m	Saving not Deliverable £m	Over Recovery of Saving £m	Forecast Savings 2023-24 £m
Income: Review of Charges for Service Users – existing service income streams & inflationary increases		(0.2)							(0.2)
Policy: Care Leavers – Pursue a policy where independence is reached by a Young Person's 19th birthday.		(0.7)	0.5						(0.2)
Policy: Integrated Children's Placements – Review of Integrated Looked After Children's Placements: Reduce dependence on high levels of additional support and seek enhanced contributions from health		(1.0)	1.0						0.0
Policy: Children's Services – Review Section 17 payments and only provide where the Council has a statutory responsibility or to avoid children coming into care		(0.2)					0.2		0.0
Policy: Disabled Children's Placements – Review of children with disability packages ensuring strict adherence to policy, review packages with high levels of support and enhanced contributions from health		(1.5)	0.8						(0.8)
Policy: Early Help & Preventative Services – Reconfigure the Positive Behaviour Service into the main Early Help Teams		(0.8)							(0.8)
Policy: Home to School Transport – Kent 16+ Travel Saver – Review the Kent 16+ Travel Saver scheme		(0.3)	0.3		(0.1)				(0.1)
Policy: Review of Open Access – Youth Services & Children's Centres -Ceasing of the Local Children's Services Partnership Grants		(0.6)							(0.6)

11 Savings

Target for year £69.7m
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24	2023-24 Target	Not achieved in 2023-24	Alternative Saving (ongoing)	Alternative Saving (one-off)	Saving no longer required	Saving not Deliverable	Over Recovery of Saving	Forecast Savings 2023-24
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Policy: Review of Open Access – Youth Services & Children's Centres – review of open access services in light of implementing the Family Hub model		(0.2)	0.2		(0.2)				(0.2)
Policy: Review of Open Access Estate – Youth Provision & Children's Centres		(0.1)	0.1		(0.1)				(0.1)
Policy: Review Services Charged to Schools		(0.1)							(0.1)
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs		(0.8)	0.4		(0.4)				(0.8)
Transformation: Children's Social Care – Explore strategies, including statutory guidance, to reduce dependency on social work agency staff		(1.0)							(1.0)
Transformation: Looked After Children – Reduce the recent increase in the number of Looked After Children placements through practice reviews & improved court proceedings		(1.5)	1.5						0.0
Growth, Environment & Transport	0.0	**(11.0)**	**3.9**	**0.0**	**(3.2)**	**0.0**	**0.0**	**0.0**	**(10.3)**
Efficiency: Environment – Planned phasing of the new structure in the Environment Team		(0.3)							(0.3)
Efficiency: Highways – Renegotiate income levels to include inflationary uplift for permit scheme, lane rental scheme & National Driver Offender Retraining Scheme		(0.1)							(0.1)

11 Savings

Target for year £69.7m
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24 £m	2023-24 Target £m	Not achieved in 2023-24 £m	Alternative Saving (ongoing) £m	Alternative Saving (one-off) £m	Saving no longer required £m	Saving not Deliverable £m	Over Recovery of Saving £m	Forecast Savings 2023-24 £m
Efficiency: Libraries, Registration & Archives (LRA) – One-off reduction in Libraries Materials Fund and a one year contribution holiday for the Mobile Libraries renewals reserve		(0.2)							(0.2)
Efficiency: Transportation -Use developer agreement income to maintain current level of transportation services		(0.3)							(0.3)
Efficiency: Waste -Increased waste material segregation, increased re-use, black-bag splitting and trade waste recycling with a view to generating income or reducing cost		(0.6)	0.4		(0.4)				(0.6)
Efficiency: Waste – New waste contract efficiencies including reduction in payments to Kent Resource Partnership; new contract enabling separate disposal of currently co-mingled food waste; segregation of other waste materials		(0.2)							(0.2)
Income: Highways – Increase in net income budgets for streetworks and permit scheme		(0.6)							(0.6)
Income: Kent Travel Saver – Kent Travel Saver price realignment to offset an increase in bus operator inflationary fare increases in 2022-23 above the budgeted amount		(1.0)	1.0		(1.0)				(1.0)
Income: Kent Travel Saver (formerly Young Person's Travel Pass) – Kent Travel Saver price realignment to offset bus operator inflationary fare increases		(1.5)	1.5		(1.5)				(1.5)

11 Savings

Target for year £69.7m
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24	2023-24 Target	Not achieved in 2023-24	Alternative Saving (ongoing)	Alternative Saving (one-off)	Saving no longer required	Saving not Deliverable	Over Recovery of Saving	Forecast Savings 2023-24
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income: Review of Charges for Service Users – existing service income streams & inflationary increases – Uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams		(0.2)							(0.2)
Income: Waste – Review of fees and charges at Household Waste Recycling Centres		(0.1)							(0.1)
Policy: Arts – Review of support to the Arts		(0.2)							(0.2)
Policy: Discretionary Grants – Savings to be identified from a review of all discretionary grants		(0.1)							(0.1)
Policy: Economic Development – Review of grants and contracts with Kent Foundation and Locate in Kent		(0.1)							(0.1)
Policy: Highways – To reverse the prior decision to increase the number of swathe cuts		(0.3)							(0.3)
Policy: Highways Capital works – Removal of revenue contribution towards highways capital works		(3.0)							(3.0)
Policy: Highways Drainage – Review of highways drainage policy and level of works		(1.0)							(1.0)

11 Savings

Target for year £69.7m
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24	2023-24 Target	Not achieved in 2023-24	Alternative Saving (ongoing)	Alternative Saving (one-off)	Saving no longer required	Saving not Deliverable	Over Recovery of Saving	Forecast Savings 2023-24
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Policy: Highways Winter Service – Review of highways winter service policy including service levels, salting runs and network, resulting in reduced network coverage and detrimental impact on Keeping Kent Moving policy		(0.5)							(0.5)
Policy: Household Waste Recycling Centres (HWRC) – Review of the number and operation of HWRC sites		(0.5)	0.5						0.0
Policy: Review of Community Wardens		(0.5)	0.5		(0.3)				(0.3)
Deputy Chief Executive's Department	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)
Income: Resilience and Emergency Planning - Additional income from reservoir work		(0.1)							(0.1)
Policy: Marketing & Resident Engagement – Review KCC's presence at external events		(0.1)							(0.1)
Chief Executive's Department	0.0	**(3.3)**	0.0	0.0	0.0	0.0	0.0	0.0	**(3.3)**
Efficiency: Early retirements – Reduction in the number of Historic Pension Arrangements		(0.5)							(0.5)
Policy: Member Community Grants – Reduce Member Community Grants from £10k to £3.6k per Member		(0.5)							(0.5)
Non Attributable Costs	0.0	**(5.9)**	0.0	0.0	0.0	0.0	0.0	**(6.5)**	**(12.4)**
Financing: Debt repayment		(1.0)							(1.0)
Financing: Investment Income		(2.9)						(6.5)	(9.4)
Income: Income return from our companies		(2.0)							(2.0)

11 Savings

Corporately Held Budgets	0.0	**(0.5)**	0.5	0.0	0.0	0.0	0.0	0.0	**0.0**
Income: Review of fees & charges		(0.5)	0.5						0.0
Total	**(4.4)**	**(65.3)**	**12.8**	**0.0**	**(6.7)**	**0.0**	**0.2**	**(6.5)**	**(69.9)**

Explanation of the Directorate Savings variances are shown below:

11.1 The ASCH budget savings for 2023-24 are £30.0m. £27.6m is identified as being on track to be delivered with £2.4m forecast to slip into future years. Alternative savings of £2.4m have been identified.

£0.4m is due to decisions and potential consultation being required in relation to transport and charging policy for full paying service users.

£2.0m relates to not being able to achieve the full year effect of the savings, but work is ongoing with providers to ensure £2.3m of this saving is expected to be delivered and it is expected that the remainder will be delivered in 2024-25, one-off public health funding has been identified to fund the continuation of the contracts in 2023-24.

11.2 The CYPE budget savings for 2023-24 are £14.5m. £8.5m has been identified as on track to be achieved and £6.0m has slipped into future years. Alternative savings of £1.1m have been identified.

£1.1m is due to estimated delays in delivery of savings from the review of community-based packages of support including the delay in reviewing the charging policy for client transport (described in section 11.1). The review of high cost packages is ongoing and high costs panels are taking place to support delivery of the saving in 2024-25 onwards.

£3.3m is due to estimated delays in delivery of placement related savings across integrated children's services (including disability services) where the number of Looked After Children and reductions in placement costs has not reduced as expected at the time of setting the budget. Use of High-cost panels and review of high cost packages is taking place to support delivery of the saving in 2024-25.

£0.5m is due to delays in implementing a strategy in supporting independence by the age of 19. The implementation of this strategy is linked to the new accommodation contract for shared housing which is expected to be implemented from the 28th October in line with the wider regulation changes in supported accommodation for looked after children. This saving is anticipated to be delivered in 2024-25.

£0.3m is due to delays in the review of open access services. This saving is being reviewed following the recent consultation on family hubs.

		£0.2m is due to non-delivery of the Section 17 saving. This saving has been reconsidered in light of other strategies to avoid possible entrance into care. It is therefore possible spend may increase rather than decrease in future. £0.4m is due to the delay in the review of some services to schools. This saving is still expected to be delivered in 2024-25 and is expected to be offset by other one-off alternative savings in 2023-24. More information regarding the alternative savings will be included in the next monitoring report. £0.6m is due to delays in increasing the charges for the Kent 16+ Travel Saver to ensure Kent meets the requirement of the BSIP grant. £0.4m is estimated to be achieved through the use of the BSIP grant and a further £0.1m from other general underspends.
11.3	The GET budget savings for 2023-24 are £11.0m, of which £7.1m is identified as being on track to be delivered. Savings of £3.9m are forecast to now be delivered in future years. However, alternative savings of £3.2m have been identified to part-mitigate this.	£0.5m is due to the proposed consultation on the review of HWRC sites (Waste) being delayed so that an Informal Member Group (IMG) can spend further time assessing the proposed options. In addition, and also in Waste, there was a £390k savings target from Reuse and Small Business trade waste. Reuse activities have been delivered; however, to meet the full target requires investment of capital to develop a shop facility. There is no capital finance for this. Small Business trade waste is an ongoing project with active plans of work to develop small trade waste through the districts/contractors at Dover Transfer Station and Dunbrik through Sevenoaks District Council. Strikes have disrupted any opportunity to introduce a small business waste service at the Canterbury HWRC (already permitted to take trade waste). Environmental permits for other HWRC's can only be pursued once the HWRC Review has been concluded, which as per above has been delayed. It is taking the Environment Agency circa one year to issue variations on current permits. There is a net £0.2m pressure that relates to the £0.5m budget reduction from the Review of the Community Warden service. Due to required consultation timescales, both public and staffing, none of the £0.5m will be delivered in 23-24 as the revised timescale would not commence, subject to consultation, until at least April 2024. The £0.3m management action is to hold all existing and future vacancies to part offset this re-phasing of the proposed budget reduction. Current vacancy levels are higher than normal as some staff have chosen to leave for alternative employment ahead of any decisions being finalised.

		Within the £3.9m of savings that will now be delivered in 24-25, and within the £3.2m of mitigations, is £2.5m relating to the Kent Travel Saver (KTS). At February County Council, and in line with a previous decision, the KTS pass price would need to increase to offset the operator fare inflation. This consisted of £1.5m for 23-24 inflation and £1m for 22-23 inflation that was under-estimated. However, after the budget was set, KCC agreed to accept the Bus Services Improvement Plan (BSIP) grant from Govt which allowed initiatives around ticketing to sustain and enhance the bus network and it was agreed that the KTS pass price could be held for one year. In 23-24 the grant will be used in lieu of additional income and also represents a benefit for the users of the scheme, as well as sustaining the level of patronage which supports KCC's net zero and vision zero initiatives.
11.4	NAC budget savings for 2023-24 are £5.9m with £12.4m to be achieved.	The £6.5m over achievement relates to investment income saving due to increases in base rate.
11.5	CHB budget savings for 2023-24 are £0.5m, which will slip into future years.	The 2023-24 budget included an estimated saving of £0.5m from increased fees and charges following the adoption of revised fees and charges policy. This policy was aimed at improving the transparency of discretionary services where charges include an element of concession or subsidy, and to adopt a more consistent approach to full cost recovery where no concessions/ subsidies are agreed. Achieving the saving always required increases in some fees and charges in line with the policy. Changes in fees and charges will require a decision, and at this stage no such decisions have been presented or taken.

Alternative savings of £5.7m have been identified to offset the savings that will not be delivered. The table below shows the breakdown by Directorate of the alternative savings in 2023-24:

Overview of saving	Alternative saving identified	Alternative savings value £000s
Adult Social Care & Health		**2,424.0**
Client Related Transport	Review of spend on private taxis in light of new charging policy	44.0
Charging policy for Full Paying service users	Additional savings to be delivered as part of other continuous improvement plans in locality teams	380.0
Review of Discretionary Voluntary Sector Contracts	Alternative one off public health funding has been identified to fund continuation of contracts	2,000.0
Children, Young People & Education		**1,050.0**
Review of open access services through Family Hub model	Over-delivery of saving on vacancy management and ceasing non-essential spend across children's centres and youth hubs (in line with 2022-23 underspend).	300.0
Review the Kent 16+ Travel Saver scheme	Estimated cost of scheme for 23-24 estimated to be slightly lower than initially budgeted	100.0
Price Realignment of Kent 16+ Travel Saver in line with operator inflationary increases	Replaced through Bus Strategy Grant	250.0
Services to Schools	Alternative savings from The Education People company & ceasing of current arrangement with Kent Association of Headteachers. More detail will follow in the next monitoring report.	400.0

11 Savings

Target for year £69.7m
£69.9m savings to be delivered

Overview of saving	Alternative saving identified	Alternative savings value £000s
Growth, Environment & Transport		**2,800.0**
Income: Kent Travel Saver	Replaced through Bus Strategy Grant	1,000.0
Income: Kent Travel Saver (formerly Young Person's Travel Pass)	Replaced through Bus Strategy Grant	1,500.0
Review of Community Warden Service	Hold further future vacancies, and other operational savings.	300.0
Total		6,274.0

12 Management Action

This section sets out the significant management action being taken to reduce the Council's forecast overspend of £37.3m, which are not yet reflected in this report. The actions identified to date are expected to deliver a reduction in spend, bringing the Council to a balanced position by the end of the financial year. £20.5m are one-off reductions only affecting the 2023-24 position with new grant of £9.4m plus £7.4m that will have an on-going positive impact into 2024-25. Work is continuing to ensure these management actions are delivered and this will be closely monitored to ensure spending reductions are achieved.

If the management action is not delivered in full, any remaining overspend at the end of the financial year will need to be met from general or earmarked reserves, further weakening the Council's financial resilience.

Directorate	23-24 one-off	23-24 recurring	Total 2023-24	24-25
	£k	£k	£k	£k
Adult Social Care & Health	-4,310.0	-5,700.0	-10,010.0	-4,528.6
Children, Young People & Education	-1,700.0	-1,550.0	-3,250.0	0.0
Growth, Environment & Transport	-1,480.0	0.0	-1,480.0	0.0
Deputy Chief Executive Department	-320.0	0.0	-320.0	0.0
Chief Executive Department	-1,350.0	-150.0	-1,500.0	-100.0
Cross Cutting Review	-11,399.9	0.0	-20,775	0.0
New Grant	-9,375.1			
TOTAL	**-29,935.0**	**-7,400.0**	**-37,335.0**	**-4,628.6**

12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
ASCH	Working **collaboratively with NHS Colleagues** to ensure the most appropriate and cost-effective pathways are in place for those people being discharged from hospital settings and ensuring that the **necessary joint funding arrangements** are in place, which makes clear who the lead commissioner of care and support is.		-5,350.0	-4,278.6
ASCH	Working **collaboratively with NHS Colleagues** to ensure the most appropriate and cost-effective pathways are in place for those people being discharged from hospital settings and ensuring that the **necessary joint funding arrangements** are in place, which makes clear who the lead commissioner of care and support is. Initial focus will be on those individuals who have been discharged through the Transforming Care Programme.		-350.0	-250.0
ASCH	Maximise the use of **framework providers** which will reduce new support being commissioned from non-framework providers. This will help reduce the administrative burden on front line social care staff and reduce overall unit costs of care and support. Harmonise processes to create capacity within framework providers to pick up support required for people who draw on care and support.	-2,400.0		
ASCH	**Data Quality:** resolving data quality issues on records and files. This will significantly improve accuracy of information available for reporting.	-500.0		
ASCH	**Social Care Debt:** - External support being commissioned to assist with Court of Protection deputyship applications, meaning that those debts relating to 'non-discretionary funding' can be settled more quickly	-500.0		
ASCH	Use of Rolled Forward and uncommitted Disabled Facilities Grant to support funding of new **Technology Enabled Lives Programme**	-910.0		
		-4,310.0	**-5,700.0**	**-4,528.6**

12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
CYPE	Work is continuing with the NHS to explore joint commissioning opportunities (including tier 4 admissions) and joint funding agreements for eligible young people (further review of existing savings profiles)		-1,000.0	
CYPE	Panels have been established in every district across both Integrated Children Services and Disability Services to review suitability and level of support for all looked after children's placements. This is in addition to a further peer review focused on high cost placements. (further review of existing savings profiles)		-250.0	
CYPE	Development of a Placement Framework to explore alternative ways to support children at risk of coming into care including increasing the role of family members.		-50.0	
CYPE	Signposting of families to community services where it is available and appropriate (further review of existing savings profiles).		-100.0	
CYPE	Review of 18-25 community-based services (i.e. direct payments, supporting living, daycare and transport): Reduction in expenditure on non-framework packages of care for 18-25 year olds and ensuring strict adherence to policy (further review of existing savings profiles)		-100.0	
CYPE	Use of grant to meet statutory responsibilities	-1,700.0		
CYPE	Increase in use of personal transport budgets		-50.0	TBC
		-1,700.0	**-1,550.0**	**0.0**

12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
GET	Holding vacancies across all divisions	-350.0		
GET	Review demand and operational expenditure (public transport and highways)	-650.0	TBC	
GET	Increased income from fees, charges and income raising activities (eg LRA, Highways)	-250.0		
GET	Proactive management of operational expenses and backlog (LRA, Environment)	-100.0		
GET	Use of available grants	-100.0		
GET	Rephasing projects	-30.0		
GET	Contract renegotiation and rescoping with focus on waste and highways	TBD		
		-1,480.0	**0.0**	**0.0**

12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
DCED	SRP Option 1: Delete the vacant KR13 Programme Manager role	-41.0		
DCED	SRP Option 2: Delete the second KR12 Dependency Manager role when the postholder leaves and becomes a vacancy in November.	-29.0		
DCED	Hold vacancies within Infrastructure for the reminder of the year.	-250.0		
		-320.0	**0.0**	**0.0**

12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
CED	Cease the allocation of any more Member Grants in the current year and take the current underspend of c.£600k ie do not roll forward to 2024/25.	-600.0		
CED	Re-phase the appointments to vacant posts within SPRCA	-500.0		
CED	Re-phase the appointments to vacant posts within the newly structured Corporate Procurement team	-250.0		
CED	Release of Early retirement budget		-150.0	-100.0
		-1,350.0	**-150.0**	**-100.0**

12 Management Action

Directorate & Division	Details of Actions to be taken of Non-Committed Spend	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
Cross Cutting Review	<u>Subjective spend analysis</u> The current budget on specific cost codes (excluding the main demand led budgets) is £446.5m, with forecast spend of £463.8m and actuals of £195.8m up to the end of August 2023. This includes permanent staffing and agency costs to provide the overall staffing position. All non-committed expenditure is being reviewed as part of the management action to bring the budget back into balance. Finance have been working with budget managers to review the spend and forecasts on these codes during September to reduce the forecast wherever possible and Finance will undertake deep dives into specific areas to provide further options for savings considerations. It is recognised that some of the spend within these codes is essential, preventative and/or specific grant funded and we will need to ensure there are no double counts with actions already taken. Detailed, regular monitoring and reporting will ensure the reductions in spend are happening in practice. Once the areas of spend reductions have been agreed the corresponding budgets will be reduced.	-11,400		
Cross Cutting Review	<u>Capital Projects</u> The capital officer group are identifying invest to save capital projects to put forward for consideration to reduce revenue costs, e.g. in the care and children's sectors	TBC	TBC	
Cross Cutting Review	<u>"Balance Sheet" Review</u> A review of specific areas on the balance sheet and other Council assets are being reviewed to determine whether there is scope to release funds, e.g. assets and provisions. Whilst the impact on the 2023-24 position is likely to be limited, there may be opportunities to review policies going forward.	TBC		
Cross Cutting Review	<u>Contractual savings</u> A review of all contracts due to expire within the next 12 months has been undertaken. Whilst It is considered unlikely that savings can be made in 2023-24, any reduction in activity related to contract re-procurement will enable staffing resources to be redirected and will support the delivery of a balanced budget in 2024-25.	TBC		

Cross Cutting Review	Review Of Early Payments Using Oxygen Finance Ltd for the supply of Early Payment Services under the NEPO 521 Framework Agreement (established in May 2020 by South Tyneside Council on behalf of NEPO (North East Procurement Organisation) in accordance with the contract award criteria and subject to final Legal sign off.		TBC	TBC
		-11,400.0	**0.0**	**0.0**

The details of the £9.4m Market Sustainability and Improvement Fund grant have been confirmed since the last report and following determination will be used to fund the increased fees for new clients (subject to final agreement of the plan for the use of this grant).

Directorate	Capital Budget £m	Variance £m	Real Variance £m	Slippage £m
Adult Social Care & Health	1.7	-0.4	0.0	-0.4
Children, Young People & Education	118.0	-25.6	-4.2	-21.4
Growth, Environment & Transport	245.0	-16.2	12.4	-28.6
Chief Executive's Department	1.6	0.0	0.0	0.0
Deputy Chief Executive's Department	23.5	-0.1	0.0	-0.1
TOTAL	**389.8**	**-42.3**	**8.2**	**-50.5**

The total approved General Fund capital programme including roll forwards for 2023-24 is £389.8m

The current estimated capital programme spend for the year is forecast at £347.4m, which represents 89% of the approved budget. The spend to the end of June is £39.7m, representing 10.2% of the total approved budget.

Directorates are projecting a £42.3m underspend against the budget, this is split between a net +£8.2m real variance and -£50.5m due to slippage. £10.5m of the real variance is due to funding that has not yet been included within the cash limits because funding announcements were made after the budget was agreed. Such changes to cash limits will be requested in the Capital budget Changes section of this report. At least £4.5m of the slippage is outside of KCC control, due to projects being managed by external parties.

<u>The major variances to note across the life of the programme are as follows:</u>

<u>Thanet Parkway (GET)</u> – The overall project costs are still being reviewed with Network Rail. As with all major projects, final out turn costs are only confirmed when the project's accounts with contractors are finalised and closed.

<u>Sturry Link Road (GET)</u> - There is a potential increase in the estimated cost of this project of approximately £12m. This is higher than the cost that was submitted as part of the business case approval process and is predominantly due to inflation and increased construction costs. The position will continue to be closely monitored and updated once the Design and Build Contract has been awarded.

<u>Basic Need (CYPE)</u> - Over the next three years 2023-24 to 2025-26, the forecast overspend on the basic need programme is £25m. This is due to inflation of approximately £13m, and due to a change in methodology in how to forecast for abnormals. Basic need allocations for 2025-26 have now been published which are £20.5m more than has been assumed in the budget. The addition of this to the cash limits will offset the forecast overspend.

<u>Modernisation of Assets (DCED)</u> – The 2023-24 position is showing £2.4m of funding needing to be brought forward from 2024-25 in order to cover the expenditure required. The remaining budget for future years is not sufficient to maintain the warm, safe and dry standard for buildings. Options are being considered to address this, and the position will continue to be closely monitored.

The major in-year variances (real variances of >£0.1m and slippage >£1m) are described below:

Adult, Social Care & Health:

Project	Real Variance £m	Slippage £m	Detail
Major variances to report:			
There are no major variances to report.			

Children, Young People & Education:

Project	Real Variance £m	Slippage £m	Detail
New Variances to Report:			
Overall Basic Need Programmes			Over the next three years 2023-24 to 2025-26, the forecast overspend on the basic need programme is £25m. This is due to inflation of approximately £13m, and due to a change in methodology in how to forecast for abnormals. Department for Education guidelines indicate an allowance of 10% of the project cost should be made for abnormals which is to cover items such as demolition, asbestos removal, pile foundations, extensive external works, and consequential improvements - some or all of which may be required on a scheme-by-scheme basis. This has been applied to projects which have not yet started. To partially offset this overspend, £8.7m has now been rephased beyond the three-year period. Basic need allocations for 2025-26 have now been published which are £20.5m more than has been assumed in the budget. The addition of this to the cash limits will offset the forecast overspend.

Basic Need Kent Commissioning Plan 2016	0.2		Works are being undertaken as part of the basic need scheme at Whitfield Aspen, which had been forecast under Annual Planned Enhancement. A virement has been requested to cover the spend and is included in the Capital Budget Changes section.
Basic Need Kent Commissioning Plan 2018	-0.7	-1.6	The real variance is due to: -£0.6m The Abbey. Works have been added to the project in the Basic Need KCP 21-25 line, but not until later years. -£0.2m Gravesend Boys Grammar. This reflects costs that have been identified as revenue. The slippage of -£1.6m is across 3 different projects, each of which are below £1m.
Basic Need Kent Commissioning Plan 2019	1.3	-7.0	The real variance is due to additional costs at Borden Grammar, where the project scope now includes kitchen and hall works. Abnormals have also been identified on site. The slippage is due to: -£2.4m Cable Wharf, replacement school for Rosherville, has been selected under the school rebuild programme. KCC are adding an additional 1FE and the KCC contribution to the scheme is dependent on DfE delivery. -£2.0m Teynham Primary. The current 1FE school is being replaced with a 2FE. The delays are due to planning and agreeing project scope with the school. -£1.9m Thanington Primary. Delays have been incurred due to agreeing the terms and conditions with the contractor. -£0.7m Maidstone Girls Grammar. Initial costings were high which has delayed contracts.
Basic Need KCP 2021-25	-0.5		The real variance is due to: -£0.6m Cornwallis Academy. A change of scope and works are now being school managed at a lower cost. +£0.1m St Peter's Aylesford. The project tenders are higher than anticipated.
Basic Need KCP 2022-26		-3.7	The slippage is due to: -£1.9m Cornwallis Academy. Forecasts have been aligned with the provision requirement date of September 2025. -£0.7m Marden Primary. Funding agreement with the school and forecasts have been aligned with provision requirement date of September 2024. -£1.0m Sittingbourne. A school has not yet been identified to provide additional places.
Basic Need KCP 2023-27	-2.0	1.8	The real variance is on Maidstone temporary secondary provision, where places are being provided at Cornwallis Academy. The slippage is on 6 projects, each of which is below £1m.
High Needs Provision	0.2		The real variance relates to an increase in contribution to the Callum Centre, Canterbury Primary. This is to be funded

			from the High Needs Provision 2022-24 budget line.
High Needs Provision 2022-24	-0.2	-8.4	The real variance is to fund the overspend on the High Needs Provision budget line. The slippage is due to: -£6.3m The Beacon Satellite Provision. Space analysis was recently completed to confirm Special Educational Needs and Disability (SEND) spaces still required. Contracts for the next phase of works were not able to be entered into until this was completed. -£1.0m Five Acre Woods. This is being held for possible further works. -£0.8m Oakley Satellite Provision and -£0.5m Nexus Satellite Provision – site for these satellites have not yet been identified.
Modernisation Programme		-2.9	58 sites have been identified as potentially needing replacing under the mobile replacement programme. Site visits are being undertaken to confirm which mobiles need replacing. The list of prioritised sites will be presented to Education Asset Board for approval to feasibility stage.
School Roofs	-2.0		Reinforced Autoclaved Aerated Concrete (RAAC) works at Birchington CEPS are being funded from the Department for Education.
Annual Planned Enhancement Programme	-0.2	0.3	The real variance is due to works being undertaken as part of the Whitfield Aspen Basic Need Scheme in KCP16. A virement has been requested in the Capital Budget Changes section.
Family Hubs and Start for Life Programme	0.2		This reflects the grant allocation which is requested to be added into the capital programme. See the Capital Budget Changes section.

Growth, Environment & Transport:

Project	Real Variance £m	Slippage £m	Detail
Major Variances to Report: Highways and Transportation			
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works	6.1	-4.4	The real variance is due to grant received for potholes from the Government's spring budget. Once this has been added to the cash limits there will be no variance. The slippage relates to: - structures and the inability to recruit to senior posts, - some schemes that are in or have completed the design phase will be constructed in future years - some schemes take more than one year to construct, - delays due to KCC waiting for access to be granted by Network Rail.
Housing Infrastructure Fund (HIF) Swale	1.2	-6.1	The real variance will be negated by additional developer contributions once these have been added to the cash limits. The slippage is due to delays in the commencement of the works contract whilst awaiting the sign off from National Highways. This project is externally funded by the HIF forward fund from Homes England and the variance has been reprofiled with them.
Green Corridors		-3.6	The spend profile has been rephased to align with the construction timescales for the Green Corridors Programme. The construction periods have been delayed so that the sites can be procured together and constructed by a single contractor. Other works nearby mean that the construction of these sites could not begin as originally intended due to road space availability and procurement timescales. This programme is funded by Ebbsfleet Development Corporation who are aware of the reprofiling of spend.
Thanet Parkway Railway Station	3.9		The overall project costs are still being reviewed with Network Rail and so the costs are not yet finalised. Network Rail have made further funding requests for 2023-24 which are not included in the forecast, and KCC has engaged independent experts to carry out a review of costs. As with all major projects, final out turn costs are only confirmed when the project's accounts with contractors are finalised and closed.

Kent Thameside Strategic Transport Programme (STIPS)		-3.1	The Thamesway project is on hold pending the outcome of the Ebbsfleet Central and Northfleet Harbourside planning applications. This follows a decision by the Cabinet Member following Environment and Transport Cabinet Committee in January 2023, to amend the Thamesway project.
A28 Chart Road, Ashford		-2.4	Based on estimated occupation levels it is currently anticipated that construction will commence in early 2025 for a duration of 2 years, hence the rephasing. This is reliant on the developer producing a financial bond to give KCC certainty of funds to award a construction contract. The design update will be concluding shortly, after which a complete review and update of project costs will be completed.
Bearsted Road	0.4	-2.4	Enabling works have commenced. The award of contract for the main works has been delayed due to procurement delays and a review of project costs. The predicted increase in the estimated scheme cost is due to delays and loss of income due to COVID.
Dover Inter Border Facility	-2.2		The forecast has been adjusted to expected spend. Any residual grant will be repaid to the funders and cash limits will be reduced when final costs are certain.
Dartford Town Centre		-2.1	Dartford Borough Council (DBC) are managing this scheme and have provided an updated programme for the construction of phases 3 and 4, and the spend profile is now aligned with their intended draw down of the funding. DBC will be procuring phase 3 in late 2023, and construction will commence in Spring 2024.
Zero Emission Bus Regional Areas (ZEBRA)		-1.8	The purchase of the electric vehicle chargers for this project will now take place in 2024-25. The reprofiling is due to procurement/supply delays.
Kent Active Travel Fund phase 4	1.5		This reflects additional grant funding received for phase 4 of this programme. Once this has been added to the cash limit there will no longer be a variance.
Maidstone Integrated Transport		1.4	The spend profile has been rephased to align with the construction timescales for the MITP. The Coldharbour scheme is currently at the procurement stage and the delivery programme is being aligned to 2024 against other road space requirements. A full review of the scheme costs against the available LGF and S106 contributions is currently being carried out.

Sturry Link Road, Canterbury		1.3	There is a potential increase in the estimated cost of this project of approximately £12m. This is higher than the cost that was submitted as part of the business case approval process and is predominantly due to inflation and increased construction costs. This cost estimate will be refined through the design process and any increase is expected to be covered by S106 contributions that are index linked and possibly more S106 contributions which have been identified. Further confidence in the delivery programme is a requirement of SELEP this in turn safeguards the £5.9m Local Growth Fund (LGF) contribution, so progress with land negotiations and design work must be suitably demonstrated. The position will continue to be closely monitored and updated once the Design and Build Contract has been awarded.
LED Conversion		-1.2	Rephasing is required as the budget is to convert newly adopted assets to LED where the approved design was prior to the LED conversion project. The date for adopting new developments is an unknown quantity, therefore the carry forward reflects that less assets will be adopted this year than expected.
Bath Street Fastrack		1.2	Some of the funding from 2024-25 is required in 2023-24 to cover additional risk, however the overall scheme remains within budget.
Folkestone – a Brighter Future	1.1		The Delivery Partner Agreement with Folkestone and Hythe District Council (FHDC) is nearing completion which will enable KCC to draw down £15.9m from FHDC (Levelling Up Fund 2 grant) and to deliver the transport and public realm elements of Folkestone A Brighter Future on behalf of Folkestone and Hythe over several years. Once the agreement has been signed the grant will be added to the cash limits and there will be no variance.
Kent Active Travel Fund Phase 2	-0.5		A change control request was submitted to Active Travel England (ATE) to vire £500k from the Phase 2 Cinque Ports Scheme to Phase 3 due to an underspend on Phase 2. This has been approved by ATE. Once the cash limits have been changed there will no longer be a variance.
Kent Active Travel Fund Phase 3	0.5	-0.9	The real variance is due to be covered from a virement from Kent Active Travel Fund Phase 2 – see above.
Integrated Transport Schemes	0.3		The real variance is due to smaller schemes that will be externally funded, the funding for which has not yet been added to the cash limit.

Environment & Waste			
Transfer Station Folkestone & Hythe		0.1	Although there is a small requirement to bring £0.1m funding forward to 2023-24, the overall position on the project is a forecast cost of £3.1m over the current budget. The outline costs for the project are expected at the end of September 2023. In earlier planning scenarios, at alternative locations, it was not envisaged to have to finance land acquisition costs. There is now a preferred development site, where the project is being designed and legal options are being pursued, the budgeted increase accounts for the purchase of this private land. These are due to be funded from additional S106 developer contributions and additional Community Infrastructure Levy (CIL). The timing of when these contributions are expected by KCC is being looked at in line with the spend profile to establish if there will be any requirement for forward funding.
Surface Water Flood Risk Management	0.1		Real variance in 2023-24 is forecast to be funded from grant that is expected but not yet banked. There is another £0.3m grant expected in 2024-25. Once this has been banked it will be requested to be added to the cash limits.
Growth & Communities			
Digital Autopsy		-2.9	Digital Autopsy (DA) funds have been re-phased as the project tender for the DA and body store delivery has failed. The project is now looking at alternative options to bring in the necessary providers. Given the amount of time this will take to bring forward, the capital spend has been deferred as the capital element can only be entered into at the same time as the revenue contracts to ensure the project is de-risked.
Kent and Medway Business Fund (KMBF)	-0.3	-1.9	The real variance is due to £0.3m transferring to the Small Business Boost (SBB) element of this scheme. The slippage of £1.9m is due to a lower value of loans likely to be defrayed during 2023-24, given the time available once the new round is launched in October 2023.
Kent and Medway Business Fund – Small Business Boost (SBB)	+0.3		The real variance relates to loans expected to be distributed as part of the SBB stream, which will be covered from a transfer of funds from the main KMBF fund.

Deputy Chief Executive's Department:

Project	Real Variance £m	Slippage £m	Detail
New variances to report:			
Modernisation of Assets (MOA)		2.4	The bringing forward of funding is due to addressing category 1-5 sites and urgent MOA works.
Strategic Estate Programme		-2.6	The slippage reflects the descoping of initial Stage 2 proposals for Sessions and Invicta refurbishment to keep costs in line with the approved budget, which alongside a delay in the release of the Sessions House Masterplan means a postponement of the original planned commencement date for any refurbishment.

14 Revenue Budget Changes

In line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation between Key Services in light of the 2022-23 final spend and activity levels and the latest service transformation plans. Explanations for these cash limit changes are provided below and a breakdown of the changes by Key Service is available in Appendix 2.

These changes need to be approved Cabinet, for reporting purposes the variances reflected in this report assume these cash limit changes have been approved.

Adult Social Care & Health

Gross Expenditure increase +£1.2m
Income increase -£1.2m

Roll forwards previously agreed at the June Cabinet meeting:

Various budgets	£0.073m gross

Technical adjustments, more accurately reflecting current levels of services and income to be received:

Realignment of Prevent and Dovetail funding to reflect 23-24 funding and expenditure plans	-£0.049m gross +£0.049m income
Realignment of Prisons grant funding to reflect 23-24 funding and expenditure plans	-£0.019m gross +£0.019m income
Realignment of cash limit across Business Delivery Unit to reflect 23-24 funding and expenditure plans	-£0.183m gross +£0.183m income
Realignment of ASC discharge grant funding	+£0.703m gross -£0.703m income
Realignment of cash limit for Westbrook and Westview PFIs to reflect 23-24 funding and expenditure plans	-£0.263m gross +£0.263m income
Allocation of cash limit for estimated impact of leap day on 29th February 2024.	+£0.257m gross -£0.257m income
Realignment of cash limit across Community Based Preventative Services to reflect 23-24 funding and expenditure plans	+£0.809m gross -£0.809m income
Realignment of cash limit across Public Health to reflect 23-24 funding and expenditure plans	+£0.699m gross -£0.699m income
Realignment of cash limit across Social Support for Carers to reflect 23-24 funding and expenditure plans	+£0.250m gross -£0.250m income
Realignment of cash limit across ASCH Operations	-£0.023m gross +£0.023m income

Formal virements, requiring approval:

Allocation of 23-24 savings across Enablement and Service Provision	-£0.141m gross +£0.141m income
Realignment of ASC discharge grant funding	-£0.729m gross +£0.729m income

Allocation of achieved savings in 22/23	Net Nil
Allocation of 22-23 prices funding across ASCH Operations	-£0.012m gross +£0.012m income
Allocation of centrally held funds across ASCH Operations	-£0.008m gross +£0.008m income
Allocation of £1.0m from ASCH Corporate Director to ASCH Operations for Director joint investments	Net Nil
Permanent increase in the budgeted annual contribution to the ASCH Leap Year reserve, based on 23-24 budget allocations.	Net Nil
Locality Model Staffing - adjustments to realign base funding across in-scope staffing budgets in line with agreed establishments, and to transfer realised savings to ASCH OPs divisional budgets.	Net Nil
Locality Model Staffing - adjustments to realign BCF funding across in-scope staffing budgets.	Net Nil
Locality Model Staffing - adjustments to realign CAI funding across in-scope staffing budgets.	Net Nil
Locality Model Staffing - adjustments to realign S75 funding across in-scope staffing budgets.	Net Nil
BCF - unused KARA money to fund TEC	Net Nil
Correction of treatment of iBCF – reversal of permanent adjustment to one off allocation	Net Nil
Transfer of budget from Commissioned Short Term Residential beds to reflect target for increased usage of inhouse beds	Net Nil
transfer of funding for new Telecare contract from Adaptive & Assistive Technology to Business Delivery.	-£0.116m gross +£0.116m income

Children, Young People & Education

Gross Expenditure increase +£53.2m
Income increase -£52.4m

Roll forwards previously agreed at the June Cabinet meeting:

Various Budgets	+£0.965m gross

Technical adjustments, more accurately reflecting current levels of services and income to be received:

Special Educational Needs & Psychology Services - Realignment of DSG High Needs Block so that SEN budgets are in line with Safety Valve.	+£46.161m gross -£46.161m income
Strategic Management & Directorate Budgets – Realignment of asylum cash limits to take account of increased numbers of UASC	-£0.117m gross +£0.117m income

Early Years Education – Correction to budget build in relation to schools staffing and non staffing	-£0.056m gross +£0.056m income
Education Services provided by the Education People – Transfer Education Safeguarding back into KCC from 1st April 2023	-£0.266m gross
Special Educational Needs & Psychology Services - Realignment of STLS/Sensory & PD Budgets	-£0.084m gross +£0.084m income
Special Educational Needs & Disability Management & Divisional Support/ Special Educational Needs & Psychology Services – Transfer of budget to SEN following CYPE realignment	+/-£0.231m gross
Asylum – Realignment of asylum cash limits to take account of increased numbers of UASC	+£3.832m gross -£3.832m income
Care Leavers Service – Realignment of Housing Related Support cash limit	-£0.506m gross
Care Leavers Service –realignment of asylum cash limits to take account of increased numbers of UASC	+0.031m gross -0.031m income
Children's Social Work Services – Assessment & Safeguarding Service – Transfer Education Safeguarding back into KCC from 1st April 2023	+£0.937m gross -£0.671m income
Children's Social Work Services – Assessment & Safeguarding Service – Realignment of asylum cash limits to take account of increased numbers of UASC	+£1.470m gross -£1.470m income
Children's Social Work Services – Assessment & Safeguarding Service – Transfer of pay allocation from Corporately Held Budgets	+0.006m gross
Children's Social Work Services – Assessment & Safeguarding Service – Early Help saving transferred to correct Key Service	+£0.540m gross
Children in Need – Care & Support – Realignment of Housing Related Support cash limit	+£0.027m gross
Early Help & Preventative Services – Early Help saving transferred to correct Key Service	-£0.540m gross
Looked After Children – Care & Support – Realignment of asylum cash limits to take account of increased numbers of UASC	+£0.195m gross -£0.195m income
Looked After Children – Care & Support – Realignment of Housing Related Support cash limit	+£0.480m gross
Pupil Referral Units – Adjustment to DSG for Devolved PRU	+£0.278m gross -£0.278m income
Integrated Services (Children's) Management & Directorate Support - Realignment of asylum cash limits to take account of increased numbers of UASC	+£0.022m gross -£0.022m income

14 Revenue Budget Changes

Formal virements, requiring approval:

Correction of treatment of iBCF – reversal of permanent adjustment to one off allocation	Net Nil
Transfer of Customer Care and Complaints teams from the Children, Young People & Education to the Deputy Chief Executive Department	-£0.147m gross

Growth, Environment & Transport

Gross increase +£7.7m
Income increase -£7.1m

Roll forwards previously agreed at the June Cabinet meeting:

Various Budgets	+£0.818m gross

Technical adjustments, more accurately reflecting current levels of services and income to be received:

Increase in grant funding for Supported Bus Services (for Bus Service Improvement Plan)	+£6.531m gross -£6.531m income
Increase in income for Highways Asset Management (primarily for Streetworks and Permits)	+£1.032m gross -£1.032m income
Increase in funding for Country Parks (Community (Assets & Services)	+£0.429m gross -£0.429m income
Decrease in funding for Growth & Support to Business (EU and other grants)	-£0.970m gross +£0.970m income

Formal virements, requiring approval:

Transfer of the Country Parks and Countryside Management Partnerships between key services in relation to the Directorate restructure of the Environment & Circular Economy and Growth & Communities Divisions comprising -£3.661m gross and +£3,015m income from Community (Assets & Services) to Environment	Net Nil
Transfers of staff between key services in relation to the directorate restructure of the Environment & Circular Economy and Growth & Communities Divisions comprising -£0.407m gross from Environment and -£0.019m gross from Growth & Support to Business with +£0.273m gross to Environment and Circular Economy Divisional management costs, +£0.080m gross to Public Protection and +£0.073m gross to Residual Waste	Net Nil
Transfer of Explore Kent between key services in relation to the Directorate restructure of the Environment & Circular Economy and Growth & Communities Divisions comprising -£0.156m gross and +£0,142m income from Community (Assets & Services) to Environment and Circular Economy Divisional management costs	Net Nil
Transfer of Highway Definition budget comprising +£0.242m gross and -£0.380m income from Highways & Transportation divisional management costs key service to Highway Assets Management key service	Net Nil
Transfer of £0.175m gross budget for the GET Complaints Team from Highways & Transportation Divisional Management Costs in the Growth, Environment &	-£0.175m gross

Transport Directorate to Resident Experience - Contact Centre; Gateways; Customer Care & Complaints in the Deputy Chief Executives Department	
Transfer of £0.074m gross budget for Gypsy & Romany Traveller Residents Service property costs from Community (Assets & Services) in the Growth, Environment & Transport Directorate to Corporate Landlord in the Deputy Chief Executives Department	-£0.074m gross

Deputy Chief Executive's Department

Gross increase +£1.2m
Income increase -£0.8m

Technical adjustments, more accurately reflecting current levels of services and income to be received:

Realignment in Corporate Landlord primarily for rental income from investment properties	+£0.819m gross -£0.819m income

Formal virements, requiring approval:

Transfer of Customer Care and Complaints teams from the Children, Young People & Education and the Growth, Environment & Transport Directorates to the Deputy Chief Executive Department	+£0.321m
Transfer of facilities management budget from Gypsy and Traveller Sites from Growth & Communities division into Corporate Landlord division, due to change of contract	+£0.074m gross
Transfer of senior management budgets from various divisions within the directorate to consolidate the directorate management team under the newly created Strategic Management & Departmental Support division.	+/-£0.434m gross

Chief Executive's Department

Gross increase +£0.8m
Income increase -£0.0m

Roll forwards previously agreed at the June Cabinet meeting:

Various Budgets	+£0.831m gross

Formal virements, requiring approval:

Transfer of the New Burdens Domestic Abuse Grant from the Strategy, Policy, Relationships & Corporate Assurance key service to the Resettlement Schemes, Domestic Abuse and Civil Society Strategy key service, to match the grant funding to the appropriate activity	+/-£4.473m gross +/- £4.473m income

14 Revenue Budget Changes

Corporately Held Budgets	Gross decrease -£0.0m
Technical adjustments, more accurately reflecting current levels of services and income to be received:	
A budget transfer from CHB to CYPE to fund pay allocation due to transfer of TEP – Safeguarding Team back to KCC	-£0.006m gross

15 Capital Budget Changes

Cabinet is asked to approve the following changes to the Capital Budget:

Project	Year	Amount (£m)	Reason
CYPE Directorate:			
Annual Planned Enhancement Programme	23-24	-0.217	Vire Schools Condition Allocation (SCA) grant to Basic Need KCP16 to fund works at Whitfield Aspen.
Basic Need KCP16	23-24	+0.217	Vire SCA grant from Annual Planned Enhancement to fund works at Whitfield Aspen.
Basic Need KCP22-26	23-24	-0.108	To remove the developer contributions from the cash limits as the project to which they relate is not yet planned.
Family Hubs and Start for Life Programme	23-24	+0.202	Additional grant funding allocation.
GET Directorate:			
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works	23-24	+6.055 -0.039	Additional grant from the Department for Transport for major potholes. Reduction in external funding as a result of a cancelled invoice.
Housing Infrastructure Fund, Swale	23-24	+1.200	Additional developer contributions available to be added to the cash limits.
Kent Active Travel Fund Phase 2	23-24	-0.500	To vire grant to Kent Active Travel Fund Phase 3 as per the change control request which was approved by Active Travel England.
Kent Active Travel Fund Phase 3	23-24	+0.500	To vire grant from Kent Active Travel Fund Phase 2 as per the change control request which was approved by Active Travel England.
Kent Active Travel Fund Phase 4	23-24	+1.498	Grant funding received for phase 4 of the programme.
Trees Outside Woodland	23-24	-0.016	Cash limit adjustment is to align the budget with the final claim amount for Phase 1 of this project.
Windmill Weatherproofing	23-24 24-25	+0.200 -0.200	To bring forward revenue funding in line with the revenue budget to enable spend to be progressed in the current financial year.
Kent & Medway Business Fund	23-24	-0.283	To transfer some loan repayment funding to the Small Business Boost variant of this scheme.
Kent & Medway Business Fund Small Business Boost	23-24	+0.283	To transfer some loan repayment funding from the main Kent and Medway Business Fund scheme.

15 Capital Budget Changes

Marsh Million	23-24 24-25 25-26 26-27	-0.082 -0.019 -0.017 -0.008	To remove remaining cash limits as this scheme is now complete.

16 Treasury Management Monitoring

Treasury management relates to the management of the Council's debt portfolio (accumulated borrowing to fund previous and current capital infrastructure investments) and investment of cash balances. The Council has a comparatively high level of very long-term debt, a significant proportion of which was undertaken through the previous supported borrowing regime.

16.1	Total external debt outstanding in June was £788.62m down by £13.85m since 31st March 2023	KCC debt includes £471.45m of borrowing from the Public Works Loans Board (PWLB). The vast majority is maturity debt (debt is only repaid upon maturity) at a fixed rate of interest. The average length to maturity of PWLB debt is 15.29 years at an average interest rate of 4.46%. Outstanding loans from banks amount to £216.10m. This is also at fixed term rates with average length to maturity of 38.98 years at an average interest rate of 4.54%. The council has £90m of Lender Option Borrower Option (LOBO) loans. These loans can only be renegotiated should the lender propose an increase in interest rates. The average length to maturity of LOBO loans is 40.63 years at an average interest rate of 4.15%. The balance of debt relates to loans for the LED streetlighting programme. The outstanding balance is £11.07m with an average of 14.08 years to maturity at an average rate of 2.33%. KCC's principal objective for borrowing is to achieve an appropriately low risk balance between securing low interest rates and certainty of financing costs. This is achieved by seeking to fund capital spending from internal resources and short-term borrowing, only considering external long-term borrowing at advantageous interest rates.
16.2	Majority is long term debt with only 9.27% due to mature within 5 years	Maturity 0 to 5 years £73.13m (9.27%)[1] Maturity 5 to 10 years £25m (3.17%) Maturity 10 to 20 years £258.58m (32.79%) Maturity over 20 years £431.90m (54.77%)
16.3	Total cash balance at end of June was £528.35m, up by £35.97m from the end of March	Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure. Balances are forecast to decline over the remainder of the year in line with the typical trend observed in previous years.

[1] Split across the next five years is as follows: Year 1 £10.00m, Year 2 £22.13m, Year 3 £24.00m, Year 4 £17.00m, and Year 5 £0.00m

16.4	Cash balances are invested in a range of short-term, medium term and long-term deposits	Investments are made in accordance with the Treasury Management Strategy agreed by full Council alongside the revenue and capital budgets. The treasury management strategy represents a prudent approach to achieve an appropriate balance between risk, liquidity and return, minimising the risk of incurring losses on the sum invested. Longer term investments aim to achieve a rate of return equal to or exceeding prevailing inflation rates. Short term deposits (same day availability) are held in bank accounts and money market funds. Current balances in short-term deposits in June were £137.64m (26.05% of cash balances). Short-term deposits enable the Council to manage liquidity. Bank accounts and money market funds are currently earning an average rate of return of 4.70%. Deposits are made through the Debt Management Office (an executive agency responsible for debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds). As at the end of June, the Council had £96.82m in government bonds. These deposits represent 18.32% of cash investments with an average rate of return of 4.76%. Medium term deposits include covered bonds, a form of secured bond issued by a financial institution that is backed by mortgages or public sector loans. In the UK the covered bond programmes are supervised by the Financial Conduct Authority (FCA). King and Shaxson acts as the Council's broker and custodian for its covered bond portfolio. As at the end of June, the Council has £97.36m invested in covered bonds earning an average rate of return of 4.59%. The Council has lent £24m through the No Use Empty Loans programme which achieves a return of 4.00% that is available to fund general services. This total includes £2m of loans made since March. The Council has now agreed 3 rolling credit facilities (RCF) with registered providers totalling £25m, for a fee ranging from 0.25% to 0.40%. None of the facilities have been drawn so far. Long term investments are made through Strategic Pooled Funds. These include a variety of UK and Global Equity Funds, Multi Asset Funds and Property Funds. In total the Council has £171.21m invested in pooled funds (32.41% of cash balances) as at 30 June 2023.

16.5	Treasury Management Advice	The Council secures external specialist treasury management advice from Link. They advise on the overall strategy as well as borrowing options and investment opportunities. Link provide regular performance monitoring reports.
16.6	Quarterly and Bi-annual reports	A fuller report is presented to Governance and Audit Committee on a bi-annual basis. A report on treasury performance is also reported twice a year to full Council.

16 Treasury Management Monitoring

1. Treasury Management Indicators

1.1 The Council measures and manages its exposures to treasury management risks using the following indicators:

1.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its internally managed investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Actual 30/06/2023	Target
Portfolio average credit rating	AA+	AA

1.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Actual 30/06/2023	Target
Total cash available within 3 months	£216.87m	£100m

1.4 **Interest rate exposures**: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates was:

Interest rate risk indicator	Actual 30/06/2023	Limit
One-year revenue impact of a 1% rise in interest rates	£2.43m	£10m
One-year revenue impact of a 1% fall in interest rates	-£2.43m	-£10m

1.5 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing were:

	Actual 30/06/2023	Upper limit	Lower limit
Under 12 months	1.27%	100%	0%
12 months and within 5 years	8.01%	50%	0%
5 years and within 10 years	3.17%	50%	0%
10 years and within 20 years	32.79%	50%	0%

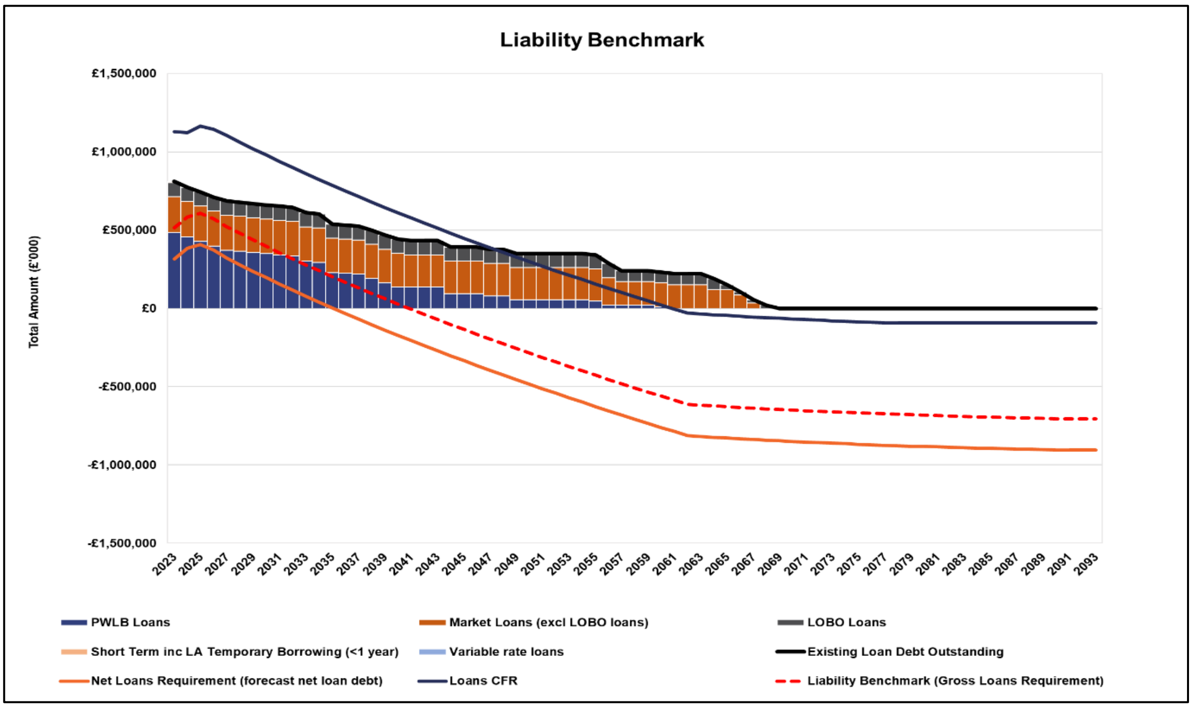
20 years and within 40 years	26.73%	50%	0%
40 years and longer	28.04%	50%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

1.6 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	Actual	Limit	Limit	Limit
Price risk indicator	30/06/2023	2021/22	2022/23	2023/24
Principal invested beyond year end	£286.24m	£300m	£300m	£300m

2. Prudential Indicator: Liability Benchmark



2.1 The liability benchmark chart shows the Council should be able to accommodate the movement in Loans CFR through additional internal borrowing given the resources on the balance sheet if it wants to maintain treasury investments at the £200m liquidity allowance. However, this is based on the current assumption with regards to movement in reserves and that the working capital position remains at the 31/03/2023 level of £300m. It also assumes that the liquidity allowance of £200m remains appropriate given the £174m of external investments currently invested with fund managers over a long-term investment time horizon.

Appendix 1 - Key Service Summary

2022-23 Revenue Budget £m	2022-23 Outturn £m	2022-23 Variance £m		2023-24 Revenue Budget £m	2023-24 Forecast £m	2023-24 Variance £m
13.3	11.8	-1.6	Community Based Preventative Services	8.5	8.8	0.2
4.5	3.6	-0.9	Housing Related Support	1.5	1.5	0.0
1.2	1.6	0.3	Provision for Demographic Growth - Community Based Services	10.7	5.6	-5.1
10.2	0.0	-10.2	Strategic Management & Directorate Support (ASCH)	5.4	4.3	-1.0
6.8	3.9	-2.9	Social Support for Carers	3.0	2.8	-0.3
3.2	2.7	-0.5	Partnership Support Services	0.0	0.0	0.0
0.6	0.4	-0.2	Strategic Safeguarding	0.0	0.0	0.0
39.9	24.1	-15.9	Strategic Management & Directorate Budgets	29.1	23.0	-6.1
0.0	-0.1	-0.1	Public Health - Advice and Other Staffing	0.0	0.0	0.0
0.0	0.0	0.0	Public Health - Children's Programme	0.0	0.0	0.0
0.0	0.0	0.0	Public Health - Healthy Lifestyles	0.0	0.0	0.0
0.0	0.0	0.0	Public Health - Mental Health, Substance Misuse & Community Safety	0.0	0.0	0.0
0.0	0.0	0.0	Public Health - Sexual Health	0.0	0.0	0.0
0.0	-0.1	-0.1	Public Health	0.0	0.0	0.0

Appendix 1 - Key Service Summary

2022-23 Revenue Budget £m	2022-23 Outturn £m	2022-23 Variance £m		2023-24 Revenue Budget £m	2023-24 Forecast £m	2023-24 Variance £m
0.0	0.0	0.0	Adult In House Carer Services	2.4	2.5	0.1
2.4	2.6	0.2	Adult In House Community Services	5.8	5.8	0.0
5.9	5.6	-0.4	Adult In House Enablement Services	6.4	7.0	0.6
2.8	1.7	-1.1	Adult Case Management & Assessment Services	25.6	25.1	-0.4
5.7	5.5	-0.2	Adult Learning Disability - Case Management & Assessment Service	0.5	0.5	0.0
101.7	105.3	3.7	Adult Learning Disability - Community Based Services & Support for Carers	116.3	121.8	5.5
72.3	72.5	0.2	Adult Learning Disability - Residential Care Services & Support for Carers	76.6	76.6	0.0
10.0	9.8	-0.2	Adult Mental Health - Case Management & Assessment Services	3.0	3.6	0.5
11.4	17.8	6.4	Adult Mental Health - Community Based Services	17.9	21.2	3.3
15.6	18.0	2.3	Adult Mental Health - Residential Care Services	18.4	20.0	1.6
21.0	21.8	0.9	Adult Physical Disability - Community Based Services	25.5	32.0	6.5
17.9	20.8	3.0	Adult Physical Disability - Residential Care Services	20.3	22.1	1.9
6.9	6.3	-0.6	ASCH Operations - Divisional Management & Support	5.7	5.6	0.0
38.0	36.2	-1.8	Independent Living Support	1.0	1.0	0.0
9.4	9.8	0.4	Older People - Community Based Services	42.7	45.3	2.6
49.0	79.5	30.5	Older People - In House Provision	16.1	15.1	-1.0
21.8	21.9	0.1	Older People - Residential Care Services	78.0	94.2	16.2
0.0	0.0	0.0	Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	10.9	10.5	-0.4
1.2	1.9	0.7	Older People & Physical Disability Carer Support - Commissioned	1.6	2.6	1.0
5.9	6.0	0.0	Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services	7.5	2.7	-4.8
1.1	1.3	0.2	Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Residential Care Services	1.3	0.5	-0.8
			Sensory & Autism - Assessment Service	0.7	0.7	0.0
0.7	0.7	0.0	Statutory and Policy Support	1.7	2.1	0.4
0.0	0.0	0.0	Strategic Safeguarding	0.8	0.8	0.0
5.1	1.6	-3.4	Adaptive & Assistive Technology	1.7	0.8	-0.9
405.8	446.7	40.8	Adult Social Care & Health Operations	488.4	520.2	31.8
8.6	8.1	-0.5	Business Delivery	10.0	10.1	0.1
0.7	0.7	0.0	Independent Living Support	0.0	0.0	0.0
9.3	8.8	-0.5	Business Delivery Unit	10.0	10.1	0.1
455.1	479.6	24.4	Adult Social Care & Health	527.5	553.3	25.8
0.0	0.0	0.0	Earmarked Budgets Held Corporately	0.0	0.0	0.0

Appendix 1 - Key Service Summary

2022-23 Revenue Budget £m	2022-23 Outturn £m	2022-23 Variance £m		2023-24 Revenue Budget £m	2023-24 Forecast £m	2023-24 Variance £m
2.3	1.9	-0.3	Strategic Management & Directorate Budgets	2.0	1.8	-0.2
15.5	15.1	-0.4	Adoption & Special Guardianship Arrangements & Service	17.1	16.9	-0.1
32.9	37.3	4.4	Adult Learning & Physical Disability Pathway - Community Based Services	40.0	43.8	3.7
9.3	9.3	0.1	Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers	9.2	7.7	-1.5
-0.1	-0.1	0.0	Asylum	-0.1	-0.1	0.0
6.0	5.2	-0.8	Care Leavers Service	5.1	5.6	0.5
3.3	3.2	0.0	Children in Need - Care & Support	3.1	3.4	0.2
5.5	6.7	1.1	Children in Need (Disability) - Care & Support	5.9	7.7	1.8
4.6	3.6	-1.0	Children's Centres	4.5	4.5	0.0
1.7	1.1	-0.6	Childrens Disability 0-18 Commissioning	1.7	1.8	0.0
51.2	51.9	0.7	Children's Social Work Services - Assessment & Safeguarding Service	53.8	53.0	-0.8
9.0	9.3	0.2	Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	9.7	9.6	-0.1
6.9	6.1	-0.8	Early Help & Preventative Services	5.2	5.2	0.0
5.7	4.9	-0.8	Integrated Services (Children's) Management & Directorate Support	5.6	5.7	0.1
66.8	76.7	9.9	Looked After Children - Care & Support	76.6	88.5	12.0
16.4	17.7	1.3	Looked After Children (with Disability) - Care & Support	18.9	19.0	0.1
3.6	4.0	0.4	Looked After Children (with Disability) - In House Provision	3.8	3.8	0.1
0.1	0.1	0.0	Pupil Referral Units & Inclusion	0.1	0.1	0.0
5.7	4.2	-1.5	Youth Services	4.5	4.5	0.0
244.2	256.5	12.3	Integrated Children's Services (Operations and County Wide)	264.7	280.9	16.1

Appendix 1 - Key Service Summary

2022-23 Revenue Budget £m	2022-23 Outturn £m	2022-23 Variance £m		2023-24 Revenue Budget £m	2023-24 Forecast £m	2023-24 Variance £m
-0.4	-0.1	0.4	Community Learning & Skills (CLS)	-0.2	-0.2	0.0
0.0	0.0	0.0	Early Years Education	0.0	0.0	0.0
1.4	1.3	-0.2	Education Management & Division Support	1.2	1.0	-0.3
6.2	6.5	0.3	Education Services provided by The Education People	4.0	4.1	0.1
0.3	0.3	0.1	Fair Access & Planning Services	0.4	0.6	0.1
49.7	65.8	16.1	Home to School & College Transport	68.8	77.9	9.0
-11.6	-8.5	3.1	Other School Services	5.1	7.2	2.1
13.2	14.3	1.1	Special Educational Needs & Psychology Services	14.8	16.2	1.4
0.2	0.2	-0.1	Special Educational Needs & Disability Management & Divisional Support	0.0	0.1	0.1
59.1	79.8	20.8	Education & Special Educational Needs	94.2	106.7	12.5
305.6	338.3	32.7	Children, Young People & Education	360.9	389.4	28.5
0.0	0.0	0.0	Earmarked Budgets Held Corporately	-0.2	0.0	0.2

Appendix 1 - Key Service Summary

2022-23 Revenue Budget £m	2022-23 Outturn £m	2022-23 Variance £m		2023-24 Revenue Budget £m	2023-24 Forecast £m	2023-24 Variance £m
1.4	1.3	-0.1	Strategic Management & Directorate Budgets	1.4	1.4	0.0
4.7	5.1	0.4	Growth and Support to Businesses	6.2	6.1	-0.1
2.8	2.9	0.1	Community (Assets & Services)	2.2	2.2	0.0
11.4	11.0	-0.4	Public Protection	11.8	12.2	0.3
9.5	8.6	-0.9	Libraries, Registration & Archives	10.5	10.5	0.0
0.8	0.8	0.0	Growth and Communities Divisional management costs	0.4	0.4	0.0
29.1	28.4	-0.8	Growth & Communities	31.1	31.4	0.2
33.0	33.8	0.7	Highway Assets Management	37.0	36.7	-0.3
6.6	6.0	-0.6	Transportation	6.6	6.5	-0.1
4.7	6.2	1.5	Supported Bus Services	5.3	5.3	0.0
13.8	11.8	-2.0	English National Concessionary Travel Scheme (ENCTS)	13.0	13.0	0.0
4.8	6.2	1.4	Kent Travel Saver (KTS)	5.1	5.1	0.0
3.6	3.2	-0.4	Highways & Transportation divisional management costs	3.7	3.6	-0.2
66.6	67.1	0.6	Highways & Transportation	70.6	70.1	-0.5
2.4	2.3	-0.1	Environment	3.4	3.3	-0.1
45.8	45.9	0.2	Residual Waste	50.5	50.3	-0.2
31.6	32.9	1.2	Waste Facilities & Recycling Centres	36.4	37.9	1.5
1.8	1.8	0.0	Environment and Circular Economy Divisional management costs	2.1	2.0	-0.1
81.6	82.8	1.2	Environment & Circular Economy	92.3	93.5	1.1
178.6	179.6	0.9	Growth, Environment & Transport	195.5	196.3	0.8
0.0	0.0	0.0	Earmarked Budgets Held Corporately	-0.3	0.0	0.3

Appendix 1 - Key Service Summary

2022-23 Revenue Budget £m	2022-23 Outturn £m	2022-23 Variance £m		2023-24 Revenue Budget £m	2023-24 Forecast £m	2023-24 Variance £m
0.0	0.0	0.0	Strategic Refresh Programme	1.6	1.6	0.0
0.5	0.5	0.0	Strategic Management & Departmental Support	1.1	1.1	-0.1
0.4	0.4	0.0	Health & Safety	0.4	0.4	0.0
2.1	2.0	0.0	Business & Client Relationships	2.3	2.3	0.0
2.9	2.9	0.0	Strategic Management & Departmental Budgets (DCED)	5.4	5.4	0.0
5.1	4.8	-0.3	Human Resources & Organisational Development	5.3	5.2	-0.1
			Marketing & Digital Services	1.9	2.1	0.1
			Resident Experience - Contact Centre; Gateways; Customer care & Complaints	4.8	4.7	-0.1
6.0	5.8	-0.2	Marketing & Resident Experience	6.8	6.8	0.0
5.9	5.6	-0.4	Property related services	7.5	7.5	0.0
0.0	0.0	0.0	Kent Resilience	0.3	0.3	0.0
0.2	0.2	-0.1	Emergency Planning	0.2	0.2	0.0
6.2	5.8	-0.4	Infrastructure	7.9	7.9	0.0
23.5	23.5	0.0	Technology	25.5	25.5	0.0
0.0	0.0	0.0	Business Services Centre	0.0	0.0	0.0
26.5	29.0	2.5	Corporate Landlord	33.8	31.3	-2.5
70.1	71.7	1.6	Total - Deputy Chief Executive Department	84.6	82.1	-2.6
			Earmarked Budgets Held Corporately	-0.1	0.0	0.1

2022-23 Revenue Budget £m	2022-23 Outturn £m	2022-23 Variance £m	Appendix 1 - Key Service Summary	2023-24 Revenue Budget £m	2023-24 Forecast £m	2023-24 Variance £m
0.0	-0.7	-0.7	Strategic Management & Directorate Budgets	-0.5	-0.5	0.0
3.2	3.1	0.0	Grants to Kent District Councils to maximise Council Tax collection	3.2	3.2	0.0
9.2	9.1	-0.1	Finance	9.9	9.8	-0.1
12.4	12.2	-0.2	Finance	13.0	13.0	-0.1
6.9	6.4	-0.5	Governance & Law	7.3	7.1	-0.2
1.4	0.7	-0.8	Local Member Grants	1.0	1.0	0.0
8.3	7.1	-1.2	Governance, Law & Democracy	8.3	8.1	-0.2
8.1	7.2	-0.9	Strategic Commissioning	7.6	7.6	0.0
0.0	0.0	0.0	Childrens and Adults Safeguarding Services	0.4	0.4	0.0
0.0	0.0	0.0	Resettlement Schemes, Domestic Abuse and Civil Society Strategy	0.4	0.4	0.0
4.5	4.0	-0.5	Strategy, Policy, Relationships & Corporate Assurance	4.6	4.5	0.0
4.5	4.0	-0.5	Strategy, Policy, Relationships & Corporate Assurance	5.4	5.4	0.0
33.4	29.9	-3.5	Total - Chief Executive Department	33.9	33.6	-0.3
156.7	144.7	-12.0	Non Attributable Costs	116.1	100.9	-15.2
-0.3	0.0	0.3	Corporately Held Budgets (to be allocated)	0.2	0.0	-0.2
1,199.1	1,243.7	+44.4	Total excluding Schools' Delegated Budgets	1,318.3	1,355.6	+37.3

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Community Based Preventative Services	15.6	-7.1	8.6	16.5	-7.9	8.5	0.8	-0.9	-0.0
Housing Related Support	3.4	-1.9	1.5	3.4	-1.9	1.5	-0.1	0.1	0.0
Provision for Demographic Growth - Community Based Services	12.4	-1.7	10.7	12.4	-1.7	10.7	0.0	0.0	0.0
Strategic Management & Directorate Support (ASCH)	7.5	-0.3	7.3	5.6	-0.2	5.4	-1.9	0.1	-1.9
Social Support for Carers	5.5	-2.3	3.2	5.6	-2.6	3.0	0.1	-0.3	-0.2
Partnership Support Services	10.4	-10.4	0.0	10.4	-10.4	0.0	0.0	0.0	0.0
Strategic Management & Directorate Budgets	55.0	-23.8	31.2	53.9	-24.8	29.1	-1.1	-1.0	-2.1
Public Health - Advice and Other Staffing	5.9	-5.9	0.0	6.8	-6.8	0.0	0.9	-0.9	0.0
Public Health - Children's Programme	34.6	-34.6	0.0	33.7	-33.7	0.0	-0.8	0.8	0.0
Public Health - Healthy Lifestyles	8.0	-8.0	0.0	9.4	-9.4	0.0	1.5	-1.4	0.0
Public Health - Mental Health, Substance Misuse & Community Safety	17.3	-17.3	0.0	17.0	-17.0	0.0	-0.3	0.4	0.0
Public Health - Sexual Health	15.2	-15.2	0.0	14.8	-14.8	0.0	-0.4	0.4	0.0
Public Health	81.0	-81.0	0.0	81.7	-81.7	0.0	0.7	-0.7	0.0
Adult In House Carer Services	2.3	-0.0	2.3	2.4	-0.0	2.4	0.1	0.0	0.1
Adult In House Community Services	5.6	-0.0	5.6	5.9	-0.0	5.8	0.3	0.0	0.3
Adult In House Enablement Services	18.3	-12.0	6.3	18.2	-11.9	6.4	-0.1	0.1	0.1
Adult Case Management & Assessment Services	0.6	+0.0	0.6	27.2	-1.6	25.6	26.6	-1.6	25.0
Adult Learning Disability - Case Management & Assessment Service	6.2	-0.3	5.9	0.5	+0.0	0.5	-5.7	0.3	-5.4
Adult Learning Disability - Community Based Services & Support for Carers	126.2	-9.3	116.9	125.7	-9.3	116.3	-0.5	0.0	-0.5
Adult Learning Disability - Residential Care Services & Support for Carers	83.2	-6.3	76.9	82.9	-6.3	76.6	-0.2	-0.0	-0.3
Adult Mental Health - Case Management & Assessment Services	10.8	-0.3	10.5	3.4	-0.3	3.0	-7.4	-0.1	-7.4
Adult Mental Health - Community Based Services	18.7	-1.5	17.2	19.4	-1.5	17.9	0.7	0.0	0.7
Adult Mental Health - Residential Care Services	19.4	-1.1	18.3	19.5	-1.1	18.4	0.1	0.0	0.1
Adult Physical Disability - Community Based Services	28.9	-3.6	25.3	29.1	-3.6	25.5	0.2	0.0	0.2
Adult Physical Disability - Residential Care Services	22.4	-2.2	20.2	22.6	-2.3	20.3	0.2	-0.1	0.1
ASCH Operations - Divisional Management & Support	7.5	-0.2	7.3	5.9	-0.3	5.7	-1.6	-0.0	-1.6
Independent Living Support	1.3	-0.2	1.0	1.3	-0.2	1.0	-0.0	0.0	-0.0
Older People - Community Based Services	72.0	-29.9	42.1	72.6	-29.9	42.7	0.6	-0.0	0.6
Older People - In House Provision	22.0	-7.4	14.6	23.3	-7.2	16.1	1.2	0.3	1.5
Older People - Residential Care Services	150.8	-72.5	78.3	150.6	-72.6	78.0	-0.2	-0.1	-0.3
Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	25.7	-2.7	23.0	12.0	-1.2	10.9	-13.6	1.5	-12.1
Older People & Physical Disability Carer Support - Commissioned	3.0	-1.4	1.6	3.1	-1.5	1.6	0.1	-0.1	0.0
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services	8.2	-0.7	7.4	8.2	-0.7	7.5	0.1	-0.0	0.0
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Residential Care Services	1.4	-0.1	1.3	1.4	-0.1	1.3	0.0	-0.0	0.0

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Sensory & Autism - Assessment Service	0.7	+0.0	0.7	0.7	-0.0	0.7	0.0	-0.0	0.0
Statutory and Policy Support	1.3	+0.0	1.3	1.7	+0.0	1.7	0.3	0.0	0.3
Strategic Safeguarding	1.0	-0.3	0.7	1.1	-0.2	0.8	0.1	0.0	0.1
Adaptive & Assistive Technology	11.2	-9.1	2.1	10.1	-8.4	1.7	-1.1	0.7	-0.4
Adult Social Care & Health Operations	**648.5**	**-161.2**	**487.3**	**648.7**	**-160.3**	**488.4**	**0.2**	**0.9**	**1.1**
Business Delivery	9.5	-0.6	8.9	11.0	-1.0	10.0	1.4	-0.4	1.1
Business Delivery Unit	**9.5**	**-0.6**	**8.9**	**11.0**	**-1.0**	**10.0**	**1.4**	**-0.4**	**1.1**
Adult Social Care & Health	**793.9**	**-266.5**	**527.4**	**795.2**	**-267.7**	**527.5**	**1.2**	**-1.2**	**0.1**

Appendix 2 - Revenue Budget Changes

Base Budget | Working Budget | Movement
Gross | Income | Net | Gross | Income | Net | Gross | Income | Net

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Strategic Management & Directorate Budgets	6.0	-3.9	2.0	5.8	-3.8	2.0	-0.1	0.1	0.0
Community Learning & Skills (CLS)	12.7	-12.9	-0.2	12.7	-12.9	-0.2	0.0	0.0	0.0
Early Years Education	84.4	-84.4	0.0	84.4	-84.4	0.0	-0.1	0.1	0.0
Education Management & Division Support	2.2	-1.0	1.2	2.2	-1.0	1.2	0.0	0.0	0.0
Education Services provided by The Education People	8.6	-4.3	4.3	8.3	-4.3	4.0	-0.3	0.0	-0.3
Fair Access & Planning Services	3.1	-2.6	0.4	3.1	-2.6	0.4	0.0	0.0	0.0
Home to School & College Transport	73.1	-4.2	68.8	73.1	-4.2	68.8	0.0	0.0	0.0
Other School Services	41.9	-37.4	4.5	42.5	-37.4	5.1	0.6	0.0	0.6
Special Educational Needs & Psychology Services	102.1	-87.5	14.7	148.3	-133.5	14.8	46.2	-46.1	0.1
Special Educational Needs & Disability Management & Divisional Support	0.2	+0.0	0.2	0.0	+0.0	0.0	-0.2	0.0	-0.2
Education & Special Educational Needs	328.2	-234.3	93.9	374.5	-280.3	94.2	46.3	-46.0	0.3
Adoption & Special Guardianship Arrangements & Service	18.2	-1.3	16.9	18.4	-1.3	17.1	0.2	0.0	0.2
Adult Learning & Physical Disability Pathway - Community Based Services	41.7	-1.7	40.0	41.7	-1.7	40.0	0.0	0.0	0.0
Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers	9.7	-0.4	9.2	9.7	-0.4	9.2	0.0	0.0	0.0
Asylum	32.2	-32.3	-0.1	36.0	-36.1	-0.1	3.8	-3.8	-0.0
Care Leavers Service	9.5	-3.9	5.6	9.0	-3.9	5.1	-0.5	-0.0	-0.5
Children in Need - Care & Support	3.1	-0.0	3.1	3.2	-0.0	3.1	0.0	0.0	0.0
Children in Need (Disability) - Care & Support	5.9	-0.0	5.9	5.9	-0.0	5.9	0.0	0.0	0.0
Children's Centres	12.2	-7.6	4.5	12.2	-7.6	4.5	0.0	0.0	0.0
Childrens Disability 0-18 Commissioning	3.1	-1.4	1.7	3.1	-1.4	1.7	0.0	0.0	0.0
Children's Social Work Services - Assessment & Safeguarding Service	56.9	-3.9	53.0	59.8	-6.0	53.8	3.0	-2.1	0.8
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	9.7	+0.0	9.7	9.7	+0.0	9.7	0.0	0.0	0.0
Early Help & Preventative Services	16.7	-11.0	5.8	16.2	-11.0	5.2	-0.5	0.0	-0.5
Integrated Services (Children's) Management & Directorate Support	8.1	-2.5	5.6	8.1	-2.5	5.6	0.0	-0.0	0.0
Looked After Children - Care & Support	80.5	-4.4	76.1	81.1	-4.6	76.6	0.7	-0.2	0.5
Looked After Children (with Disability) - Care & Support	21.8	-3.0	18.9	21.8	-3.0	18.9	0.0	0.0	0.0
Looked After Children (with Disability) - In House Provision	5.6	-1.8	3.8	5.6	-1.8	3.8	0.0	0.0	0.0
Pupil Referral Units & Inclusion	8.6	-8.5	0.1	8.9	-8.8	0.1	0.3	-0.3	-0.0
Youth Services	6.9	-2.5	4.4	7.0	-2.5	4.5	0.1	0.0	0.1
Integrated Children's Services (Operations and County Wide)	350.3	-86.2	264.2	357.4	-92.7	264.7	7.1	-6.5	0.6
Children, Young People & Education	684.5	-324.4	360.1	737.7	-376.8	360.9	53.2	-52.4	0.8

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Strategic Management & Directorate Budgets	1.5	-0.1	1.4	1.5	-0.1	1.4	-0.0	0.0	0.0
Growth and Support to Businesses	8.3	-2.6	5.7	8.0	-1.8	6.2	-0.3	0.8	0.5
Community (Assets & Services)	4.6	-2.4	2.2	4.5	-2.4	2.2	-0.1	0.0	-0.1
Public Protection	14.7	-3.0	11.7	14.9	-3.0	11.8	0.2	0.0	0.2
Libraries, Registration & Archives	16.8	-6.2	10.5	16.8	-6.2	10.5	0.0	0.0	0.0
Growth and Communities Divisional management costs	0.4	+0.0	0.4	0.4	+0.0	0.4	0.0	0.0	0.0
Growth & Communities	44.8	-14.2	30.6	44.6	-13.4	31.1	-0.2	0.8	0.6
Highway Assets Management	42.3	-5.3	37.0	43.3	-6.3	37.0	1.0	-1.0	0.0
Transportation	11.3	-4.7	6.6	11.3	-4.7	6.6	0.0	0.0	0.0
Supported Bus Services	8.8	-3.6	5.3	15.4	-10.1	5.3	6.5	-6.5	0.0
English National Concessionary Travel Scheme (ENCTS)	13.0	-0.0	13.0	13.0	-0.0	13.0	0.0	0.0	0.0
Kent Travel Saver (KTS)	14.6	-9.5	5.1	14.6	-9.5	5.1	0.0	0.0	0.0
Highways & Transportation divisional management costs	4.2	-0.2	3.9	4.0	-0.2	3.7	-0.2	0.0	-0.2
Highways & Transportation	94.1	-23.3	70.8	101.5	-30.9	70.6	7.4	-7.6	-0.2
Environment	14.0	-10.3	3.7	14.0	-10.6	3.4	0.1	-0.3	-0.3
Residual Waste	50.9	-0.5	50.4	50.9	-0.5	50.5	0.1	0.0	0.1
Waste Facilities & Recycling Centres	40.5	-4.1	36.4	40.5	-4.1	36.4	0.0	0.0	0.0
Environment and Circular Economy Divisional management costs	1.9	-0.1	1.8	2.3	-0.2	2.1	0.4	-0.0	0.3
Environment & Circular Economy	107.2	-15.0	92.2	107.7	-15.4	92.3	0.5	-0.4	0.2
Growth, Environment & Transport	247.6	-52.7	194.9	255.3	-59.8	195.5	7.7	-7.1	0.6

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Strategic Reset Programme	1.7	+0.0	1.7	1.6	+0.0	1.6	-0.1	0.0	-0.1
Business & Client Relationships	2.4	-0.1	2.3	2.4	-0.1	2.3	0.0	0.0	0.0
Strategic Management & Departmental Support	1.0	-0.3	0.7	1.4	-0.3	1.1	0.4	0.0	0.4
Health & Safety	0.4	-0.0	0.4	0.4	-0.0	0.4	0.0	0.0	0.0
Strategic Management & Departmental Budgets (DCED)	5.4	-0.4	5.1	5.8	-0.4	5.4	0.3	0.0	0.3
Human Resources & Organisational Development	5.6	-0.3	5.3	5.6	-0.3	5.3	0.0	0.0	0.0
Resident Experience - Contact Centre; Gateways; Customer care & Complaints	4.7	-0.2	4.5	5.1	-0.2	4.8	0.3	0.0	0.3
Marketing & Digital Services	2.3	-0.4	1.9	2.3	-0.4	1.9	0.0	0.0	0.0
Marketing & Resident Experience	7.1	-0.6	6.4	7.4	-0.6	6.8	0.3	0.0	0.3
Property related services	9.6	-1.9	7.6	9.4	-1.9	7.5	-0.2	0.0	-0.2
Kent Resilience	0.4	-0.1	0.3	0.4	-0.1	0.3	0.0	0.0	0.0
Emergency Planning	0.3	-0.1	0.2	0.3	-0.1	0.2	0.0	0.0	0.0
Infrastructure	10.2	-2.1	8.1	10.1	-2.1	7.9	-0.2	0.0	-0.2
Technology	28.8	-3.1	25.7	28.6	-3.1	25.5	-0.2	0.0	-0.2
Corporate Landlord	42.5	-8.8	33.7	43.4	-9.6	33.8	0.9	-0.8	0.1
Deputy Chief Executive Department	99.6	-15.4	84.2	100.8	-16.2	84.6	1.2	-0.8	0.4

Appendix 2 - Revenue Budget Changes

Base Budget Working Budget Movement
Gross Income Net Gross Income Net Gross Income Net

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Strategic Management & Directorate Budgets	2.2	-2.7	-0.5	2.2	-2.7	-0.5	0.0	0.0	0.0
Grants to Kent District Councils to maximise Council Tax collection	3.5	-0.4	3.2	3.5	-0.4	3.2	0.0	0.0	0.0
Finance	16.4	-6.5	9.9	16.4	-6.5	9.9	0.0	0.0	0.0
Finance	19.9	-6.9	13.0	19.9	-6.9	13.0	0.0	0.0	0.0
Governance & Law	7.6	-0.3	7.3	7.6	-0.3	7.3	0.0	0.0	0.0
Local Member Grants	0.3	+0.0	0.3	1.0	+0.0	1.0	0.7	0.0	0.7
Governance, Law & Democracy	7.9	-0.3	7.6	8.7	-0.3	8.3	0.7	0.0	0.7
Strategic Commissioning	9.3	-1.6	7.6	9.3	-1.6	7.6	0.0	0.0	0.0
Resettlement Schemes, Domestic Abuse and Civil Society Strategy	4.4	-4.0	0.4	8.9	-8.5	0.4	4.5	-4.5	-0.0
Childrens and Adults Safeguarding Services	0.9	-0.6	0.3	1.0	-0.6	0.4	0.1	0.0	0.1
Strategy, Policy, Relationships & Corporate Assurance	9.3	-4.7	4.6	4.8	-0.3	4.6	-4.5	4.5	0.0
Strategy, Policy, Relationships & Corporate Assurance	14.6	-9.3	5.3	14.7	-9.3	5.4	0.1	0.0	0.1
Chief Executive Department	53.9	-20.8	33.1	54.8	-20.8	33.9	0.8	0.0	0.8

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Non Attributable Costs	138.7	-22.6	116.1	138.7	-22.6	116.1	0.0	0.0	0.0
Corporately Held Budgets (to be allocated)	22.3	-22.6	-0.3	22.3	-22.6	-0.3	-0.0	0.0	-0.0
Total excluding Schools' Delegated Budgets	2,040.6	-725.0	1,315.6	2,104.8	-786.5	1,318.3	64.2	-61.5	2.7
Schools' Delegated Budgets	733.6	-733.6	0.0	700.1	-700.1	0.0	-33.5	33.5	0.0
Total including Schools' Delegated Budgets	2,774.2	-1,458.6	1,315.6	2,804.9	-1,486.6	1,318.3	30.7	-28.0	2.7

Appendix 3 - Monitoring of Prudential Indicators as at 30 June 2023

The prudential indicators consider the affordability and impact of capital expenditure plans, in line with the prudential code.

Prudential Indicator 1 : Estimates of Capital Expenditure (£m)

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Total	235.3	393.8	347.40	308.50	229.50	176.8

Prudential Indicator 2: Estimate of Capital Financing Requirement (CFR) (£m)

The CFR is the total outstanding capital expenditure not yet financed by revenue or capital resources.
It is a measure of the Council's underlying borrowing need.

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Total CFR	1,292.42	1,345.30	1,288.15	1,329.77	1,308.77	1,268.11

Prudential Indicator 3: Gross Debt and the Capital Financing Requirement (£m)

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the CFR.

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Other Long-term Liabilities	222.40	235.80	222.40	222.40	222.40	222.4
External Borrowing	802.47	771.80	771.89	742.56	710.34	685.11
Total Debt	1,024.87	1,007.60	994.29	964.96	932.74	907.51
Capital Financing Requirement	1,292.42	1,345.30	1,288.15	1,329.77	1,308.77	1,268.11
Internal Borrowing	267.55	337.70	293.86	364.81	376.03	360.60

Prudential Indicator 4 : Authorised Limit and Operation Boundary for External Debt (£m)

The Authority is legally obliged to set an affordable borrowing limit (the authorised limit for external debt).
A lower "operation boundary" is set should debt approach the limit.

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Authorised Limit - borrowing	802	946	946	905	875	849
Authorised Limit - Other long term liabilities	222	232	222	222	222	222
Authorised Limit - total external debt	1,024	1,178	1,168	1,127	1,097	1,071
Operational Boundary - borrowing	802	896	822	855	825	799
Operational Boundary - Other long term liabilities	222	232	222	222	222	222
Operation Boundary - total external debt	1,024	1,128	1,044	1,077	1,047	1,021

Prudential Indicator 5: Estimate of Finance Costs to Net Revenue Stream (%)

Financing costs comprise interest on loans and minimum revenue provision (MRP) and are charged to revenue.
This indicator compares the net financing costs of the Authoity to the net revenue stream.

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Proportion of net revenue stream	9.18%	8.40%	8.30%	7.69%	7.41%	6.98%

Prudential Indicator 6: Estimates of Net Income from Commercial and Service Investments to Net Revenue Stream

	22-23 Actual	23-24 Estimate	24-25 Estimate	25-26 Estimate
Net income from commercial and service investments to net revenue stream	0.64	0.47	0.38	0.20

Appendix 4 - Reserves Monitoring as at 30 June 2023

	Balance as at 1 April 2023 £m	Forecast Contribution to/(from) Reserve £m	Projected Balance at 31 March 2024 £m
General Fund (GF) Balance	36.9		36.9
Budgeted contribution to/(from) in MTFP		5.8	5.8
	36.9	5.8	42.7
Earmarked reserves :			
Vehicle, Plant & Equipment (VPE)	20.3	(0.1)	**20.2**
Smoothing	109.2	17.4	**126.6**
Major Projects	68.9	(13.8)	**55.1**
Partnerships	31.4	(17.9)	**13.5**
Grant/External Funds	53.2	(23.2)	**30.0**
Departmental Under/Overspends	3.3	(3.1)	**0.2**
Insurance	13.2	(0.8)	**12.4**
Public Health	16.9	(3.3)	**13.6**
Trading	1.1	0.0	**1.1**
Special Funds	0.7	0.1	**0.8**
Total Earmarked Reserves	318.2	**(44.7)**	273.5
Total GF and Earmarked Reserves	355.1	**(38.9)**	316.2

Individual Maintained Schools Reserves	Balance as at 1 April 2023 £m	Forecast Contribution to/(from) Reserve £m	Projected Balance at 31 March 2024 £m
School delegated revenue budget reserve - committed	19.0	(0.1)	18.9
School delegated revenue budget reserve - uncommitted	41.8	(0.3)	41.5
Community Focussed Extended Schools Reserves	0.3	0.0	0.3
Total Individual Maintained School Reserves	61.1	(0.4)	60.7

DSG Adjustment Account - Unusable Reserve

	Balance as at 1 April 2023	Forecast Contribution to/(from) Reserve	Projected Balance at 31 March 2024
	£m	£m	£m
DSG Adjustment Accounts	**(61.4)**	**(11.3)**	**(72.7)**

The General fund Reserve has been increased as agreed by County Council in the 2023-24 MTFP.

The earmarked reserves are decreasing mainly due to the following:

- £19.2m drawdown from the Covid-19 emergency grant reserve to fund the continuation of projects.
- The 'Smoothing' reserves include a drawdown from the Kings Hill Smoothing Reserve of £14.4m to fund the 2023-24 safety valve.
- The 'Smoothing; reserves show a net increase of £16.0m, this includes the transfer of £6m from 'Major Projects' reserves, transferring £2m of which is used to set up the Emergency capital events & abortive costs reserve along with further £1m contribution as per the recommendation in section 2 of this report, and £4m for the recategorization of Capital Feasibility reserve as a smoothing reserve. As well as the transfers there is a £12m contribution to the risk reserve.

Within the smoothing reserves, £2m has been moved from the Earmarked Reserve to Support Future Years Budgets to create a new reserve, also within the smoothing category, entitled Budget Recovery Reserve. This is to support the plan for Securing Kent's Future.

The DSG Adjustment Account deficit has increased due to pressures in Schools Funding. More details can be found in Section 10.

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From: Roger Gough, Leader of the Council

Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

Amanda Beer, Interim Chief Executive

Zena Cooke, Corporate Director of Finance

To: Cabinet – 5 October 2023

Subject: Securing Kent's Future – Budget Recovery Strategy

Classification: Unrestricted

Summary: This paper sets out the Budget Recovery Strategy – *Securing Kent's Future* - required to address the in-year and future years financial pressures the council is facing. The paper sets out the position of the Cabinet and the Corporate Management Team regarding the overall financial position of the authority, the specific drivers causing this financial pressure and the specific and broader action that can be taken through Securing Kent's Future to return the council to financial sustainability.

Recommendations: Cabinet is asked to:

1. Note the Financial Recovery Plan set out at Appendix 1.
2. Note the Urgent Actions with Immediate Impacts set out in the Financial Recovery Plan at Appendix 1 to bring the council back into balance for 2023/24, albeit with significant reliance on non-recurring savings.
3. Note the Urgent Actions with Medium to Long-Term impacts set out in the Financial Recovery Plan at Appendix 1 as necessary to support the development of a sustainable 2024/25 budget and MTFP.
4. Agree to the further development and inclusion of the actions in the Financial Recovery Plan at Appendix 1 into the draft Budget 2024/25, to be published late October / early November 2023.
5. Agree to the prioritisation of the 'New Models of Care' objective within the strategic statement, *Framing Kent's Future* as the council's primary objective to meet its Best Value duties.
6. Agree the position set out in paragraph 4.5 regarding delivering the Best Value statutory duty, and the requirement for Best Value considerations to be evidenced in all service, policy, and budgetary decisions at all levels of the council.
7. Agree the need for increased risk appetite set out at paragraph 7.2, and for any changes necessary to the council's Risk Management Policy to be made and considered by the Governance & Audit Committee as appropriate.
8. Agree the four objectives outlined for *Securing Kent's Future* and to develop *Securing Kent's Future* as the Strategic Business Plan 2024/25.

1. Introduction:

1.1 On 17 August Cabinet considered a report setting out the revenue budget position at the end of June for the financial year 2023/24. This showed a forecast overspend of £43.7m before management action, reducing to £26.7m after identified management action savings (£10m from adult social care and £7m capital programme financing). These budget pressures have arisen despite County Council setting a budget in February for 2023/24 that provided significant additional investment into front line services to 'right size' their budgets given forecast pressures driven by demand and inflation, predominantly in adults and children's social care.

1.2 Both the Corporate Management Team (CMT) and Cabinet have accepted that a continuing in-year overspend on the scale forecast represents a fundamental financial risk to the council's ability to set a balanced budget for 2024/25 and a sustainable Medium Term Financial Plan to 2026/27. The political and officer leadership of the council share the view that given the current financial climate across the local government sector, it is critically important that there is transparency in regard to our financial position, so as to provide assurance that our budget monitoring has identified the in-year structural overspends early, and set out in balanced and proportionate terms the challenge and opportunity that exists for the council to respond to it.

1.3 As a result, a budget recovery strategy is necessary to bring the council back into financial sustainability, to secure the provision of services for Kent residents whilst meeting our statutory Best Value duties. The budget recovery strategy (Securing Kent's Future) will require a multi-faceted, multi-year programme of activity to ensure the council is financially sustainable in the medium-term.

1.4 The aim of this paper is therefore to set out:

- The background regarding the financial pressures facing KCC
- Why the Council must prioritise the Best Value statutory duty
- An analysis of the cost drivers on the Council budget
- The four objectives that will underpin 'Securing Kent's Future'
- The consequential risks on the Council and how these will be managed
- Roles and responsibilities between Executive Members, Non-Executive Members and Chief Officers regarding the successful delivery of Securing Kent's Future

1.5 Given the scale of the financial and delivery challenge, Securing Kent's Future will necessarily be iterative. This paper focusses on setting out the broad strategic approach to be taken, with a specific focus on providing the reassurance on the necessary actions already agreed by CMT to bring the 2023/24 budget back into balance as quickly as possible. Furthermore, it will also set out the identified opportunity areas for further savings, accelerated transformation of the council alongside possible policy choices, all of which provide the scope to deliver significant savings over the next MTFP period.

1. Background:

2.1 The significant pressure on local government finances is well documented in the sector, regional and increasingly the national press. Several authorities over recent years have issued Section 114 (S114) notices under the 1988 Finance Act, often referred to as a council declaring effective bankruptcy, but more accurately should be described as a statutory stop on all non-essential spending. The most recent example of Birmingham City Council issuing a S114 Notice on 5th September 2023 (and a second S114 notice on 21 September). However, this has followed several other local authorities, including Northamptonshire (2018), Slough (2021), Thurrock (2022), Croydon (2020, 2021, 2022) and Woking (2023) all issuing Section 114 notices in recent years.

2.2 There has been some speculation in the national press that the financial position of the council may soon see us issue a S114 notice. The administration considers the risk of a S114 notice and its consequences to be wholly unacceptable and avoidable. Talk of an imminent S114 notice misreads the council's current pressures and financial position, and both Cabinet and the Corporate Management Team are clear that there are a range of measures open to the council, in the form of management action, policy decisions and service transformation that will allow the council to be brought back into financial sustainability.

2.3 Issuing a S114 notice would do severe damage to the council's reputation, leading to a loss of resident, user, partner, provider and staff confidence in the council and its services, and may lead to the imposition of Commissioners by the Secretary of State. This would create a democratic deficit whereby major decisions on the priorities, structure and funding of services are no longer driven by democratically elected Members, but by unelected and imposed Commissioners, undermining the fundamental principle in local government that major decisions are taken by elected representatives directly held to account through the ballot box.

2.4 Whilst the S114 would require a statutory stop on all non-essential expenditure, it is perfectly possible for any council to put in place similar control measures before a S114 notice is necessary. The Government have given a clear indication that they would not seek to 'reward' failing authorities that issue a S114 notice with additional monies. Therefore, there is no immediate or identifiable benefit from issuing a notice. The S114 regime, designed in the late 1980s, was not intended to deal with systemic issues with service demand and local government funding, but to provide a mechanism of control for those authorities where, often for political reasons, decisions were being taken outside the scope of agreed budgets, decision-making and good governance.

2.5 The issuing of a S114 notice invariably triggers the Secretary of State to commission a Best Value inspection of those authorities (although it is worth noting that the Secretary of States powers allow informal and formal intervention even without a S114 notice). These inspections, the reports of which are made public, allow common traits to be identified that have led to the need to issue a S114 notice. Often, this is because the councils have overleveraged their borrowing capacity to finance commercial investments, where systems of internal control have broken down and not been remedied over repeated years, or where a single event has become a trigger for consequential budget pressures (e.g. the equal pay claim on Birmingham City Council).

2.6 It must be reiterated that KCC is not facing any of these fundamental issues that have driven S114 notices to date. Our commercial investments, predominantly through our 100% ownership of Commercial Services Group (CSG) are well capitalised, securing continued growth, and critically, deliver a stable dividend return to the council. Our accounts are up to date and unqualified, we have a robust Treasury Management Strategy and MRP (Minimum Reserve Position) policy, a thorough and transparent Annual Governance Statement assurance process, an effective Governance & Audit Committee, an agile risk-based internal Audit Plan with independent oversight of management follow up, and well-developed Risk Management arrangements. Whilst the council does face significant additional pressures because of the impact of issues at the UK border, and particularly at the Short Straits crossing, (e.g. Unaccompanied Asylum-Seeking Children) the council is proactively engaged with Government on the support to be provided to Kent to fully mitigate that specific risk.

2.7 The wave of authorities that have either publicly, or privately, recently indicated that they are now under increasing financial stress are those where there are no bad commercial investments or reported weaknesses in internal control. Rather upper tier authorities are generally reporting significant additional pressure in one or more of Adult Social Care, Children's Social Care or Home to School transport services (and in the case of unitary councils, also temporary accommodation costs) beyond their capacity within their existing financial envelope. As will be seen in Section 5 below, KCC is facing very similar pressures, largely but not exclusively driven by significant increase in the costs to deliver social care placements from providers. In that sense, our challenges as a council are similar to, but proportionately larger in scale given Kent's size, to many upper-tier local authorities the length and breadth of the country.

2.8 However, there are some pressures unique to Kent that collectively compound the pressures that the Council is facing. For example, the border challenge and consequential pressure on the UK immigration and asylum system are more significant in Kent than any other part of the country, given Kent's strategic location as the Gateway to Europe and the main entry point into the UK through the Short Straits channel crossings. This creates additional pressure on the county's children's services when the County Council must become the corporate parent for Unaccompanied Asylum-Seeking Children (UASC) under the Children Act. The well documented failings with the National Transfer Scheme for UASC therefore place additional pressure on Kent as it holds the corporate parenting responsibility when the policy intent of the Government is for local authorities to share the burden held by Kent. The nature of the children's services provider market in Kent, particularly the foster care market, is impacted not just by UASC, but by the decision of other local authorities to place their own Looked After Children in Kent; this limits capacity for placing Kent Looked After Children in foster care, but also drives market pricing. The peninsular nature of the county creates additional pressure on wider public services, particular about securing the workforce necessary to support health and care services, and this creates additional pressure on NHS and care providers particularly in the east of the county, who must compete with London to secure professional and support staff.

2.9 These compounding effects, which often require significant management and member focus, make the task of addressing some of the challenges Kent is facing more difficult and more acute than in other parts of the country. However, it must be remembered that these have also given us a resilience as an organisation in recent years, as the county has coped with the contingency planning and impact of EU exit, subsequent border and transport disruption, a Kent based Covid-19 variant, alongside significant asylum challenges that are unparalleled in other local authorities. Our resilience and scale must now be brought to bear around a single common objective: to Secure Kent's Future.

2. Framing Kent's Future – Prioritising 'New Models of Care and Support'

3.1 In May 2022 the County Council approved 'Framing Kent's Future' the strategic statement for the council. This set out four priorities for KCC over the period 2022-26, including:

- Levelling Up Kent
- Infrastructure for Communities
- Environmental Step Change
- New Models of Care and Support

3.2 It is important to note that Framing Kent's Future recognised the financial challenges the Council was facing and the need for significant service reform to meet the challenges of the post the Covid-19 global economy**.** The foreword to Framing Kent's Future stated:

"The financial position of the council is unlikely to improve, as government funding is stretched ever further by competing priorities. The scale of the changes necessary to our services and how we work may be difficult for some residents, users, staff, and elected Members to initially accept. But change will be a pre-requisite if the council is going to deliver successfully for Kent and place itself on a sustainable footing for the medium and long-term."

3.3 What could not have been anticipated at the time of writing was that the inflation considered by the Bank of England to be a short-term consequence of national and international economies unlocking following the Covid pandemic (compounded by inflationary impacts to energy markets caused by the Ukraine war) and the subsequent workforce challenges, would become hard wired into the UK economy. This has meant that many of the economic and budgetary assumptions upon which council services, particularly for a council reliant on third party provision of services through the market, have not held. The financial and economic climate the council is now facing in delivering services is materially different from where the anticipated we would be when Framing Kent's Future was written.

3.4 These economic and workforce issues have impacted the social care market particularly hard in Kent, given the need for providers to now compete with other sectors of the economy for workers, whilst also competing with the demand pull for workers from London. With a significant number of care providers in Kent being independent, increases in costs for pay, goods and services for providers has, in some cases impacted viability, with some providers choosing to exit the market completely. This has had the overall effect of weaking the resilience of the market, even when demand for social care placements from both the NHS and KCC has increased.

3.5 Whilst all the objectives set out in Framing Kent's Future are important, given the dominance of adults and children's social care on the council budget, and the simple fact that the budget pressures facing the council overwhelming come from social care, Cabinet must now take a policy decision to prioritise the objective of delivering New Models of Care and Support within Framing Kent's Future. Our expectation is that all council services, within Adults and Children's Social Care, but also across the Chief Executive's and Deputy Chief Executive's Departments and the Growth, Environment and Transport (GET) Directorate, must collectively prioritise support delivering the New Models of Care and Support objective as a collective enterprise.

3.6 This is not to say that all work on delivering the first three priorities in Framing Kent's Future should stop. The council has dedicated staff working hard to deliver these ambitions and much of this 'core' work can continue. However, the scope of these three objectives will have to be scaled to the level of investment, funding and management time and capacity that can reasonably be given to them. Additional resources and focus on these priorities will unlikely be possible in the MTFP period, as they are not currently business critical to meeting the council's Best Value statutory responsibility.

3. Why the Council must prioritise its Best Value statutory responsibility:

4.1 One of the critical issues facing local government as whole is significant expansion of the legislative framework councils operate in. This has extended statutory duties on councils without the necessary financial resources being made available by way of increased government funding or income generating powers to cover the additional duties imposed by successive Governments.

4.2 Considering the widespread pressure on local government finances and recent increases in authorities either issuing or considering issuing S114 notices, the Department of Levelling Up. Housing & Communities (DLUHC) have recently issued revised statutory Best Value guidance (subject to consultation) which seeks to remind authorities of their duties under Part 1 of the Local Government Act 1999 to *"make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the combination of economy, efficiency and effectiveness*". The guidance goes on to explicitly state, and thus interpret, the Best Value duty, as: *"In practice, this covers issues such as how authorities exercise their functions to deliver a balanced budget, provide statutory services, including adult social care and children's services, and secure value for money in all spending decisions".*

4.3 The implication is clear. Those councils that cannot balance competing statutory duties, set a balanced budget, deliver statutory services, and secure value for money are not meeting their legal obligations under the Local Government Act 1999. The Government's position, codified in the revised Best Value guidance, is nothing new. Best Value inspections authorised by the Secretary of State of those authorities that have issued a Section 114 notice have consistently identified council failure as being underpinned by an inability to meet the Best Value duties to set a balanced budget and deliver a sustainable medium term financial plan. Without financial sustainability there can be no sustainable services.

4.4 Whilst the council can lobby, both individually and collectively with partner organisations such as CCN and the LGA for reform to the legislative framework (particularly in adults and children's social care and SEND services) or lobby for additional funding to meet specific issues (e.g. funding to mitigate the impact of the Government's decision to remove Supported Borrowing), these issues are not directly controllable by the council, as they are matters for Government and Parliament. Therefore, they cannot be relied up on as the basis for any financial recovery strategy. Only by prioritising the delivery of our Best Value duties will the council be able to meet its fiduciary duty to Kent residents.

4.5 The statutory Best Value duty must frame all financial, service and policy decisions from this point forward, and services must pro-actively evidence the best value considerations in all decisions. Without ensuring best value, we will not be capable of meeting our wider statutory duties, and the services which flow from them, upon which our residents rely.

4.6 All officers, particularly Chief Officers, Directors, and Heads of Service, must prioritise the Best Value duty in their strategic and operational decisions as well as their advice to executive and non-executive Members. All Members, when discharging their respective roles within the council, whether executive or non-executive, should also prioritise Best Value considerations.

4. Analysis of budget pressures:

5.1 Throughout August the Kent Analytics team, working with Finance and colleagues in the service Management Information Units (MIU) have undertaken an analysis to assess which factors are most strongly driving increases in spend across the services areas where budget pressures/overspend are most significant. These are:

- ASCH care and support spend (in Older Persons, Learning Disability, Mental Health and Physical Disability)
- SEND home to school transport
- Children in Care (CIC) placements

5.2 This analysis identified the following key insights:

- In **older people's placements** the growth in spend between Q1 2022/23 and Q1 2023/24 was 17.5% (or +£10.6m) but of this increase only 9% (+149clients) was accounted for by an increase in the client numbers. 91% of the spend increase was accounted for by significant increases in weekly placements costs (+£92 per week)

- Breaking placements down by placement type indicates that Homecare, Long Term nursing and Short-Term nursing placements are driving additional costs.
- In **learning disability placements**, the growth in spend between Q1 2022/23 and Q1 2023/24 was 9.6% (+£5.1m) but again, the growth in the number of client numbers was a relatively modest 1.7% (+59) accounting for just 16% of the total increase in spend, with the average weekly cost of a placement being up +£91per week, and accounting for 84% of the total increase in spending.
- When looking at placement types for learning disability the spend increase is being driven by Long Term residential care placements (+£85 per week) accounting for 20% of the total increase in spending on learning disability, and the costs of the Supporting Independence Service (SIS) / Support Living (SL) with weekly placements costs at +£140 per week, accounting for 57% of the total increase in spending on learning disability.
- In **mental health placements** the growth in spend between Q1 2022/23 and Q1 2023/24 was 17.8% (or +£2.0m) with an increase in the number of clients of 12.4% (+157clients) accounting for a 63% of the total increase in spend. 37% of the spend increase was for increases in weekly placements costs (+£50per week). Importantly, the number of people starting a placement has been increasing at a higher rate than placements ending over the longer-term trend.
- In **physical disability placements** the growth in spend between Q1 2022/23 and Q1 2023/24 was 15% (or +£2.4m) with an increase in the number of clients of 2.3% (+158clients) accounted for 13% of the total increase in spend. 87% of the spend increase was for increases in weekly placements costs (+£62per week).
- In regard to **Children in Care (CIC) Placements** (non-UASC, non-disabled) the growth in spend between Q1 2022/23 and Q1 2023/24 was 18% (+£2.6m quarterly spend). Of the overall increase in cost, 31% is directly due to an increase in the number of CIC, 35% is due to an increase in the average weekly cost of different placement types, and 34% is due to a change in the distribution of types of placement (partly driven by overall increase in demand and availability of placement types).
- In **SEN Home to School Transport** (July 22 vs July 23) the growth in spend was 31% (+£15.2m). Of the overall increase in cost, 37% of the spend increase is directly due to an increase in the number of SEN pupils receiving home to school transport of 10.7% (+668 pupils), 63% of the spend increase driven by an increase in the average cost per day of SEN travel of (+£8). Given the limited number of school days per year, this means that the increase in the average cost per day drives 67% of the total spend increase compared to 33% from the increase in the number of clients.
- The average cost per client per day for hired transport for SEN pupils is now over 3.5 times more expensive than for a Personal Transport Budget (PTB) having increased by 20.5% compared to 0.3% for hired transport.

5.3 As a result of this analysis, it is possible to draw several conclusions that must shape the council's position in the medium term from both a financial and policy perspective:

- The driver of costs across overspending services is complex, but it is not simply a matter of the council meeting additional demand through an increased number of clients. Indeed, in many areas the absolute increase in client numbers requiring support has been relatively modest. Rather, the significant increase in spending is largely driven by unsustainable increases in costs the council is meeting to secure services from market providers. As a result of these increased placements costs, relatively modest increases in client numbers have a disproportionate and exponential increase in the costs of securing provision.

- Given the cost drivers are directly linked to service placements the ability to change these costs once the service provision has been procured and agreed are limited, with each ‘cohort’ of clients effectively locked in for a period that service has been agreed or the service user may be entitled – in many instances for multiple years. Consequently, even if the council changed policy, practice, or provision immediately for new service users, the ongoing cost of placements procured from market providers at prices beyond what the council can reasonably afford creates a structural deficit in the council’s budget that will require remedial action over the course of this and future MTFP periods.

- Adult social care is intractably linked with the pressures and complex demands faced by the NHS. The need to discharge patients from hospital drives placement decisions driven by short-term clinical rather than long-term social care need. In some cases, this drives placement decisions that are not appropriate from an adult social care point of view, but which then hard wire those higher placement costs into the council budget, given immediate health and social care needs must be prioritised. The need for the council to work with NHS Kent & Medway to support a sustainable hospital discharge pathway, and a fair and appropriate apportionment of costs between health and social care, is critical if both the health and care system in Kent are to remain viable.

- Our response to market changes and service pressures has not kept pace with the evolving situation. Whilst the changes in the care market post Covid have escalated rapidly, the disconnection between our commissioning practice and services who are making placement decisions on an individual basis, and have a stronger working relationship with providers, has meant that KCC has not managed the market as quickly as market changes and pressures have required. A focus on procurement and a contractual relationship is insufficient to engage and manage providers to redesign services to changing need. In part, this issue has already been recognised through the recently completed Strategic Commissioning restructure in KCC, which has seen commissioning staff transferred back to Directorates to provide capacity to design service solutions around service need, and working on the appropriate provider / delivery model, rather than default to procurement.

- The interplay between the council’s policy and its practice when assessing and providing services needs to be tighter. The cost driver work provides indications that in some instances, council policy is not being sufficiently applied in practice when assessments are undertaken, which both risks the possibility of overprovision, impacting on the council’s finances, and then limiting the ability of the council to change that provision as the assessment decisions was made by KCC. Strengthening both the operational policy framework, and its implementation through service practice, is critical.

5. Securing Kent's Future – Four strategic objectives:

Objective 1: Bringing the 2023/24 budget back into balance:

6.1 As early budget monitoring highlighted the emerging in-year overspend for 2023/24, the Corporate Management Team have been working to identify budget savings that would allow the council to bring its spending in-year back to the approved budget set by County Council in February. It is vital that the council does not overspend in the current year as this would create further need to use limited reserves to fund revenue overspends, weakening the financial resilience of the authority and limiting the scope for the use of reserves to invest in transformation necessary to address the structural deficit.

6.2 As noted in paragraph 1.1, following management action, the forecast overspend reported to Cabinet in August was £26.7m. Table 2 in the Financial Recovery Plan sets out the contribution identified by each Directorate of additional targeted savings for 2023/24, whether they are one-off savings or recurring, and the cumulative impact. As noted in the Plan, some of the detailed workings for specific savings are still in development and therefore firm numbers can only be provided in the draft Budget for 2024/25 to be published later in the autumn.

6.3 Paragraphs 2.1 – 2.6 of the Financial Recovery Plan at Appendix 1 set out the range of measures, identified as Urgent Actions with Immediate Impacts which can help address the in-year overspend.

- Further Management Action from Directorate Management Teams
- Review of spending from reserves
- Potential receipts from assets
- Consultant led review of spending growth and savings opportunities.
- Review of strict compliance with existing policy
- Reserves review
- Cross cutting review of non-committed spend

6.4 By far the most significant of these actions is the cross-cutting review of non-committed spend, which has a delivery target of £11.4m for the remainder of the year. Managers across the whole organisation will be expected to avoid non-essential spending in areas such as recruitment of staff to vacant roles, agency staff, use of external venues for meetings, professional fees, and supplies and services.

6.5 It should be noted however that where the recruitment to roles is considered essential to support the council to deliver services safely and effectively, this will continue to be permitted, and this should be the judgement of senior service managers with the responsibility and accountability for budgets, balancing the immediate need for savings with the immediate service pressures which may be present. KCC is not immune from the workforce challenges facing the wider economy and weaking the capacity and capability of services to deliver efficiently and effectively will ultimately prove counterproductive. However, as outlined in Paragraph 2.2 of the Plan, there will be a further tightening of spending approval limits for new staff hires, interim staff, agency staff and consultants, with spend for higher graded posts/costs held at Director and Corporate Director level to drive accountability.

6.6 CMT are confident that full implementation of these urgent actions, alongside delivery of already agreed budget savings or compensating alternatives, will ensure council spending is brought back into balance by the end of the financial year. However, a significant number of these additional savings are one-off and non-recurring, and as a result do not relieve the forecast pressure on the 2024/25 budget and MTFP. As a result, work to deliver Objective 2, the delivery of savings, cost reductions and increases in income to set a sustainable 2024/25 budget and MTFP must continue and be developed concurrently to the delivery of the additional in-year savings for 2023/24.

Objective 2: Delivering savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP:

6.7 Within the Budget Recovery Plan at Appendix 1, Section 3 outlines the actions necessary to identify the savings to allow the council to set a balanced budget for 2024/25 and a sustainable MTFP. Table 3 in the Plan sets out the full range of opportunity areas that CMT and Cabinet have identified to develop further. For the purposes of this report, it is worth noting three, given their significance:

- **Service transformation opportunities:** KCC exists to provide services that meet the needs of Kent residents whilst meeting our Best Value duty. Consequently, the council can only deliver budget sustainability through a significant focus on the services it provides and transforming them accordingly to continue to meet needs whilst bringing the budget back into sustainability. The cost driver analysis set out above has identified significant opportunities to further transform services and there are several service transformation opportunities that flow as a result. The list below is a non-exhaustive of some of the key service transformation opportunities that will be developed as part of Securing Kent's Future:

    - **ASCH provider market redesign/recommissioning:** Very significant recommissioning opportunities exist for the recommissioning of residential and domiciliary care contracts, to better meet client needs and mitigate significant forecast price increases. Partially avoiding these forecast increases in costs of homecare and residential care, and then ensuring that placement decisions take place within the framework contracts that are established through the recommissioning process to reduce off contract spend, will be vital. The scale of these contracts is such that significant resources across the council will be required to support the recommissioning process to ensure that these contracts fully support Securing Kent's Future, as this will be the single biggest action that can support a balanced budget for 2024/25.

    - **ASCH social care prevention**: Further work can be undertaken to identify risk in the population and design effective preventative interventions before needs develop and people present with multiple complex needs, which drives significant increase in cost of placements (e.g. falls prevention, older persons accommodation). Whilst this may reduce demand for social care, reducing forecast demand increases in the MTFP, it also has the potential to reduce demand to health services, including hospitals, which then will reduce the risk of inappropriate placement decisions through the hospital discharge pathway.

- **Hospital discharge pathway:** People presenting through hospital discharge for social care services invariably have complex needs, and pressures in the system can lead to inappropriate placement decisions. Through optimising the use of reablement, short-term beds and step-down beds, we can seek to avoid short-term support becoming longer-term dependency on social care. This work will need to be taken forward and developed jointly with NHS partners given it is a critical issue for both health and care services.

- **CYPE placement strategies**: Work to assess the opportunities that exist around sufficiency strategy, ensuring the right mix of placements and working towards bringing placement costs down. Although it is recognised that market and placement costs in Kent are impacted by UASC and other factors beyond the council's control.

- **Preparing for adulthood/transition:** Working across both ASCH and CYPE to optimise support for people between the ages of 14-25 as they transition from children to adult services, promoting independence in adult life. Working age people with learning disabilities are now living longer through better long-term management of medical needs, but this increases the need to promote independence earlier so long-term needs can continue to be met at reasonable cost to the council. Joint working with NHS partners will be critical given costs of support are incurred by both the NHS and social care.

- **Home to School Transport:** Primarily but not exclusively in SEN home to school transport (where the cost increase in both relative and absolute terms are most significant) there is a need to ensure that through the SEN assessment process the options for the Home to School transport are fully explained to parents and the policy position of the council regarding home to school transport is reflective in EHC plans. Also, there is a significant requirement to improve our commissioning and procurement practice for SEN transport, better scaling contracts so that they benefit from greater resilience and reduced costs.

It is anticipated that most of the impact from much of this service transformation work will reduce future cost increases during the medium-term financial plan period rather than deliver savings on current spend. This would result in reduced spending growth already included in the medium-term financial plan or to avoid adding further growth and reduce the risk of future overspends.

- **Contract review:** Nearly three quarters of the council's spend is with third party providers across the public, private, voluntary, and social enterprise sectors. With such a significant amount of council spend governed through contractual arrangements, the need to ensure that these arrangements fully provide Best Value to Kent residents and are fully reflective of the priority to deliver Securing Kent's Future is critical if budget sustainability is to be achieved. As set out in Section 5 above, stronger control of the contract pipeline as a result of the recent changes to the commissioning and procurement structures, will allow KCC to undertake a detailed review of all contracts coming up for renewal and make a Best Value judgement through the commissioning process about whether the need the contracted service is meeting must still continue to be met, whether a contracted service is the most appropriate way of meeting that need, and if it is, the right contractual mechanism is put in place.

- **Staffing review**: Whilst staffing costs in and of themselves are not a cost pressure on the agreed KCC budget, and in some service areas workforce challenges exist given the nature of the economy and the competitive market for specialist skills, the need to review our staff establishment to ensure it is fit for purpose at a council level is important. A cross cutting review will focus on three specific areas. Firstly, a rigorous application of the agreed Decision-Making Accountability (DMA) approach promoted by the LGA of the appropriate spans of control and layers of management within the council. Secondly, there is continued duplication in some areas between staff who are embedded in service Directorates and those working in similar or the same roles but in corporate teams. Inherently this isn't efficient and mitigates against the 'One Council' approach to specialist and business support which is best practice within public and private sector bodies. Thirdly, whilst accepting that in some services there are workforce issues, a review of the recruitment/deployment of agency staff will be undertaken to ensure agency costs (which are higher than directly employed staff) are only incurred when necessary. Whilst use of agency staff has a place within the workforce mix of KCC, given its flexibility, it is critically important that services do not become overly dependent on agency workers.

Objective 3: Policy choices and scope of Council's ambitions

6.8 Even through the significant period of austerity, KCC has remained ambitious for the residents of Kent and for the organisation. As the strategic authority for Kent, its role clearly goes beyond the provision of statutory services, and we are aware that many of the services that our residents most value can be those that the council operates voluntarily, which aren't required by law to be provided and are not funded by Government. As a result, over the course of successive administrations the council has worked hard to ensure that it keeps providing as many discretionary services as possible, and in many instances, providing discretionary services that have closed or been reduced in many other county areas. Whilst our overall policy position is still maintaining discretionary services that add value and support the outcomes the council is seeking to achieve, we must be more rigorous in assessing the value of those services, and where necessary rescope the council's ambition and interventions to something that is proportionate and affordable. This focus will require us to focus on three areas of activity:

- **Evaluation of statutory minimum requirements:** Whilst many of the council services have a statutory basis that either requires the council to provide them or gives residents the right to seek support from the council. In many cases statute does not define the service offer that must be provided. This becomes a matter for local choice influenced by legislation or wider determinants, such as case law or regulatory / inspection frameworks. This heightens the risk of over providing statutory services beyond what is needed and does not meet the Best Value duty on the council. We must review statutory services and the extent to which they are appropriately meeting need and supporting outcomes, and where necessary reshape that spend so it frees up resources for other services, including discretionary services.

- **Review of discretionary spending:** Discretionary spending must have a purpose and support meeting the outcomes for residents and communities the council is seeking to achieve. The council must review its discretionary spend and the extent to which there is objective or subjective evidence whether spend contributes to reducing demand on statutory services and/or meets the council's stated outcomes. In many instances, the key test for discretionary services is whether the need identified can only be met by the council, or whether other partners or providers, either public or private, are equally or better able to meet that need.

- **Full cost recovery on discretionary spend:** The council must review where it is possible and appropriate to seek full cost recovery on discretionary services to make them viable and sustainable. There is a need to ensure that there is full transparency about where budgets are effectively cross subsidising discretionary services and reducing the resources available for other/statutory services.

Objective 4: Further transforming the operating model of the Council:

6.9 Applying the service and policy changes the council set out in the first three objectives above will necessarily require a wider transformation of the council's operating model, both to support the delivery of Securing Kent's Future, but also to reflect the desire to reshape the council so delivery of Best Value is at the core of what it does and how it does it in the medium to long-term.

6.10 Almost certainly, KCC will need to be a leaner organisation, prioritising staff capability over capacity, with an ability to harness and leverage its scale in terms of service delivery, whether in-house or commissioned, drive new ICT and digital capabilities into its core service offer, with the corporate core enabling and supporting services on a 'One Council' basis, freeing services to focus on practice, service quality and resident/client outcomes. Whilst a revised operating model will require further development, it is possible to set out some core foundations that will be central to a changed operating model:

- **Embedding the Chief Executive model:** Putting the Chief Executive post back into KCC establishment after almost thirteen years of operating without one was the right thing to do for the organisation, bringing us in line not just with most councils, but nearly all organisations of scale across the public, private and voluntary sector. The necessary changes to systems and culture of the organisation are still embedding and require further support of all Chief Officers and all Members, in particular the need to strengthen the culture of professional accountability and responsibility for operational and strategic management actions in the council. Whilst Members are responsible for the overall strategic direction of the council through the budget, MTFP and policy framework, we are critically dependent on a strong management cohort driving delivery through services, with a Chief Executive with the capacity to make management interventions on Members' behalf when necessary.

- **Strengthening of the corporate core:** To support the Chief Executive deliver Securing Kent's Future, there will need to be a further strengthening of the corporate core of the organisation. In practice, this will mean aligning the Strategic Reset Programme (SRP) around the priorities of Securing Kent's Future and further strengthening the SRP team to take a stronger delivery and oversight role of the project and programmes necessary to deliver financial sustainability. This will give the CEO greater visibility and assurance around delivery of SKF actions. Whilst KCC has a strong performance culture within services, there is a clear need to strengthen corporate performance management capacity across the council, with a rebooted corporate performance framework providing a stronger means of control over core activity to support the CEO to assess and intervene earlier when performance issues become evident.

- **Digital, Automation and AI:** The council has already made significant inroads into leveraging the opportunities from digital transformation and automation. For example, the council has developed an in-house 'centre of excellence' within its ICT team focussing on digital transformation and automation within existing Microsoft 365 capabilities. This is already improving systems and processes at service level whilst also building out the capability and confidence of the wider workforce to use these tools to change the way that they work. The recently agreed Digital Strategy sets out how the council can accelerate digital change to drive further efficiencies whilst also improving service quality and responsiveness. There is also significant opportunity through the rapid development of AI and Large Language Models (LLM) to both assess data, and provide tools to support service delivery, freeing staff to undertake more high-value tasks. The council has already started to use AI and LLM capabilities within services, and a recently agreed AI policy provides a framework to explore and adopt the use of AI safely. Whilst AI is not without some increased risk, the use of AI will increasingly become the norm across both public and private sectors, and the opportunity of AI to transform services cannot be ignored.

- **Driving management culture across all services:** The focus on Best Value in Securing Kent's Future will ask staff, managers, and strategic leadership of the council to weigh the broader interests of the whole council against the narrow interests of a, or their own, specific service. This shift will require a focus on changing the culture of the organisation from some learned behaviours that have existed for many years. Developing and strengthening management culture requires careful consideration and planning, but there are two key areas where culture is impacting on the council's financial capacity and should be challenged. One reason for our existing pressures is an assumption on the part of some staff and managers that some other part of KCC will 'find' the money to meet their client or service needs. Instead, the council requires a culture of delivering within financial constraints to be an expected and required part of the management culture across all services in KCC. A second example is an overreliance on delivering change through separate project and programme management resources. As a result, relatively minor projects have dedicated change resource which is both expensive and creates a dislocation between projects and services which often slows delivery of change. Whilst dedicated project and programme teams have their place at a strategic level for major change activity, delivering change is, in the first instance, the responsibility of all managers across the organisation.

6. Consequential Risk and Risk Appetite:

7.1 The scale of the change required to deliver Securing Kent's Future will necessarily mean that the council must be cognisant of the wider risks that may materialise. In summary, these risks may include:

- **Delivery risk:** Securing Kent's Future will require the organisation to undertake multiple savings and transformation programmes concurrently, whilst also delivering business as usual activity. For example, delivering new savings in Objective 1 and designing savings in Objective 2 concurrently, whilst also delivering already agreed savings set out in the current MTFP creates clear delivery risks. The council also has several critical enabling projects, such as Enterprise Business Capability (EBC) system replacement which must successfully be delivered on time and on budget. As noted already, the council also has some significant capacity gaps in key services due to workforce pressures, and the increases in demand in some services will also require ongoing management action. The capacity of corporate services such as Finance, HR/OD, and Technology to support the level of activity inherent in the overall programme will also be severely stretched. Whilst delivery risk is inherent given the size of the financial challenge facing the council, this can be mitigated in part through the strengthening of the Strategic Reset Programme (SRP), realigning the SRP team and Board to support and oversee the significant delivery activity within Securing Kent's Future. Moreover, there must be a rigorous focus on the prioritisation and sequencing of decisions and service changes within Securing Kent's Future to optimise the staffing and financial resource available to support its successful delivery. It is also critical that managers and staff are properly and effectively engaged to set out clearly their contribution to Securing Kent's Future. Disengaged staff will be a significant risk to successful delivery.

- **Risk transfer to system and partners:** The council's services do not exist in isolation, but in many cases are part of an interdependent 'system' across a wider network of public, voluntary, social, and private sector partners. The scale of the change required to deliver Securing Kent's Future will invariably require the council to move at significant pace, and in some cases, will require the council to take decisions to meet its Best Value duty which are contrary to system efficacy and/or partner relationships. Whilst the council will do everything in its power to attempt to avoid cost shunting onto partners and is committed to being transparent with partners about the choices and actions it will need to take, almost inevitably, the impact on partners may be significant and, as such, should be acknowledged.

- **Regulatory risk:** Many of the council's services are subject to regulation and inspection by third party organisations established such as Ofsted and Care Quality Commission (CQC). The inspection frameworks used by such regulators are often focussed on professional practice, service quality, client relationships, and outcomes for clients/individuals. The financial position of the service, or indeed the council, is often assumed or ignored within these regulatory frameworks, and little to no account is taken about the financial resources or capacity of the council to meet demand to the standards expected. The reality of Securing Kent's Future, as noted above, is that the financial capacity of the council must be material to the level and quality of service it can provide, and as such, Securing Kent's Future may require decisions that materially impact on the council's ability to meet regulatory inspection framework or assessment. Whilst the council will do everything it can to meet the quality and practice thresholds expected through regulatory inspection and assessment within the resource available it cannot come at the expense of the financial stability of the council.

- **Risk of legal and other challenge**: As noted earlier, underpinning Securing Kent's Future is the need to balance the council's Best Value duty against the wider set of competing statutory duties placed upon it. There is significant risk that where the council makes decisions that secure Best Value, the possibility of legal or other challenge from interested third parties will increase. The council is highly unlikely to be able to fully mitigate the risk of legal challenge and successfully deliver Securing Kent's Future at the pace required. As such, the risk of legal or other challenge is not a measure of our overall success. Rather, the ability of the council to defend its actions as logical, necessary, proportionate, and complying with the necessary legislation and case law regarding good governance and decision-making, will be the measure of success in mitigating this risk.

7.2 Given the above, in delivering Securing Kent's Future, the council is necessarily required to increase its risk appetite to successfully mitigate the significant financial risk it currently faces. Holding an elevated level of risk appetite is necessary and proportionate to the consequential impact of council failure if remedial action is not taken to address the financial position. Accepting increased risk appetite will help both the staff, partners and providers understand the seriousness of the council's financial position and help promote more ambitious and radical solutions to the design and delivery of our service offer. The formal risk appetite statement is set out in the Risk Management Policy, and this policy will be updated as a matter of urgency to codify and reflect the risk appetite for Securing Kent's Future and will be subject to review and scrutiny by the Governance & Audit Committee.

7. Governance, Assurance & Audit:

8.1 Robust governance and scrutiny of the proposals and plans of individual proposals within scope of Securing Kent's Future will be critical to successful delivery and providing the necessary transparency for assurance of the council's overall financial position. However, whilst normal governance process and procedure will apply, the requirement to deliver at pace is clear. A significant proportion of the actions, particularly in Objective 1, will be deliverable through management action, and these should be taken as soon as possible at the appropriate management layer where delegations allow.

8.2 As we move into Objectives 2 and 3, the need for Key Decisions to be made is also clear, but where management action through delegations can be used as approval, then it should be used as the most expeditious route to delivery. Whilst the council will endeavour to ensure proposals are considered by Cabinet Committees in their pre-scrutiny role, Cabinet will not allow pre-scrutiny to inappropriately delay the Executive in taking the necessary Key Decisions to support delivering Securing Kent's Future. Should further scrutiny of Key Decisions be required, this can be undertaken by the Scrutiny Committee fulfilling its statutory role.

8.3 The role of Internal Audit and the Governance & Audit Committee will be critical to providing that independent assurance on the overall position of Securing Kent's Future, over and above the usual financial monitoring undertake by Corporate Finance. Given the internal audit plan is risk focussed, the Head of Internal Audit will review and make recommendations on whether any reprioritisation of planned audits should be proposed to take account of Securing Kent's Future, and any changes proposed to be considered and agreed by the Governance & Audit Committee.

8. Further development of Securing Kent's Future:

9.1 As noted at the beginning of this paper, Securing Kent's Future as the overall budget recovery strategy for KCC will necessarily be iterative. Detailed savings proposals, particularly for 2024/25, will be further outlined in the draft 2024/25 budget, building on the details set out at Appendix 1.

9.2 The need to ensure delivery of Securing Kent's Future cannot be solely undertaken through the budget process. There is a need to ensure the urgency and priority given to the service changes and financial commitments made within Securing Kent's Future are clearly understood at all levels of the organisation, and further shapes management focus and resourcing decisions. It is expected that service activity which does not support Securing Kent's Future objectives is reprioritised or deprioritised accordingly.

9.3 Therefore, it is proposed that delivery of Securing Kent's Future activity is taken forward through the council Strategic Business Plan 2024/25, alongside enhanced financial monitoring and reporting, building on the detailed delivery plans that are currently being agreed by services and the Corporate Management Team. It is also proposed to develop and agree the Strategic Business Plan earlier in the business planning cycle, aligning it to the budget timetable, and before divisional and service business plan are developed, so that alongside the budget, it shapes and drives prioritisation and resourcing decisions across all council services.

9. **Recommendations**:

Cabinet is asked to:

1. Note the Financial Recovery Plan set out at Appendix 1.
2. Note the Urgent Actions with Immediate Impacts set out in the Financial Recovery Plan at Appendix 1 to bring the council back into balance for 2023/24, albeit with significant reliance on non-recurring savings.

3. Note the Urgent Actions with Medium to Long-Term impacts set out in the Financial Recovery Plan at Appendix 1 as necessary to support the development of a sustainable 2024/25 budget and MTFP.
4. Agree to the further development and inclusion of the actions in the Financial Recovery Plan at Appendix 1 into the draft Budget 2024/25, to be published late October / early November 2023.
5. Agree to the prioritisation of the 'New Models of Care' objective within the strategic statement, *Framing Kent's Future* as the council's primary objective to meet its Best Value duties.
6. Agree the position set out in paragraph 4.5 regarding delivering the Best Value statutory duty, and the requirement for Best Value considerations to be evidenced in all service, policy, and budgetary decisions at all levels of the council.
7. Agree the need for increased risk appetite set out at paragraph 7.2, and for any changes necessary to the council's Risk Management Policy to be made and considered by the Governance & Audit Committee as appropriate.
8. Agree the four objectives outlined for *Securing Kent's Future* and to develop *Securing Kent's Future* as the Strategic Business Plan for 2024/25.

Appendices:

- Appendix 1: Securing Kent's Future – Detailed Financial Assessment of budget proposals

Background Papers:

- Cost Driver Assessment by Kent Analytics Service, Corporate Board,
- Securing Kent's Future – Budget Recovery Strategy & Financial Reporting, KCC Cabinet, 17 August 2023

Report Author:

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Financial Recovery Plan – Securing Kent's Future

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From	Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
Relevant Director	Zena Cooke, Corporate Director of Finance
Report author	Dave Shipton, Head of Finance Policy, Planning and Strategy
Circulated to	Cabinet
Classification	Unrestricted

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Background Documents

1. County Council Budget meeting 9th February 2023
https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=113&MId=9026&Ver=4

2. KCC Share of Retained Business Rates and Final Local Government Finance Settlement 2023-24 report to Cabinet on 30th March 2023
https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=115&MId=8995&Ver=4

3. Revenue and Capital Budget Outturn 2022-23 report to Cabinet on 29th June 2023
https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=115&MId=8997&Ver=4

4. Securing Kent's Future = Budget Recovery Strategy & Financial Reporting report to Cabinet on 17th August 2023
https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=115&MId=9380&Ver=4

Headline 1 2022-23 revenue outturn was overall £47.1m overspend (3.9% of net revenue).	The provisional outturn was reported to Cabinet on 29th June 2023. This showed a net revenue overspend of £47.1m. Overspends before roll forwards were reported in Adult Social Care & Health (ASCH) of £24.4m, Children, Young People and Education (CYPE) of £32.7m, Growth Environment and Transport (GET) of £0.9m, Deputy Chief Executive Department (DCED) of £1.6m. These were partly offset by underspends in Chief Executive Department (CED) of £3.5m and Non-Attributable Costs and Corporately held budgets (NAC) of £11.8m The most significant overspends were: • £30.5m older persons residential and nursing care in ASCH • £16.1m home to school transport in CYPE • £9.9m children in care in CYPE
Headline 2 The overspend was balanced through £47.1m drawdown from reserves (11.5% of general and earmarked revenue reserves).	The outturn was balanced through the drawdown of the total £25m risk reserve with the balance of £22.1m from the general reserve. The drawdown from general reserve amounted to 39% of this reserve and reduced the balance as at 31st March 2023 to £37.6m. This is below the recommended 5% of net revenue and general reserves will need to be replenished at the earliest opportunity. Earmarked reserves included a transfer of £17m to Dedicated Schools Grant reserve as KCC's 2022-23 contribution to the Safety Valve agreement with the Department for Education (DfE) as part of the high needs deficit recovery. A further transfer will be needed for the 2023-24 contribution, and future years' budgets will need to include £50.9m provision for the remaining contributions. The combination of drawdowns from risk and general reserves have reduced the Council's ability to withstand unexpected circumstances and costs. These reserves will need to be replenished at the earliest opportunity. The drawdowns and transfer have reduced the adequacy of reserves since the assurance given when approving 2023-24 budget.
Headline 3 Financial resilience was already reduced in comparison to other councils before 2022-23 outturn.	The latest available 2021-22 comparative financial resilience indicators from the Chartered Institute of Public Finance and Accountancy (CIPFA) shows that KCC's general and earmarked reserves excluding public health are 37.2% of net revenue (40.4% including public health). This is lower than the average for all county councils (49.5% excluding public health, 51.9% including public health).

	KCC's reserves as percentage of net revenue have reduced since 2020-21 (41.7% excluding public health, 42.9% including public health). The average reserves for all county councils have increased since 2020-21 (45.4% excluding public health, 46.4% including public health). This was not because KCC reduced reserves in 2021-22, but they increased by less than other county councils and net revenue increased by more. At this stage we do not know the extent to which other county councils reduced or increased reserves in 2022-23 in comparison to KCC's drawdown. The comparative level of reserves are likely to have been affected by the treatment of Covid funding and spending and therefore needs to be treated with some caution. The comparative reserves position for 2022-23 is expected to be published later this year and will provide a more comparable assessment of reserves levels.
Headline 4 Final revenue budget 2023-24 £1,318.3m after roll forwards	The revenue budget for 2023-24 was approved by County Council on 9th February 2023. At the time this did not include the impact of the final local government finance settlement or final share of retained business rates. These were reported to Cabinet on 30th March 2023 and resulted in a final approved net revenue budget of £1,315.6m (an increase of £124.1m on 2022-23). The final budget including £2.7m roll forwards (cash limit for 2023-24) is £1,318.3m.
Headline 5 2023-24 revenue budget included spending growth increases of £182.3m	Additional spending included £63.5m for the net full year impact of recurring 2022-23 budget variances, £65.2m forecast in-year price increases, £33.5m for forecast increases in demand and cost increases unrelated to price uplifts e.g. more complex packages of care, £14.2m for the 2023-24 pay award, and £5.9m service improvements. Additional spending excludes any increases funded by specific grants.
Headline 6 2023-24 revenue budget included savings and income of £51.9m	Savings and income included £23.3m from policy changes (service reductions), £14.9m increased income (client charges and contributions), £9.7m from efficiencies and transformation (mainly in relation to contracted services), and £3.9m financing savings (debt charges and investment income). Savings and income exclude any on specific grant funded activities.
Headline 7 2023-24 budget included net drawdown from	The net increase from spending growth and savings/income of £130.4m was offset by a combination of increased funding and reserves. The main funding increases came from council tax of £52.9m (including 3% general increase, 2% adult social care increase and 1.45% tax base increase), additional grants for social care pressures of £51.6m, other grant increases (largely

reserves of £6.3m and increased funding of £124.1m	compensation for business rates reliefs) and retained business rates of £19.6m. The conditions for the additional social care grants and the council tax precept requirements effectively put a limit on the amount of savings that can be made in adult social care. These conditions and requirements effectively set a minimum spending increase for adult social care. From 2024-25 onwards the expectation is that this minimum passporting is the only increase for adult social care. The net drawdown from reserves came from additional contributions to general reserve (to maintain 5% of net revenue before the subsequent drawdown at the end of 2022-23) and local taxation equalisation reserve (from excess collection surpluses). There were reduced contributions to strategic priorities and regeneration reserves from insecure funding which were used to fund core spending in 2023-24. Drawdowns included £4.3m from corporate reserves to smooth spending (to be replaced and repaid in 2024-25 from savings).
Headline 8 Forecast Overspend for 2023-24 of £37.3m before management action	The first quarter's monitoring was reported to Cabinet on 17th August 2023. The biggest overspends are in the same areas as 2022-23 (adult social care, children in care and home to school transport). This is despite including additional spending in the budget for the full year effect of recurring spend from 2022-23 and forecasts for future price uplifts, increases in demand and cost increases unrelated to price uplifts. The latest monitoring as reported separately to this Cabinet Report is showing little change in the underlying structural overspends on people based services. The agreed action from reducing capital financing has now been incorporated reducing the forecast overspend before management action to £37.3m from the quarter 1 report, although it is important the structural overspend is still clearly identified. The immediate actions that are planned and as set out in section 2 of this report if fully delivered would reduce the overspend by £28.0m. This includes a target to reduce non committed spend by £11.4m plus £9.2m of one-off (totalling £20.6m one-off savings) and £7.4m of recurring savings from further management action. There is also the additional grant from the Market Sustainability and Improvement Fund amounting up to £9.4m, which has been confirmed since the last report, and following determination will be used to fund the increased fees for new clients (subject to final agreement of the plan for the use of this grant).

	If all these actions can be achieved, and the forecast spending does not materially change then 2023-24 would be close to balanced by year end.
Headline 9 Forecast gap for 2024-25 of between £31m to £72m	The core principles for the 2024-25 local government finance settlement were announced as part of the 2023-24 settlement. This included the council tax referendum principles and further additional funding through social care grant, market sustainability and improvement fund, and hospital discharge fund. The latest estimate is that funding through grants, council tax and retained business rates is around £93m. The latest estimate for spending growth is between £146m to £165m. The range reflects uncertainty over the trajectory for inflation from the latest Bank of England forecasts, and different scenarios for future demand and cost increases unrelated to price uplifts. As well as spending growth there is need to set aside an additional £30m in reserves. This includes KCC's contribution towards the Safety Valve agreement with DfE from 2024-25 onwards, replenish general reserves for the draw down at the end 2022-23 over 2024-25 and 2025-26, and replenish smoothing reserves used to balance 2023-24 budget. Any further use of reserves in 2023-24 would increase the requirement to replenish reserves in 2024-25 and increase the budget gap. Additional savings and income of between £30m to £52m. The range reflects the savings for 2024-25 in the published 2023-26 MTFP at the lower end with further potential savings for initial assessment of 2024-25 recovery plan quantified to date at the upper end. <u>Summary table showing lower and upper end of 2024-25 budget planning scenarios.</u>

	Lower End £'m	Upper End £'m
Spending Growth	146	165
Contribution to Reserves	30	30
Savings & Income	-52	-30
Increases in General Funding	-93	-93
Forecast Gap	31	72

Headline 10 Council's overriding priority is to deliver financial recovery plan over next 18 months to 2 years	Cabinet agreed on 17th August the council priority must be deliver a financial recovery plan to Secure Kent's Future. This plan must address the structural deficit on spending and improve the council's financial resilience. The plan includes immediate short-term measures to bring 2023-24 into balance, and more importantly over the medium term to reduce future spending growth and/or identify mitigating savings and income to offset growth and to restore and improve reserves. As outlined in the August report this paper sets out more detail on the recovery plan. This is set out in separate sections dealing with urgent actions that are expected to have an immediate impact in 2023-24 and the more structural actions which will take longer to deliver and will not have an impact until 2024-25 or 2025-26. Reserves remain a possible mechanism to smooth the transition between the one-off actions and the medium to longer term structural changes and to support invest to save measures to support the recovery (including temporary external support). However, reserves are not a mechanism to fund recurring spending and would need to be replenished from future savings. The additional costs of developing the recovery plan are one-off and need to be funded from reserves. Any use of reserves for smoothing or invest to save purposes would require replenishment and would further impact on the adequacy assessment in the short-term.

2.1 Corporate Management Team has been focussing on the immediate actions which can be taken across the whole council to bring the overspend in 2023-24 down and to reduce the risk of further drawdown from reserves. The team acknowledges that many of these actions are one-offs (or in some cases can be repeated in 2024-25) and therefore do not resolve the underlying structural deficit on spending largely in people based services in ASCH and CYPE. Table 1 sets out a summary of the immediate actions together with an indication of when these would take effect.

2.2 The plan will need to be responsive to further developments both from more up to date monitoring forecasts and progress on delivering the recovery plan. At this stage the emphasis is on enhanced monitoring to identify if we are on track, if this proves to show that further action is needed to balance the current year this will be agreed/taken if and when it becomes necessary to ensure we end the year as close to balanced as possible.

Table 1 – Actions with Immediate Impact

	2023-24	**2024-25**	**Later Years**	**Brief description of activity**
Immediate Actions				
Cross cutting review of non-committed spend	✓	✗	✗	Budget, spend to date and forecast for selected subjective codes. Directorates to consider spending restrictions
Further Management Action templates	✓	?	?	Directorates are completing templates to identify further targeted savings across all services but with particular regard to those forecasting overspends.
Review of spending from reserves	✓	✓	?	Review of uncommitted spending directly funded from reserves. This would not reduce revenue spending but would increase the level of reserves
Potential receipts from assets	✓	✓	✗	Review of all assets other than surplus property with regard to possible disposals
Review of early payments	✓	✓		Saving from taking fuller advantage of early settlement discounts through call-ff contract with Oxygen Finance Ltd for the supply of Early Payment Services

Consultant led review of spending growth and savings opportunities	✓	✓	✓	Review areas of highest growth and overspend in ASCH & CYPE to identify transformation opportunities to generate savings and mitigate growth and support services to deliver this.
Review of strict compliance with existing policy	?	✓	✓	Evaluation of spend on people-based services in excess of current policies. This is unlikely to yield significant savings in 2023-24.
Reserves review	✓	✓	✗	Finance led review of existing reserves and appropriate levels commensurate with forecast future requirements and risks. This could result in reduced contribution in 2023-24 and/or 2024-25 as well as releasing reserves to replenish previous drawdowns and/or support the recovery plan

2.3 The cross cutting review of non-committed spending from KCC funded activity (i.e. this does not include spending funded from external grants or spending related to securing other income) will include recruitment of staff to vacant roles, agency staff, use of external venues for meetings, specialist and consultant fees, and supplies and services. Managers across the whole organisation will be expected to avoid spending in all these areas. The following immediate steps will be applied for the remainder of 2023-24 together with regular monthly monitoring reporting. The target for savings from cross cutting reviews is up to £11.4m although until the additional steps and reporting has been put in place it is not possible to identify how close we are to this target:

Staff contracts& premises

- Responsibility for approval required at Corporate Director level for all new external staff appointments at KR13 and above.
- Responsibility for approval required at Director level for all new external staff appointments at KR9-KR12.
- Responsibility for approval at budget manager level for all new external staff appointments at KR8 and below, and all new internal appointments, at budget manager level.
- Reports will monitor the number of new external staff appointments at the above levels but will not be able to identify how many new staff appointments have been avoided. Financial reports will identify revised actual and forecast staff spend at Director level.
- Accountability required at Corporate Director level for all new agency staff appointments at more than £600 a day.
- Accountability required at Director level for all new agency staff appointments at day rates between £300 to £600.
- Accountability required at budget manager level for all new agency staff appointments at less than £300 a day.

- Monitoring reporting of actual and forecast agency staff spend at Director level.
- No external venues to be hired for internal meetings excluding staff training. Internal meetings with only KCC staff must be held in KCC owned facilities or via MS Teams. Meetings with public, clients or external partners can still use external venues but only as a last resort where KCC facilities are inappropriate. Actual and forecast spending on external venue hire to be reported at Director level.

Specialists and Consultants

- Accountability for new contracts at Corporate Director level for contracts over equivalent of £500k per annum.
- Accountability for new contracts at Director level for contracts over equivalent of £100k per annum
- Accountability for new contracts at budget manager level for contracts under equivalent of £100k per annum
- Monitoring reporting of actual and forecast spend on specialists and consults at Director level.

Supplies and Services

- No additional approval or accountability responsibilities for supplies and services spend (remains at budget manager level). All new actual and forecast spending to be reported at Director level.

2.4 Directorates have reviewed specific areas of spending with targeted savings identified. Savings have been identified separately for one-offs and recurring amounts in 2023-24, together with further savings in subsequent years. In some cases the savings are additional to existing savings already included in the 2023-24 budget, and in some cases they are new savings. Table 2 provides a high level summary of the additional targeted savings. These have been split into those already incorporated into budget monitoring reports (either already in forecasts or identified as management action) and those that are additional to existing reported forecasts.

Table 2 – Targeted Savings (management action)

	2023-24 One-Off £000s	2023-24 Recurring £000s	2024-25 Additional Recurring £000s
ASCH – already reported	4,310	5,700	4,529
CYPE	1,700	1,550	TBC
GET	1,480	TBC	TBC
CED/DCED	1,670	150	100
Cross Cutting Review of Non Committed Spend	11,400		
Directorate Total	**20,560**	**7,400**	**4,629**
Non Attributable – already reported and in latest forecast	4,000	3,000	
Total	**24,560**	**10,400**	**4,629**

2.5 The overall impact of these further actions on cross cutting spend and directorate targeted spend will be identified separately in future budget monitoring reports. This will serve the dual purpose of not disguising the underlying structural deficit (which must be resolved over the medium term) and enable separate reporting on progress on the individual actions.

2.6 Receipts from the sale of any assets on the balance sheet including those from non-surplus property assets would still have to be accounted for as capital receipts. There are restrictions on the ability to use capital receipts for revenue spending and separate reporting requirements. Non property assets include a range of cultural assets.

2.7 On 28th July the government announced a further £570 million of ringfenced funding across 2023--24 and 2024-25 to local authorities through the Market Sustainability and Improvement Fund. The government expects that this funding to be used to improve and increase adult social care provision, with a particular focus on workforce pay and increasing workforce capacity within the sector, to ensure that appropriate short-term and intermediate care is available to reduce avoidable admissions and support discharge of patients from hospital when they are medically fit to leave. £365m will be allocated in 2023-24 (KCC's share is £9.375m) with a further £205m in 2024-25. Local authorities will need to provide a summary description, aligned to NHS winter surge plans, of how they will use this funding to ensure sufficient capacity to meet potential adult social care surges in demand over winter by 28th September 2023. The details of the additional £9.4m Market Sustainability and Improvement Fund grant have been confirmed since the last report and following determination will be used to fund the increased fees for new clients (subject to final agreement of the plan for the use of this grant).

2.8 The other immediate actions in table 1 will affect levels of reserves, capital receipts or are likely to have a limited impact in 2023-24 and do not require detailed action steps at this stage as it is vital that most attention is given to the cross cutting and targeted savings which will need to deliver the vast majority of the solution to bringing 2023-24 back into balance.

3.1 As well as the urgent actions which are intended to have an immediate impact there are a range of other actions which are also urgent although these are unlikely to result in any savings or spending reductions in 2023-24 due to the lead times. These actions are focussed on addressing the underlying structural deficit on people based services either from changing the recent trends that have resulted in substantial spending growth, or other mitigations where growth is now expected to be the new normal. Inevitably this means that these actions will result in a combination of future cost avoidance as well as savings on current spending. Table 3 sets out a summary of the immediate actions together with an indication of when these would take effect. Inevitably these actions still require some further development.

Table 3 – Actions with Medium to Long Term Impacts

	2023-24	2024-25	Later Years	Brief description of activity
Review of cost drivers to reduce future growth/risk of overspends		✓	✓	Identify and influence those cost drivers which services can affect to drive down future cost increases (and if possible savings on current spend). Introduce regular monitoring and reporting on of key cost drivers to maintain oversight of changes in price and units of activity, and to ensure corrective action can be taken at the earliest opportunity
Special assistance from government e.g. restitution of supported borrowing		?	?	Independent evaluation of significant aspects of local government finance settlement that are unique to Kent (or a limited number of authorities) which could be addressed in advance of delayed Fair Funding reforms
Quality assurance of resource envelope submissions		✓		Review Directorate spending and saving templates for a) completeness and b) to ensure submissions have supporting evidence that is robust and stacks up, is consistent with previous year's policies where applicable, and that consistent use of things like inflationary indicators has been applied.

Staffing considerations		✓	✓	Cross cutting to include layers of management, embedded staff vs central functions, and recruitment/deployment of agency staff
Further savings and income plans for MTFP		✓	✓	Ongoing approach as part of developing draft 2024-25 budget and 2024-27 medium term financial plan. There will need to be a process to identify which of the long list of savings/income options and any optional spending growth should be included in the draft and final budget publications
Contract review		✓		Review of all contracts due for renewal over the next 12 months to identify those which can lapse and not recommission and those that need to be recommissioned with reduced specification/scope.
Evaluation of statutory minimum requirements		?	✓	Focus on statutory services and the extent to which relative spending influences relative outcomes
Review of discretionary spending		✓	✓	Review of discretionary spend and the extent to which there is objective or subjective evidence whether spend contributes to reducing demand on statutory services and/or the council's stated outcomes
Full cost recovery on discretionary spend		✓	✓	Further evaluation of the extent to which charges for discretionary services represent full cost recovery or whether charges mean services are being provided with subsidies or concessions.

3.2 A comprehensive analysis of the changes in activity and spending in the key areas of people based services (adult social care, children in care and home to school transport) has been undertaken to compare cost changes between quarter 1 in 2023-24 and 2022-23. This analysis was intended to provide a better understanding of the factors driving cost increases over the last year such as changes in client numbers (demand), changes in price (inflation) and other changes affecting costs such as higher needs, market factors, type of placement, use of procurement frameworks, etc. It was not intended to identify the cost drivers affecting total spend. This is very important distinction so for example if there has not been a significant increase in the number or needs of clients discharged from hospital into social care between Q1 2023-24 and 2022-23 this would not be a driver of cost increases, but the overall number of clients discharged is still a driver of total spending on social care.

3.3 Having identified the key drivers of spending increases the next detailed step is for services to identify which of these they can affect and to develop plans how to reduce future cost increases (and identify any retrospective savings opportunities to reverse previous increases) with support from Analytics and Finance. It is anticipated that the majority of impact from this work on cost drivers will reduce future cost increases rather than deliver savings on current spend. This would result in reduced spending growth already included in the medium-term financial plan or to avoid adding further growth, and reduce the risk of future overspends.

3.4 Quarterly monitoring will be established for 2024-25 for the key cost drivers to evidence the impact on activity and costs from enhanced service interventions on cost drivers. Detailed templates setting out the proposed actions to reduce cost drivers are in the process of being completed. The indicative range for savings from cost drivers towards the 2024-25 budget gap is £5m to £15m, recognising the lead-time to make changes means some of the impact is unlikely to be achievable until 2025-26. These templates will identify whether the intention is to reduce future costs or make savings on current spend, a description of the actions being taken, links to existing savings plans, timescale, estimated saving/cost reduction in 2023-24 and 2024-25, senior responsible officer and whether policy changes are required. Additional information on performance and finance metrics, any financial investment needed, and staff resources will be available for some of the actions where relevant. These would have to be agreed and accepted as part of the administration's draft 2024-25 budget proposals.

3.5 The targeted additional savings for immediate impact in 2023-24 identify those that have a recurring impact in 2024-25 along with some further savings which could be made in 2024-25. The next step is to revisit with directorates what further savings can be targeted in 2024-25 as part of the recovery plan. These would have to be agreed and accepted as part of the administration's draft 2024-25 budget proposals. The indicative range for further targeted savings of £22m is already included in the upper end of range on potential savings for 2024-25 in headline 9 of the summary table. A further ambition of up to £30m to come from targeted savings towards the 2024-25 budget gap is needed.

3.6 We have identified all contracts that are scheduled to be renewed over the next 12 months. The next step is to identify which of these contracts can be allowed to lapse or the specification significantly changed before contracts are recommissioned. The next step after that is then to identify the impact of not recommissioning contracts that could lapse or recommissioning contracts with reduced specification. The indicative range for savings from contract renewals is £10m to £30m towards the 2024-25 budget gap. Any savings from lapsing or recommissioned contracts as part of the recovery plan for 2024-25 would need to be agreed and included in the administration draft 2024-25 proposals when published.

3.7 It is anticipated that the most significant elements of the 2024-25 recovery plan will come from the work on cost drivers, further targeted savings and contract renewals. The indicative range for savings from other actions is up to £10m towards the 2024-25 budget gap. The indicative ranges for savings from cost drivers, targeted savings, contract renewals and other activities are a high-level estimate at this stage and more detailed plans will need to be developed for the administration's draft budget publication at the end of October and final draft budget proposals in January.

3.8 We have introduced a centrally co-ordinated approach to collating spending growth and savings plans into the overall budget planning. This will enable budget plans to be more easily considered and scrutinised at a more consistent granular level of detail and in a more accessible format. The next step is to pilot this new more accessible format in advance of publication of the administration's draft budget proposals for scrutiny in November. The earlier publication of budget plans is designed to allow more time for scrutiny and to allow time for key decisions on individual elements of the budget to be considered in principle (pending final agreement of the budget at February County Council) in the January committee cycle. This allows time for earlier implementation in the financial year with a greater share of savings and income achieved in the first year. The earlier publication of draft budget proposals does mean estimates will need to be based on longer range forecasts and it must be acknowledged this brings its own risks.

3.9 The comprehensive list of actions which includes further consideration of the type of spending e.g. staffing or contractual spend, together with service based analysis e.g. review of cost drivers, statutory or discretionary spend does present a risk that cost reductions and savings could fall under more than one category or could fall between the categories. Finance will play a key quality assurance role to ensure that this is not the case. At this stage it is inevitable there is less detail available about 2024-25 plans until this quality assurance has been completed and plans are ready to be published in accordance with the timetable for November cabinet committees.

3.10 Being able to set a balanced budget for 2024-25 is as important as the current year if we are to Secure Kent's Future. The demands on people led services in adults and children's are such that these will inevitably impact on 2024-25 both from the full year effect of current pressures and future forecast spending in the next year until the work to address the structural deficits begins to take effect. Addressing these structural deficits is key to securing the medium term future but further actions across the council as outlined in this recovery plan will need to be identified and agreed to close the forecast gap for 2024-25.

From: Joel Cook, Democratic Services Manager

To: Cabinet – 5 October 2023

Subject: Cabinet reconsideration of Decision 23/00069 (Post 16 Transport Policy Statement including Post 19 for 2024/25)

Classification: Unrestricted

Electoral Division: All

Recommendation:

Following the referral of Decision 23/00069 to the decision maker for reconsideration, Cabinet must reconsider the decision, taking account of comments expressed by the Scrutiny Committee on 13 September 2023.

Cabinet may confirm, amend or rescind the decision and ask that the decision maker make a written statement of the reconsidered decision to be sent to all Members of the Council.

1. Introduction

a) On 13 September 2023, the Scrutiny Committee considered a call-in made by Mr Alister Brady and Mr Rich Lehmann of decision 23/00069 (Post 16 Transport Policy Statement including Post 19 for 2024/25). The decision maker was Mr Rory Love, Cabinet Member for Education and Skills.

b) The Scrutiny Committee considered the call-in reasoning, with explanations provided by both Members responsible for the call-in, this was published with the agenda pack for the Scrutiny Committee and is available online. Members debated the issues, including wider considerations related to the costs of home to school transport. It was highlighted by the Executive that the removal of wholly free Post 16 transport for learners with SEND and/or mobility problems, by charging the equivalent amount of a KTS16+ pass was estimated to generate additional income of approximately £0.5m per year. The Council's current financial position had resulted in discretionary spending being reviewed, particularly with regards to the overspend of the home to school transport budget. It was noted that 1100 people were detailed in the decision paperwork as being affected.

c) Following the debate, the Scrutiny Committee agreed the following motion:

> *The Scrutiny Committee requires implementation of Decision 23/00069 to be postponed pending reconsideration of the matter by the decision-maker in light of the Committee's comments*

d) The following summarises the comments and concerns of the Committee:

i. Concerns that no risk analysis had been undertaken to fully understand the impacts that removing free transport would have on young people with SEND who wished to access further education and training;

ii. Concerns were raised about the lack of financial detail available to outline what support would be provided to those families on low incomes, other than those who qualify for the reduced price KTS16+ offered to those in receipt of free school meals (FSM), who currently utilised the free transport;

iii. Concerns were raised that the decision was not in line with the Council's Policy Framework document Framing Kent's Future. Framing Kent's Future pledged to 'work with our partners including schools and with the families of children with SEND to find sustainable solution that provide the tailored support that these children need to access appropriate education and opportunities that will help them lead a good life'. It was considered that this decision went against this pledge.

iv. Members wanted to further understand the implications of the decision, as well as explore what consideration the Executive had given to any alternative proposals, including alternative methods of commissioning home to school transport such as an in-house KCC bus service, as part of the decision-making process;

v. Concerns around the cost of transport for parents and Members requested additional figures outlining the potential cost;

vi. Concerns were raised around the social impact of removing free transport for young people with SEND, the impact on their social development and independence and Members requested a social impact study of this decision;

vii. Concerns that this decision could increase costs for low-income families and have a knock-on effect for young people with SEND who might no longer be able to access after school provisions.

Members requested additional information in the following areas:

viii. The potential cost to parents;

ix. A social impact study of this decision;

x. An assessment of the financial risk and knock-on costs if young people with SEND needs dropped out of further education due to transport costs – costs to Adult Social Care and an increase in benefit payments by central government – modelling of these costs;

xi. The cost of the home to school transport budget and further work on how this was being managed.

e) After the debate, the Committee resolved through majority vote to refer the matter back to the decision-maker for reconsideration.

2. Review by Cabinet

a) As a consequence of the Scrutiny Committee's decision, section 17.74 of the Constitution applies:

> *"In the event of a decision being referred back for reconsideration by either the decision-maker or the full Council, the Cabinet shall first reconsider it on the basis of a report setting out the comments expressed and confirm, rescind or amend the decision in the light of those comments. A written statement of that reconsidered decision will be published and sent to all Members of the Council."*

b) Section 17.74 of the Constitution requires that before a decision is reconsidered by the decision-maker, it must be formally reconsidered by Cabinet, in light of the comments made by the Scrutiny Committee. That provides an opportunity for the Executive to confirm, amend or rescind the decision before any further decision is made.

c) The outcome of Cabinet's reconsideration will be published and sent to all Members of the Council.

d) Should Cabinet confirm or amend the Decision, the original Decision-maker will then issue their final decision in light of both Scrutiny and Cabinet's comments.

3. Recommendation:

Following the referral of Decision 23/00069 to the decision-maker for reconsideration, Cabinet must reconsider the decision, taking account of comments expressed by the Scrutiny Committee on 13 September 2023

Cabinet may confirm, amend or rescind the decision.

4. Background Documents

Decision 23/00069 – Post 16 Transport Policy Statement including Post 19 for 2024/25:

- 23/00069 – Record of Decision
- 23/00069 – Decision Report
- 23/00069 – EqIA
- Appendix A – Post 16 Transport Policy Statement and Post 19 Transport Policy 2024
- Appendix B - Transport Consultation Report
- Appendix C – Analysis of wider UK Post 16 offer.
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Agenda, Scrutiny Committee, 13 September 2023: Agenda for Scrutiny Committee on Wednesday, 13th September, 2023, 10.00 am (kent.gov.uk) (including call in reasoning)

5. Report Author

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